

MEMORANDUM OF UNDERSTANDING BETWEEN THE FEDERAL MINISTER OF AGRICULTURE, FORESTRY, ENVIRONMENT AND WATER MANAGEMENT OF THE REPUBLIC OF AUSTRIA AND THE SECRETARIAT OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT OF THE MINISTRY OF HEALTH AND ENVIRONMENT OF THE REPUBLIC OF ARGENTINA REGARDING CO-OPERATION FOR THE REALIZATION OF PROJECTS IN THE FIELD OF THE CLEAN DEVELOPMENT MECHANISM UNDER ARTICLE 12 OF THE KYOTO PROTOCOL

The Federal Minister of Agriculture, Forestry, Environment and Water Management of the Republic of Austria and the Secretariat of Environment and Sustainable Development of the Ministry of Health and Environment of the Republic of Argentina hereinafter referred to as "Partners",

Recalling that the Republic of Argentina has ratified the Kyoto Protocol in September 2001 and that the Republic of Austria has ratified the Kyoto Protocol in May 2002;

Anticipating on the entry into force of the Kyoto Protocol on 16 February 2005,

In view of the recognition of the Kyoto Protocol's fundamental objective by the Republic of Argentina and the Republic of Austria, and their intention to implement it;

Taking into account in particular Article 12 of the Kyoto Protocol including Decision 15/CP.7 and 17/CP.7 adopted at the Marrakesh Accords as well as future decisions of the Conference of the Parties of the UNFCCC concerning the implementation of this Article;

Affirming their intention to undertake all efforts to promote sustainable development;

Recalling existing co-operation and stressing the importance of enhanced co-operation in the field of environment;

Have reached the following Memorandum of Understanding:

Two handwritten signatures in black ink, one on the left and one on the right, positioned below the text of the memorandum.

Article 1

Scope and Objective

1. The co-operation in the framework of this Memorandum will include support for realising projects under the Clean Development Mechanism in accordance with Article 12 of the Kyoto Protocol in the Republic of Argentina through joint activities.
2. The Partners will facilitate the exchange of information on their climate change programmes and strategies, including programmes for the use of the flexible mechanisms of the Kyoto Protocol.
3. The Partners will facilitate the development and implementation of CDM projects and assist interested project developers, e.g. through providing relevant information on project opportunities, on the relevant national provisions for such projects, including procedures for permitting and licensing, and formal approval for project activities in accordance with Art. 12.5 of the Kyoto Protocol.

Article 2

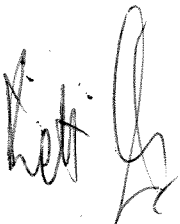
Project Cycle

1. The project cycle will be based on the provisions of the Kyoto Protocol and all relevant COP and COP/MOP decisions and will follow requirements of the respective national programmes and guidelines of both Partners.
2. Baselines and monitoring plans will be established in accordance with the relevant COP and COP/MOP decisions and with guidelines of the CDM Executive Board.
3. The Partners will support international efforts for the elaboration and further development of methodologies for baseline setting and monitoring plans and for simplified modalities and procedures for small-scale projects.

Article 3

Approval of the Projects by the Republic of Argentina and the Republic of Austria

The Republic of Austria will acquire certified emission reductions from project activities provided that such project activities are in conformity with all relevant international rules and guidelines as well as with the criteria of the Austrian national programme for JI and CDM. The formal approval of the project by the Republic of Argentina will be a necessary precondition for acquisitions of CERs under the Austrian JI/CDM programme.

A handwritten signature in black ink, appearing to be 'Kurt G.', located at the bottom left of the page.

Article 4

Project Types and Categories

1. This Memorandum concerns the following priority project categories in so far as the technical implementation of the projects corresponds to the current state of technical development:

- Construction (or retrofitting) of CHP installations;
- Fuel switch in energy conversion installations to renewable or from fuels with high carbon content to fuels with lower carbon content, in particular in existing distance-heating systems;
- Construction (or retrofitting) of power generation installations operated with renewables (in particular hydropower, wind power, biogas or biomass CHP);
- Projects leading to avoidance or (energetic) recovery of landfill gas;
- Waste management measures contributing to avoidance of greenhouse gas emissions in particular through energy recovery and use;
- Projects leading to reduction of final energy consumption in residential buildings, public and private services buildings as well as in industrial applications and processes (including waste heat potentials).

2. Projects not listed under paragraph 1 above will be eligible if the Partners decide jointly that this Memorandum also covers their realisation.

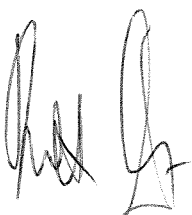
3. Projects will have overall positive impacts on the environment, economic and social development of the Republic of Argentina.

4. Projects aiming at the construction or retrofitting of nuclear power plants are excluded under this Memorandum.

Article 5

Co-ordination between the Partners

1. Concerning the management of projects, both Partners will authorise representatives to be responsible for the operative representation of the respective Partners and to function as direct contact points in all matters concerning the implementation of this Memorandum. The Republic of Austria has selected the Kommunalkredit Public Consulting (KPC) and the Republic of Argentina has selected the Climate Change Unit, to act as the authorised representatives.



2. The authorised representatives will co-operate with project participants in selecting accredited operational entities to perform the validation and certification functions for projects by the Partners.

Article 6

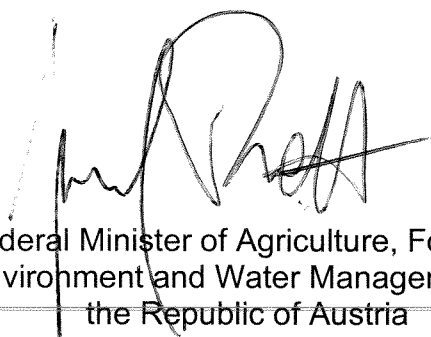
Final Provisions

This Memorandum will take effect on the day of signature. Amendments and supplements require written form.

This Memorandum is executed in two originals in the English and Spanish language.

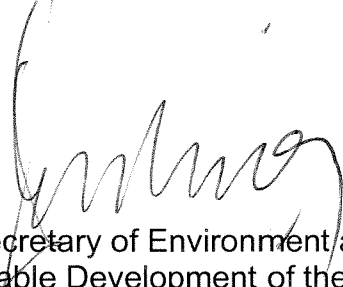
SIGNED at Buenos Aires, on December 2004.

Josef PRÖLL



Federal Minister of Agriculture, Forestry,
Environment and Water Management of
the Republic of Austria

Dr. Atilio A. SAVINO



Secretary of Environment and
Sustainable Development of the Ministry
of Health and Environment of the
Republic of Argentina.