

CZECH REPUBLIC: GREEN INVESTMENT SCHEME

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| Kyoto Mechanism: | Article 17 Green Investment Scheme (GIS) |
| Project Category (UNFCCC): | Renewable Energy/Energy Efficiency |
| Location: | Various, Czech Republic |
| Emission Reductions purchased: | 3.500.000 t CO _{2e} |

Contractual partner and seller of the emission reductions units in the form of Assigned Amount Units (AAUs) is the Czech Republic, represented by the Czech 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. Czech Republic and Austria agreed upon trade of 3.500.000 AAUs under Article 17 of the Kyoto Protocol.

The proceeds of the sale of the AAUs will be managed by the Czech State Environmental Fund (SEF) under the supervision of the Czech Environmental Ministry. Czech 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 funding of 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 be used to fund measures (projects and programmes) that lead to the reduction of the consumption of fossil fuels, application of renewable energy plants and increase of energy efficiency in primarily residential buildings.

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

The agreement between Czech Republic and Austria for implementation of the GIS covers several control mechanisms to guarantee the legal implementation and 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.