

Memorandum of Understanding
on
Cooperation in Combating Climate Change

between

the Government of the Federal Republic of Germany

and

the Government of the People's Republic of China

The Government of the Federal Republic of Germany and the Government of the People's Republic of China (hereinafter referred to as "the two Sides"),

In order to further promote friendship and cooperation between Germany and China,

Acknowledging that climate change and its adverse effects are common concern of humankind, which need to be addressed through international cooperation,

Emphasising that *the United Nations Framework Convention on Climate Change* and its *Kyoto Protocol* are the most appropriate framework for international cooperation on combating climate change, and eager to strengthen their implementation through an agreed outcome at COP15 in Copenhagen,

Reaffirming the principle of common but differentiated responsibilities, in particular that developed countries should take the lead in reducing their greenhouse gas emissions and provide financial resources and promote the transfer of technologies to developing countries,

In an endeavour to further promote the full, effective and sustained implementation of *the United Nations Framework Convention on Climate Change* and its *Kyoto Protocol*,

Determined to enhance the bilateral dialogue and practical cooperation between the two Sides in combating climate change, acknowledging activities under various existing bilateral dialogues and fora,

Have reached the following understanding:

1. The two Sides reaffirm their commitment to the objectives and principles of *the United Nations Framework Convention on Climate Change* and its *Kyoto Protocol*, and intend to strengthen the Sino-German partnership on climate change through the establishment of a Sino-German Working Group on Climate Change (hereinafter referred to as "the WG").

The WG should aim to promote the exchange of information on policies and actions between Germany and China on mitigation of and adaptation to climate change, share knowledge and best practices, promote the joint development and the transfer of climate-friendly technologies, and facilitate cost-effective, project-based, and mutually-beneficial cooperative activities that contribute to green house gas emission reductions.

The WG shall meet annually, alternating between Germany and China. Between the annual meetings, sub-groups should work on specific issues and report to the WG annual meetings.

2. The broad subject areas of the WG should include but not be limited to
 - National strategies to combat climate change
 - Energy efficiency
 - Renewable energies

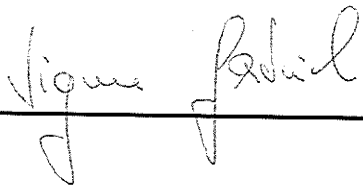
- Clean coal, including carbon capture and storage
 - Methane recovery and utilization
 - Adaptation to climate change
 - Exploring appropriate policies and technologies to foster a low carbon economy
 - The use of flexible mechanisms and their further development, in particular the clean development mechanism (CDM)
 - Capacity building activities
3. The two Sides recognize the importance of science and technology in tackling climate change, and intend to strengthen concrete bilateral cooperation on climate-related scientific research as well as development and transfer of mitigation and adaptation technologies. The two Sides will aim at promoting cooperation between research institutions of the two countries in order to enhance the capacities of climate-related scientific research and technological development.
 4. The two Sides intend to jointly explore innovative mechanisms of technology transfer of climate-friendly technologies, undertake studies on incentives, policies and measures to promote technology transfer and overcome obstacles to technology transfer, so as to make climate-friendly technologies available and affordable to Chinese enterprises. The two sides will work together to promote the development and implementation of more demonstration projects relating to climate change.
 5. The two Sides intend to continue to strengthen the mutually-beneficial cooperation under the Clean Development Mechanism (CDM), promote the implementation of CDM projects, exchange information on CDM, further improve the bilateral programmes of activities and the relevant methodologies, and encourage the participation of enterprises of the two Sides in CDM project activities.
 6. The two Sides intend to strengthen their cooperation on adaptation as follows
 - Adverse effects of climate change and vulnerability;
 - Social economic impacts and costs of climate change;
 - Scientific, technological and institutional capacity building in the field of modelling and projecting climate and its impacts;
 - Adaptation-related technologies and measures;
 - Awareness-raising of vulnerability reduction and adaptation demand during the development and implementation of sustainable development strategies.
 7. The two Sides intend to strengthen their cooperation in capacity building, institutional arrangements, including public awareness-raising, personnel exchange and training.
 8. Germany appreciates China's proactive policies and measures in addressing climate change. China appreciates Germany's intention to provide financial resources to promote international cooperation on climate change. Germany intends to support relevant programmes and projects in China through concessional loans and grants, inter alia, under the framework of development cooperation between Germany and

China, as well as under the newly established International Climate Initiative of the BMU.

9. The two Sides designate the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety of the Federal Republic of Germany and the National Development and Reform Commission of China as the implementing authorities of this Memorandum of Understanding, responsible for carrying out activities under this Memorandum of Understanding in cooperation with the relevant ministries and authorities of the two Sides.
10. The two Sides intend to settle any differences regarding the interpretation and application on this Memorandum of Understanding by the two Sides through friendly consultation only.
11. This Memorandum of Understanding may at any time be amended in writing by mutual consent. The two Sides intend to commence the cooperation under this Memorandum of Understanding on the date of signature thereof and to continue the cooperation unless one Side informs the other in writing six months in advance of its intention to terminate cooperation under this Memorandum of Understanding.

This Memorandum of Understanding is signed in duplicate in the German, Chinese and English language in Berlin on January 29, 2009, all texts being equally authentic. In case of divergence among the texts, the English text shall prevail.

*For the Government of
the Federal Republic of Germany*



*For the Government of
the People's Republic of China*

