

**MEMORANDUM OF COOPERATION
BETWEEN JAPAN AND THE REPUBLIC OF THE PHILIPPINES
ON LOW CARBON GROWTH PARTNERSHIP**

The Japanese side and the Philippine side, hereinafter referred to as “both sides”,

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 (hereinafter referred to as the “Convention”), in accordance with the provisions of its Article 2;

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

Have reached the following comprehension:

1. OBJECTIVE

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

2. JOINT CREDITING MECHANISM

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

3. JOINT COMMITTEE

Both sides will constitute the Joint Committee (hereinafter referred to as the “JC”) to operate the JCM, whose composition, 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 measurement, reporting and verification methodologies that will quantify reductions or removals of greenhouse gases;
- c) to develop criteria on designating a third-party entity that will perform validation projects under the JCM and/or verification of quantified GHG emission reductions or removals; and
- d) 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 schedules and at the location to be decided by both sides and to be defined in its rules of procedure.

4. VERIFIED EMISSION REDUCTIONS OR REMOVALS OF GREENHOUSE GASES

Both sides recognize that the verified emission reductions or removals of greenhouse gases that result from the mitigation projects under the framework of the JCM can be used to quantify their own efforts of reducing greenhouse gases on an international basis, as approved by the JC for each project.

5. METHODOLOGIES

In order to promote concrete actions that will contribute to the reductions or removals of greenhouse gases, both sides 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.

6. DOUBLE COUNTING OF EMISSION REDUCTIONS OR REMOVALS OF GREENHOUSE GASES

Neither side 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 gases, in line with the Paragraph 4 (Verified Emission Reductions or Removals of Greenhouse Gases) of this MoC.

7. IMPLEMENTATION OF THE JCM

Both sides will work in close collaboration in order to facilitate both the financial and technical support in line with its respective capabilities and existing policies and systems in order to create the necessary requirements and corresponding investment needs for identified JCM project.

The JCM will start as a non-tradable credit type mechanism. Both sides will consult on the possibility of transition towards a tradable credit type mechanism and reach a conclusion of such consultations at the earliest possible time.

8. SUPPORTING ADAPTATION

Under the JC, both sides 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.

9. CONFIDENTIALITY CLAUSE

Non-disclosure of information to any third party is hereby observed without the prior written consent from either side. Likewise, in the event of the termination of the MoC, both sides continue to observe confidentiality with respect to the existing undertakings under the MoC.

10. SETTLEMENT OF DISPUTES

Any difference or dispute which may arise between both sides 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 through mutual consultations or negotiations between both sides.

11. MODIFICATION

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

12. CONDUCT OF PERIODIC ASSESSMENT

This MoC should be subject to periodic review to discuss the progress of achieving its purpose and objectives, and consider the relevant emerging development issues that may require modification of this document, as well as the implementation of the JCM.

13. COMMENCEMENT, DURATION AND TERMINATION

This MoC will commence on the date of its signature and will remain effective for verified emission reductions or removals from the mitigation projects under the JCM to be made until 2030.

However, both sides will consider jointly the renewal of this MoC by 2030, with modifications that may be deemed necessary.

Either side may terminate this MoC, at any time, by written communication addressed to the other side 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 side and will not create international responsibilities to their respective countries.

Signed in Manila, the Republic of the Philippines, on January 12, 2017 in two original copies in English.

FOR THE JAPANESE SIDE

FOR THE PHILIPPINE SIDE

Kazuhide Ishikawa

Regina Paz L. Lopez

Ambassador Extraordinary and Plenipotentiary
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Secretary of the Department of Environment
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