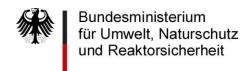


Perspectives of Green Investment Schemes

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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



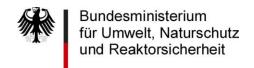
Possible risks of GIS

- 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 explizit 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



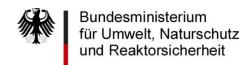
JI-GIS

- 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



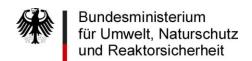
Designing GIS

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



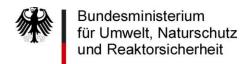
Designing GIS

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