



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: 48-00-125/15.03.2005, named:

CO-GENERATION GAS POWER STATIONS
AKB FORES PLC Financial Industrial Group

hereafter to be referred to as “JI project”,
located in the towns of Devnya, Kostenets, Kazanlak, and Yambol

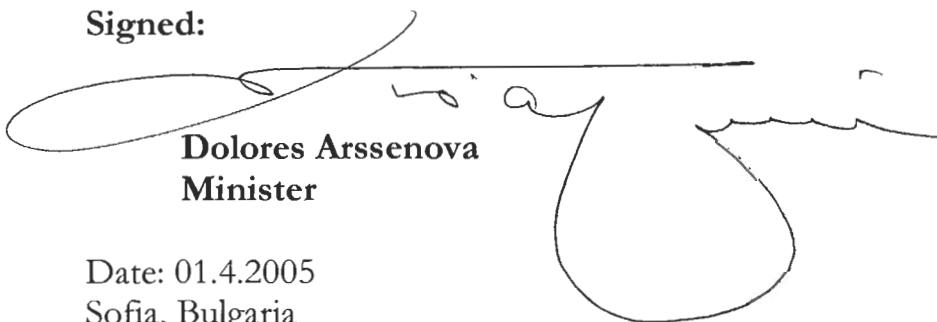
by “AKB FORES PLC” Financial Industrial Group, hereafter to be referred to as “Supplier”,

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 to transfer 100 % of the verified ERUs, generated through the JI project during the period 2008 – 2012, to the Government of The Netherlands. The transfer of ERUs is irrespective of any legal or other transfer of the JI project to third parties.
6. Bulgaria also confirms that it will set aside for the project “Co-generation gas power stations” an amount of Assigned Amount Units (AAUs) corresponding to 193 000 tCO₂ equivalent expected to be generated by the Project prior to 2008 in accordance with the MoU between the Republic of Bulgaria and the Kingdom of the Netherlands.
7. Bulgaria is currently in the process of establishing an AAU management and investment scheme for “greening” of AAUs transferred through the Emissions Trading mechanism of Article 17 of the Kyoto Protocol. Once the scheme is operational, latest at the beginning of 2006, the AAUs generated by the Project and agreed between the Host country and the Supplier, will be transferred to the Netherlands.
8. 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’).
9. 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: 01.4.2005
Sofia, Bulgaria
