

MEMORANDUM OF COOPERATION BETWEEN JAPAN AND THE UNITED MEXICAN STATES CONCERNING THE LOW CARBON GROWTH IN MEXICO

Japan, through the Embassy of Japan in the United Mexican States and the United Mexican States, through the Ministry of Environment and Natural Resources (SEMARNAT), henceforth referred to as “the Participants”,

DRIVEN by the spirit of cooperation and excellent friendly relations that bind them;

COMMITTED to the achievement of the ultimate goal of the United Nations Framework Convention on Climate Change (henceforth “the Convention”), in accordance with the provisions of its Article 2;

CONSIDERING their shared goal of reaching the sustainable development, and particularly, of combatting climate change and the fact that both Participants maintain close policy consultations on several levels regarding cooperation in low carbon growth in both bilateral and regional framework under the United Nations system;

Have reached the following comprehension:

PARAGRAPH 1 OBJECTIVE

The objective of this Memorandum of Cooperation (henceforth referred to as “MoC”) is to establish the basis through which the Participants will promote the investment and the use of technologies, products, systems, services and infrastructure in order to reach a low carbon growth in Mexico based on the principles of equality, reciprocity and mutual benefit, in accordance with their respective internal laws, regulations and environmental policies as well as their budget availability.

**PARAGRAPH 2
JOINT CREDITING MECHANISM**

The Participants, aiming to reach the objective of this MoC, will constitute the Joint Crediting Mechanism (henceforth referred to as the “JCM”), in the terms referred to in this MoC and in accordance with the applicable internal laws and regulations in force in their respective countries.

**PARAGRAPH 3
JOINT COMMITTEE**

The Participants will constitute the Joint Committee (hereinafter referred as the “JC”) to operate the JCM, whose rules and procedures will be established in writing in separate documents.

The JC will have the following functions:

- a) to define the rules of procedures and guidelines of the JCM and, if necessary, make modifications;
- b) to develop the methodologies to quantify reductions or removals of greenhouse gas; and
- c) to deal with all other affairs concerning the implementation and administration of the JCM should it be necessary.

The JC will hold meetings on a regular basis in order to evaluate the implementation of the JCM according to the schedule and the location to be decided by the Participants and defined in its rules of procedure.

**PARAGRAPH 4
VERIFIED EMISSION REDUCTIONS OR REMOVALS OF GREENHOUSE GAS**

The Participants recognize that the verified emission reductions or removals of greenhouse gas that results from the mitigation projects under the framework of

the JCM can be used to quantify their own efforts of reducing greenhouse gas on an international basis, as approved by the JC for each project.

PARAGRAPH 5 METHODOLOGIES

In order to promote concrete actions that will contribute to the reductions or removals of greenhouse gas, the Participants will guarantee the use of robust methodologies, as well as the transparency and environmental integrity of the JCM and will keep the JCM simple and practical.

PARAGRAPH 6 DOUBLE COUNTING OF EMISSION REDUCTIONS OR REMOVALS OF GREENHOUSE GAS

None of the Participants will use the mitigation projects registered under the JCM in any other international mechanisms of emission mitigation in order to avoid the double counting of reductions or removals of greenhouse gas, in line with the Paragraph 4 of this MoC.

PARAGRAPH 7 IMPLEMENTATION OF THE JCM

The Participants will work in close collaboration in order to facilitate both the financial and technical support in line with its respective capabilities in order to create the necessary requirements for the implementation of the JCM.

The JCM will start as a non-tradable credit type mechanism. The Participants will consult on the possibility of transition towards a tradable credit type mechanism and will conclude the necessary consultations as soon as possible.

**PARAGRAPH 8
SUPPORTING ADAPTATION**

Under the JC, the Participants may propose cooperation in order to support the adaptation efforts of the developing countries through the JCM once it has become a tradable credit type mechanism.

**PARAGRAPH 9
SETTLEMENT OF DISPUTES**

Any differences or disputes which may arise between the Participants as a result of an interpretation and/or implementation and/or enforcement of any of the dispositions of this MoC will have to be solved amicably by mutual consultations or negotiations between the Participants.

**PARAGRAPH 10
MODIFICATION**

This MoC may be modified by the Participants through mutual consent and in written form, specifying the date of commencement of such modifications.

**PARAGRAPH 11
COMMENCEMENT, DURATION AND TERMINATION**

This MoC will commence on the date of its signature and will remain effective until the moment a new international framework under the Convention comes into effect.

However, the Participants will consider the renewal of this MoC, with the modifications that are jointly deemed necessary, considering *inter alia* the progress reached in the negotiations under the Convention.

Either Participant may terminate this MoC, at any time, by written communication addressed to the other Participant with sixty (60) days in advance.

The termination of this MoC will not affect cooperative activities that had been formalized while it was effective.

This MoC is signed in the framework of the functional competences of each Participant and will not create international responsibilities to their respective States.

Signed in Mexico City, on July 25, 2014 in two originals in English.

**FOR
JAPAN**

**FOR THE
UNITED MEXICAN STATES**

**Shuichiro Megata
Ambassador Extraordinary and
Plenipotentiary of Japan to the
United Mexican States**

**Juan José Guerra Abud
Minister of Environment and
Natural Resources**