

# Republic of Bulgaria



## MINISTRY OF ENVIRONMENT AND WATER

### Letter of Approval

Undersigned, as a legal and authorized representative of the Republic of Bulgaria;

Acknowledging that the Republic of Bulgaria has ratified the United Nations Framework Convention on Climate Change in 1995;

Recalling that the Republic of Bulgaria has ratified the Kyoto Protocol in 2002;

Referring to:

Proposal number/date:	26-00-794/22.12.2006
Title:	“Sreden Iskar Cascade HPP Portfolio Project”
Location:	Iskar River
Project Company („Supplier” of the Emission Reduction Units):	Vež Svoge OOD

Hereinafter referred to as “the JI project”;

Taking into consideration that the JI project is expected to provide greenhouse gas emission reductions by sources that are additional to any that would otherwise occur,

Declares that:

1. The Republic of Bulgaria will comply with its obligations under the Kyoto Protocol, including the eligibility requirements, as stated under paragraph 21 of the Annex to Decision 16/CP.7 (Guidelines for the implementation of Article 6 of the Kyoto Protocol) and paragraph 2 of the Annex to Decision 18/CP.7 (Modalities, rules and guidelines for emissions trading under Article 17 of the Kyoto Protocol), in order to participate in JI mechanism according to Article 6 of the Kyoto Protocol;
2. The Republic of Bulgaria commits itself to take all steps required under the Kyoto Protocol and/or the relevant rules, decisions, modalities, guidelines and procedures thereunder, concerning the transfer of the emission reductions resulting from the JI project, including avoidance of double counting according to the Directive 2004/101/EC and the relevant decisions of the European Commission;
3. The Republic of Bulgaria approves the project as a Joint Implementation project in accordance with Article 6 of the Kyoto Protocol and the subsequent decisions, adopted by the Conference of the Parties, serving as the Meeting of the Parties

(COP/MOP) and the decisions, approved by the Joint Implementation Supervisory Committee;

4. The Republic of Bulgaria authorizes Vez Svoge OOD and any future owner of the JI project to make a claim for Emission Reduction Units (ERUs), by operating the JI project, in accordance with Article 6 of the Kyoto Protocol;
5. The Republic of Bulgaria accepts to transfer the verified ERUs up to 329 472 t CO<sub>2</sub> equivalent, generated from the JI project during the period 2008 – 2012 to the European Bank for Reconstruction and Development;
6. The transfer of the ERUs from the Republic of Bulgaria to the European Bank for Reconstruction and Development will be free of any taxes or levies;
7. The transfer of the ERUs from the Republic of Bulgaria to the European Bank for Reconstruction and Development is irrespective of any legal or other transfer of the JI project to third Parties;
8. In case that the Republic of Bulgaria and the European Bank for Reconstruction and Development fully comply with the eligibility requirements on paragraph 21 from the Annex to Decision 16/CP.7 (Guidelines for the implementation of Article 6 of the Kyoto Protocol), the verification of the emission reductions generated from the JI project and the transfer of the ERUs will be based on paragraph 23 from this Annex ('JI Track one').

Signature:

/.....  
**Dzhevdet Chakarov**  
**Minister of Environment and Waters of the Republic of Bulgaria**



**Date: 01 August 2007**  
**Sofia, Bulgaria**