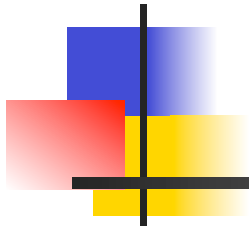


# CF Assist Activities in Central and Eastern Europe



**Helmut Schreiber**

Annual Meeting of the Host Country Committee  
on Carbon Finance  
February 15-16, 2005  
Washington, D.C.



# Structure of Presentation

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- Activities of the World Bank's (WB) Carbon Finance Business (CFB) before 2005
- Planned Activities in 2005 and 2006
- Challenges ahead



## Carbon Finance Business Activities in ECA before 2005

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- Starting 1999: Projects and project related activities in Latvia, Bulgaria, Romania, Hungary, Czech, Poland, Moldavia, Ukraine
- Workshops and meetings
  - 2001: PCF workshop in Szentendre (Hungary)
  - 2002: PCF Meeting in Zakopane (Poland)
  - 2003: PCF Workshop in Znojmo (Czech Republic)
  - 2003: Country workshop in Czech
- 2003: PHRD grants for TA for Czech and Bulgaria
- 2003/2004: Greening Study for Bulgaria
- Since 2003: New EU member states are very active in Kyoto Protocol issues because of European Trading System



# CF Assist Program over the next years

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- Central Europe: Greening Studies in Czech Republic, Slovakia, Latvia, Romania, perhaps Poland
- Preparation of Carbon Reduction Funds in Bulgaria, Czech Republic, Slovakia, Latvia, Romania, perhaps Poland
  - Bulgaria is already discussing such a fund with the WB and with commercial banks
  - Czech Republic, Slovakia, and Latvia signed a Letter of Intent to work with WB on setting up such funds
  - Discussions are also underway in Romania



# Potential for Greening in the Region

Country	Average Annual Headroom over 2008-2012 (Billion Tonnes CO2e)	Total headroom over 2008-2012 (Billion Tonnes CO2e)	Total Value of Greened AAUs @\$7/t CO2e	Total Value of Greened AAUs @\$12/t CO2e
Russia	0.58	2.9	20.3	34.8
Ukraine	0.36	1.81	12.7	21.7
Poland	0.1	0.5	3.5	6
Romania	0.08	0.38	2.7	4.6
Bulgaria	0.06	0.29	2.1	3.5
Lithuania	0.02	0.12	0.9	1.5
Hungary	0.02	0.08	0.6	1
Estonia	0.02	0.08	0.6	1
Latvia	0.01	0.06	0.4	0.8
Slovakia	0.01	0.05	0.3	0.6
Czech R.	0.01	0.05	0.3	0.6
Croatia	0	0	0	0
Slovenia	0	-0.02	-0.1	-0.2
<b>Total</b>	<b>1.27</b>	<b>6.3</b>	<b>44.3</b>	<b>75.9</b>



# CF Assist Program for Russia (1)

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## Module 1: Capacity Building of Focal Points for Joint Implementation and International Emissions Trading

- Preparation of a set of documents, taking into account existing information at the WB-CFB, that will be used and shared with local experts and attendants to meetings organized pursuant to these Terms of Reference;
- Review of the governmental and institutional framework;
- Review of legal aspects included in the local legal framework

## Module 2: Assistance to Meet Track One JI Requirements

- Determine the status of the eligibility for Track One;
- Assist the Russian Federation with raising funds to meet Track One eligibility requirements;
- Output: Plan of action to bring the Russian Federation in compliance with Track One eligibility requirements, and implementation of the various elements necessary to fulfill all eligibility requirements



# CF Assist Program for Russia (2)

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## Module 3: Developing a Portfolio of Projects and expert capacity

- determining and publishing prospective indicative target sectors for JI investments: oil and gas, industrial sectors, other manufacturing or industrial energy efficiency measures, municipal solid waste management and other concentrated organic waste streams, forestry and carbon sinks, etc.
- delivering one or more workshops to enable the development of project idea notes targeted at project developers, financial institutions and government entities
- developing a portfolio of potential JI projects, and assessing the likelihood of projects to be delivered to the market
- assessing the feasibility of multi-project baseline methodology
- Explore possibilities of establishing JI baselines for selected sectors (e.g. power sector, oil and gas sector)
- developing one or more project design documents (PDD) from early workshops and identification; and assisting in marketing those PDDs to various carbon buyers



# CF Assist Program for Russia (3)

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## Module 4: Designing a Green Investment Scheme

- Assess potential for selling green assigned amount units based on sectoral development plans and underlying investments needed to deliver green assigned amount units to the market;
- Conduct a legal analysis of how GIS can be established taking into account constitutional law, regulatory requirements and legal precedents, in cooperation with local legal expertise;
- Identify options, with advantages and disadvantages, taking into account implementation capacity;
- Conduct wide consultations with internal and external stakeholders

## Module 5: Managing Assigned Amount Units as a National Asset

- Decision on whether to Bank or Sell
- Making Strategic Choices in Carbon-Intensity of Growth
- Leveraging inward investment by selling Greened AAUs





## Other Activities

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- Ukraine: A similar program as for Russia could be envisaged for Ukraine as well. Decision will be made in March after discussions with the new government
- Possible activities in other countries of the Region like Moldava, Belorussia; no decisions have been made yet



# Challenges ahead

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- Russia and Ukraine. Both countries have tremendous potential, but major efforts in TA are necessary to include them in Kyoto Activities
- Other former Soviet Union countries. Very few activities have so far been undertaken in the Caucasus area (Armenia, Azerbaijan, Georgia) and in the “Stans” Kazakhstan, Turkmenistan, Kyrgyzstan, Uzbekistan, Tajikistan (all CDM countries)