

<http://www.pointcarbon.com/news/reutersnews/1.3348224>

SWEDEN TO BUY 500,000 CO2 CREDITS FROM UGANDA COOKSTOVE PROJECT

11 Dec 2013 16:24

LONDON, Dec 11 (Reuters) - Sweden will buy 500,000 U.N.-backed carbon offsets from a clean cookstove project in Uganda by 2021, the developer of the scheme said on Wednesday.

The deal marks the latest in a series of government purchase plans for Certified Emission Reductions (CERs) designed to keep the U.N.'s \$315 billion carbon market alive in the face of dwindling demand for carbon offsets.

The Swedish Energy Agency (SEA) will pay for the credits, which will be generated over the next six to seven years, once they have been delivered in 2021, UpEnergy CEO Erik Wurster said by telephone.

"We cannot reveal the price which will be paid but it is at a level which makes our project viable, which it certainly wouldn't be at current market prices," he said.

The value of exchange-traded CERs has sunk to around 0.40 euros from over 20 euros five years ago, after countries failed to agree a global climate pact that would have spurred demand.

But developers of cookstove projects say their permits command a premium because the energy-efficient stoves help poor households cut their cooking fuel bills while also helping to curb air pollution and reduce health risks.

Under the scheme, UpEnergy expects to distribute energy-efficient stoves to around 150,000 Ugandan households.

The agreement comes on top of a deal announced in October, when the SEA said it would buy 500,000 credits from cookstove projects in Ghana.

Sweden has been a prolific buyer of U.N.-backed carbon credits, purchasing around 19 million since 2002.

Earlier this year, the government said it planned to purchase another 21 million credits by the end of the decade.

Norway, Britain and Switzerland have announced similar deals to buy CERs over the past few months.

(Reporting by Susanna Twidale; Editing by Dale Hudson) ((susanna.twidale@thomsonreuters.com)(+44 207 5424753))