



**Eesti Roheline Liikumine**  
Postkast 318, 50002 Tartu  
tel (7) 422532, faks (7) 422084, e-mail: [info@roheline.ee](mailto:info@roheline.ee)  
**Estonian Green Movement-FoE**  
PO Box 318, 50002 Tartu, Estonia  
phone +372 7 422532, fax +372 7 422084  
e-mail: [info@roheline.ee](mailto:info@roheline.ee)

European Bank for Reconstruction and Development  
[Estoniastrategy@ebrd.com](mailto:Estoniastrategy@ebrd.com)

September 19, 2012

### **EBRD's draft strategy for Estonia**

Please find Estonian Green Movement-FoE's comments to the EBRD's draft strategy for Estonia as follows.

#### **1) Chapter 2.7. „Energy efficiency and climate change context“**

In spite of small improvements in sustainable energy sector, Estonia's strategic aims still concentrate on the use of fossil fuels (oil shale) in energy sector. At the same time there are several documents/development plans which demonstrate how massive shift to renewables is possible and profitable. E.g. according to the roadmap proposed by the Estonian Renewable Energy Association and the Estonian Council of Environmental NGOs, Estonia will be able to satisfy 100% of its energy needs in the electricity and heating sector from renewable sources by 2030. The roadmap envisions a full transition to renewable energy in heat and power generation, which is technically feasible, economically viable and environmentally sustainable (see also: <http://www.taastuvenergeetika.ee/te100/>).

There are several general strategic documents, which concern renewable energy, but government's support for these is nonexistent. The Ministry of Economic Affairs and Communications even requests a decrease in renewable energy subsidiaries. Constant changes in legislation degrades investment climate and impairs investments to renewable energy sector. Estonia has serious deficiencies in purposeful climate change policy. While evaluating state's efforts of reducing greenhouse gas emissions National Audit Office of Estonia pointed out, that (see also: <http://www.riigikontroll.ee/tabid/206/Audit/2125/Area/15/language/et-EE/Default.aspx>):

- a) According to the UN Framework Convention on Climate Change (Estonia ratified it in 1994) and the Kyoto Protocol, through 2008-2012 Estonia is obligated to reduce greenhouse gas emissions (hereinafter GHG) by 8% in comparison with the level of 1990. Estonia has achieved the reduction required in the Kyoto Protocol: in comparison with the level of 1990 the GHG have fallen nearly 47%. **The main reason lies in the volumes of industrial output which have fallen considerably. At the same time the carbon intensity of the Estonian economy still remains very high.**

- b) In 2006, 86% of the greenhouse gas emissions in Estonia is created upon production of electricity and heat, because the main raw material is oil shale which has a high carbon content.

Estonia has managed to decrease it's energy intensity, but according to Eurostat It is still in top seven of the most energy intensive economies in Europe.

2) **Chapter 3.3.1 „Infrastructure and energy“**

**Sectoral challenges**

There is unfair competition in the energy market, as oil shale energy receives supplementary benefits from the government (reduced environmental charges, financing of the closure of oil shale waste fields), which won't reflect on the consumers' electricity bill as the subsidies for renewable energy do.

**Bank's operational response**

Estonia is clearly leading to the direction where instead of reusing waste, there is a will to re-name incinerators as a tool for producing renewable energy. We strongly recommend, that EBRD takes a position not to support investments into incinerator projects.

Kind regards,



Triinu Vaab  
Estonian Green Movement-FoE  
[triinu@roheline.ee](mailto:triinu@roheline.ee)