

MEMORANDUM OF UNDERSTANDING

REGARDING

BILATERAL CO-OPERATION BETWEEN

THE MINISTER OF AGRICULTURE, FORESTRY, ENVIRONMENT AND WATER
MANAGEMENT OF THE REPUBLIC OF AUSTRIA

AND THE MINISTER OF NATURAL RESOURCES AND ENVIRONMENT OF THE
SOCIALIST REPUBLIC OF VIETNAM

REGARDING CO-OPERATION FOR THE REALISATION OF PROJECTS IN THE
FIELD OF THE CLEAN DEVELOPMENT MECHANISM UNDER ARTICLE 12 OF THE
KYOTO PROTOCOL

The Minister of Agriculture, Forestry, Environment and Water Management of the Republic of Austria and the Minister of Natural Resources and Environment of the Socialist Republic of Vietnam, hereinafter referred to as Partners,

- Recalling that the Socialist Republic of Vietnam has ratified the Kyoto Protocol in September 2002 and that the Republic of Austria has ratified the Kyoto Protocol in May 2002;
- Recognizing that the Kyoto Protocol to the United Nations Framework Convention on Climate Change is a significant first step forward in strengthening international actions against climate change;
- Taking into account in particular Article 12 of the Kyoto Protocol including Decision 15/CP.7 and 17/CP.7 adopted at the Marrakech Conference 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 Clean Development Mechanism and other related approach to greenhouse gas emission reduction;
- Stressing the importance of enhanced co-operation in the field of the Clean Development Mechanism to achieve sustainable development and contribute to the ultimate objective of the United Nations Framework Convention on Climate Change;

have reached the following understanding:

1 Scope and Objective

1. The co-operation in the framework of this Memorandum will include support from the Republic of Austria for realising projects under the Clean Development Mechanism (CDM) in accordance with Article 12 of the Kyoto Protocol in the Socialist Republic of Vietnam 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 and formal approval for project activities in accordance with Art. 12.5 of the Kyoto Protocol.

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.

3 Approval of the Projects by the Socialist Republic of Vietnam 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 Vietnamese national programme and the Austrian national programme for JI and CDM. The formal approval of the project by the Socialist Republic of Vietnam will be a necessary precondition for acquisitions of CERs under the Austrian JI/CDM programme.

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 contribute both to the environment protection and sustainable socio-economic development goals of the Socialist Republic of Vietnam.
4. Public funding for CDM projects from the Republic of Austria does not result in the diversion of funds for Official Development Assistance (ODA).
5. Projects aiming at the construction or retrofitting of nuclear power plants are excluded under this Memorandum.

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 Department V/4 Division for Air Quality and Climate Change of the Federal Ministry for Agriculture, Forestry, Environment and Water Management, representing the Designated National Authority to CDM, and the Socialist Republic of Vietnam has selected the International Cooperation Department of the Ministry of Natural Resources and Environment, being the Designated National Authority to 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 Partners.

6 Final Provisions

The purpose of this Memorandum is strictly limited to express the desire of both Partners for mutual cooperation and the memorandum will not create or express legally binding rights on either side.

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

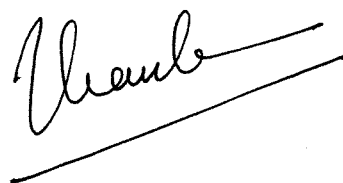
This Memorandum is executed in two originals in the English language.

Signed at *Montreal*, on *7.12.* 2005



DI Josef Pröll

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



Dr. Nguyen Cong Thanh

For the Minister of Natural
Resources and Environment
of the Socialist Republic of Vietnam

