Main points

- International Context/Background
- Green Investment Scheme
- Opportunities and benefits for Bulgaria
- WB’s study on GIS
- Next steps
International context

- Kyoto Protocol – 2005
- The EU, Canada, Japan and others are already implementing the KP
- Big compliance gap: At least 1.5 billion tons by 2012
- Availability of surplus AAUs in EITs
- Carbon market – 11 bill 2005 (JI + CDM; EU ETS, Linking Directive)
- Interest in AAUs only if “greened”
What is a Green Investment Scheme?

- Long term financing facility, which links emission mitigation activities and projects with the transfer of AAUs.
- Through ‘greening’ of AAUs additional ERs are made available for compliance and subsequent transfer.
- Based on the transfer of AAUs against payment.
Opportunities for Bulgaria

- Surplus of AAUs
  Potential for Bulgaria to trade AAUs:
  Approximately 20 mill t CO₂ eq./year available
  First transaction - between 10-25 mill t CO₂ eq.

- Need of financing of projects and programs
Benefits for Bulgaria

- Additional financing source
- Implementation of real projects
- Facilitate private financing
- More flexible than JI
- Efficient way for reducing emissions
- Additional environmental benefits
World Bank Study on GIS

- confirmed the feasibility of a GIS
- recommended various options for establishing and implementing a GIS
- received favorably across the various sectors and Ministries - seminars, comments
- recommended a multi-sectoral investment program under the GIS
The WB Study on GIS - findings

- Bulgaria is well positioned to establish a GIS
- GIS can be implemented without requiring new law(s)
- Central heating, waste management, energy efficiency, have potential for producing emission reductions of 50-60 million tones between 2005-2020
- Bulgaria can offer an attractive GIS (with an initial consideration for sale of AAUs around 10 million tons in first tranche)
- Possible further assistance by the WB
Considerations for Bulgaria

- Advance funding is required to start GIS implementation
- Additional financing may be required to fill financing gaps, depending terms & conditions of payment
- GIS should be flexible to accommodate bilateral and multilateral preferences in implementation
- GIS should allow for mobilizing capital from private/public sources
- Soft greening - Implementation of pre-defined activities which do not result in measurable emission reductions
GIS and other mext

- JI Track 2
- JI Track 1
- EU ETS
- Voluntary commitments of DCs
- CDM
Daniela Stoycheva

Phone: (+359 2) 940 6135
Fax: (+359 2) 981 6610

E-mail: dstoytcheva@moew.government.bg
Web: www.moew.government.bg