

ESTONIA: GREEN INVESTMENT SCHEME

Kyoto Mechanism:	Article 17 Green Investment Scheme (GIS)
Project Category (UNFCCC):	Renewable Energy/Energy Efficiency
Location:	Various, Estonia
Emission Reductions purchased:	2.908.000 t CO _{2e}

Contractual partner and seller of the emission reductions units in the form of Assigned Amount Units (AAUs) is the Republic of Estonia, represented by the Estonian Ministry of the Environment.

Article 17 of the Kyoto Protocol introduces a third flexible mechanism besides Clean Development (CDM) and Joint Implementation (JI), which allows the parties to the United Nations Convention on Climate Change to trade AAUs among themselves. Estonia and Austria agreed upon trades of 2.908.000 AAUs under Article 17 of the Kyoto Protocol.

The Estonian GIS will be managed by the Environmental Investment Center (EIC) of Estonia under the supervision of the Estonian Ministry of Environment.

Proceeds from the sale of AAUs to Austria will be used to fund measures in the scope of projects targeted towards the following activities:

- Construction of small combined heat and power plants
Establishment or reconstruction of CHP plants with a total installed power capacity of more than 2 MW located outside the Estonian islands is not supported.
- Fuel-switch to renewable energy sources at existing boiler houses
Establishment or reconstruction of district heating boiler plants with a total installed capacity of more than 4 MW.
- Energy conservation through the improvement and reconstruction of district heating networks
- Expansion of district heating networks

The entire contract volume is eligible to be credited towards Austria's Kyoto target in the first commitment period 2008-2012.

The agreement between Estonia and Austria for the implementation of the GIS covers several control mechanisms to guarantee the transparent use of proceeds from the sale of AAUs as well as monitoring of the environmental effects that have been achieved through the implementation of projects and measured financed by GIS.

