

**Memorandum of Understanding between the Government of the Republic of Armenia and the Government of the Kingdom of Denmark on co-operation for the implementation of the Kyoto Protocol to the UN Framework Convention on Climate Change.**

The Government of Denmark, in particular the Ministry of Environment, Danish Environmental Protection Agency being the competent Danish authority for the purpose of this Memorandum, hereinafter referred to as the Danish Party  
and

The Government of the Republic of Armenia, in particular the Ministry of Nature Protection of Armenia being the competent authority for the purpose of this Memorandum, hereinafter referred to as the Armenian Party,

*Taking into consideration that both Parties are parties to the United Nations Framework Convention on Climate Change, (UNFCCC), and have ratified the Kyoto Protocol to that Convention.*

*Aiming to implement the provisions of Article 12 of the Kyoto Protocol and its underlying Decisions by the Conference of the Parties to UNFCCC serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) on the guidelines for its implementation, providing for the transfer from a Party not included in Annex 1 of UNFCCC to a Party included in Annex 1 of Certified Emission Reductions (CER) accruing from Clean Development Mechanism (CDM) project activities to contribute to compliance with part of its quantified emission limitation and reduction commitments under Article 3 of the Kyoto Protocol,*

*Underlining the importance of the domestic policies and measures to meet commitments under the Kyoto Protocol and the supplementary role of the activities under its Article 12.*

*Accepting any further Guidelines on Article 12 of the Kyoto Protocol to be developed by CoP/MoP, and also taking into account any future decisions by CoP/MoP relevant for the prompt and effective implementation of CDM,*

*Anticipating the entry into force of the Kyoto Protocol,*

*Considering that co-operation in the field of the CDM under Article 12 of the Kyoto Protocol will result in an efficient contribution to sustainable development and in the reduction of greenhouse gases emissions,*

*Desirous to express the political will to start and implement a long-standing co-operation on and to facilitate a prompt, efficient and effective implementation of the CDM,*

Have agreed as follows:

#### Article 1

##### *Objective*

This memorandum shall apply to procedures that – in accordance with article 12 of the Kyoto Protocol - facilitate the development and implementation of greenhouse gas emission reduction project activities in the Republic of Armenia and the transfer to Denmark of the agreed part of the CER resulting from those project activities.

#### Article 2

##### *Competent Authorities*

The Ministry of Nature Protection of the Republic of Armenia and Ministry of Environment of Kingdom of Denmark, Danish Environmental Protection Agency are the competent authorities for agreements on implementation of the projects. For each CDM project there will be prepared project agreement, which will include all relevant issues to secure the implementation of the specific projects.

#### Article 3

##### *Contribution of the Armenian Party*

The Armenian Party will facilitate the development and implementation of projects by supporting the potential beneficiaries interested in carrying out CDM projects with information and formal approval of projects as CDM projects, in accordance with article 12 of the Kyoto Protocol, which meet all national requirements for such projects.

The Project Agreement must contain binding affirmation of the Armenian Party that it will transfer the resulting CERs of the Project Agreement, to Danish Party, in accordance with article 12 of the Kyoto Protocol and the guidelines adopted by COP/MOP.

The Armenian Party will secure transfer of the agreed and prepaid amount of CERs, within the agreed period for each project as described in the project agreement as long as the CDM-projects keep generating CERs, which can be verified by an independent entity.

The Project Agreement will also confirm that the transfer will be free of any specific CDM charge beyond the agreed payment of CERs.

The Armenian Party will decide alone and will present to Danish Party the list of the projects selected to be financed. Priorities will be settled in consultation with both Parties.

Article 4  
*Contribution of the Danish Party*

The Danish Party will contribute to the development and implementation of CDM projects by the procurement of CERs originating from those projects or by acceptance and registration of CER procured by private parties from the Armenian Party being the ultimate owners of such CER units. The Danish signatory shall approve the CDM projects in accordance with article 12 of the Kyoto Protocol by signing a project agreement.

The Danish Party will inform the Armenian Party about the relevant power of attorney given to private firms.

The contribution from the Danish Party to a specific project in the republic of Armenia can only be used for the specific project.

Article 5  
*Payment Schemes*

Payment schemes for CDM projects will be agreed on a case by case basis and formally reflected in the project agreements.

Article 6  
*Independent validation, verification and certification of projects*

Validation, verification and certification of projects shall be carried out by independent entities accredited by the executive board under the UNFCCC. Both parties will contribute to the work of these entities.

Article 7  
*Entering into force*

The present Memorandum will entry into force at the date of the last notification regarding implementation of the Parties of necessary intern procedures for its entry into force.

The Memorandum is settled for a period of 5 years and it is automatically prolonged for a period of 5 years, if none of the Parties notifies in writing the other one, with at least 6 months before the end of its validity, about the intention to denounce it.

Article 8  
*Amendments and earlier termination*

In case of significant changes in relevant national policies of the Republic of Armenia or the Kingdom of Denmark which result in difficulties of generation and delivery of CERs

by the project exccutors and/or investors, both parties will do their utmost to have the CERs agreed upon in the project agreement transferred in a practical manner.

Parties shall be entitled to notify in written form the other Party about proposed amendments or termination of the present Memorandum. The projects being executed within the framework of the present Memorandum shall be in force until the CER provided by the project agreements are transferred. The Memorandum shall be in force for those projects.

Signed at YEREVAN, at November 2006 in two originals each of them in Armenian and English languages. In case of disagreement regarding the interpretation of present Memorandum, the English text shall prevail.

For  
Government of the Republic of Armenia



For  
Government of the Kingdom of Denmark

