

**ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING ON
REGIONAL POLICY CO-OPERATION ESTABLISHED BETWEEN THE
EUROPEAN COMMISSION AND THE NATIONAL DEVELOPMENT AND
REFORM COMMISSION OF THE PEOPLE'S REPUBLIC OF CHINA**

I. Pre-amble

The Memorandum of Understanding on regional policy co-operation between the European Commission and the National Development and Reform Commission of the People's Republic of China of 15 May 2006 was established with the objectives of promoting mutual understanding and bilateral co-operation in the field of regional policy, and to open new communication channels to exchange information. As a result of this structured dialogue, co-operation on regional policy has been successful. Three High Level meetings have taken place, the first in Beijing in May 2006, the second in Brussels in October 2007, the third in Chongqing in November 2008. The proceedings of the first meeting were published.

A major study which compares aspects of regional policy in China with cohesion policy in the European Union – financed by the EU under its EU-China Policy Dialogue Support Facility – is nearing completion. This study highlights areas of good practice in a number of important fields of economic development. At the third meeting in Chongqing, it was agreed that the final report of the study would be published.

These events have brought benefits to both parties, leading to increased mutual understanding and the consideration of ways in which their respective policies for regional development could be improved.

II. Joint agreement on further work

Having regard to these outcomes, the parties to the Memorandum of Understanding agree that it is appropriate to further develop their co-operation to a second stage and to build on the results of the initial phase.

The parties agree that the enquiry initiated by the study should be continued, with a focus on concrete issues arising under the regional policy themes agreed in the Memorandum of Understanding. It is also agreed that the NDRC and the European Commission would respectively seek to involve other partners from China and the EU in the research into these concrete issues, notably certain provinces and cities in China and regions and cities in the European Union.

The new programme will continue to be managed in the European Union by the European Commission's Directorate General for Regional Policy and in the People's Republic of China by the National Development and Reform Commission.

The parties agree that the priority to be examined in this framework is regional cooperation in strategy-making, especially in the field of innovation strategy and in the formation of regional clusters including partnership between the public, private and academic sectors. In the course of the programme, other issues which are agreed by the two parties may be added.

III. Methodology

It is agreed that, in 2009, a preliminary report on actual and potential regional clusters in China and the EU, and their benefits will be prepared, and that both parties will identify the specific partners involved in the EU and China, respectively. The work will have four key stages:

- joint meeting/seminar of the NDRC, European Commission and the partners;
- exchange of experience and preparation of report by the partners;
- joint meeting/seminar/conference of the NDRC, European Commission and the partners on draft preliminary report;
- publication of the preliminary report on regional cooperation in the field of innovation and clusters.

The second-stage for study in 2010 will be decided in agreement between NDRC and the European Commission before the end of 2009.

IV. Financial aspects

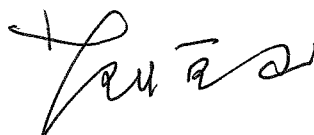
To finance joint enquiries on policy issues, the NDRC and the European Commission intend to create a fund which will be jointly financed by each party.

The fund will be managed by a joint working committee co-chaired by a representative of the NDRC and the Directorate General for Regional Policy. Further discussions will be undertaken on this point.

Done in Brussels on the 11th May in two original copies.



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