

R O M A N I A



MINISTRY OF WATERS AND ENVIRONMENTAL PROTECTION

Cabinet of Minister

Nr. 905 / PL / 19.06.2003

Letter of Approval

Enforcing the policy of climate change defined by the UNFCCC, Romania, as an Annex I country of this convention, is guided by the principles that "policies and measures to deal with climate change should be cost effective so as to ensure global benefits at the lowest possible cost";

Recalling Article 6 of the Kyoto Protocol, adopted by the Conference of the Parties at the third meeting of the UNFCCC, which enables "...the transfer from one Party to another Party of emission reduction units resulting from projects aimed at reducing anthropogenic emissions by sources or enhancing anthropogenic removals by sink of greenhouse gases in any sector of economy" for the purpose to meet the commitments under Article 3 of the Protocol;

For the project mentioned bellow, after reviewing the baseline study and the issued Letter of Approval Nr. 1635/PL/12.09.2002 , following the SENTER letter DER0203444/ December 5, 2002, the Ministry of Waters and Environmental Protection issues the present Letter of Approval.

This Letter of Approval replaces the Letter of Approval nr. 1635/PL/12.09.2002 issued by the Ministry of Waters and Environmental Protection.

Referring to the project ERU01/01 "Modernisation of 3 hydro units within Portile de Fier I hydropower plant ", hereafter to be referred to as "the JI Project",

located in Drobeta Turnu Severin-Gura Vaili, Mehedinti County

address : Strada I.G Bibescu, nr. 2, Drobeta Turnu Severin

by HIDROELECTRICA S.A. , hereafter to be referred to as "Contractor",

dated 19/08/2002.

declares that :

1. Romania has fulfilled its national obligations and has ratified the Kyoto Protocol
2. Romania will comply with the requirements to participate in Article 6 KP projects as stated in the Marrakesh Declaration no later than September 1st 2006

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3. Romania recognises the JI project to be a Joint Implementation project in accordance with article 6 of the Kyoto Protocol and its underlying decisions.
4. Romania authorises the contractor 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. Romania accepts the transfer of 1 673 844 t CO₂ of verified ERUs, generated through the JI project, to the Government of The Netherlands during 2008-2012 of the JI project, through the transfer of ERUs by the Romania or any other mechanism accepted by COP/MOP
6. The transfer of ERUs is irrespective of any legal or other transfer of the JI project to the third parties
7. In case the Kyoto Protocol will not enter into force, Romania and the Netherlands consider the transfer to the Netherlands as a transfer of greenhouse emission reduction on bilateral basis
8. Romania acknowledges the fact that the JI project will already be operational prior to 2008 and will reduce GHG emissions in that period. Romania will transfer to the Netherlands Assigned Amounts Units (AAUs) through the Emission Trading mechanism of Article 17 of the Kyoto Protocol to a 1 000 000 t CO₂ of the emission reductions realised by the JI project prior to 2008. Romania will agree with Supplier on a method of verification.
9. Romania will comply with the participation requirements as stated under article 2 in the Annex to the Marrakesh Declaration (Decision-/CP 7 (Article 17)) (Modalities, rules and guidelines for emission trading), no later than September 1st 2006

Signed 20/06/2003, Bucharest, Romania

Minister


Petru Lificiu