MEMORANDUM OF UNDERSTANDING

THE MINISTER OF THE ENVIRONMENT OF THE REPUBLIC OF POLAND

AND

THE MINISTER OF HOUSING, SPATIAL PLANNING AND THE ENVIRONMENT OF THE NETHERLANDS

THE MINISTER OF ECONOMIC AFFAIRS OF THE NETHERLANDS

Aware that the 1992 Declaration of the United Nations Conference on Environment and Development states that "States and people shall cooperate in good faith and in good spirit of partnership" (principle 27);

Acknowledging 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 (preamble United Nations Frame-work Convention on Climate Change);

Recognising that steps required to understand and address climate change will be environmentally, socially and economically most effective if they are based on scientific, technical and economic considerations and continually re-evaluated in the light of new findings in these areas (preamble UNFCCC);

Recognising the spirit of the principles of the United Nations Framework Convention on Climate Change which state, inter alia, that Parties should take into account that "policies and measures to deal with climate change should be cost-effective so as to ensure global benefits at the lowest possible cost" and that "efforts to address climate change may be carried out co-operatively by interested Parties" (Article 3, paragraph 3 of the UNFCCC);

Aware that Annex I Parties have committed themselves to "adopt national policies and take corresponding measures on the mitigation of climate change, by limiting its anthropogenic emissions of greenhouse gases and protecting and enhancing its greenhouse sinks and reservoirs" (Article 4.2.a of the UNFCCC);

Aware that "these Parties may implement such policies and measures jointly with other Parties" (Article 4.2.a of the UNFCCC);

Express the need to gain practical experience and better insight in relevant aspects and criteria for Joint Implementation

Aware that the conference of the Parties to the UN Framework Convention on Climate Change, at its third session, has adopted the Kyoto Protocol, which states, inter alia, that for the purpose of meeting its commitments under article 3 (of the Kyoto Protocol), any party included in Annex 1 may transfer to, or acquire from, any other such Party emission reduction units resulting from projects aimed at reducing anthropogenic emissions by sources or enhancing anthropogenic removals by sinks of greenhouse gases in any other sector of the economy (Joint Implementation projects);

Acknowledge the strong interest of the government of the Republic of Poland in further cooperation in the field of climate change and especially in the joint implementation projects under the United Nations Framework Convention on Climate Change;

Aware that at present Poland's law system does not provide any legal basis for the transfer of emission reduction or emission abroad, that the Ministry of the Environment is going to prepare the relevant legal framework for that purpose, and that from the Polish side it is expected that the appropriate arrangement will be finalised and submitted for the approval to the Polish Parliament as soon as possible;

Taking note of the fact that the Polish side is ready to negotiate the terms and conditions of possible future transfer of emission reduction resulting from these projects;

Acknowledge that any agreement reached in the process of negotiations, including future transfer of emission reduction units could be formally endorsed only after the appropriate legal provisions had entered into force;

Agree to undertake the following projects:

Reduction of methane emissions trough landfill biogas utilisation at the Tychy waste disposal site (Katowice). In the project, within the resources allocated for its implementation, a baseline study and monitoring of the results will take place.

Utilisation of wood chips for heating purposes in urban areas in Jelenia Góra. In the project, within the resources allocated for its implementation, a baseline study and monitoring of the results will take place.

Agree that the projects are compatible with -and supportive of- the national environment and development priorities and strategies of the Polish government,

Agree that the projects will be registered by Poland at the Polish Joint Implementation Secretariat and the Netherlands at the Netherlands Joint Implementation Registration Centre.

Agree to facilitate the crediting of the CO2 emissions reduced in Poland to the Netherlands as a result of the realisation of these projects in the first commitment period 2008-2012;

Agree that monitoring of the emission reduction of the two projects till the year 2012 will be reported to the Netherlands and the UNFCCC.

Agree that sharing of the CO2 emission units between Poland and the Netherlands resulting from these two projects in the period 2008-2012 will be based on the financial contributions, including the monitoring costs, of both countries to these projects.

 In the case of Tychy project the credit sharing will be 75% and 25% for the Netherlands and Poland, respectively;

- In the case of Jelenia Góra project the credit sharing will be 55% and 45% for the Netherlands and Poland, respectively.

Agree to respect any further decisions and guidelines on joint implementation and credit sharing still to be approved by the COP in the framework of UNFCCC, and provided that the legal provisions in Poland for the transfer of emission reduction abroad has entered into force, including ratification and entering in to force of the Kyoto Protocol;

Agree, furthermore, to jointly report on progress in implementation of the project and final outcome to the Conference of the Parties (COP) of the UN/FCCC as a contribution to further decision making by the COP on Joint Implementation;

Conclude that the projects are a good start to gain experience in Joint Implementation and provide a sound basis for future co-operation between Poland and the Netherlands in the effective implementation of international environmental conventions.

This Memorandum of Understanding will be conveyed to the Parties to the UN/FCCC within 30 days.

Done in the English language and signed at Warsaw on \5 June 2000.

The Minister of the Environment

of the Republic of Poland

The Minister of Housing, Spatial Planning and the Environment of the Netherlands

The Minister of Economic Affairs

for the Munter,

of the Netherlands

In the Mundi

Charge d'Affair, a!