



**Memorandum of Understanding between the Ministry of Environment of the Kingdom of Denmark, Danish Environmental Protection Agency and Ministry of Environment, Forest and Water Administration of the Republic of Albania the on co-operation for the implementation of the Kyoto Protocol to the UN Framework Convention on Climate Change.**

The Ministry of Environment of the Kingdom of Denmark, Danish Environmental Protection Agency, being the competent Danish authority for the purpose of this Memorandum, hereinafter referred to as the “Danish Party”,

and

The Ministry of Environment, Forests and Water Administration of the Republic of Albania being the competent Albanian authority for the purpose of this Memorandum, hereinafter referred to as the “Albanian Party”,

Further referred as identified above as “Parties”,

*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,

*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 Albania and the transfer to Denmark of the agreed part of the CER resulting from those project activities.

#### **Article 2**

##### ***Competent Authorities***

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

#### **Article 3**

##### ***Contribution of Albanian Party***

The Albanian 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 recognized as CDM projects, in accordance with article 12 of the Kyoto Protocol, and national legal requirements of Albania for such projects.

The Albanian Party will assist the project beneficiaries in preparing the Emission Reduction Purchase Agreement (ERPA).

The Albanian Party will furthermore forward information to potential beneficiaries about the possible cooperation with the Danish Party.

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

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

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

Priorities of projects selected to be financed 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 Albanian 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 an Emission Reduction Purchase Agreement (ERPA).

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

The Danish Party will furthermore forward information about the possible cooperation with Albanian Party to the Danish private and public sectors.

#### **Article 5**

#### ***Payment Schemes***

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

#### **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 enter into force at the date of the last notification regarding implementation of the Parties of necessary internal 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 month 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 Kingdom of Denmark or the Republic of Albania which result in difficulties of generation and delivery of CERs by the project executors and/or investors, both parties will do their utmost to have the CERs agreed upon in the Letter of Approval 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 Letter of Approval are transferred. The Memorandum shall be in force for those projects.

Signed at Tirana, at “.....” ..... 2006 in two originals each of them in Albanian and English. In case of disagreement regarding the interpretation of present Memorandum, the English text shall prevail.

**For the Ministry of Environment of  
the Kingdom of Denmark**

**For the Ministry of Environment, Forest and  
Water Administration of the Republic of  
Albania**

---