

Form of Letter of Approval for the Netherlands/EBRD Carbon Fund, version 1.0

[To the Project Company]

[To EBRD]

[To the Netherlands]

Undersigned, as a legal and authorised representative of <name country/state>,
[Preambles, references, political statements.]

Referring to:

proposal number. <number of proposal indicated by Project Company>,
named <name proposal>, hereafter to be referred to as 'the JI Project',
located <location>

<any other information needed to identify the project>

by <name Project Company>, hereafter to be referred to as 'Project Company',
dated <date proposal>,

declares that:

1. <Host Country> has ratified or acceded to the Kyoto Protocol. [(to be used if EZ approves): <Host Country> shall ratify or accede to the Kyoto Protocol ultimately [30] days after the Kyoto Protocol has entered into force].
2. <Host Country> will comply with the requirements to participate in Article 6 KP projects as stated in the Marrakech Declaration no later than 1 September 2006.
3. <Host Country> recognises the JI Project to be a Joint Implementation project in accordance with article 6 of the Kyoto Protocol and its underlying decisions.
4. <Host Country> authorises the Project Company and any future owner of the JI Project to generate ERUs, by operation of the JI Project, in accordance with article 6 of the Kyoto Protocol.
5. <Host Country> accepts and will issue and transfer <amount, percentage> of ERUs, generated through the JI Project plus any generated surplus, to the Netherlands during the period 2008 – 2012 of the JI Project.
6. The transfer of ERUs from the <Host Country> to the Netherlands will be free of any taxes or levies.
7. The transfer of ERUs from the <Host Country> to the Netherlands is irrespective of any legal or other transfer of the JI Project to third parties.
8. In case the Kyoto Protocol will not enter into force, <Host Country> shall transfer to the Netherlands consider greenhouse gas emissions reductions and all rights derivable there from on a bilateral basis in an amount equal to the verified number of emissions reductions.
9. In case <Host Country> and the Netherlands fully comply to the participation requirements of the Marrakech accords, the transfer of ERUs will be based on article 23 of these accords ('JI track one').
10. [<Host Country> acknowledges the fact that the JI Project will already be operational prior to 2008 and will reduce GHG emissions in that period. <Host Country> will transfer to the Netherlands Assigned Amount Units (AAUs) through the Emissions Trading mechanism of Article 17 of the Kyoto Protocol to a [amount]/[[share] of [...] of the emissions reductions realised by the JI Project prior to 2008. <Host Country> agrees to use the same method of verification as used for the verification of ERUs.
- [11. [<Host Country>] will comply with the participation requirements as stated under Article 2 in the Annex to the Marrakech Declaration (Decision -/CP 7 (Article 17) (Modalities, rules and guidelines for emissions trading), no later than 1st September 2006.]

[12. Should [<Host Country>] at any time consider to allocate allowances to the Project or otherwise include the Project in its national allocation plan in such a way that the Project shall no longer be able to generate ERUs, [<Host Country>] will, taking into account the early action taken by the Project Company, allocate a number of allowances to the Project that is equal to the number of tonnes of CO₂e that would have been emitted in the absence of the Project, as expressed in the baseline].

Note: this above form of a letter should be used. Alterations are only possible after consent from EBRD.