

**Republic of Bulgaria**



**MINISTRY OF ENVIRONMENT AND WATER**

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**Letter of Approval**

Undersigned, as a legal and authorized representative of the Republic of Bulgaria;

Acknowledging that the Republic of Bulgaria has ratified the United Nations Framework Convention on Climate Change in 1995;

Recalling that the Republic of Bulgaria has ratified the Kyoto Protocol in 2002;

Referring to:

Proposal number/date:	26-00-3448/27.10.2006
Title:	“Portfolio of new co-generation power stations for combined production of heat and electricity in “District Heating Company Pleven” and “District Heating Company Veliko Tarnovo”, Bulgaria”
Location:	Town of Pleven, Town of Veliko Tarnovo
Project Company (Supplier of the ERUs):	“District Heating Company Pleven” PLC

Hereinafter referred to as “the JI project”;

Taking into consideration that the JI project is expected to provide a reduction in greenhouse gas emissions by sources that are additional to any that would otherwise occur,

Declares that:

1. The Republic of Bulgaria will comply with its obligations under the Kyoto Protocol, including the eligibility requirements, as stated under paragraph 21 of the Annex to Decision 16/CP.7 (Guidelines for the implementation of Article 6 of the Kyoto Protocol) and paragraph 2 of the Annex to Decision 18/CP.7 (Modalities, rules and guidelines for emissions trading under Article 17 of the Kyoto Protocol), in order to participate in JI mechanism according to Article 6 of the Kyoto Protocol;

2. The Republic of Bulgaria commits itself to take all steps required under the Kyoto Protocol and/or the relevant rules, decisions, modalities, guidelines and procedures thereunder, concerning the transfer of emission reductions from the JI project, including avoidance of double counting according to the Directive 2004/101/EC and the relevant decisions of the European Commission;
3. The Republic of Bulgaria approves the project as a Joint Implementation project in accordance with Article 6 of the Kyoto Protocol and the subsequent decisions, adopted by the Conference of the Parties, serving as the Meeting of the Parties (COP/MOP) and the decisions, approved by the Joint Implementation Supervisory Committee;
4. The Republic of Bulgaria authorizes the "District Heating Company Pleven" PLC and any future owner of the JI project to make a claim for Emission Reduction Units (ERUs), by the operation of the JI project, in accordance with Article 6 of the Kyoto Protocol;
5. The Republic of Bulgaria accepts to transfer the verified ERUs up to 844 556 t CO<sub>2</sub> equivalent, generated through the JI project during the period 2008 – 2012 to the Kingdom of Denmark represented by the Danish Environmental Protection Agency;
6. The transfer of ERUs from the Republic of Bulgaria to the Kingdom of Denmark will be free of any taxes or levies;
7. The transfer of ERUs from the Republic of Bulgaria to the Kingdom of Denmark is irrespective of any legal or other transfer of the JI project to third Parties;
8. In case that the Republic of Bulgaria and the Kingdom of Denmark fully comply with the eligibility requirements on paragraph 21 from the Annex to Decision 16/CP.7 (Guidelines for the implementation of Article 6 of the Kyoto Protocol), the verification of emission reductions generated from the JI project and the transfer of ERUs will be based on paragraph 23 from this Annex ('JI Track One').
9. The Republic of Bulgaria also confirms that it will set aside for the JI Project an amount of Assigned Amount Units (AAUs) corresponding to 133 330 t CO<sub>2</sub> equivalent expected to be generated and verified by the project prior to 2008.

**Signature:**

  
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**Mr. Dzhevdet Chakarov**

**Minister of environment and water of the Republic of Bulgaria**

**Date: 29 December**

**Sofia, Bulgaria**