



LIETUVOS RESPUBLIKOS APLINKOS MINISTERIJA
THE MINISTRY OF ENVIRONMENT OF THE REPUBLIC OF LITHUANIA

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Lithuanian Environmental Investment Fund

LETTER OF APPROVAL

The undersigned, as a legal and authorized representative of the Republic of Lithuania (the host country), referring to the Joint Implementation project „Lapes Landfill Gas Utilisation for Energy Generation“ (hereinafter referred to as the JI Project) of JSC „Ekoresursai“ (hereinafter referred to as the project proponent), herewith declares that:

1. The Republic of Lithuania ratified the Kyoto Protocol of United Nations Framework Convention on Climate Change.
2. The Republic of Lithuania ratified the Agreement on Testing Ground for the Application of the Kyoto Mechanisms on Energy Projects in the Baltic Sea Region, adopted in Gothenburg on 29 September 2003.
3. In order to participate in the activities under the Article 6 of the Kyoto Protocol, the Republic of Lithuania is aware that it should comply with the participation and eligibility requirements as stated in the Kyoto Protocol and the relevant rules, decisions, guidelines, modalities and procedures adopted thereunder. The Republic of Lithuania intends to comply with the above mentioned requirements.
4. The Republic of Lithuania recognises the JI Project to be a Joint Implementation project in accordance with Article 6 of the Kyoto Protocol and its underlying decisions, relevant rules, guidelines, modalities and procedures adopted thereunder.
5. The Republic of Lithuania authorises the project proponent and any future owner of the JI project to generate claims on Emission Reduction Units (ERUs), by operation of the JI project, in accordance with the Article 6 of the Kyoto Protocol and to participate in actions leading to the generation of ERUs from the JI Project and the issuance and transfer of ERUs generated by the JI Project.
6. The Republic of Lithuania will issue and transfer, free of any taxes, levies or charges, to the

Nordic Environment Finance Corporation (NEFCO), in its capacity as a Fund Manager of the Baltic Sea Region Testing Ground Facility (TGF), and hence to the investors of the TGF, the contracted amount of ERUs corresponding to the emission reductions generated by the JI Project during the period of 2008-2012 and sold to the NEFCO, in accordance with the Article 6 of the Kyoto Protocol. The transfer of ERUs is irrespective of any legal or other transfer of the JI Project to third parties.

7. The Republic of Lithuania is aware that the project proponent intends to sell ERUs generated by the JI Project to the NEFCO in its capacity as a Fund Manager of the TGF.

8. The Republic of Lithuania acknowledges the fact that the JI Project will already be operational prior to 2008 and will reduce GHG emissions in the period. According to the national laws of the Republic of Lithuania, ERUs generated by the JI Project could be transferred to the NEFCO, in its capacity as a Fund Manager of the TGF and hence to the investors of the TGF only after 2008. The Republic of Lithuania will transfer, in accordance with Article 8 of the Agreement on Testing Ground for the Application of the Kyoto Mechanisms on Energy Projects in the Baltic Sea Region, free of any taxes, levies or charges, to the NEFCO in its capacity as a Fund Manager of the TGF, and hence to the investors of the TGF, Assigned Amount Units corresponding to the emission reductions realised by the JI Project prior to 2008. The Republic of Lithuania agrees to use the same method of verification as used for the verification of ERUs.

9. The Republic of Lithuania agrees that in case it allocates emission allowances to any installation affected by the JI Project under the scheme for greenhouse gas emission allowance trading within the European Community or includes the JI Project in its national allocation plan, it shall take into account the early action by the JI Project to reduce greenhouse gas emissions and shall make any necessary adjustments in order to avoid double counting of emission allowances.


Arūnas Kundrotas
Minister of Environment