

Memorandum of Understanding for Cooperation on Addressing Climate Change

Between

HER MAJESTY THE QUEEN in Right of Canada as represented by
the Minister of the Environment and the Minister of Natural Resources,

hereinafter called "Canada,"

of the First Part, and

HER MAJESTY THE QUEEN in Right of Manitoba as represented by
the Minister of Energy, Science and Technology,

hereinafter called "Manitoba,"

of the Second Part,

hereinafter called "the Parties."

Preamble

Whereas,

The Parties recognize that climate change represents a global environmental and socio-economic issue of unprecedented scope, and that they are key players in this issue,

Canada is a party to the 1992 United Nations Framework Convention on Climate Change and ratified the Kyoto Protocol on December 17, 2002,

The Parties recognize that given the global nature of climate change, an unprecedented diversity of policies and measures will have to be implemented by all orders of government,

Manitoba announced its Climate Change Action Plan 2002 "Kyoto and Beyond" on October 15, 2002,

On November 21, 2002, Canada announced the Climate Change Plan for Canada,

The Parties recognize the need to coordinate their respective efforts in developing and implementing policies and measures designed to address climate change,

Canada recognizes the efforts of Manitoba to meet its specific needs in addressing climate change, and

The Parties recognize the potential for the development of economically competitive sources of hydro electricity and related transmission as a way to reduce greenhouse gas (GHG) emissions and to contribute to energy reliability and security in Canada. The Parties also recognize that any such development should be done in a manner that encourages sustainable development in Aboriginal communities and is respectful of environmental issues.

The Parties acknowledge the jurisdictional authorities of each of the Parties.

Strategic Objectives and General Framework for Cooperation

The Parties agree to:

- (a) pursue cooperation on addressing climate change within the context of sustainable development;
- (b) identify priority areas of cooperation to build partnerships to achieve cost-effective emission reductions and important environmental, human health and economic development co-benefits;
- (c) ensure consistency among their respective actions and initiatives to avoid duplication and to maximize synergies;
- (d) coordinate the efforts of all their departments involved in addressing climate change; and
- (e) pursue cooperation through new initiatives as well as building on existing initiatives.

To meet the above strategic objectives, the Parties agree to further coordinate their efforts on policies and measures to:

- reduce or prevent greenhouse gas emissions;
- promote the development, demonstration and deployment of existing and new technologies to address climate change;
- transfer information, experience and technology;
- enhance carbon sinks, their measurement and monitoring;
- establish effective monitoring, reporting and review mechanisms for emissions reductions and carbon sinks enhancement;
- increase public awareness and education to promote actions to reduce greenhouse gas emissions;
- improve knowledge of the impacts of climate change and approaches to adaptation to climate change; and
- capitalize on opportunities for innovation and cost-effective economic development and job creation related to climate change.

Priority Areas of Cooperation

The Parties agree to explore cooperation in the following priority areas:

1. Renewable Energy Development
Facilitate the development of an appropriate policy, investment and regulatory framework, consistent with a competitive market for electricity, to encourage increased generation and transmission capacity for hydro electricity and wind. Expand emerging renewable energy technologies including wind, biogas-electric, ethanol, biodiesel, ground source heat pumps and hydrogen fuel applications in the transportation sector;
2. Energy Efficiency
Increase energy efficiency, including in transportation and buildings, taking into consideration the different circumstances of northern, rural and urban settings;
3. GHG Mitigation and Carbon Sequestration in Agriculture and Forestry
Maximize greenhouse gas reduction and removals in the agriculture and forestry sectors;
4. Public Awareness and Education
Increase public awareness and education to promote action and community involvement to reduce greenhouse gas emission;
5. Research and Development
Continue to cooperate in research and development, including in areas related to hydrogen and fuel cells, wind, transportation and bio-products; and
6. Impacts and Adaptation
Further assess the impacts of climate change and develop adaptation strategies in a manner that is regionally and nationally coordinated.

The Parties agree that annexes may be developed outlining the nature and scope of the cooperation in relation to the above-mentioned priority areas.

The Parties will identify the initiatives to be pursued on a bilateral basis and others in which it would be preferable to ask other jurisdictions to participate.

Funding for specific initiatives will be determined on a case-by-case basis taking into consideration programs and priorities of the Parties.

Priority areas may be amended over time by mutual agreement of the Parties.

In addition to the above-mentioned priority areas, the Parties agree that infrastructure investments will play an important role in addressing climate change, and shall be taken into consideration in the development of cooperative activities.

Management of Memorandum of Understanding

Program experts from the Parties will explore the above-mentioned priority areas of cooperation and develop, as required, draft annexes to this Memorandum of Understanding. Senior representatives of the Parties will examine the contents of these draft annexes and will agree on their final form, as required.

Representatives of the Parties will meet on a regular basis, at least once per year, to review progress.

Communication

Parties agree to consider joint communication, where appropriate.

Amendment to Memorandum of Understanding

This Memorandum of Understanding may be amended with the mutual written consent of both Parties. Any amendment becomes part of this Memorandum of Understanding.

Language of Memorandum of Understanding

This Memorandum of Understanding is made in the English and French languages, and each version is equally valid.

Settlement of Disputes

Any disputes regarding the interpretation or implementation of this Memorandum of Understanding will be resolved only by consultation among the Parties and will not be referred to a tribunal or other third party for settlement.

Duration of Memorandum of Understanding

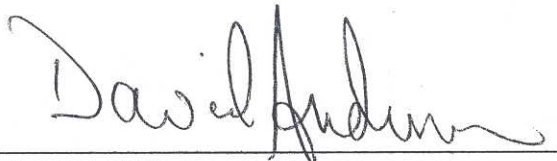
This Memorandum of Understanding will come into effect on March 19th, 2004 and remain in force for a period of five years until March 19th, 2009. Prior to termination of this Memorandum of Understanding, a decision will be made as to whether to renew this Memorandum of Understanding.

Either Party can terminate this Memorandum of Understanding with 90 days' notice. Best efforts to resolve issues are to be made by the Parties within this 90-day period.

SIGNED at Winnipeg this 19th day of March, 2004.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have signed this Memorandum of Understanding.

FOR CANADA

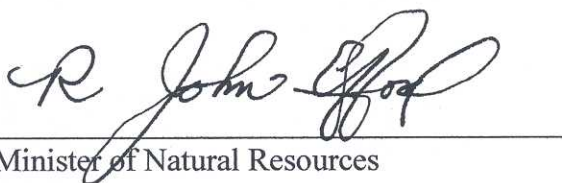


Minister of the Environment

FOR MANITOBA



Minister of Energy, Science and Technology



Minister of Natural Resources