

Memorandum of Understanding
Between
The National Development and Reform Commission of the People's
Republic of China
and
The Department for Environment, Food and Rural Affairs
on
Establishing a China-UK Climate Change Working Group

The National Development and Reform Commission (NDRC) of the People's Republic of China and the Department for Environment, Food and Rural Affairs (Defra) of the United Kingdom (herein referred to as the 'Participants'),

Recognising the need to take action to address climate change and the positive development in relations between China and the UK on climate change over the past two years, in particular owing to the cooperation and beneficial work through the G8 and EU processes and noting that both countries consider that there is great potential for further bilateral cooperation in the field of climate change,

Recognising the value of establishing closer and long-term relations and the importance of strengthening practical cooperation between the Participants in this field and joining efforts for addressing issues that are of mutual interest,

Decide as follows:

1. Purpose

1.1 The purpose of this Memorandum of Understanding is to establish a China-UK Working Group on Climate Change (herein referred to as 'the WGCC')

between the Participants. The WGCC, which will involve both formal and informal discussions, will explore opportunities and approaches for mutual cooperation in addressing climate change.

1.2. The aim of the WGCC will be to further co-operation and sharing of knowledge between China and the UK on climate change. The WGCC will provide a framework for engagement between the Participants on climate change, and enable progress to be made on key issues and be usefully fed into and shape activities relating to the G8 Dialogue, the EU-China Partnership on Climate Change and activities under the United Nations Framework Convention on Climate Change (UNFCCC). The Participants will aim to complement and reinforce other initiatives through the role of the WGCC, in particular the Renewable Energy and Energy Efficiency Partnership ("REEEP"), the UK Foreign and Commonwealth Office Global Opportunities Fund (GOF) projects on climate change, and the EU - China technology cooperation on Carbon Capture and storage (CCS) and the near Zero Emissions Coal Initiative (nZEC). The Participants may also aim to share the outputs of discussions taken forward under other dialogues including the UK-China sustainable development dialogue, the DTI-MOST MOU on clean energy technologies and the UK-China Energy Working Group.

1.3 Both Participants consider that it is important that the WGCC sets itself objectives within specific timeframes and describes the outcomes it hopes to achieve during the lifetime of the WGCC. Progress against these objectives will be reviewed annually.

2. Areas for co-operation

2.1 The broad subject areas for co-operation will include but are not limited to:

- Broader science work, in particular to review and develop on-going climate science collaboration between the Participants;

- Energy efficiency;
- Energy technologies;
- Approaches to adaptation;
- The use of the flexible mechanisms, in particular the clean development mechanism (CDM);
- Capacity building activities.

2.2 Specific areas for discussion will be determined in advance of each meeting. The Participants have identified the following specific topics as a high priority:

- Scientific collaboration on climate change through phase II of the joint study on impacts and adaptation;
- Policy and market-mechanisms for promoting energy efficiency through the REEEP;
- Policy dialogue on possible forms of long-term cooperative action on climate change, including the +5 proposal for a “New Paradigm” for international technology cooperation, as proposed in the Joint Declaration of the Heads of State and/or Governments of Brazil, China, India, Mexico and South Africa participating in the G8 Gleneagles Summit and issues relating to the CDM;
- the economics of Climate Change;
- GOF projects on climate change;
- Ensuring China benefits from the implementation of the appropriate G8 Action Plan initiatives;
- Continued practical co-operation on options for future action on climate change;
- The status and development of the EU – China cooperation on near-Zero Emissions Power Generation Technology through Carbon Dioxide Capture and Storage, in particular the UK - China bilateral

elements of the Phase I assessment and actions to encourage the implementation of Phases II & III through the EU-China Partnership on Climate Change;

- Study on the implementation of practical adaptation/mitigation policies and measures in some local areas.

2.3 The cooperation projects under the above-mentioned priority areas will be coordinated by the Participants. The relevant Ministries and implementing agencies will be in charge of the detailed implementation. Progress and the outcomes of the cooperation projects will be reported to the Participants.

3. Composition

3.1 It is important that the WGCC is able to access policy, regulatory, academic and business expertise. Each of the Participants will determine the size and composition of its representatives for each meeting taking into account the choice of topics for discussion.

4. Meetings of the Group

4.1 The WGCC will meet annually alternating between China and the UK. The aim is to hold the first meeting in Beijing in December 2006. The annual meeting should aim to last no longer than one day and should where possible be associated with other events. The Participants should agree on topics, timing, and venue before each meeting takes place.

4.2 Between the annual meetings of the WGCC, work in any of the broad co-operation areas may be taken forward in a sub-group set up by the WGCC. The work of these sub-groups will feed into the discussions of the WGCC.

4.3 A Coordinator for each Participant will be designated to be responsible for the overall implementation of this Memorandum of Understanding and will in particular co-ordinate with all relevant persons in their respective countries

and with the Coordinator of the other Participant. In China the Coordinator will be the Director General, Office of National Climate Change Coordination Committee, NDRC. In the UK the Coordinator will be the Director, Climate Energy & Environmental Risk Directorate (CEER), Defra.

5. Relevant laws and disputes

5.1 Any activities undertaken under this Memorandum of Understanding are subject to the applicable laws and regulations of the Peoples Republic of China and the United Kingdom of Great Britain and Northern Ireland

5.2 Any disagreements concerning this Memorandum of Understanding will be settled by friendly consultation between the Participants.

6. Period of Validity

6.1 The WGCC will meet initially for five years, after which time it will review its work and recommend its continuance or dissolution to Ministers.

6.2 This Memorandum of Understanding will come into operation on signature and will continue in operation until terminated by either Participant giving six months written notice to the other.

6.3 This Memorandum is signed in London, on 13th September 2006, in duplicate, in the Chinese and English languages, each of these texts having equal validity.

For the Department for Environment, Food and Rural Affairs (Defra) United Kingdom of Great Britain and Northern Ireland	For the National Development and Reform Commission (NDRC) The People's Republic of China
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