Overgas Inc. AD

Reduction of greenhouse gases by gasification of the towns of Veliko Tarnovo, Gorna Oryahavitsa and Lyaskovets

Determination Report

KPMG Certification BV
Amstelveen, 28 May 2004
OVGAS3/EK/

Contents

1 Determination Statement

Introduction

The management of Overgas Inc. AD (Overgas) requested us to validate the Project Design Document (PDD) for the potential Joint Implementation project for reduction of CO_2 emissions at the Overgas operations in Veliko Tarnovo, Gorna Oryahovitsa and Lyaskovets in Bulgaria in the context of the application of this project at Senter Internationaal in The Netherlands. The PDD is the responsibility of the management of Overgas. Our responsibility is to issue a determination statement regarding the PDD.

Scope

The PDD contains the assessment of Overgas of the most likely baseline scenarios, the forecasted emission reductions, a monitoring plan, an English summary of Environmental Impact Assessments of the respective projects as well as an overview of the stakeholder consultation activities initiated by Overgas until July 2003. Our validation was focused on:

- The assumptions and methods applied in the preparation/determination of the forecasted emission reductions;
- Compliance of the PDD with the Operational Guidelines for Baseline Studies, Validation, Monitoring and Verification of Joint Implementation Projects (volume 2A; version 2.1; September 2002) published by the Ministry of Economic Affairs of the Netherlands as well as the requirements for Joint Implementation Projects described in the Kyoto Protocol and in the Marrakech Accords (FCCC/CP/2001/13/ADD.2; 21 January 2002);
- Approval of the JI-project by the Parties.

Activities undertaken

Our determination, planned and conducted by KPMG Certification assisted by a local consultant, was performed on a test basis and provides a moderate level of assurance. In the context of determination we recognise that non-financial data are, in general, subject to more inherent limitations than financial data due to their nature and methods used for determining, calculating or estimating such data.

Our activities included:

- A review of the underlying systems and procedures to collect and process the reported information;
- Interviews with the staff in Overgas Bulgaria responsible for the collection of the reported data and with the main authors of the PDD;

- Review of the internal documents used for preparing the Baseline Study;
- Review of the applied assumptions and methods for determination of the forecasted emission reductions.

Opinion

Based on our activities undertaken, nothing came to our attention that causes us to believe that the applied assumptions and methods do not provide a reasonable basis for the forecasted emission reductions compared to the selected most likely baseline scenario.

Further, in our opinion, the PDD has been properly prepared on the basis of the Operational Guidelines for Baseline Studies, Validation, Monitoring and Verification of Joint Implementation Projects (volume 2A; version 2.1; September 2002) published by the Ministry of Economic Affairs of the Netherlands as well as the requirements for Joint Implementation Projects described in the Kyoto Protocol and the Marrakech Accords (FCCC/CP/2001/13/ADD.2; 21 January 2002).

The Ministry of Environment and Water of Bulgaria approved the project on behalf of the Republic of Bulgaria by issuing a Letter of Approval on 15 July 2003.

The Dutch Ministry of Economic Affairs approved the project on behalf of the State of The Netherlands by issuing a Declaration of Approval on 23 April 2004.

Actual emission reductions may differ from the forecast since anticipated events do not always occur as expected.

Amstelveen, 28 May 2004

KPMG Certification BV
J.J. Laan

2 Introduction

Overgas has commissioned KPMG Certification to validate the Project Design Document of the Joint Implementation Project related to the reduction of CO_2 emissions in the Bulgarian towns: Veliko Tarnovo, Gorna Oryahovitsa and Lyaskovets.

The project aims in the reduction of CO_2 emissions by switching from carbon rich solid and liquid fuels to natural gas by industries, public and administrative buildings and households. The expected CO_2 emissions reduction will be the result of investments in a main gas branch and gas distribution networks.

This chapter describes the objective, scope, and determination methodology and determination team for this determination. Key data are included in Annex A.

2.1 Objective

The aim of this determination is to evaluate the planned project activity against the requirements of the JI as set out in decision FCCC/CP/2001/13/Add.2 of 21 January 2002 on the basis of the PDD developed by the project proponent, Overgas.

Also the requirements of Senter Internationaal, the potential buyer of any ERU's resulted from this project are taken into account. These requirements are set out in the Operational Guidelines for Baseline Studies, Validation, Monitoring and Verification of Joint Implementation Projects of September 2002.

2.2 Scope

The scope of this determination consists of assessing the following elements of the PDD against the requirements set out by UNFCCC and Senter Internationaal respectively.

The following elements of the PDD are evaluated. The results thereof are described in chapter 3.

(i) Baseline study. The baseline study is intended to assess the level of greenhouse gas emissions attributable to human activities that would have occurred without the project. The baseline study also assesses the level of greenhouse gas emissions that will occur after implementation of the project.

(ii) Monitoring plan, describing which data will be collected for monitoring purposes. The monitoring plan includes a description of the quality assurance and control provisions for monitoring, collecting and reporting.

(iii) Environmental Impacts, providing documentation on the analysis of environmental impacts of the project. If the impacts are considered important,

conclusions and supporting documentation of an environmental impact assessment has to be provided. The environmental impact assessment has to be undertaken in accordance with the procedures of the country where the project is implemented.

(iv) Stakeholder comments. The international stakeholder comments have been collected on the basis of a 30 day publication of the project design document on the CarbonCredits.nl website. The national stakeholder comments have been included in the PDD.

On the basis of the provided PDD and of the evaluation thereof (see above), we have formed an opinion on the basis of the following criteria (described in chapter 4):

- The relevance of the defined project boundaries, assuring that the covered greenhouse gas emissions appropriately reflect the greenhouse gas emissions of the project and that all relevant greenhouse gases have been taken into account;

- The completeness of assumptions, data, references and calculations applied in the definition of:
  - Project boundaries;
  - The emission level that would occur in the absence of the project;
  - The emission level that is likely to occur upon completion of the project;
  - Inclusion of all greenhouse gas emission sources and activities within the defined project boundaries, with any exclusions stated and specified;
  - Leakage – whether the project might in a net change of greenhouse gas emissions outside the project boundaries;
  - Additionality – whether the project activity is expected to result in reduction of greenhouse gas emissions that are additional to any that would occur in the absence of the proposed project.
- The consistency of the applied methodology and input data with:
  - The Marrakech accords of November 2001, Draft decision -/CMP.1 (Article 12);
  - The "Operational Guidelines for Baseline Studies, Validation and Monitoring and Verification of Joint Implementation Projects" (Ministry of Housing, Spatial Planning and Environment of the Netherlands, September 2002).
- The transparency of the baseline study, based on:
  - Coherent and factual description and justification of all assumptions on the basis of which the baseline was calculated;
  - The description and justification of all assumptions on the basis of which the emission levels after project completion were calculated;

- Disclosure of underlying data and references that were used in compiling the baseline study.

- The accuracy of the greenhouse gas emission calculations, ensuring that these have the precision needed for their intended use, including the possibility of performing a sensitivity analysis.

2.3 Determination methodology

The determination consisted of a desk review of the PDD with its Annexes. The team in Overgas and Gastec Bulgaria responsible for preparing the PDD have been interviewed.

2.4 Determination team

The following team has carried out the determination:

Name	Organization and role in the project
Eric Koudijs	KPMG Certification The Netherlands, Senior consultant, Project Leader
Erik Jan Stork	KPMG Certification The Netherlands, Consultant, Reviewer
Tzanko Tzanov	Energy expert from the University of Sofia and freelancer working for KPMG Certification The Netherlands during this project

Table 1: Determination team

3 Determination

The activities carried out during determination and the period during which these have taken place are described in the following sections. The findings for each component of the PDD are compared with the requirements.

The source for the requirements is FCCC/CP/2001/13/Add.2, Draft Decision -/CMP.1, Appendix B, 21 January 2002, unless stated otherwise.

3.1 Activities

KPMG Certification received the draft PDD's on 27 June 2003. The draft documents were reviewed and discussed during the visit of the determination team to the office of Overgas in Sofia. After this review Overgas made a number of changes in the documentation and on 17 July 2003 an updated version of the PDD was put on the CarbonCredits.nl website.

Date	Interviewee	Position
3 and 4 July 2003	Discussions with the authors of the PDD in the office of Overgas/Gastec in Sofia Bulgaria	
	Alexander Levashki	Executive Director Gastec Bulgaria.
	Martin Hagen	Senior Consultant Gastec Nederland.
	Stela Blagova	Head of Ecology and Sustainable Development Department Gastec Bulgaria.
	Maia Mladenova	Director Development Department Gastec Bulgaria.
	Nevana Pingarova	Chief Expert Development Department Gastec Bulgaria.
	Georgi Bazadjiev	Chief Expert Development Department Gastec Bulgaria.
	Radostina Valkova	Expert Ecology and Sustainability Development Department Gastec Bulgaria.
	Alexandra Zheleva Georgieva	Chief Expert Economic Efficiciency Assessment Marketing and Sales Department Overgas.
	Iliyan Iliev	Director International Projects Overgas.

Table 2: Overview of site visits and interviews

KPMG submitted the PDD to Senter and the documentation was published between 17 July and 17 August 2003 on the website carboncredits.nl. On this website a KPMG e-mail address was published where stakeholder could make comments or ask questions.

3.2 Baseline study

The *baseline* for an Article 6 project (Joint Implementation) is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the project activities within the project boundary.

The project specific baseline has to be established by the project participants in accordance with UNFCCC requirements. The baseline has to describe in a transparent and conservative manner the choices of (i) approaches, (ii) assumptions, (iii) methodologies; (iv) parameters, (v) data sources, (vi) key factors and (vii) additionality, and (viii) take into account uncertainty.

The baseline requirements have been set out against our findings in the table 3. The source for the requirements is FCCC/CP/2001/13/Add.2, Draft Decision -/CMP.1, Appendix B, 21 January 2002.

Requirement	Findings
The baseline shall be established on a project specific basis and/or using a multi project emission factor.	The baseline has been based on the specific situations in the towns Veliko Tarnovo, Gorna Oryahovitsa and Lyaskovets. Internal research documents of the marketing department of Overgas have been used for setting the baseline.
The baseline shall be established in a transparent manner with regards to the choice of approaches, assumptions, methodologies, parameters, data sources and key factors.	The report structure of the Operational Guidelines has been used. The spreadsheet for calculating the baseline and project emissions is an integral part of the baseline study. The assumptions as well as an explanation of the spreadsheet have been listed in appendices to increase transparency. Approaches, methodologies, parameters, data sources and key factors have been described in a transparent manner.
The baseline shall be established taking into account relevant national and/or sectoral policies and circumstances such as sector reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the project sector.	The key factors influencing the baseline and the project have been described in chapter 4. Overgas en Gastec performed market research in the towns before taking the decision to invest. The information from these studies has been used for the PDD. The expectations of the management of the company regarding the trends in the energy sector in Bulgaria and the economic developments have been used in establishing the baseline.
The baseline shall be established in such a way that ERU's cannot be earned for decreases in activity levels outside the project activity or due to force majeure.	Decreases of activity levels outside the project activity do not affect the baseline emissions and the project emissions. The baseline has been established in such a way that there will be a direct link between the natural gas use and the emissions reductions of the project.

Requirement	Findings
The baseline shall be established taking into account uncertainties and using conservative assumptions.	Although forecasts are by nature always uncertain the baseline seems conservative, because of the conservative assumptions used. The applied annual growth percentage (3%) is lower than the other scenarios that are used in the company.
Explanation how the baseline was established in a transparent and conservative manner.	The spreadsheet calculating the baseline emissions has been attached to the baseline report. The efficiency factors in the current situation compared to the project scenario have been transparently described in the PDD and the spreadsheet. Conservatism is demonstrated in the efficiency factors in the baseline scenario. The direct link between natural gas sales in the project and the realised emission reductions makes the monitoring easier and transparent and supports the conservative approach.
Statement of how anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered JI project activity[1].	In the absence of the project, no natural gas would be introduced in the three towns where the project will be implemented and consequently no GHG emissions would be reduced in that situation. In the justification of the project the project developers also indicate that funding through Joint Implementation will increase the feasibility of the project (paragraph 1.3.8).

Table 3: Baseline emissions

[1] Registration can only take place upon determination of the JI project activity.

3.3 Sensitivity analysis

According to the Operational Guidelines the project developer must assess systematically and through sensitivity analysis the extent to which the key factors affect the future baseline.

In chapter 5 of the Baseline Study Overgas presents 2 scenarios having different growth scenarios for the growth of the Bulgarian economy and energy consumption.

3.4 Monitoring plan

The monitoring plan describes the data collection and archiving systems that are required to estimate or measure the anthropogenic emissions by sources of greenhouse gases within the project boundary during the crediting period.

The requirements for the monitoring plan have been set out against our findings in table 4.

Requirement	Findings
The monitoring plan shall include a plan for the collection and archiving of all relevant data necessary for estimating or measuring anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases occurring within the project boundaries.	The monitoring plan has been described in chapter 9 of the PDD. This monitoring will be limited to monitoring of natural gas sales in the project period applying emission reduction factors per m^3 of natural gas sold. This approach will make monitoring easy and transparent.
The monitoring plan shall include a plan for the collection and archiving of all relevant data necessary for determining the baseline of anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases within the project boundary during the crediting period.	The monitoring plan defines responsibilities and refers to systems for natural gas measuring and registration that Overgas already uses in other gas distribution systems.

Requirement	Findings
The monitoring plan shall include a plan for the identification of all potential sources of, and the collection and archiving of data on increased anthropogenic emissions by sources and/or reduced anthropogenic removals by sinks of greenhouse gases outside the project boundary that are significant and reasonably attributable to the project during the crediting period. The project boundary shall encompass all anthropogenic emissions by sources and/or removals by sinks of greenhouse gases under the control of the project participants that are significant and reasonably attributable to the Article 6 project.	The company intends to use the emission factors calculated in the PDD for the monitoring. During the determination no omission of Greenhouse Gas emissions was identified. The subject of possible natural gas leakages from the new system was discussed during determination. The company expects that leaks of natural gas will be minimal because of the fact that modern technology will be applied.
The monitoring plan shall include a plan for collection and archiving information about environmental impacts, in accordance with procedures as required by the host Party, where applicable.	External experts performed Environmental Impact Assessments confirming the positive aspects of natural gas use. Management of environmental impacts will be subject of the host Party legal requirements.
The monitoring plan shall include a plan for quality assurance and control procedures for the monitoring process.	The quality control procedures of the company will also be applied for this project. A description of these procedures has been attached to the PDD.
The monitoring plan shall include a plan for procedures for the periodic calculation of the reductions of anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks by the proposed Article 6 project, and for leakage effects, if any. Leakage is defined as the net change of anthropogenic emissions by sources and/or removals by sinks of greenhouse gases which occurs outside the project boundary, and that is measurable and attributable to the Article 6 project.	During the monitoring period the same parameters will be applied using the same spreadsheet as used in the baseline report. Removals and sinks outside the project boundaries as well as leakage have been considered in the baseline report and are considered to be insignificant.
The monitoring plan shall include a plan for documentation of all steps involved in the calculations referred to in subparagraphs above.	The monitoring plan refers to the baseline report indicating that the same formulas and the same formats will be used as those used in the baseline report.

Table 4: Monitoring plan

The annual CO_2 emission reductions have been projected by comparing expected baseline situation with the project situation. The fuel consumption, the electricity consumption and the raw material use will be monitored and used in the monitoring reports for calculation of the realised emission reductions during the project period.

3.5 Environmental impacts

The Bulgarian legislation requires Environmental Impact Assessments for the projects that can have a potential negative influence on the environment.

Requirements	Findings
Documentation on the analysis of environmental impacts, including transboundary impacts.	Control P EOOD a Sofia based Independent Expert Firm performed the EIA's for all three projects according to Bulgarian legislation. English translations of these reports have been attached to the PDD and summaries have been included in chapter 11 of the PDD.
Conclusions and references of an Environmental Impact Assessment (EIA). An EIA has to be carried out if project participants or the host Party consider the impacts to be significant. The EIA has to be undertaken in accordance with the procedures as required by the host Party.	In conclusion the Independent experts conclude that the projects: • Will not impose any threat to the environmental components: air, surface and groundwaters, soils, flora, fauna and humans; • Do not contradict with any laws and regulations on environment protection and the health and hygienic standards in the Republic of Bulgaria; • Will improve the ecosystem and the living environment in the respective towns. Therefore the experts recommend the project for obtaining the necessary environmental permit.

Table 5: Environmental impacts

3.6 Stakeholder consultation

The opinion of stakeholders should be sought from both Bulgarian stakeholders and from international stakeholders.

The initiatives of the company regarding local stakeholder consultation have been described in chapter 10 of the PDD.

The Bulgarian stakeholder consultation was organised through the application procedures for environmental permits of the projects and through direct contacts with stakeholders. In chapter 10 of the PDD a summary of the stakeholder initiatives and the stakeholder comments have been included. In summary the comments from local stakeholders were merely positive.

The PDD was published on the Senter website carboncredits.nl between 17 July 2003 and 17 August 2003 for obtaining stakeholder comments.

One comment was obtained from Mr. Ivan Mastikov, Chief expert, Industrial Pollution Prevention Dpt. and Chairman of TC 15 "Environment protection", Bulgarian Institute of Standardization. His comment was merely positive, he highlighted the expected considerable improvement on the air quality in the respective town of the project and he concluded his e-mail with:

This project has a big potential for reduction of greenhouse gases emission in these three towns and will stimulate the next steps to the reduction of the greenhouse gases emissions in Bulgaria.

A second stakeholder, the Director of the Regional Inspectorate of Environment and Water (RIEW) of Veliko Tarnovo sent a fax to the validator underlining the positive attitude of broad sections of the public and the managers of enterprises in respect of the project. He write:

The project is of great economic, social and ecological importance for the region.

No other comments were received during this period.

3.7 Country Approval

The Ministry of Environment and Water of Bulgaria approved the project on behalf of the Republic of Bulgaria by issuing a Letter of Approval on 15 July 2003.

The Dutch Ministry of Economic Affairs approved the project on behalf of the State of The Netherlands by issuing a Declaration of Approval on 23 April 2004.

Copies of these letters have been attached in appendix C and D.

3.8 Corrective action requests

The corrective actions requested by KPMG Certification are included in Annex B.

A Key data

Project name	**"Reduction of greenhouse gases by gasification of the towns of Veliko Tarnovo, Gorna Oryahavitsa and Lyaskovets"**
Project number (Senter)	ERU 03/29
Project description	The project aims in the reduction of CO_2 emissions by switching from carbon rich solid and liquid fuels to natural gas by industries, public and administrative buildings and households. The expected CO_2 emissions reduction will be the result of investments in a main gas branch and gas distribution networks.
Project proponents	Overgas Inc. AD Mrs. Stela Kr. Blagova 5, Philip Kutev str. 1407 Sofia Bulgaria Tel. + 359 2 96 03 360 Fax: + 359 2 962 17 24 E-mail: stela_blagova@overgas.bg
Validator	KPMG Certification BV Amstelveen The Netherlands Tel. + 31 6 5155 3429 Fax. + 31 30 658 1800 E-mail: Koudijs.Eric@kpmg.nl
CO_2 reduction claimed by project	ERU's: 400,000 tonnes CO_2 in the period 2008 – 2012 (5 years)

Table 6: Key data project

B Corrective action requests

On the basis of the examination of the draft PDD version of 2 July 2003, the following questions have been asked (memo of 11 July 2002, status per 17 August 2003).

Page nr.	Issue
Page 13 and 14	During the determination visit ownership of the emission reductions was discussed. If an end user switches to natural gas. Who owns the emission reductions? The end user or the company that invested in the natural gas transport and distribution system? Overgas was well aware of this issue and discussed it with the main stakeholders in the project towns in an early stage. This resulted in agreements with the main payers in industry (26 parties) stating that the emission reductions of the company will be added to the ERU's of the Overgas project while this will lead to lower maximum admissible prices for natural gas. Comparable agreements were signed with the mayors of the three towns for natural gas deliveries to the public and administrative buildings. English translations of these agreements were available. In all gas delivery contracts with end users a clause will be included that the emission reductions will be transferred to the total emission reductions of the Gasification Project. Status: This has been clearly described in the justification of the project. The validator reviewed copies of example agreements.
Page 18 to 21	In the first draft PDD the figure showing the system boundaries was not very clear. The arguments for setting the project boundaries were not very clear either. Status: This figure has been changed in the final version and more explanation has been given regarding this subject.
Page 44 and the spreadsheet	In the spreadsheet with the first draft PDD there was no direct link between the applied efficiencies in the baseline and project situations and the energy consumption / CO_2 emissions. All emissions were based on market studies about expected developments in terms of energy use. This subject was discussed and it was agreed make this link in a transparent way. Status: A complete new spreadsheet was made with the support of Gastec Nederland and this spreadsheet has been used for the final calculation. This exercise also led to a slightly reduced (more conservative) baseline scenario.

Page nr.	Issue
Page 53 and 54	After discussions about how to monitor the emission reductions it was agreed to use the results of the baseline and project scenarios to fix the emission reductions per m^3 of natural gas sold per sector as much as possible. The alternative would have been to design an extremely complex and not practical monitoring system for monitoring and registration of the applications of natural gas and the fuels that are replaced at thousands end users. Status: The results of the market study describing the current situation have been used in the final version of the PDD as basis for calculations of the future emission reductions. Fixed emission reductions per sector and per year were calculated.
Page 57 to 59	Make the chapter about the stakeholder consultation more concrete. What was discussed, what comments were made, what corrective actions were agreed and what was the conclusion of the consultation process. Status: Has been done in the final version of the PDD.
Page 60 and 61	The same for the Environmental Impact Assessment. Prepare a good ½-page (maximum) summary for the impact assessment including the environmental aspects that were investigated. Include the conclusion and the decision from the environmental authorities about the EIA. Status: Has been done in the final version.
Throughout the report	A list of requests for textual changes was prepared during the determination visit to make the PDD clearer for outside readers. Status: These changes have been implemented in the final version of the PDD.

C Letter of Approval of the Host Country

REPUBLIC OF BULGARIA

MINISTRY OF ENVIRONMENT AND WATER

Letter of Approval

Undersigned, as a legal and authorised representative 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 Reducing Emissions of Greenhouse Gases under Article 6 of the Kyoto Protocol

Referring to:
Proposal number: И-ИД-2077/20.12.2002, named:

REDUCTION OF GREENHOUSE GASES BY GASIFICATION OF THE TOWNS OF VELIKO TARNOVO, GORNA ORYAHOVITSA AND LYASKOVETS

hereafter to be referred to as "the JI project", located in the towns of Veliko Tarnovo, Gorna Oriahovitsa, and Lyaskovets on switch from traditional fuels heavy fuel oil, gasoil and coal to natural gas

by "Overgas Inc.", hereafter to be referred to as "Supplier",

declares that:

1. Bulgaria has ratified the Kyoto Protocol.
2. Bulgaria 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. Bulgaria recognises the JI project to be a Joint Implementation project in accordance with article 6 of the Kyoto Protocol and its underlying decisions.
4. Bulgaria authorises the Supplier and any future owner 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. Bulgaria accepts the transfer of 400 000 of verified ERUs, generated through the JI project, to the Government of The Netherlands during the period 2008 – 2012 of the JI project, through the transfer of ERUs by Bulgaria. The transfer of ERUs is irrespective of any legal or other transfer of the JI project to third parties.
6. In case the Kyoto protocol will not enter into force, Bulgaria and the Netherlands consider the transfer to the Netherlands as a transfer of greenhouse gas emission reduction on a bilateral basis.
7. In case Bulgaria and the Netherlands fully comply with the participation requirements of the Marrakech accords, the transfer of ERUs will be based on article 23 of these accords ('JI track one').
8. At the latest in 2011 Bulgaria and the Netherlands will start discussions on eventual transfer of ERUs generated by the JI project after 2012.

Signed:

Dolores Arssenova
Minister

Date: 15.07.2003
Sofia, Bulgaria

D Declaration of Approval of the Netherlands

Ministerie van Economische Zaken

VOOR TECHNOLOGIE ENERGIE EN MILIEU
Nummer: JER042065
Ingek.: 23 APR 2004
Class.:
Retro:

DECLARATION OF APPROVAL

THE STATE OF THE NETHERLANDS ACTING THROUGH THE NETHERLANDS' MINISTRY OF ECONOMIC AFFAIRS, being the competent national authority for approving Joint Implementation projects,

Referring to:
Proposal number ERU03/29,
named Reduction of greenhouse gases by gasification of the towns of Veliko Tarnovo, Gorna Oryahovitsa and Lyaskovets,
located in Bulgaria,
by Overgas Inc.,

declares that:

it has ratified the Kyoto Protocol on 31 May 2002;

it has designated its Ministry of Economic Affairs as its National Authority for approving Joint Implementation projects;

it recognises the project to be a Joint Implementation project in accordance with article 6 of the Kyoto Protocol and its underlying decisions;

it is committed to meet all eligibility requirements for using Emission Reduction Units to contribute to compliance with part of its quantified emission limitation and reduction commitment under Article 3 of the Kyoto Protocol as determined by the COP or COP/MOP in due time;

it will consider the transfer of greenhouse gas emission reductions resulting from the project on a bilateral basis, in case the Kyoto Protocol eventually will not enter into force.

L.J. Brinkhorst
Minister of Economic Affairs

Signed on 23/4/2004, The Hague