

CSD-14/15: Case Studies

CLIMATE CHANGE

Domestic and international emissions trading

Country	Initiative	Summary Description
Bulgaria	Green Investment Scheme (GIS)	The study on designing a Green Investment Scheme for Bulgaria was prepared by the World Bank and in the near future the start of designing the Scheme with its own structure can be expected.

1. Key issue addressed from the above list

A basis for implementation of Green Investment Scheme is the special circumstances of the Republic of Bulgaria, where there is surplus quotas available, which could be transferred to other Annex I parties.

Bulgaria has a big interest in the implementation of the Green Investment Scheme because it will lead to a lot of environmental benefits for our country as well to the use of the generated resources to support measures for greenhouse gases emissions reduction and activities on executing the international obligations of Bulgaria under the Convention and the Kyoto Protocol.

2. Descriptive title of case study? Name of programme (if any)

Options for designing a Green Investment Scheme for Bulgaria

3. Lead institution(s)

Ministry of Environment and Water, Ministry of Finance, Ministry of Economy and Energy

4. Other implementation arrangements and stakeholders involved (public, private, NGOs, CBOs, international support, etc.)

The National Trust EcoFund

5. Brief summary (three sentence maximum)

The Study has been prepared by the World Bank upon request of the Government of Bulgaria. It examines the various issues surrounding the “Greening of Assign Amount Units (AAUs)” with a view to provide recommendations to the Government of Bulgaria and interested parties on considerations and approaches for a potential transaction involving a sale of AAUs and implementing a GIS in Bulgaria.

6. Key challenges/objectives

The tasks to be implemented in establishing the GIS are:

1. Decision on the establishment of a Green Investment Fund and its basic conditions;
2. Elaboration of the design of the GIS;
3. Training of emissions trading specialists in the responsible agencies;

4. Creation of a fund accumulating the revenues from emission trading and rules for their spending;
5. Negotiations with potential investors/buyers of green AAUs.

7. Key features of the programme or policy initiative

Through the Scheme a number of activities can be financed – capacity building, data collection, large-scale projects on greenhouse gases emissions reduction, mainly through improvement of the energy efficiency, combustion and production processes improvement, use of renewable energy resources, etc. The Green Investment Scheme will guarantee that incomes generated from the sale of emissions will be used for activities on climate change mitigation.

A Green Investment Scheme is a mechanism for receiving payments for AAUs providing the country with a revenue stream earmarked for climate change mitigation purposes that otherwise might not be forthcoming. The Scheme accelerates an investment in emission reduction projects that would not otherwise happened by addressing lack of access to capital and other barriers of investment. The funding could be channeled towards capacity building activities for strengthening the capacity to implement the Kyoto Protocol, including improved monitoring, inventories, etc. This would reduce the uncertainty relating to targets set in the negotiations and would strengthen the ability of EIT countries to reduce emissions.

8. Timeframe: 1 year **Year started:** 2004

9. Status: ☐ Ongoing ☒ Completed in year 2004

10. Results achieved and known impacts

The Study has examined three options for a GIS fund structure and reviewed the implications for GIS implementation, inter-ministerial coordination, capital mobilization, risk mitigation & management, and fiduciary obligations.

11. Main obstacles faced

12. Sustainability, scalability and transferability

13. Key lessons learned

14. Further information including relevant websites