



# Green Investment Schemes: The Austrian Perspective

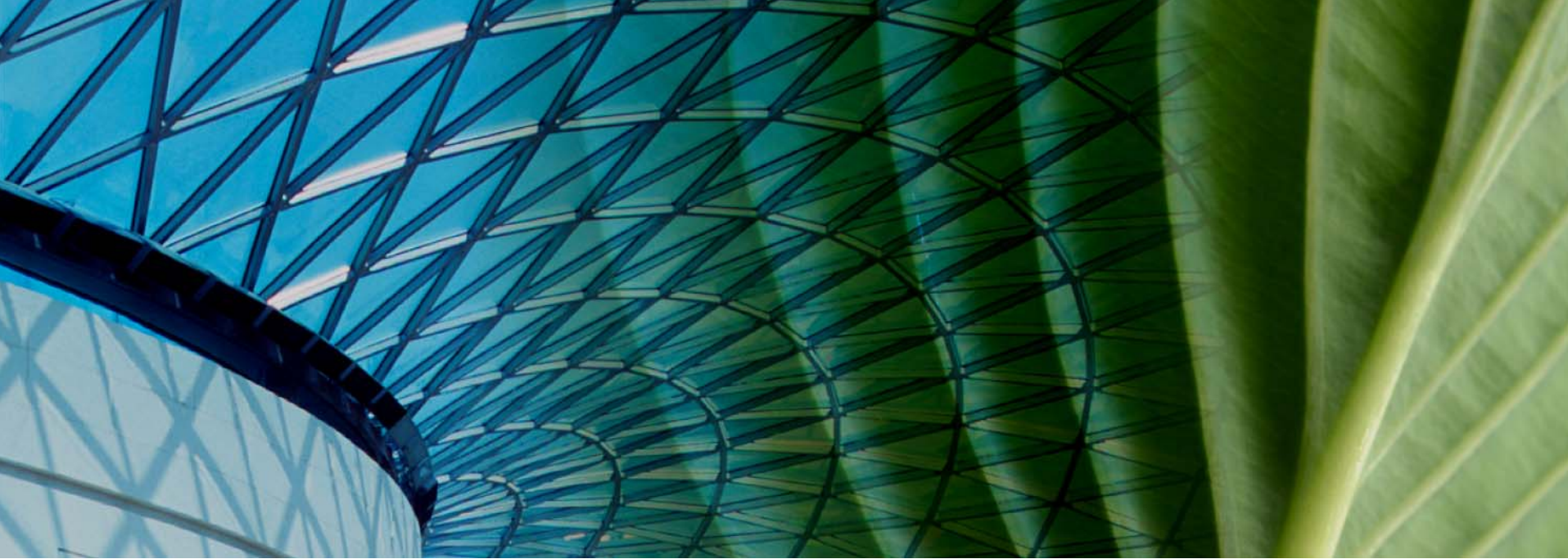
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## A. Overview of the current status of Green Investment Schemes

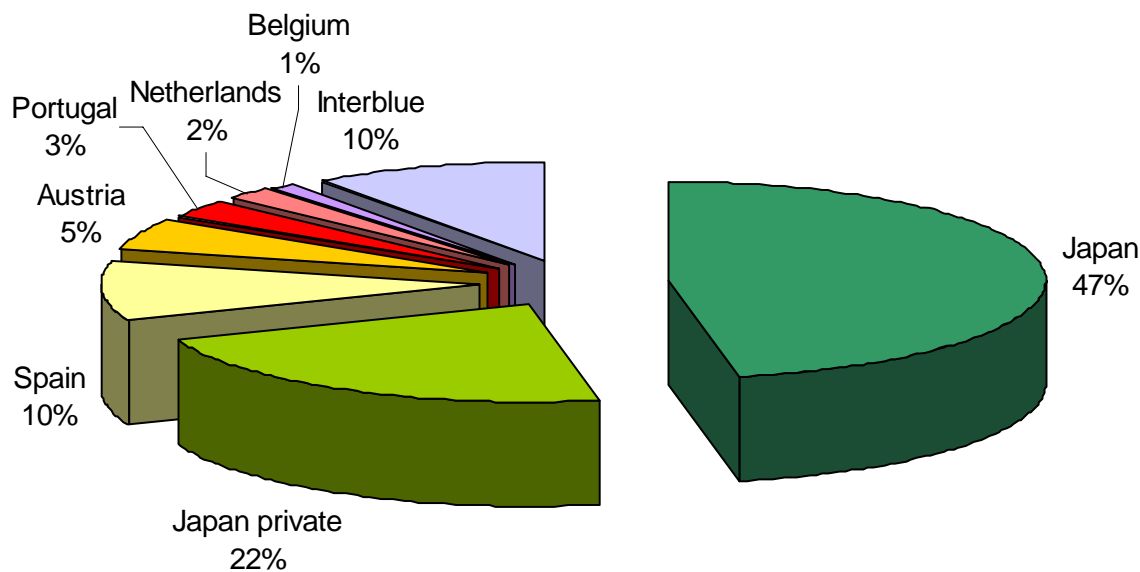
## GIS status report

- Art. 17 of the Kyoto Protocol - countries with surplus emissions can sell their AAUs to other Annex I countries
- Potential environmental and financial consequences of the surpluses are huge

## GIS status report

- Eastern European Countries together with Russia and Ukraine potential sellers
- A volume of about 8-12 billion AAUs estimated
- The reputation of the instrument is under discussion
- The size of the surpluses of old and new AAUs jeopardizes the environmental integrity of any future agreement
- Uncertainty in the Russian position – as largest holder of AAUs
- Growing interest of Japan to purchase AAUs and to use AAUs for business compliance
- About 15 deals have been concluded
- Sellers and Buyers become more sensitive concerning greening obligations

# GIS – Transactions 2008 - 2009



**15 Transactions of a volume of 155 Mio. AAUs**



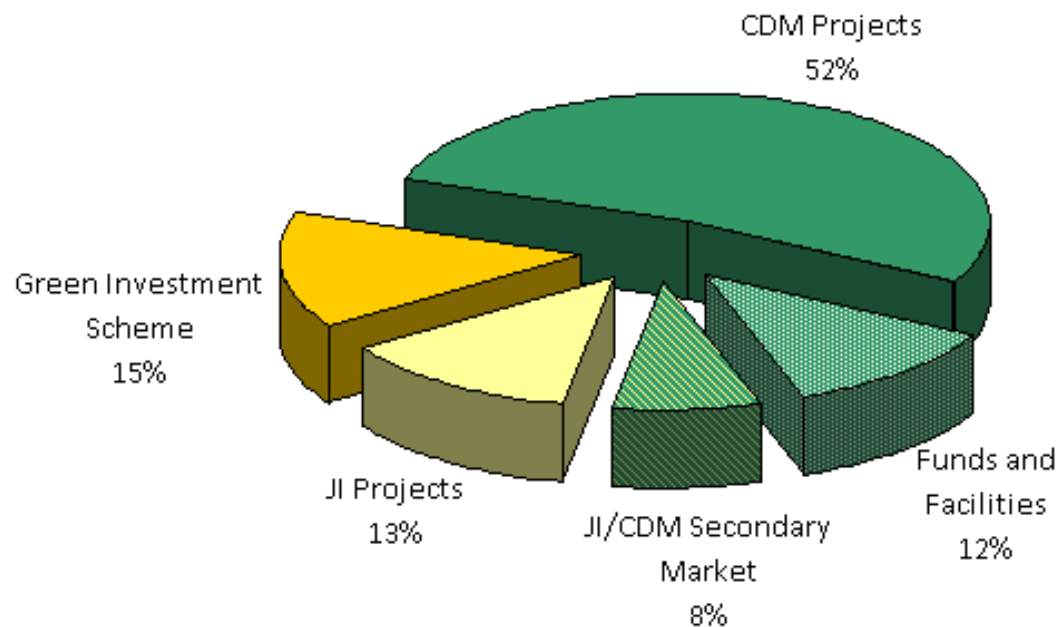
## B. The Austrian Approach to GIS

# JI & CDM Portfolio

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## Portfolio Composition - Project-Types Status January 2010



**Current purchase target: 45.0 Mio. t CO<sub>2</sub>e**  
**76 Emission Reduction Purchase Agreements**

## Expectations about GIS

- Governments as reliable Sellers
- Measureable CO<sub>2</sub> reduction through greening activities and environmental support schemes
- Effective allocation of resources regarding to CO<sub>2</sub> reduction
- Transparent monitoring measurements (annual reporting, regular meetings)
- Transparency with regard to use of funds (special budget line, external auditors)

## Our Focus on GIS

- Renewable energy
- Energy efficiency in residential and public housing
- Programmatic approach





## C. Our Experiences with GIS

## Opportunities through GIS

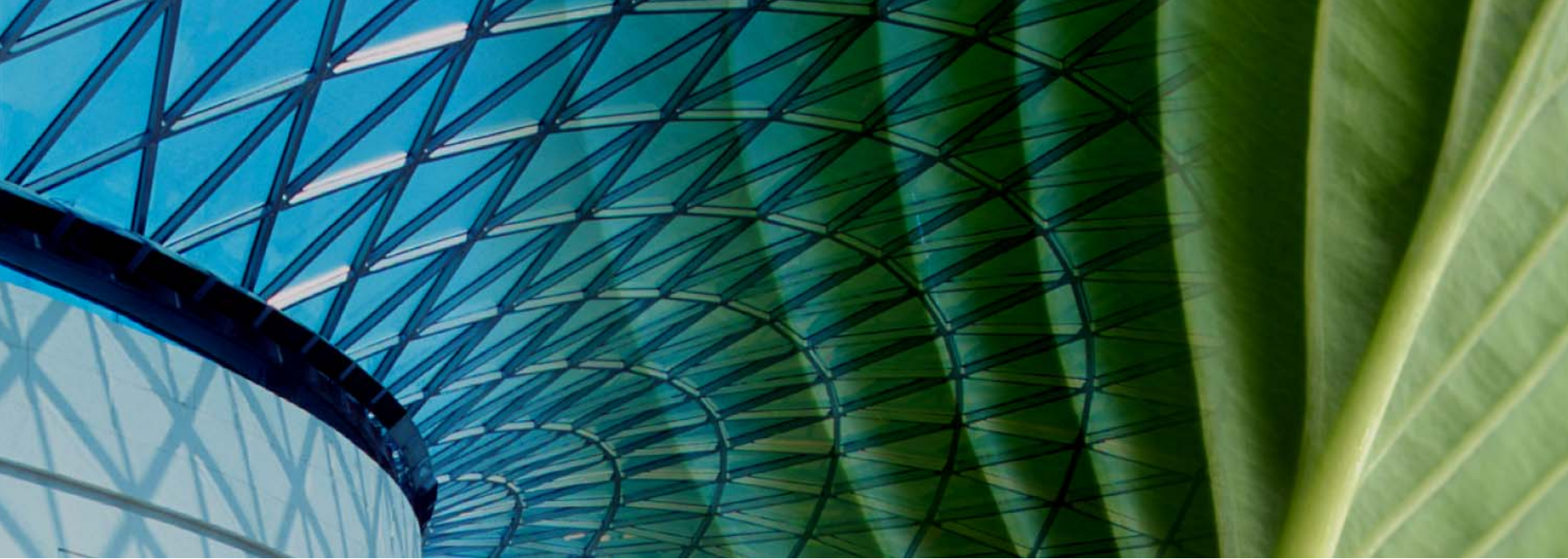
- Generation of significant funds for emission abatement investments such as efficiency improvements
- Flexible rules - agreements between selling and buying countries
- National experience in the implementation of national climate support schemes grow
- Targeted towards areas not reached by business as usual investments and policies like retrofitting of old buildings, building of zero and passive house buildings, solarthermal use – broad spectrum of possible project types
- Knowledge exchange concerning technologies and policies between selling and buying countries
- Development of suitable emission reduction measurements and verification systems

## Opportunities through GIS

- Tenders for emission reduction measurements committed and developed by Seller and Buyer
- Additional support compared to national funds does attract the market
- Due to funding obligations energy efficiency standards and labels get adapted to EU standards
- Export chances for environmental and energy technology

## Threats of GIS

- High surplus of AAUs might cause problems in the climate integrity of projects
- Revenue spendings in non-quantifiable emission reductions
- Short time frame for emission reduction project implementation
- Seller countries provide hard, soft and ungreened AAUs on the market which causes difficulties in differentiation concerning quality of AAUs
- Missing institutional capacity in seller countries for control and implementation purposes

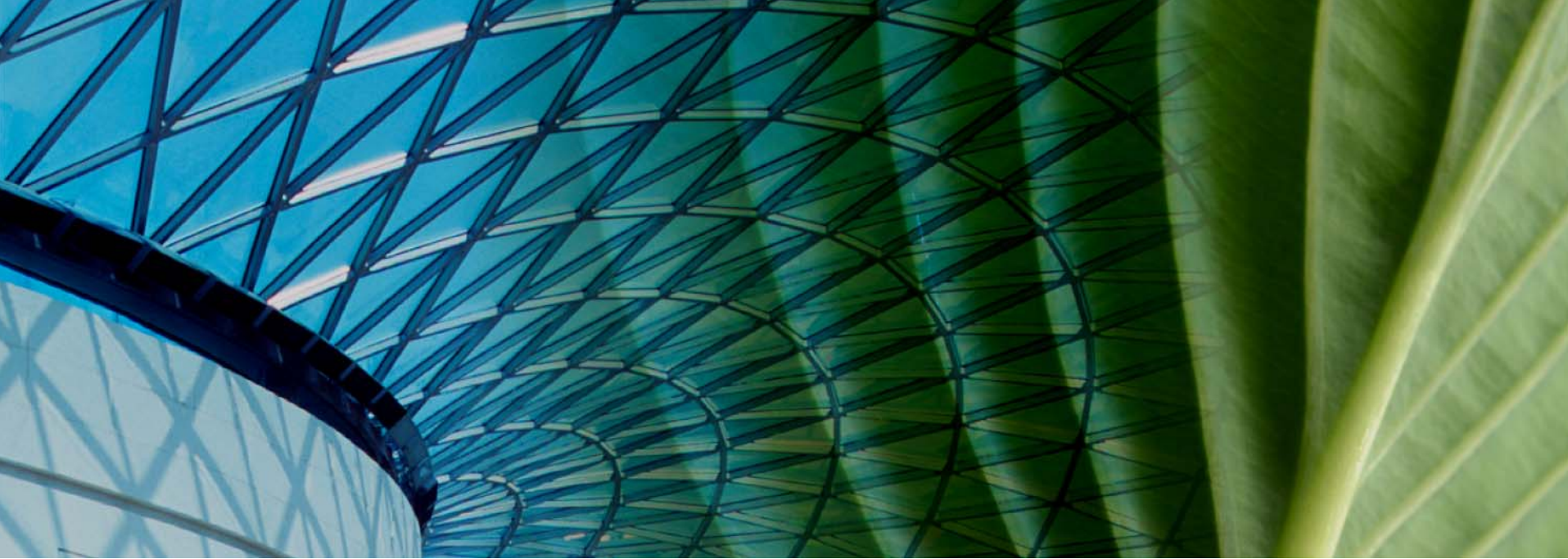


## D. Closing

## Summary

- Green Investment Schemes are an adequate instrument for emission reduction
- Transparency of implementation and verification as precondition
- GIS as opportunity for financing of new areas for emission reduction
- Market boost for environment and energy technology through GIS

**The future quality of GIS lays in the hands of buyers and sellers!**



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