

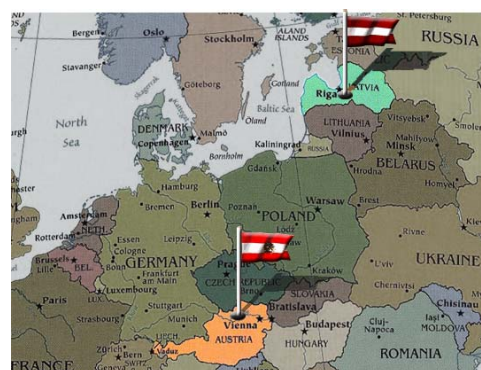
## LATVIA: GREEN INVESTMENT SCHEME

Kyoto Mechanism:	Article 17 Green Investment Scheme (GIS)
Project Category (UNFCCC):	Renewable Energy/Energy Efficiency
Location:	Various, Latvia
Emission Reductions purchased:	3.500.000 t CO <sub>2e</sub>

Contractual partner and seller of the emission reductions units in the form of Assigned Amount Units (AAUs) is the Republic of Latvia, represented by the Latvian 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. Latvia is among the first host countries that has decided to sell AAUs under a GIS scheme in a pilot transaction.

The proceeds of the sale of the AAUs under the Latvian GIS may solely be used to implement and manage an environmental support scheme comparable to the Austrian federal environmental support scheme. This scheme will allow to fund projects and programs in certain fields of technology which comply with the eligibility criteria of the scheme.



Proceeds from the sale of AAUs to Austria, may solely be used to fund measures (projects and programmes) in the sector of renewable energy (biomass, biogas, small hydropower) and energy efficiency (in particular thermal insulation).

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

The Latvian law for implementation of the GIS covers several control mechanisms to guarantee the legal implementation and transparent use of proceeds from the sale of AAUs. Among others, an Advisory Board will be set up and representatives of the Austrian JI/CDM Programme as Purchaser will participate in its meetings.