

Memorandum of Understanding between the Ministry of Environment and Forests, Government of India and the Norwegian Ministry of the Environment on Co-operation in the Area of Climate Change and Implementation of the Clean Development Mechanism Projects of the Kyoto Protocol

The Ministry of Environment and Forests, Government of India, being the competent authority for the purpose of this Memorandum, herewith,

and

The Norwegian Ministry of the Environment, being the competent authority for the purpose of this Memorandum, hereinafter referred to as the “Parties”;

Recalling the existing co-operation and stressing the need to conserve and improve the environment for present and future generations, and the need to achieve sustainable development;

Recalling that both India and Norway are Parties to the United Nations Framework Convention on Climate Change (hereinafter referred to as the “Convention”) and the Kyoto Protocol to that Convention (hereinafter referred to as the “Protocol”);

Considering that the Preamble to the Convention acknowledges that the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response, in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions;

Recalling the importance of co-operation between developed and developing countries in addressing the challenges posed by climate change;

Bearing in mind Article 12 of the Kyoto Protocol, which provides for the transfer of certified emission reductions (CERs) resulting from Clean Development Mechanism project activities from Parties not included in Annex I to Parties included in Annex I, that may be used by the latter Parties for purposes of compliance with part of their quantified emission limitation and reduction commitments under Article 3 of the Kyoto Protocol;

Recognizing that cooperation on climate change issues, including in the implementation of project activities, can be instrumental in mitigating greenhouse gas emissions on a global scale, and have a positive impact on community, social and economic development;

Expressing the political will to develop a lasting process of co-operation on matters relating to climate change, in the light of the objective and the principles of the Convention and the Kyoto Protocol, particularly with regard to the implementation of the Clean Development Mechanism of the Kyoto Protocol;

Have reached the following understanding:

Article 1 Objective

1. The objective of this Memorandum of Understanding (MOU) is to foster co-operation between India and Norway in the area of climate change, by providing a forum for regular bilateral consultations, by stimulating the development and implementation, by Indian and Norwegian entities of project activities under the Clean Development Mechanism, according to Article 12 of the Kyoto Protocol, as adopted on 11 December, 1997 (hereinafter referred to as "CDM project activities"). The project activities undertaken shall contribute to Sustainable Development, and in accordance with the Marrakech

agreement, no Official Development Agency (ODA) funds shall be used to purchase CERs from the CDM project activities.

Article 2 Coordination between the Parties

1. The Parties agree to review the progress of the implementation of the present MOU through regular bilateral consultations, i.e. in the Indo-Norway Joint Working Group on Environment.

2. The Ministry of Environment & Forests, designated as the National authorities for CDM, will be the focal point on the Indian side. Secretary General of the Norwegian Ministry of the Environment, responsible for climate change issues, will be the focal point on the Norwegian side, jointly with representative from the Norwegian Ministry of Finance, responsible for CER activities.

Article 3 Scope of CDM project activities

1. This MOU encompasses eligible CDM project activities in all areas, according to Article 12 of the Kyoto Protocol, and is aimed at the prompt development and implementation of CDM project activities.

2. The Parties may jointly agree to define areas of priority for the development and implementation of projects under the Clean Development Mechanism. Approval and implementation of project activities of interest will also depend upon the conformity of such project activities with environment laws and regulations of both countries.

Article 4 Exchange of information and support for the development of CDM project activities

1. The Parties shall exchange information and views on a regular basis, on the following topics relating to CDM project activities, while preserving the appropriate confidentiality.

- Potential investors and project participants;
- The progress of projects and other activities that occur under this Memorandum;
- Sources of project funding and the policy framework needed to facilitate access to such funding sources;
- Project criteria , approval procedures and guidelines applicable to CDM projects;

2. The parties will also facilitate Indian and Norwegian companies with information about domestic CDM regulations and procedures, as well as information about market opportunities in India.

Article 4 bis – Contribution of the Norwegian Party to CDM project activities

1. The Norwegian Party in principle is willing to acquire certified emission reductions (CERs) from project activities provided that such activities conform with all relevant international rules and guidelines, criteria of the Indian national CDM programme, as well as Norwegian law and international regulations regarding public procurement.

2. The Norwegian Party will contribute to the development and implementation of emission reduction projects by facilitating Norwegian investors/participants aiming at developing CDM projects in India and supporting CDM projects jointly with India.

Article 4 tris – Contribution of the Indian Party to CDM project activities

1. The Indian Party will contribute to the prompt development and implementation of CDM project activities by supporting interested project participants (e.g. by granting or issuing of Letters of No Objection, Letters of Endorsement, etc.) by the formal approval of the project in accordance with relevant provision under the Kyoto Protocol.

2. The Indian Party agrees to allow transfer of the resulting certified emission reductions from the project to the project developers in accordance with article 12 of the Kyoto Protocol and the guidelines adopted by COP/MOP.

3. If changes in national policy (energy, environment etc.) of the host country that result in the impossibility of the delivery of the Certified Emission Reduction by the project participant, both Parties will do their utmost that the emission reduction units agreed upon with the project participants will be transferred in a practical manner.

Article 5 Intellectual property rights

1. In the event that any joint activity involves access to, sharing, transfer or joint development of technology that is subject to patents or other intellectual property rights, the Participants or their representatives will decide in advance as to the adequate consideration of intellectual property rights, in accordance with relevant legislation in both countries.

Article 6 CDM procedures

1. Both the Parties agree to work together on different aspects of the CDM procedures, including simplification of procedures, and to further enhance the credibility of the CDM as a market mechanism and as a tool to mitigate greenhouse gas emissions.

Article 7 Other area of Cooperation

1. Recognizing that cooperation on climate change issues, including in the implementation of project activities, can be instrumental in social and economic development and cooperation to address the adverse effects of climate change and the implementation of adaptive measures. The parties may jointly agree to define areas of priority for further development including adaptation to the impacts of climate change, research, development, development and scientific collaboration, and capacity building.

Article 8 Final provisions

1. This Memorandum will come into effect on the date of signing and will remain in effect until the end of the first commitment period of Kyoto Protocol, in 2012, unless one Party notifies the other Party its intention to terminate it, through diplomatic means at least (6) six months in advance.

2. Amendments can be made by mutual written consent of the Parties through exchange of written communications specifying the date of the entry into force.

3. Any difference of opinion in the interpretation, management or execution of the Memorandum will be resolved by mutual agreement and diplomatic channel.

4. Termination of this Memorandum of Understanding shall have no effect on ongoing cooperation projects or on the acquisition of the certified emission reductions, already agreed upon by the Parties. This MoU shall be without prejudice to the obligation of India and Norway under any other multilateral treaty or agreement.

5. This Memorandum of Understanding is not intended to create legal obligations for either Parties.

Done in.....onin two originals.

**FOR THE NORWEGIAN MINISTRY
OF ENVIRONMENT OF THE
GOVERNMENT OF NORWAY**

**FOR THE MINISTRY OF
ENVIRONMENT AND FORESTS OF
THE GOVERNMENT OF INDIA**

**(ERIK SOLHEIM)
MINISTER OF THE ENVIRONMENT
AND INTERNATIONAL DEVELOPMENT**

**(JAIRAM RAMESH)
MINISTER OF STATE (IC)
ENVIRONMENT & FORESTS**