

OFZ/1527/00/AB

H. E. Mr. Donald P. McLennan Ambassador Canadian Embassy in Warsaw

Dear Mr. Ambassador

Following the provisions contained in the Annex to the Memorandum of Understanding on Environmental Cooperation, signed in Warsaw on 16 June 2000, in which we have agreed to promote joint activities supporting sustainable development and greenhouse gas mitigation, including the development of renewable energy sources or the enhancement of sinks, especially facilitating the Joint Implementation projects, I am pleased to inform you that the following Polish-Canadian Joint Implementation project has already been successfully completed.

"Small Hydro - Power Plant on Bobr River, location Leszno Gorne, municipality Szprotawa."

In accordance with point 1 of the Annex to the Memorandum of Understanding on Environmental Cooperation, I would like to confirm our acceptance of the proposed ERUs sharing, which is 50% for Poland and 50% for Canada, resulting from the project implementation and based on the net electrical power production during the period 2008 – 2012. The transfer of ERUs will be possible only when the appropriate legal provisions had entered into force.

The Parties jointly agree to the monitoring of the emission reduction of this project until the year 2012 pursuant the guidelines for the implementation elaborated by the Conference of the Parties to the United Nations Framework Convention on Climate Change.

I do hope that this first Joint Implementation project provides our governments and others stakeholders with the relevant information and experience to guide and streamline future JI projects and successfully fulfils our Memorandum of Understanding on Environmental Cooperation, signed 16 June 2000.

I am looking forward to receive your acceptance of the above project.

Sincerely yours,

Mr/Kazimierz Kujda President National Fund for Environmental Protection and Water Management, Polish Joint Implementation Secretariat

MS? Sushma Gera Deputy Director, CDM & JI Office, Climate and Energy Division, Department of Foreign Affairs and International Trade Canada

Mr. Mervin Olsheski President Merol Power Corporation Canada