



Perspectives of Green Investment **Schemes**

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What is **greening**?

- **Supply and demand of AAU:**
AAU surplus in Russia (1,4 – 2,4 bill.), Ukraine (1,5 bill.), other central european countries (1,1 bill.) – Supply is likely to exceed demand of EU15, Japan and Canada
- **Avoidance of „hot air“ trading**
- **Linking of AAU transactions with reduction of GHG emissions/other environmental and social benefits through projects and/or programmes**
- **Soft/hard greening**



Possible risks of GIS

- **No active market for AAU, no established market price – (testing by auctioning)**
- **Seller: overestimation of AAU's – no eligibility**
- **Buyer:**
 - **no eligibility to acquire AAU's**
 - **no greening has taken place – value will be affected**
 - **Host government has overestimated AAU supply**



Advantages of GIS

- **Flexibility: no explicit framework by Kyoto Protocol**
- **Transaction can be linked to activities taking place after 2012 (e.g. large infrastructure projects)**
- **Host country and buyer can agree to transfer/payment of AAU before greening activity**



JI-GIS

- **GIS should not undermine JI**
- **Using JI track 1 comparable procedures??**
- **Interaction between JI project activities and GIS:**
 - **Using GIS revenue to help develop JI**
 - **Top up JI crediting after 2012**



Designing **GLS**

- **Scope: sectors where baselines are typically difficult to establish (e.g. transport or forest)**
- **Structure: Programmatic approach?**
- **Transparency requirements:**
 - **Mechanisms to ensure that greening activities take place – independent monitoring**



Designing **GIS**

- **Which units should be used: AAU – ERU (compatible with KP?)**
- **Differing requirements?**
- **Requirements:**
 - **Verification reports**
 - **Approval by host and investing country**
 - **Monitoring**



Chances/Opportunities

- **Opportunities for economies in transition to invest in climate friendly technologies and infrastructure**
- **Opening for new sectors and new approaches**
- **Financing beneficial policies and measures that can not be framed by JI**
- **Opening for post 2012 measures**



Thank you for your attention!

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