

**Memorandum of Understanding**

**on**

**Co-operation regarding Clean Development Mechanism project activities**

**between**

**the Federal Ministry for the Environment, Nature Conservation and  
Nuclear Safety of the Federal Republic of Germany**

**and**

**the Ministry of Environment of the Islamic Republic of Pakistan**

The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of  
the Federal Republic of Germany

and

the Ministry of Environment of the Islamic Republic of Pakistan,

Recall that the Federal Republic of Germany and the Islamic Republic of Pakistan are parties to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol to that Convention,

Recall furthermore, that Article 12 of the Kyoto Protocol provides for the transfer of certified emission reductions (CERs) resulting from Clean Development Mechanism (CDM) project activities aimed at reducing anthropogenic emissions by sources or enhancing anthropogenic removals by sinks of greenhouse gases,

Realize that CDM project activities should assist the host country in achieving sustainable development and that it is the host Party's prerogative to confirm this,

Take into account decisions, guidelines, modalities and procedures adopted by the Conference of Parties (COP) to the UNFCCC and the COP serving as the Meeting of the Parties (COP/MOP) to the Kyoto Protocol on Article 12 of the Kyoto Protocol and by the Executive Board to the CDM,

Express, in pursuing the objectives of the UNFCCC and of the Kyoto Protocol, their intent to co-operate in the following manner:

#### **I. Scope and Instruments of Co-operation**

Both sides share the view

1. that the co-operation under this Memorandum of Understanding should include the development and further improvement of framework conditions to facilitate the implementation of project activities under the CDM, especially by the private sector;
2. that co-operation regarding the CDM and CDM project activities in particular, should include the following:
  - a. exchange of information on the subject of compliance with the eligibility requirements for participation in CDM project activities;

- b. exchange of information on project opportunities, in particular in the fields of renewable energies and energy efficiency, project funding and financing conditions and facilitation of the information flow to public and private entities;
- c. exchange of information and views on the assessment of project activities including approval procedures and guidelines for CDM project activities applied by the parties involved; the information concerning bilateral CDM project activities should be exchanged by means of electronic communication;
- d. exchange of information and views on methodologies and mechanisms for determining emission baselines and demonstrating additionality and for monitoring and verification of greenhouse gas emission reductions that would not have occurred in the absence of the CDM project activity; the information concerning bilateral CDM project activities should be exchanged by means of electronic communication;
- e. facilitation of project activities identified jointly as being able to fulfill the CDM project cycle requirements, especially in the case of Small Scale Projects. Project activities identified jointly should preferably be endorsed through official letters from each side;
- f. facilitation of the development, of project ideas presented to the Designated National Authorities (DNAs) by pre-checking them in due time, in order to determine the endorsement of project activities as CDM projects. Both Designated National Authorities (DNAs) should communicate their decisions to the applicant entity in written form;
- g. support of project activities which have been approved by both Designated National Authorities (DNAs) throughout the whole CDM cycle in particular before the CDM Executive Board. Both sides should exchange views and inform each other on any activity intended to be pursued in this context.

## II. General principles, procedures and structure of the cooperation

In their cooperation, both sides intend to

- 1. facilitate – subject to the respective national legislation - the exchange of information concerning business agreements, joint ventures and licensing agreements among legal entities in the Federal Republic of Germany and the Islamic Republic of Pakistan while preserving the appropriate confidentiality;

2. consult regularly on the progress of project activities and other activities that occur within the co-operation under this Memorandum of Understanding and to inform relevant departments within the national administrations and others involved in a project activity;
3. make every effort to facilitate and shorten the process of the development of CDM project activities, and in particular, intend to take and to communicate decisions on approval of validated Project Design Documents (PDDs) within six weeks at the latest;
4. inform each other immediately after signing this Memorandum of Understanding about the contact persons of their respective DNAs through an exchange of letters.

### **III. Disagreement**

Both sides intend to resolve any disagreement which may arise in the context of cooperation under this Memorandum of Understanding, by mutual consultation between the representatives of both sides.

### **IV. Amendment**

Both sides share the view that

1. this Memorandum of Understanding may at any time be amended or modified in writing by mutual consent;
2. this Memorandum of Understanding may be revised if it proves necessary to take into account new requirements emerging from new COP and COP/MOP decisions, changes in the national climate policy strategy, including, CDM project assessment and approval procedures, or the lessons learned from the implementation of CDM project activities.

### **V. Duration of the Co-operation**

Both sides share the view that

1. co-operation under this Memorandum of Understanding should commence on the date of signature thereof;

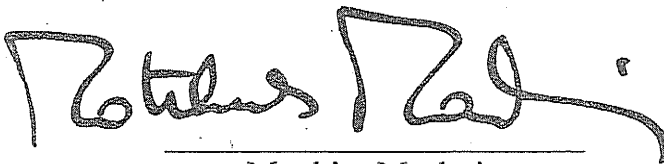
2. co-operation should be continued until one side informs the other in writing six months in advance of its wish to terminate the co-operation under this Memorandum of Understanding;
3. the termination of this Memorandum of Understanding should not affect CDM project activities already implemented or approved by both sides.

## VI. Implementing Agencies

- (i) Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of the Federal Republic of Germany
- (ii) Ministry of Environment of the Islamic Republic of Pakistan

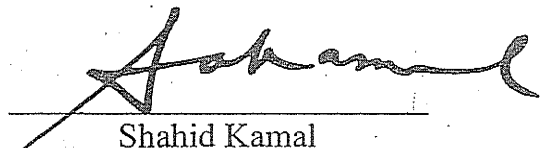
This Memorandum of Understanding is signed in duplicate in the English language at Berlin on 8<sup>th</sup> July 2009.

For the Federal Ministry for the  
Environment, Nature Conservation and  
Nuclear Safety of the Federal Republic  
of Germany



Matthias Machnig

For the Ministry of Environment of the  
Islamic Republic of Pakistan



Shahid Kamal