

Poland and World Bank sign Memorandum of Understanding for Green Investment Scheme

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POZNAŃ, December 10, 2008 – The Polish Government and the World Bank today expanded their collaboration in climate change mitigation by signing a Memorandum of Understanding to enable a Green Investment Scheme (GIS) transaction for 10 million Assigned Amount Units (AAUs). AAUs are emission credits that can be traded under Article 17 of the Kyoto Protocol. The Memorandum of Understanding was signed by the Polish Minister of Environment, Professor Maciej Nowicki and by the World Bank's Vice President, Ms. Katherine Sierra.

Under the GIS, the revenues from the sale of AAUs will be invested in activities leading to greenhouse gas emissions reductions and other benefits. Poland is finalizing the design and legal framework of the GIS. Poland has a surplus of AAUs as greenhouse gas emissions have decreased since early 1990's which is estimated up to 500 million AAUs, depending on assumptions of economic growth.

"The World Bank as a Trustee for several carbon funds is delighted to work with the Government of Poland on a GIS transaction," said Mr. Thomas Laursen Country Manger for Poland. *"GIS investments can clearly benefit Poland and bring quantifiable long term environmental benefits. Poland has an impressive track record of implementing comparable environmental investments through the EcoFund and the National Fund for Environmental Protection and Water Management."*

Mr. Thomas Laursen Country Manger for Poland added that *"Greening schemes are under design and implementation by various countries in Central and Eastern Europe. AAUs are likely to play an important and positive role in the successful implementation of the Kyoto Protocol and meeting compliance during the first commitment period."*

Emerging Emissions Trading under Article 17 of the Kyoto Protocol complements two other Kyoto Flexible Mechanisms generating emission reductions – the Clean Development Mechanism (CDM) and the Joint Implementation (JI).

Utilizing Emissions Trading, industrialized countries can purchase emission credits from another industrialized country to help to meet their obligations under the Protocol. While 'greening' of AAUs is not a Kyoto requirement, both sellers and buyers are interested in agreeing on greening of traded AAUs in order to link them with combating climate change and other benefits.

It should be added, that AAUs cannot be utilized under the European Union Emissions Trading Scheme (EU ETS)

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