MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE KINGDOM OF NORWAY AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL REGARDING COOPERATION ON ISSUES RELATED TO THE FIGHT AGAINST GLOBAL WARMING, THE PROTECTION OF BIODIVERSITY AND THE ENHANCEMENT OF SUSTAINABLE DEVELOPMENT

The Government of the Kingdom of Norway

and

The Government of the Federative Republic of Brazil (hereinafter referred to as the "Parties"),

Bearing in mind that climate change is among the greatest challenges facing the world today;

Recognizing that cooperation on climate change issues can be instrumental in reducing greenhouse gas emissions on a global scale and have a positive impact on the socio-economic development of developing countries and their communities;

Recalling that Norway and Brazil are parties to the United Nations Framework Convention on Climate Change (UNFCCC) and to the Kyoto Protocol, as well as to the Convention on Biological Diversity;

Considering that the Preamble to the UNFCCC acknowledges that the global nature of climate change calls for the widest possible cooperation by all countries, and their participation in an effective and appropriate international response in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions, and that commitments in this regard are specified in Article 4;

Recognizing the relevance of the "Amazon Fund" initiative and the significant contribution that it can offer to reducing emissions from deforestation, as well as the importance of actions already taken by Norway and Brazil to reduce emissions from deforestation and forest degradation, including monitoring of forest cover, remote sensing and forest inventory; and

Expressing the political will to develop a lasting process of cooperation on matters relating to global climate change and protection of biodiversity,

Have reached the following understanding:

Article 1 Objective

The objective of this Memorandum of Understanding is to foster partnership between Norway and Brazil on issues of climate change, biodiversity and sustainable development. Of particular importance is the establishment of a comprehensive political dialogue on these issues, and close cooperation regarding the reduction of greenhouse gas emissions from deforestation and forest degradation, on the development, application and transfer of clean technology and on sustainable development.

Article 2 Pillars of cooperation

To further the objective laid out in paragraph 1 of this Memorandum of Understanding, the Parties agree to enter into broad cooperation based on four main pillars:

- a) a systematic political dialogue to facilitate at regular intervals a constructive exchange of views regarding global climate change, related environmental issues and issues of sustainable development;
- b) contributions from Norway to the Amazon Fund by means of possible initial donations for 2008 and 2009. Further donations will be considered, the size of which will be linked to Brazil's success in reducing greenhouse gas emissions from deforestation, as specified in Articles 3 to 5 of the Brazilian Presidential Decree establishing the Amazon Fund;
- c) cooperation regarding monitoring, reporting, assessment, and verification of greenhouse gas emissions resulting from deforestation and forest degradation, including efforts to cooperate in the development and testing of technologies and methodologies for national forest monitoring systems and assessment of greenhouse gas emissions resulting from deforestation and forest degradation, with an aim to:
 - i) exchange information and experiences in national forest inventorying, national monitoring systems and remote-sensing, including the collection of data on carbon stocks in varying types of forests and soils;

- ii) establish joint initiatives for the assessment of carbon budgets resulting from different degrees and types of forest degradation, and
- iii) explore opportunities for cooperation to assist third countries regarding these issues:
- d) cooperation to stimulate the development and implementation of Clean Development Mechanism project activities (CDM Project Activities), by Norwegian and Brazilian participants in and proponents of such project activities, guided by Article 12 of the Kyoto Protocol, and to facilitate the procurement by Norway or private Norwegian companies of Certified Emission Reductions (CERs) from CDM Project Activities in Brazil.

Article 3 Focal Points

- 1. To contribute to efficient cooperation, the Parties will consider designating Focal Points from each side in order to facilitate the implementation of Article 2 of this Memorandum of Understanding in their respective countries through means to be agreed.
- 2. The Focal Points may prepare and facilitate the political dialogue described under Article 2 a) of this Memorandum of Understanding, exchange information relevant to its implementation whenever necessary, and may also hold and/or facilitate meetings in preparation for sessions of the UNFCCC as well as in the margins of meetings in that body or of the sessions of its Subsidiary Bodies.

Article 4

Entry into force, Termination and other considerations

- 1. This Memorandum and the activities hereunder shall be subject to the laws and regulations of the Parties.
- 2. This Memorandum shall enter into force upon signature, and will remain valid for a period of 5 years, automatically renewed thereafter for successive 5 year periods, unless a contrary notification is presented by any of the Parties through the diplomatic channels.
- 3. This Memorandum may be terminated at any time by either of the Parties, by written notification, through diplomatic channels. The termination shall be effective 6 months after the receipt of the diplomatic Note by the other Party.
- 4. This Memorandum may be amended at any time by mutual consent of the Parties, in writing, through diplomatic channels.

Done at Brasilia, on 16th September 2008, in two originals, in English and Portuguese, both texts being equally authentic. In case of any divergence in interpretation, the text in English shall prevail.

ON BEHALF OF THE GOVERNMENT OF THE KINGDOM OF NORWAY

ON BEHALF OF THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL