



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE SWEDISH ENERGY AGENCY, ON BEHALF OF THE KINGDOM OF SWEDEN

AND

MINISTRY OF ENVIRONMENT, ON BEHALF OF THE REPUBLIC OF RWANDA

**RELATING TO THE EXPRESSION OF INTEREST TO COOPERATE FOR THE
IMPLEMENTATION OF ARTICLE 6 OF THE PARIS AGREEMENT**

The Swedish Energy Agency, on behalf of the Kingdom of Sweden, and the Ministry of Environment, on behalf of the Republic of Rwanda hereinafter individually referred to as a “**Party**” and collectively hereinafter referred to as the “**Parties**”;

Recalling the Paris Agreement, adopted on 12 December 2015 and entered into force on November 4, 2016, and the relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement which created a framework for cooperative approaches whereby Mitigation Outcomes generated by one party may be transferred to another party as ITMOs;

Considering the potential of international cooperation under Article 6 of the Paris Agreement to strengthen climate ambition and promote sustainable development and environmental integrity and the commitment of the Parties in this respect;

Recalling the commitment of the Parties with regard to their respective Nationally Determined Contributions to reduce Greenhouse Gas emissions;

Recognising the Parties joint interest in cooperating on the development and robust implementation of mitigation activities that may generate Mitigation Outcomes that support higher mitigation ambition and that may be transacted as ITMOs;

Noting the commitment of the Parties to ensure transparency, including in governance, and applying robust accounting, including safeguards to avoid double counting of ITMOs;

Pursuant to the prevailing laws and regulations of their respective countries;

HAVE REACHED mutual understanding as follows:

Article I

Interpretation

For the purpose of this Memorandum of Understanding (“**MoU**”)

- The Term “Paris Agreement” means the agreement adopted on 12 December 2015 by the Conference of the Parties to the United Nations Framework Convention on Climate change (UNFCCC) at its 21st meeting in Paris, France, as reflected in its Decision 1/CP.21.
- The term “Paris Agreement Rules” means the provisions of the Paris Agreement, and all relevant decisions related to the implementation of Article 6 made by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and any relevant constituted body, as amended from time to time.
- The term “Additionality” means activities implemented jointly should bring about real, measurable, and long-term environmental benefits related to the mitigation of climate change that would not have occurred in the absence of such activities based on UNFCCC Decision 5/CP.1.
- The term “Corresponding Adjustment” means the accounting adjustment that both The Kingdom of Sweden and Republic of Rwanda may be required to make

for all Mitigation Outcomes transferred internationally to ensure that double counting is avoided in accordance with Article 6.2 of the Paris Agreement, and paragraph 36 of UNFCCC decision 1/CP.21.

- The term “International Mitigation Purposes” has the meaning given to that term under the Paris Agreement Rules.
- The term “Internationally Transferred Mitigation Outcome” hereinafter referred to as “ITMO” has the meaning given to that term under the Paris Agreement Rules.
- The term “Mitigation Outcome” means a real, additional, and verified reduction in GHG emissions or removal of GHGs from the atmosphere, measured in tCO₂e and representing one (1) tCO₂e in accordance with methodologies approved in accordance with the Paris Agreement Rules, and generated by a specific Mitigation Activity from 2024 onwards.
- The term “GHG” (Greenhouse Gas) means any atmospheric gas responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Other greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).
- The term “tCO₂e” means an amount of carbon dioxide emission measured in metric tons that would cause the same integrated radiative forcing or temperature change, over a given time horizon, as an emitted amount of a GHG or a mixture of GHGs.
- The term “Mitigation Activity” means the activity, action, project or groups of activities that lead to the achievement of a Mitigation Outcome.
- The term “Bilateral Cooperation Agreement on Article 6” means the bilateral framework agreement for engagement in international climate cooperation involving Internationally Transferred Mitigation Outcomes that establishes the legal framework for the engagement in cooperative approaches, including the authorization of Mitigation Outcomes pursuant to the Paris Agreement Rules. The term “Mitigation Outcome Purchase Agreement” hereinafter referred to as “MOPA” means an agreement for the sale and purchase of ITMOs.
- The term “NDC” means Nationally Determined Contribution and shall have the meaning given to the term in Article 4 of the Paris Agreement.

Article II Goals and Objectives

1. The purpose of this MoU is to establish the basis for the Parties to cooperate on mutual areas of interest related to the implementation of Article 6 of the Paris Agreement, in the development and evaluation of opportunities to generate ITMOs that support higher ambition under the Paris Agreement.
2. This MoU is not intended to bind either Party with respect to future Article 6 of the Paris Agreement transactions. However, the Parties may subsequently consider negotiating a legally binding Bilateral Cooperation Agreement on

Article 6 to facilitate Article 6 transactions between the Parties. Under the Bilateral Cooperation Agreement on Article 6, the Parties, or other authorized entities, may consider negotiating MOPAs that would enable the implementation of mitigation activities.

3. The Parties have identified the following strategic goals and objectives:
 - a. to promote bilateral cooperation with respect to the implementation of Article 6 of the Paris Agreement, on the basis of reciprocity and mutual benefit, taking into account the national circumstances of each country;
 - b. to enhance understanding of how the cooperation can contribute to achieve the NDCs and/or climate change commitments of both Parties and realize higher mitigation ambition;
 - c. to engage with a range of stakeholders to advance the development and implementation of activities in order to achieve Mitigation Outcomes; and
 - d. to advance the development and implementation of mitigation activities that are or may become eligible to generate ITMOs under the Paris Agreement.

Article III Cooperation

1. The areas of Cooperation under this MoU may take the form of:
 - a. activity dialogues and meetings between the Parties and stakeholders;
 - b. the development of joint work plans, activities and programmes including mitigation activities; and
 - c. joint support for technical analysis and evaluation;
 - d. capacity building, where the areas of capacity building will be identified and agreed upon between both parties;
 - e. any other collaborative areas not currently defined in this MoU, which both parties consider vital and beneficial to implementing the Paris Agreement as outlined in Article 6.
2. The Parties endeavour to develop a Bilateral Cooperation Agreement on Article 6, outlining the terms for specific areas of cooperation for the development of mitigation activities and the transfer of ITMOs.
3. The Parties intend to cooperate using robust standards and procedures for all cooperative approaches together including in respect of the promotion of sustainable development, environmental integrity, transparency, governance, monitoring, reporting and verification and to apply a reliable accounting system including for the purposes of avoiding double counting which will enable both Parties to comply with their respective obligations under the Paris Agreement.
4. If the cooperation results in the execution of a Bilateral Cooperation Agreement on Article 6 and subsequently one or more MOPA(s), the relevant entities will seek authorisation from the Ministry of Environment, that enables use towards

W

A

Sweden's NDC, Other International Mitigation Purposes or Other Purposes, as defined by Article 6.

Article IV Implementation modalities

1. The Parties recognise and agree that for the purposes of negotiating a Bilateral Cooperation Agreement on Article 6 elaborating on the areas of cooperation outlined in Article III of this MoU, the Parties will look to incorporate the principles and criteria outlined in section 3 of this Article IV.
2. The Parties acknowledge that participation in the cooperative approaches under Article 6 of the Paris Agreement is voluntary. The development of processes, procedures, and institutional requirements to enable participation in cooperative approaches under Article 6 of the Paris Agreement will be determined by the Paris Agreement Rules and such other nationally determined criteria adopted by the Parties.
3. Parties should strive to ensure that the following minimum principles and criteria relevant to ensuring the environmental integrity of Mitigation Outcomes are adhered to:
 - a. Mitigation Outcomes are real, verifiable, additional, and permanent or achieved under a system that ensures permanence to the greatest extent possible, including by appropriate accounting for any material reversals;
 - b. Mitigation Outcomes represent emission reductions or removals from activities implemented under a Bilateral Cooperation Agreement on Article 6 between the Parties.
4. Parties should strive to ensure that the following minimum principles and criteria relevant to ensuring consideration of sustainable development are adhered to:
 - a. Mitigation Activities implemented shall be consistent with and contribute to the sustainable development objectives of the Parties, including any respective strategies, policies or long-term low emission development strategies.
 - b. Mitigation Activities shall be subject to appropriate sustainable development tools, methods and/or modalities to identify and monitor sustainable development impacts delivered by the activity and prevent negative social or environmental impacts caused by the activity.

Article V Corresponding Adjustments

The Parties acknowledge and agree that Corresponding Adjustments will be applied as required by the Paris Agreement Rules. The Parties shall strive to ensure that no double counting and/or double claiming concerning any ITMOs delivered shall occur.

**Article VI
Notice**

All communications arising from this MoU shall be made to the institution referred to below:

For the Republic of Rwanda:

The Ministry of Environment

P.O. BOX 3502 KIGALI

info@environment.gov.rw

Dr. Valentine UWAMARIYA

Minister of Environment

For the Kingdom of Sweden:

The Swedish Energy Agency

Attn: Director General of the Swedish Energy Agency

Box 310

S-631 04 Eskilstuna

Sweden

Tel: 0046 16 544 20 00

E-mail: registrator@energimyndigheten.se

Article VII

Confidentiality

1. Each Party undertakes not to use or disclose any Confidential Information relating to this MoU without prior consent of the other Party. This does not apply to disclosure of Confidential Information:
 - a) which is lawfully or will be lawfully brought to public domain other than by breach of this Agreement;
 - b) shown to be known to a Party before receipt thereof from the other Party;
 - c) which a Party receives from a Third Party without restraints as to the use thereof;

W

A

- d) where disclosure is required under an Approved Crediting Standard or an Approved Methodology;
- e) where disclosure is required under the laws of the Acquiring Country or the Host Country.

Article VIII
Interpretation of this MoU

The Parties shall endeavour to ensure a common interpretation of this MoU. The Parties agree to solve any questions on the interpretation of this MoU by means of dialogue.

Article IX
Duration, Amendment and Termination

1. This MoU shall enter into force upon signature by the Parties and shall remain effective for 2 (two) years, or until a Bilateral Cooperation Agreement on Article 6 is signed.
2. This MoU may be revised, amended or extended by mutual consent of the Parties. Such revision, amendment or extension will enter into effect on a date mutually decided by the Parties and will be an integral part of this MoU.
3. Either party has the right to terminate this Agreement by providing written notice of termination at least three (3) months in advance to the other party.
4. The termination of this MoU will not terminate any agreements already in effect, which will continue or be terminated in accordance with their terms.

Article X
Legal status

1. The relationship between the Parties under this MoU is non-exclusive and no exclusivity rights are created. Each Party has the right to engage in Article 6 cooperative approaches with other parties under the Paris Agreement.
2. This MoU serves only as a record of the Parties intentions and does not constitute or create any rights or obligations under domestic or international law. It will not give rise to any legal process and will not be deemed to constitute or create any legally binding or enforceable obligations, expressly or implied.

Article XI
Lead agencies

The Parties have designated their respective Lead Agencies which will be responsible for the implementation of this MoU, as follows –

For the Kingdom of Sweden: the Swedish Energy Agency; and

For the Government of the Republic of Rwanda: The Ministry of Environment through the Rwanda Environment Management Authority (REMA).

**Article XII
Financing**

1. This MoU does not impose financial obligations on either Party to the other Party.
2. Each Party will bear its own costs and expenses associated with the implementation of this MoU, unless the Parties mutually determine otherwise.

**Article XIII
Governing law**

The Parties will for any activity under this MoU follow their respective domestic laws and regulations.

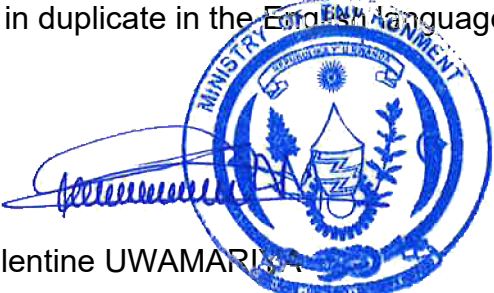
**Article XIV
Dispute Settlement**

Any dispute between the Parties arising from interpretation or implementation of this MoU shall be settled amicably through consultations and/or negotiations between the Parties. In the event the dispute cannot be amicably settled within six (6) months, either party shall be at liberty to terminate this MoU.

**Article XV
Miscellaneous**

The Parties declare they have read and understood the present dispositions, prior to signing this MoU.

Signed in duplicate in the English language.



Dr. Valentine UWAMARIYA
Minister of Environment

Caroline ASSERUP
Acting Director General

Ministry of Environment, the Republic
of Rwanda

The Swedish Energy Agency, Kingdom
of Sweden

2024.10.03

Date

2024-09-25

Date