



REPUBLIC OF BULGARIA
MINISTRY OF ENVIRONMENT AND WATER

Letter of Approval

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

Referring to:

Proposal number: И-ИД-1755/07.12.2003, named:

**REDUCTION OF GREENHOUSE GASES BY GASIFICATION OF
SOFIA MUNICIPALITY**

hereafter to be referred to as "JI project",
located in the town of Sofia on switch from traditional fuels heavy fuel oil,
gasoil and coal to natural gas

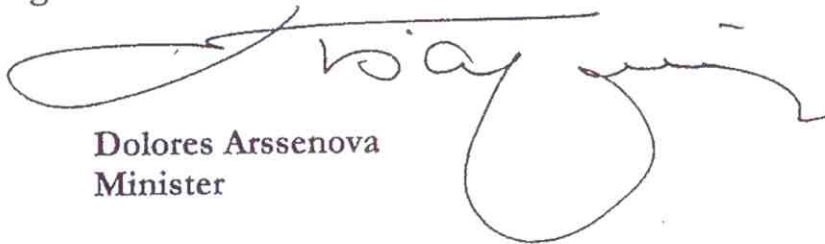
by "Overgas Inc.", hereafter to be referred to as "Supplier",

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.
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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 500 000 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: 04.05.2004
Sofia, Bulgaria
