

**MEMORANDUM OF UNDERSTANDING REGARDING
BILATERAL CO-OPERATION BETWEEN
THE FEDERAL MINISTRY OF AGRICULTURE, FORESTRY,
ENVIRONMENT AND WATER MANAGEMENT OF THE REPUBLIC
OF AUSTRIA
AND THE MINISTRY OF ENVIRONMENT OF THE REPUBLIC OF
LATVIA
FOR THE REDUCTION OF GREENHOUSE GAS EMISSIONS**

The Federal Ministry of Agriculture, Forestry, Environment and Water Management of the Republic of Austria and the Ministry of Environment of the Republic of Latvia, hereafter referred to as Partners,

- Recalling that the Republic of Austria and the Republic of Latvia have ratified the Kyoto Protocol;
- Taking into account in particular Article 6 of the Kyoto Protocol including Decision 15/CP.7 and 16/CP.7 adopted at the Marrakesh Conference as well as decisions of the following Conferences of the Parties of the UNFCCC concerning the implementation of this Article;
- Taking into account furthermore Article 17 of the Kyoto Protocol including Decision 18/CP.7 adopted at the Marrakesh Conference as well as decisions of the following Conferences of the Parties of the UNFCCC concerning the implementation of this Article

have reached the following understanding:

The co-operation between Partners will be based on the provisions of the Kyoto Protocol and all relevant COP and COP/MOP decisions and will follow any additional national requirements or guidelines of the Republic of Austria and the Republic of Latvia and relevant intergovernmental agreements.

The Partners will co-operate on the following scopes:

- principles for baseline setting and calculation of emission reduction units (ERUs);
- rules of transferring of ERUs from the Republic of Latvia to the Republic of Austria;
- rules of transferring of assigned amount units (AAUs) from the Republic of Latvia to the Republic of Austria;
- designation of project types, categories and individual projects under:
 - o construction (or retrofitting) of CHP installations;
 - o fuel switch in energy conversion installations to renewable or from fuels with high carbon content to fuels with lower carbon content, in particular in existing distance-heating systems;
 - o construction (or retrofitting) of power generation installations operated with renewables (in particular hydropower, wind power, biogas or biomass CHP);
 - o projects leading to avoidance or (energetic) recovery of landfill gas;
 - o waste management measures contributing to avoidance of greenhouse gas emissions in particular through energy recovery and use;
 - o projects leading to reduction of final energy consumption in residential buildings, public and private services buildings as well as in industrial applications and processes (including waste heat potentials);
- other areas agreed by Partners and Governments of the Republic of Austria and the Republic of Latvia.

Projects should have overall positive impacts on the environment and social development of the Republic of Latvia including sustainable regional development.

The collaboration in the framework of this Memorandum between the Partners will include preparation of an intergovernmental agreement on monitoring of realised Joint Implementation projects and transfers from the Republic of Latvia to the Republic of Austria of the agreed part of ERUs resulting from the implementation of JI projects in accordance with Article 6 of the Kyoto Protocol and assigned amount units (AAUs) in accordance with Article 17 of the Kyoto Protocol depending on national legislation and COP and COP/MOP decisions. Such intergovernmental agreement will determine the main issues of the co-operation between both sides.

In case a specific provision of this Memorandum contradicts a provision from a treaty to be concluded in the future and to which the Republic of Austria or the Republic of Latvia becomes a Party, the Memorandum will be adjusted accordingly.

This Memorandum will take effect on the day of signature. Amendments and supplements require written form.

The Memorandum is executed in two originals in the English language.

SIGNED in _____, on _____ 2003

JOSEF PRÖLL

Federal Minister for Agriculture, Forestry,
Environment and Water Management of the
Republic of Austria

RAIMONDS VĒJONIS

Minister for the Environment of the Republic
of Latvia