

# ROMANIA



## MINISTRY OF ENVIRONMENT AND WATER MANAGEMENT

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*Cabinet of the Minister*

Nr. ~~99~~ /S.M.I/20.05.2004

### Letter of Approval

Enforcing the policy of climate change Romania as an UNFCCC Annex I Party is guided by the principles laid out in Article 3.3 of the Convention, which states *inter alia* that Parties should take into account that “policies and measures to deal with climate change should be cost effective so as to ensure global benefits at the lowest possible cost”.

Article 6 of the Kyoto Protocol, adopted at CoP 3 to the UNFCCC, allows any Annex I Party to transfer or acquire from any other such Party emission reduction units (ERUs) resulting from projects aimed at reducing anthropogenic emissions by sources or enhancing anthropogenic removals by sinks of greenhouse gases for the purpose of meeting its commitments under Article 3 of the Protocol.

The Kyoto Protocol was ratified by Romania through the Law no. 3 from 2001. Based on this, Romania is willing to continue the policy to implement jointly the Kyoto Protocol’s flexible mechanisms. The projects developing with the Netherlands are based on the “Memorandum of Understanding on co-operation under Art. 6 of the Kyoto Protocol, JI projects between Romania and the Netherlands” signed in 1999, and ratified by Law no. 368/2002.

The project below was analyzed in the 10<sup>th</sup> of May 2004 meeting of the National Commission on Climate Change, and the Ministry of Environment and Water Management hereby issues the present Letter of Approval.

Referring to:

proposal number. ERU 04/40

named Municipal Cogeneration Targoviste, hereafter to be referred to as the “JI Project”

located SC TERMICA S.A. Targoviste

by “S.C. NUON ENERGY ROMANIA SRL”, hereafter to be referred to as „Supplier”

dated 20.05.2004,

the Ministry of Environment and Water Management of Romania declares that:

1. Romania has ratified the Kyoto Protocol.
2. Romania will comply with the requirements to participate in Article 6 Kyoto Protocol projects as stated in the Marrakech Declaration, no later than 1<sup>st</sup> September 2006.
3. Romania recognizes the JI Project to be a Joint Implementation project in accordance with article 6 of the Kyoto Protocol and its underlying decisions.
4. Romania authorizes the Supplier and any future owner of the JI Project to generate ERUs, by operation of the JI Project, in accordance with article 6 of the Kyoto Protocol.
5. Romania accepts and will issue and transfer to the Netherlands 388,120 t CO<sub>2</sub> of verified ERUs, as well as any surplus ERUs, that are generated through the JI Project during the period from 2008 until and including 2012.
6. The transfer of ERUs from Romania to the Netherlands will be free of any taxes or levies.
7. The transfer of ERUs from Romania to the Netherlands is irrespective of any legal or other transfer of the JI Project to third parties.
8. In case the Kyoto Protocol will not enter into force, Romania shall transfer to the Netherlands greenhouse gas emission reductions and all rights derivable there from on a bilateral basis in an amount equal to the number of verified emission reductions.
9. In case Romania 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").
10. 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 Amount Units (AAUs) through the Emissions Trading mechanism of Article 17 of the Kyoto Protocol to a 164,460 t CO<sub>2</sub> of the verified emission reductions realized by the JI Project prior to 2008. Romania agrees to use the same method for verification as used for the verification of ERUs.
11. Romania will comply with the participation requirements as stated under article 2 in the Annex to the Marrakech Declaration (Decision -/CP.7 (Article 17)) (Modalities, rules and guidelines for emissions trading), no later than September 1<sup>st</sup> 2006.

Signed 20 May 2004, Bucharest, Romania

**Speranța Maria IANCULESCU**

**Minister**

*An primit originalul*

*Marius Sapa  
S.C. TERMICA S.A.*

*27.05.2004*

*Ștefan Ștefan - 2. June*