

## UK INFORMATION NOTE: BACKGROUND TO THE UK- CHINA JOINT CLIMATE CHANGE STATEMENT

China and the UK enjoy strong and growing cooperation on low carbon policies, technologies, and means of financing. This cooperation supports a more effective and cost efficient response to the challenge of climate change. Collaboration includes but is not limited to:

- 1. Green Growth and the Economics of Climate Change** The transition to a lower carbon, more energy efficient economy is an opportunity to drive new sources of growth and jobs in our economies. The UK and China are both engaged in the New Climate Economy project- a major new international study on the economics of climate change- which will publish its findings later this year. The UK and China, with other partners, have also announced a major new strand of joint research on green growth, and we have been helping China's efforts to promote energy efficiency and a cleaner growth model.
- 2. Clean technology** The UK and China have launched a joint £20 million research programme on Low Carbon Innovation, including work on offshore renewables, low carbon manufacturing processes and technologies, and low carbon cities. This builds on strong existing bilateral energy research co-operation in fields including electric vehicles, smart grids, cleaner fossil fuels and energy storage.
- 3. Renewable energy** Last year, the UK and China signed a new MOU on offshore wind. This is leading to new policy collaboration, which in turn will help commercial at scale deployment of this technology. China and the UK are both witnessing a step change in solar trade and investment in line with ambitious targets for deployment of solar energy, and this offers new opportunities for collaboration.
- 4. Shale gas** The global development of shale and other unconventional gas resources could allow these to play a valuable bridging role during the global transition to a low carbon energy model. This could also have dramatic effects on reducing local air pollution. The UK and China are at similar stages of developing our resources and can benefit from sharing experience on putting in place regulation and promoting environmental protection and stakeholder engagement. The UK and China have strong public policy collaboration on shale which we will look to strengthen in coming years, as well as commercial collaboration.
- 5. Nuclear** Nuclear power is a secure, reliable low carbon source of energy which will play a key part of our future low carbon energy mix. In 2013 we signed the UK-China Civil Nuclear Co-operation Agreement and this, as well as the Joint Statement signed at this Summit, forms the basis for us to continue to develop our co-operation with Chinese companies and institutions. We welcome the

expansion of joint UK- China work into wider issues around civil nuclear use including waste management, decommissioning and R&D.

6. **Carbon Capture and Storage** Carbon capture and storage is a vital technology for avoiding dangerous climate change. The International Energy Agency estimates that without it, the cost of cutting global CO<sub>2</sub> emissions in half by 2050 will be 70% higher. The UK has committed £35 million from the International Climate Fund to the Asian Development Bank Trust Fund for CCS development in Asia, with a focus on China and Indonesia. With the ADB and the Chinese Government, we are identifying opportunities to accelerate the development and deployment of CCS in China. This will include setting up two CCS Centres in China, as well as supporting work at the GreenGen demonstration site in Tianjin. There will be further collaboration under the ADB Trust Fund. The UK and China have already conducted joint research projects in this area, and we will intensify academic exchanges as well as support UK companies working on CCS in China.
7. **Green Finance** The levels of investment needed to deliver a 2 degree world cannot be met by public finance alone – significant amounts of private investment are needed to achieve a sustainable low-carbon transition. This presents a major opportunity for business. The UK and China have been working together on areas including green finance, green credit and green procurement, building on London’s reputation as the green financial capital of the world. We will continue this cooperation. Through the Climate Public Private Partnership the UK aims at catalyzing private finance specifically from institutional investors (such as pension funds and sovereign wealth funds) into low carbon investments in China and other countries.
8. **Carbon markets** Carbon emissions trading schemes achieve higher levels of emission reductions at lower cost, while creating clean energy investments. The UK has provided advice and expertise in the development and launch of China’s emissions trading pilot schemes. We will continue to support the development of China’s national carbon market, including through our contribution to the Partnership for Market Readiness.
9. **Sustainable Urbanisation** Sustainable low carbon growth relies on achieving a pattern of urbanisation that promotes clean, efficient and healthy cities. We have worked with Chinese partners and UK companies to promote low carbon urbanisation both bilaterally and under the EU-China Urbanisation Partnership Framework. The MoU on Green and Low Carbon Urbanisation agreed at this Summit will pave the way for further collaboration.
10. **Climate science and adaptation** The impacts of climate change are already being felt around the world, and there is an urgent need to improve our understanding of how to reduce risks to people and property. The UK, China and Switzerland have been working together on the Adapting to Climate Change in China programme. The programme has strengthened scientific knowledge and built China’s capacity to assess the risks and impacts of climate change, as well

as helping decision makers to develop a strategy to adapt to some of the inevitable effects of climate change. The Met Office Hadley Centre, a leading UK climate change research centre, the Climate Change Centre of the Chinese Meteorological Administration and China's Institute of Atmospheric Physics are embarking on a major new programme of collaboration on the climate science needed to support the development of climate services in the region.