**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF LATVIA**

**AND**

**THE GOVERNMENT OF THE PEOPLE’S REPUBLIC OF CHINA**

**ON COOPERATION WITHIN THE FRAMEWORK OF**

**THE SILK ROAD ECONOMIC BELT**

**AND THE 21ST CENTURY MARITIME SILK ROAD INITIATIVE**

The Government of the Republic of Latvia and the Government of the People’s Republic of China(hereinafter referred to as “the two Participants”);

Based on the traditional friendship between their peoples of Latvia and China, the friendly cooperation between the two governments and the aspiration for cooperation to jointly promote the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative (hereinafter referred to as the Belt and Road Initiative);

Considering that China's Belt and Road Initiative is committed to upholding the Silk Road spirit of peace, cooperation, openness, inclusiveness, mutual learning and win-win cooperation while keeping such spirit enriched and upgraded, facilitating exchange and integration of goods, technology, capital and personnel through cooperation and mutual learning among countries along the Belt and Road Initiative, promoting coordinated development and common progress of the two countries in economy, society, the environment and encouraging dialogue among different civilizations;

Recognizing the political consensus between the leaders of Latvia and China to jointly promote the Belt and Road Initiative, the two Participants hope to work together to form synergy between the Belt and Road Initiative and their respective national development strategies, enhance policy coordination and deepen mutually beneficial cooperation so as to realize peaceful development and common prosperity of the two Participants and promote the EU-China and CEEC-China cooperation.

Through friendly consultations, the two Participants have reached the following understanding:

**Part I**

**Objectives and Guiding Principles of Cooperation**

I The two Participants will work together within the Belt and Road Initiative to realize the goal of common development, and translate their strengths in political dialogue, economic complementarities and people-to-people exchange into advantages for practical cooperation and sustainable growth. This will enable the two Participants to enhance their political relations, economic ties and people-to-people exchange. In the meantime, the two Participants expect that countries along the Belt and Road will step up cooperation, develop and strengthen connectivity in the region, jointly build international economic corridors, deepen all-round cooperation with countries concerned, jointly establish an open, inclusive and balanced framework of economic cooperation that benefits all, and promote peace and development of the region. The two Participants support stronger synergy between the Belt and Road Initiative and priorities identified in the Investment Plan for Europe in the region and welcome the establishment of the EU-China Connectivity Platform.

II The two Participants will promote the bilateral cooperation based on the following principles:

(i) Guided by the principles of wide consultation, joint contribution and shared benefits, the two Participants will respect each other’s core interests and major concerns and deepen political mutual trust;

(ii) In accordance with the vision of cooperation, development and win-win progress under the Belt and Road Initiative, the two Participants will make full use of existing bilateral cooperation mechanisms, multilateral mechanisms that they have both joined, and existing effective regional cooperation platforms to form synergy, give each other support and share experience so as to complement and fully display each other’s strengths.

**Part II**

**Areas of Cooperation**

The two Participants will cooperate in the following areas of shared interest:

I Transport, logistics and infrastructure. The two Participants aim to strengthen Europe-China cargo transport cooperation, and support Latvia in developing multimodal distribution and logistics platform. They will support their competent departments and companies in their efforts to discuss opening direct flights between Latvia and China on the basis of commercial and market-based principles and feasibility studies. They will support the cooperation in infrastructure in Latvia, such as ports, port terminals, highways, railroads, logistics centers and industrial parks in ports. The two Participants will also work together to attract more resources for the use of their infrastructure and designate respective government departments, companies or personnel as contact channels. China appreciates Latvia’s participation in the Baltic, Black and Adriatic Sea-port Initiative.

II Trade and investment promotion. The two Participants will encourage two-way investment and various forms of mutually-beneficial cooperation between their companies, improve investment environment, and enhance the level of investment safety and facilitation. They will support further expansion of two-way trade, particularly trade in wood products, machinery, pharmaceuticals, cosmetics, foodstuff and apparel and will further increase the share of high and new technology products in bilateral trade. The two Participants will promote cooperation on customs, border entry and exit management, inspection and quarantine and mutual recognition of standards, and will discuss the feasibility of jointly developing integrated industrial assembling, e-commerce and consulting service centers in Latvia for promotion and easier access of Chinese exports to the EU market.

III Financial Cooperation. The two Participants will encourage their financial institutions to provide financing support and services for trade and investment cooperation, and will facilitate participation of Chinese financial companies in financing private, governmental and regional projects in Baltic and Nordic countries by expanding cooperation between their state-owned and commercial financial institutions. They will also encourage strategic cooperation between Latvia and the Asia Infrastructure and Investment Bank (AIIB).

IV Cooperation in science and technology. The two Participants will strengthen cooperation in science, technological innovation and technology transfer by encouraging their companies to carry out cooperation in high and new technology and in innovation and by establishing new companies and “Innovation Parks” to that end.

V Cultural and people-to-people exchange. The two Participants will promote people-to-people exchange, further develop the sister-city network, and support the discussions on establishing cooperation mechanisms between their competent authorities in education, culture, arts, and other areas. They will strengthen exchange and cooperation between local governments, media, think tanks, students and the youths, and will promote the development of their tourism industries through cooperation between their governments and businesses.

VI The two Participants stand ready to actively expand cooperation and exchange in other areas.

**Part III**

**Modes of Cooperation**

Models of cooperation may include but are not limited to:

I Through exchange of high-level visits and existing governmental and non-governmental exchange mechanisms, the two Participants will build a multi-tiered information sharing platform in diverse fields and with multiple channels to share information resources, increase transparency and encourage participation of people in all sectors of society.

II Based on the common needs for cooperation, the two Participants will carry out pilot programs, joint researches, personnel exchange and training in key areas through collaborative analysis, joint planning, economic and technological exchange and cooperation as well as information sharing and capacity building in international, market-oriented and professional approaches. They will encourage other countries along the Belt and Road to participate in the Belt and Road Initiative.

III The two Participants will explore mutually beneficial models of cooperation to support the development and implementation of major programs on infrastructure and production capacity alignment under the Belt and Road Initiative, determine ways to offer financial support to such projects, and strengthen exchange and cooperation to ensure project safety.

IV The two Participants may conclude arrangements or other cooperation documents for cooperation in a specific field.

**Part IV**

**Mechanism of Cooperation**

The two Participants will make full use of existing bilateral treaties and intergovernmental mechanisms to jointly promote the Belt and Road Initiative, explore new opportunities for bilateral cooperation, and coordinate on major issues concerning bilateral cooperation.

**Part V**

**Legal Status**

This MOU does not constitute legally binding obligations for the two Participants. It is only an expression of their common will to jointly advance the Belt and Road Initiative.

**Part VI**

**Settlement of Differences and Amendment**

I The two Participants will settle differences in the interpretation and implementation of this MOU through friendly consultations.

II This MOU may be amended with written consent of the two Participants.

**Part VII**

**Coming into Effect and Termination**

I This MOU will come into effect from the date of signing and will remain in effect for five years.

II This MOU will be automatically extended for subsequent five-year periods unless terminated by either party by giving the other party a written notice through diplomatic channels three months before the expiration of the relevant five-year period.

III The termination of this MOU will not affect any programs already completed or programs being implemented under this MOU at the time of termination.

Signed in on , in duplicate in the Latvian, Chinese and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text will prevail.

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|  RepresentativeGovernment of the Republic of Latvia |  RepresentativeGovernment of the People’s Republic of China |