

**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 STATE MINISTRY OF THE ENVIRONMENT OF THE REPUBLIC OF
INDONESIA**

The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of the Federal Republic of Germany and the State Ministry of Environment of the Republic of Indonesia hereinafter referred to as 'Sides'

Refer to the "Agreement between the Federal Minister of the Environment, Nature Conservation and Nuclear Safety of the Federal Republic of Germany and the Minister of State for Population and Environment of the Republic of Indonesia on Cooperation in Environmental Affairs", signed on the 25 February 1993 in Jakarta, and emphasise the importance of enhanced cooperation in the field of environment and sustainable development,

Recall that the Federal Republic of Germany and the Republic of Indonesia 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,

Underline that CDM project activities should assist the host country in achieving sustainable development and that it is the host Sides' 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,

Realise that participation of both Partners in a Clean Development Mechanism project activity is voluntary and implies mutual co-operation on an equal basis,

Pursuant to the prevailing laws and regulations of the respective countries,

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 that

1. 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. 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 Sides involved;
- 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;
- e) Promotion of concrete CDM projects in accordance with definitions, rules, procedures, and modalities set forth in the Kyoto Protocol and other decisions related to CDM with a view to registering CDM projects, and generating, transferring, and accruing of CERs before 31 December 2012;
- f) Facilitation of project activities identified jointly as being able to fulfil the CDM project cycle requirements, especially in the case of Small Scale Projects and CDM Programme of Activities. Project activities identified jointly should preferably be endorsed through official letters from each side;
- g) 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 DNAs should communicate their decisions to the applicant entity in written form;
- h) Respect of the ownership of the accrued CER from the registered projects that have been agreed upon in such contracts for these projects, in accordance with the Sides national law.

II. GENERAL PRINCIPLES, PROCEDURES AND STRUCTURE OF THE COOPERATION

In their cooperation, both sides intend to

1. facilitate - 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 Republic of Indonesia, while preserving the appropriate confidentiality;
2. consult regularly in the manner of a Joint Consultation 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) by the DNA within six weeks at the latest;
4. provide accessibility in the planning, implementation and evaluation of the jointly decided activities within the framework of this Memorandum of Understanding;
5. provide assistance in arranging visas, stay permits, exit, and re-entry permits to the officials engaged in the jointly decided activities within the framework of this Memorandum of Understanding;
6. inform each other immediately after signing this Memorandum of Understanding about the contact persons of their respective DNAs through an exchange of letters.
7. exchange information concerning bilateral CDM project activities by electronic communication and other means as necessary.

III. JOINT CONSULTATION

In their cooperation, both sides intend to establish a Joint Consultation, which should

1. facilitate the implementation of this Memorandum of Understanding;
2. support the co-operation, especially through the establishing of a bilateral pipeline on CDM project activities, project matching activities of private entities and capacity building to the CDM stakeholders in Indonesia;
3. meet regularly, alternately in Germany and Indonesia, to designate their representatives for the Joint Consultation and to review the implementation of this Memorandum of Understanding.

IV. DISAGREEMENT

Both sides intend to resolve any disagreement which may arise in the context of co-operation under this Memorandum of Understanding by consultation between the two sides.

V. AMENDMENT

Both sides share the view that

1. This Memorandum of Understanding may at any time be amended in writing by mutual consent;
2. This Memorandum of Understanding should 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.

VI. DURATION

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 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.

In witness thereof, the undersigned have signed this Memorandum of Understanding.

This Memorandum of Understanding is signed in duplicate in the English language.

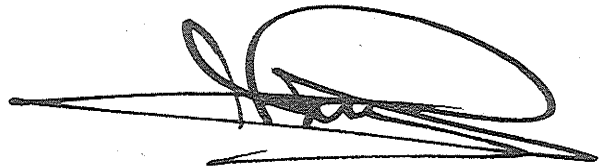
Berlin, 15.12.2009

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



Ms. Ursula Heinen-Esser

For State Ministry of the
Environment of the Republic
of Indonesia



Mr. Gusti Muhammad Hatta