

Memorandum of Understanding
on
cooperation regarding Clean Development Mechanism project activities
and climate policy issues

between

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

and

the National Council of the Environment of the Republic of Peru

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

and

the National Council of the Environment of the Republic of Peru,

hereafter referred to as 'Participants',

recall that the Federal Republic of Germany and the Republic of Peru are Participants to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol of that Convention,

recall that Article 12 of the Kyoto Protocol defines the Clean Development Mechanism (CDM) which has as its main objective to assist Parties not included in Annex I of the UNFCCC in achieving sustainable development and in contributing to the ultimate objective of the UNFCCC, as well as to assist Parties included in Annex I of the UNFCCC in achieving compliance with their quantified emission limitation and reduction commitments under Article 3 of the Kyoto Protocol,

underline 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,

underline that the objective of the present MoU aims to facilitate the development and implementation of CDM project activities, as well as the cooperation on climate policy issues in accordance with Article 12 of the Kyoto-Protocol,

express, in pursuing the objectives of the UNFCCC and of the Kyoto Protocol, their intent to cooperate in the following manner:

I. Scope and Instruments of Cooperation

Both Participants share the view:

1. that the cooperation 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, as well as climate policy issues;
2. that cooperation 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;

- 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;
- on the assessment of project activities including approval procedures and guidelines for CDM project activities applied by the Parties involved; and
- 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;

- b) Support to facilitate those project activities identified jointly as being able to fulfil 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 Participant;
- c) Support to facilitate 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;
- d) Support of project activities which have been approved by both DNAs throughout the whole CDM cycle in particular before the CDM Executive Board. Both Participants should exchange perspectives and inform each other on any activity intended to be pursued in this context;

3. that cooperation regarding climate policy issues should include the following:

- a) Exchange of information and points of view on national programs containing policies and measures to mitigate climate change and measures to facilitate adequate adaptation to climate change;
- b) Exchange of information and points of view on the negotiations in the framework of the UNFCCC and the Kyoto Protocol, especially with regard to the development beyond 2012; and
- c) Exchange of information and points of view on multinational and international climate-relevant initiatives aimed at contributing to achieve the ultimate objective of the UNFCCC, in particular their contribution to the necessary global greenhouse gas emission reductions.

II. General Principles, Procedures and Structure of the Cooperation

In their cooperation, both Participants intend to:

1. Facilitate 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 Peru, while preserving the appropriate confidentiality;

2. Consult regularly on the progress of project activities and other activities that occur within the cooperation under this Memorandum of Understanding and to inform relevant areas 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 (6) weeks at the latest;
4. Establish a bilateral working group on climate change with particular focus on the CDM and the items falling under the scope of I.3. The working group should be headed by senior officials of the competent ministries and meet at least once a year on the occasion of the meeting of the Subsidiary Bodies of the Convention. Other government officials, experts, representatives of CDM project activities and other persons demonstrating legitimate interests should be able to participate, if so agreed by both Participants. The travel expenses and accommodation costs of the meetings' participants should be covered by each Participant;
5. Inform each other immediately after signing this Memorandum of Understanding about their respective senior officials designated to head the working group established under II.4 and about the contact persons of their respective DNAs through an exchange of letters.

III. Disagreement

Both Participants intend to resolve any disagreement which may arise in the context of cooperation under this Memorandum of Understanding by consultation between them.

IV. Amendment

Both Participants 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.

V. Duration of the Cooperation

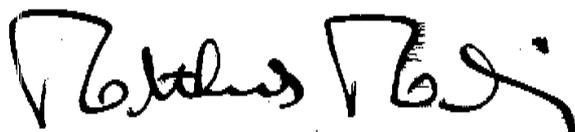
Both Participants share the view that:

1. Cooperation under this Memorandum of Understanding should commence on the date of signature thereof;
2. Cooperation should be continued until one participant informs the other in writing six months in advance of its wish to terminate cooperation 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 Participants.

This Memorandum of Understanding is signed in duplicate in the Spanish, German and English languages.

Berlin, 8 November 2006

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



State Secretary Matthias Machnig

In representation of the National Council
of the Environment of the Government of
Peru



H.E. Ambassador Carlos Higuera of
the Peruvian Embassy in Germany