



**KESKKONNAMINISTEERIUM
MINISTRY OF THE ENVIRONMENT
REPUBLIC OF ESTONIA**

Senter Den Haag
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25 August 2003

Letter of Approval

Proposal no. 1
named Paldiski Wind Farm, hereinafter to be referred to as "the JI project",
located at Pakri peninsula on the southern coast of the Gulf of Finland, ca. 50 km west
from Tallinn,
by OÜ Paldiski Tuulepark, Pärnu mnt. 15, 10141 Tallinn, Estonia, hereafter to be
referred to as "Supplier", dated January 6th 2002.

Estonian Ministry of the Environment would like to inform that the Government of
Estonia has approved the Memorandum of Understanding (MoU) between the
Government of the Republic of Estonia and the Government of the Netherlands on
29th July. The MoU will be signed in the beginning of the September 2003. Due to the
fact Estonian Ministry of the Environment gives the approval of this project before
signing procedure.

Ministry of the Environment declares that:

1. Estonia has ratified the Kyoto Protocol.
2. Estonia plans to comply with the requirements to participate in Article 6 KP projects as stated in the Marrakech Declaration by 1 September 2006.
3. Estonia recognizes the JI project to be a Joint Implementation (JI) project in accordance with article 6 of the Kyoto Protocol and its underlying decisions.
4. Estonia authorizes the Supplier and any future owners of the JI project to generate Claims on ERUs, by operation of the JI project, in accordance with article 6 of the Kyoto Protocol.
5. Estonia accepts the transfer of verified ERUs (estimated 730594 tCO₂eq), generated through the JI project plus any generated surplus, to the Government of the Netherlands during the period 2008-2012 of the JI project, through the transfer of ERUs by Estonia. The transfer of ERUs is irrespective of any legal or other transfer of the JI project to third parties.
6. The transfer of ERUs from Estonia to the Netherlands is irrespective of any legal or other transfer of the JI project to third parties.

7. In case the Kyoto Protocol will not enter into force, Estonia and the Netherlands consider the transfer to the Netherlands as a transfer of greenhouse gas emission reduction on a bilateral basis.
8. In case Estonia and the Netherlands fully comply with the participation requirements of the Marrakech Declaration, the transfer of ERUs will be based on article 23 of these declarations ("JI track one").
9. Estonia acknowledges the fact that the JI project will already be operational prior to 2008 and will reduce GHG emissions in that period. Estonia will transfer to the Netherlands Assigned Amount Units (AAUs) through the Emissions Trading mechanism of Article 17 of the Kyoto Protocol to amount (estimated 401 336 tCO₂eq) of the emission reductions realized by the JI project prior to 2008. Estonia agrees to use the same methods of verification as used for the verification of ERUs.
10. At the latest in 2011 Estonia and the Netherlands will start discussions on eventual transfer of ERUs generated by the JI project after 2012.

Signed

For the Host Country: Estonia
Full Name Country: The Republic of Estonia
Name: Villu Reiljan
Position: Minister
Date: 25.08.2003
Signature:



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