

MEMORANDUM OF UNDERSTANDING REGARDING BILATERAL CO-OPERATION
BETWEEN THE FEDERAL MINISTRY OF AGRICULTURE, FORESTRY, ENVIRONMENT AND
WATER MANAGEMENT OF THE REPUBLIC OF AUSTRIA AND THE MINISTRY OF
ENVIRONMENT AND NATURAL RESOURCES OF THE UNITED MEXICAN STATES FOR
THE REALISATION OF PROJECTS UNDER THE CLEAN DEVELOPMENT MECHANISM

The Federal Ministry of Agriculture, Forestry, Environment and Water Management of the Republic of Austria and the Ministry of Environment and Natural Resources of the United Mexican States .

- Recalling that the Republic of Austria has ratified the Kyoto Protocol in May 2002 and that the United Mexican States has ratified the Kyoto Protocol in September 2000 ;
- In view of the recognition of the Kyoto Protocol's fundamental objective by the Republic of Austria and the United Mexican States, hereinafter referred to as Participants, 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 Conference as well as future decisions of the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (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;
- Considering that the Ministry of the Environment and Natural Resources of the United Mexican States chairs the Mexican Committee for Reduction Emissions and Greenhouse Gas Sequestration Projects, created by Presidential Agreement on January 23, 2004, which is the Designated National Authority (DNA) for the Clean Development Mechanism (CDM).

Have reached the following understanding:

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 United Mexican States through joint activities.
2. The Participants 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 Participants 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 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 Conference of the Parties serving as the Meeting of the Parties (COP/MOP) decisions and will follow requirements of the respective national programmes and guidelines of both Participants.
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 Participants 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 United Mexican States and the Republic of Austria

The Republic of Austria will acquire Certified Emission Reductions (CERs) 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 Joint Implementation (JI) and the Clean Development Mechanism (CDM). The formal approval of the project by the United Mexican States will be a necessary precondition for acquisitions of CERs under the Austrian JI/CDM programme.

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:
 - a) Construction (or retrofitting) of Combined Heat and Power (CHP) installations;
 - b) 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;

- c) Construction (or retrofitting) of power generation installations operated with renewables (in particular hydropower, wind power, biogas or biomass CHP);
 - d) Projects leading to avoidance or (energetic) recovery of landfill gas;
 - e) Waste management measures contributing to avoidance of greenhouse gas emissions in particular through energy recovery and use;
 - f) 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 Participants 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 United Mexican States.
4. Projects aiming at the construction or retrofitting of nuclear power plants are excluded under this Memorandum.

Article 5.

Co-ordination between the Participants

1. Concerning the management of projects, both Participants will authorise representatives to be responsible for the operative representation of the respective Participants and to function as direct contact points in all matters concerning the implementation of this Memorandum. In this regard the Republic of Austria has selected the Kommunalkredit Public Consulting (KPC) and the United Mexican States have selected the Mexican Committee for Reduction Emissions and Greenhouse Gas Sequestration Projects, being the Designated National Authorities for the CDM, 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 Participants.

Article 6.

Settling of Controversies

Any difference arising from the interpretation, administration or application of this Memorandum of Understanding will be resolved by the Participants by common consent.

Article 7.

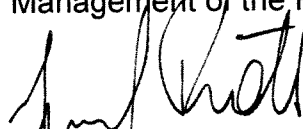
Final Provisions

This Memorandum will take effect on the day of signature and will expire at the end of the first commitment period of the Kyoto Protocol (2012), unless that the Participants reach an understanding to extend its term. This Memorandum will be modified by mutual consent of the Participants, formalized through written communications in which it is specified its entry into effect.

The ending of the present Memorandum will not affect the conclusion of the projects that were agreed during its effectiveness, unless the Participants agree on contrary.

Signed at _____, on the ___ day of ___ of the year two thousand and ____, and at _____, on the ___ day of ___ of the year two thousand and ____, in two original copies, in the English, German and Spanish languages, being all texts equally authentic. In case of divergence in the interpretation of this Memorandum, the English text will prevail.

For the Federal Ministry of Agriculture, Forestry, Environment and Water Management of the Republic of Austria, For the Ministry of Environment and Natural Resources of the United Mexican States



Josef PRÖLL



Alberto Cárdenas Jiménez

The Federal Minister of Agriculture, Forestry, Environment and Water Management of the Republic of Austria, The Minister of Environment and Natural Resources of the United Mexican States

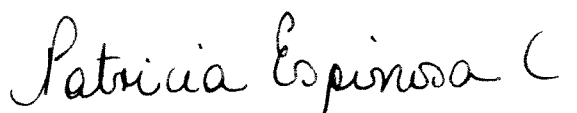
Witness of Honor



Rudolf Lennkh

The Ambassador of the Republic of Austria in the United Mexican States

Witness of Honor



Patricia Espinosa Cantellano

The Ambassador of the United Mexican States in Austria