

Memorandum  
Between Japan and the Republic of Bulgaria  
on Cooperation under the Kyoto Protocol to the UN  
Framework Convention on Climate Change

The Ministry of Foreign Affairs, the Ministry of Economy, Trade and Industry and the Ministry of the Environment of Japan, hereinafter referred to as the “Japanese side” and the Ministry of Environment and Water of the Republic of Bulgaria, hereinafter referred to as the “Bulgarian side”, recall that Japan and the Republic of Bulgaria are Parties to the United Nations Framework Convention on Climate Change and the Kyoto Protocol to that Convention.

Both sides take into account in particular Articles 6 and 17 of the Kyoto Protocol.

Both sides affirm their intention to preserve the environment and to promote sustainable development.

Both sides recall their existing co-operation in the field of environment and stress the importance of enhanced cooperation in the light of the objective of the United Nations Framework Convention on Climate Change and its Kyoto Protocol.

Both sides have confirmed their intentions as follows:

1. General

This Memorandum creates the framework for the both sides’ cooperation regarding Article 6 and 17 of the Kyoto Protocol.

2. Objective

The cooperation under this Memorandum is to facilitate the realization of Joint Implementation (JI) projects in accordance with Article 6 of the Kyoto Protocol in the Republic of Bulgaria and the transfer from the Bulgarian national registry to the given accounts within the Japanese national registry of verified Emission Reduction Units (ERUs) resulting from the implementation of JI projects as well as assigned amount units transformed from the amounts of emission reductions generated before 2008 by JI projects (hereinafter referred as “AAUs”).

3. Contribution of the Japanese Side

The Japanese side enhances cooperation with the Bulgarian side by exchanging information to promote JI projects to be implemented in the Republic of Bulgaria.

The Japanese side issues a Letter of Approval when it approves the JI projects in accordance with

Article 6.1 of the Kyoto Protocol.

The Japanese side contributes to the development and implementation of JI projects by administering the transfer of ERUs and AAUs originating from those projects.

#### 4. Contribution of the Bulgarian Side

The Bulgarian side facilitates the development and implementation of projects by providing Japanese project participants interested in carrying out JI projects with information and consultation, and by approving the projects by issuing a Letter of Approval in accordance with Article 6.1 of the Kyoto Protocol.

The Bulgarian side transfers from the Bulgarian national registry to the given accounts within the Japanese national registry the agreed amounts of ERUs from JI projects generating ERUs according to the contracts between the Japanese and Bulgarian project participants. The agreed amounts of ERUs for each project are transferred as long as the JI project keeps generating emission reductions under the Kyoto Protocol during the first commitment period .

The Bulgarian side transforms the amounts of emission reductions generated before 2008 by JI projects into AAUs for the period 2008-2012 and transfers the agreed amounts of AAUs in the contracts between the Japanese and Bulgarian project participants from the Bulgarian national registry to the given accounts within the Japanese national registry on the basis of Article 17 of the Kyoto Protocol. The transfer of AAUs could be only executed through the AAUs management and investment scheme after its establishment in Bulgaria.

The Bulgarian side confirms that the transfer will be free of any extra charges beyond the agreed terms of payment in the contracts between the Japanese and Bulgarian project participants.

In case of significant changes in the relevant national policies of the Republic of Bulgaria and/or in case Bulgaria fails to satisfy the eligibility requirements set out in paragraph 21 in Decision 16/CP.7 resulting in difficulties in generation and transfer of ERUs or AAUs to the Japanese project executors and/or investors, the Bulgarian side does its utmost to have ERUs or AAUs agreed in the contracts transferred in a practical manner to the given accounts within the Japanese national registry.

#### 5. Payment schemes

Payment schemes for ERUs or AAUs are decided on a case-by-case basis in the contracts between the Japanese and Bulgarian project participants.

#### 6. Consultations and adjustments

If a problem concerning this Memorandum arises, it is settled amicably by consultations between

both sides.

Each side notifies in written form the other side about proposed adjustments of the present Memorandum, if necessary.

#### 7. Duration

This Memorandum becomes effective on the date of receipt by the Japanese side of the notification from the Bulgarian side of the completion of the necessary domestic procedures for the effectiveness of this Memorandum.

Each side may at any time give notice to the other side of its decision to terminate this Memorandum. The Memorandum is terminated 60 days after the receipt of the notice.

This Memorandum is signed in two original copies in the English language.

(The Japanese side)

(The Bulgarian side)

Koichiro FUKUI  
Ambassador Extraordinary and Plenipotentiary  
of Japan to the Republic of Bulgaria

Dzhevdet CHAKAROV  
Minister of Environment and Water of  
the Republic of Bulgaria

Sofia, 20 December 2005