

## *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;

Taking into consideration that the Republic of Bulgaria has ratified the Kyoto Protocol in 2002;

Recalling that the Republic of Bulgaria and the Kingdom of the Netherlands have signed a Memorandum of Understanding on co-operation in reducing emissions on greenhouse gases under Article 6 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change in 2000;

Bearing in mind that the Government of the Republic of Bulgaria has authorized the Ministry of Environment and Water of the Republic of Bulgaria, and that the Government of the Kingdom of the Netherlands has authorized the European Bank for Reconstruction and Development, to act as Parties to the Memorandum of Understanding on Co-operation under Article 6 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, signed between both countries.

Taking into account that the designated authorities, as the Parties to the Memorandum, have endorsed the development of the below mentioned project, for the purposes of Joint Implementation (JI) under Article 6 of the Kyoto Protocol;

Referring to:

Proposal number/date	26-00-2462/03.07.2006
Title	“Energy efficiency investment program at Svilocell Pulp Mill”
Location	3.5 km northwest of Svishtov
Project Company (Supplier of the ERUs)	Svilocell Co.

hereinafter referred to as “the JI project”;

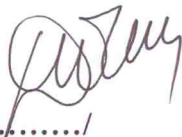
Taking into consideration that the JI project is expected to provide a reduction in greenhouse gas emissions by sources that are additional to any that would otherwise occur;

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 emission reductions 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 the "Supplier" and any future owner of the JI project to make a claim for Emission Reduction Units (ERUs), by the operation of 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 682 143 t CO<sub>2</sub> equivalent, generated through the JI project during the period 2008 – 2012 and contracted between the "Supplier" and the European Bank for Reconstruction and Development.
6. The transfer of ERUs from the Republic of Bulgaria to the Kingdom of the Netherlands will be free of any taxes or levies.
7. The transfer of ERUs from the Republic of Bulgaria to the Kingdom of the Netherlands 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 Kingdom of the Netherlands fully comply with the eligibility requirements of paragraph 21 of the Annex to Decision 16/CP.7 (Guidelines for the implementation of Article 6 of the Kyoto Protocol), the verification of emission reductions generated through the JI project and the transfer of ERUs will be based on paragraph 23 of this Annex ('JI Track one').
9. The Republic of Bulgaria also confirms that it will set aside for the JI Project an amount of Assigned Amount Units (AAUs) corresponding to 85 840 t CO<sub>2</sub> equivalent expected to be generated and verified by the project prior to 2008.

Signature:

/...../



**Mr. Dzhevdet Chakarov**

**Minister of environment and water of the Republic of Bulgaria**

**Date: 01 November 2006**

**Sofia, Bulgaria**