

Brussels, 2 September 2005

EU and China Partnership on Climate Change

The EU and China today agreed a Partnership on Climate Change as one of the major outcomes of the China-EU Summit. The Partnership will strengthen cooperation and dialogue on climate change and energy between the EU and China. One major objective of this Partnership is the development and demonstration of advanced, "zero emissions" coal technology based on carbon dioxide capture and geological storage. It will also promote other clean energy sources, as well as energy efficiency, energy conservation, and renewable energy.

The focus of the Partnership is on concrete action: the development and deployment of clean energy technology. It demonstrates the EU's determination to tackle climate change at the highest level and in concrete ways, as recently also announced at the G8 Summit in Gleneagles. It underlines our commitment to the implementation of the UN Framework Convention on Climate Change and its Kyoto Protocol. It also helps to strengthen the momentum for discussions of a multilateral climate change regime 'post 2012', which the Commission intends to kick-start later this year in Montréal.

The Partnership contains two concrete co-operation goals, to be achieved by 2020. The first is to develop and demonstrate, in China and the EU, advanced "zero-emissions" coal technology. This technology will allow for the capture of CO₂ emissions from coal-fired power plants and its subsequent storage underground, for example in exploited oil or gas fields or in sealed geological strata, thereby avoiding CO₂ emissions into the atmosphere.

The second cooperation goal is to significantly reduce the cost of key energy technologies and promote their deployment and dissemination.

The Partnership will also support EU and Chinese efforts to reduce the energy intensity of their economies. China has set the goal of halving the energy intensity of the Chinese economy by 2020. In the recently adopted Green Paper on energy efficiency, the Commission has proposed to reduce the EU's energy consumption by 20% over the same period by increasing energy efficiency. These efforts will be strengthened through the involvement of the private sector, bilateral and multilateral financing instruments and export credit agencies, and the promotion of joint ventures and public-private partnerships.

The Partnership will also reinforce EU-China cooperation on the Kyoto Protocol's Clean Development Mechanism (CDM). It foresees a dialogue on the further development of this mechanism 'post 2012' in combination with an exchange of information and experience on the use of market-based mechanisms such as the EU emissions trading scheme. It furthermore foresees a number of joint research activities on the impacts of climate change.

Background:

The EU and China have a history of close cooperation on environment and energy issues, including climate change. The EU-China Partnership on Climate Change provides a high-level political framework that will further strengthen this cooperation and which sets out concrete new actions. The Partnership covers the China-EU Action Plan on Clean Coal and the China-EU Action Plan on Energy Efficiency and Renewable Energies, both of which were agreed in March this year. The Partnership provides for a robust follow-up process, which will include a regular review of progress in the context of the annual EU-China Summits. The full text of the Partnership is set out in the Annex to this Press Release.

Both China and the European Union are parties to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The Parties to the UNFCCC and the Parties to the Kyoto Protocol will meet from 28 November to 9 December 2005 in Montreal, Canada, to discuss the implementation of existing obligations and develop further steps to address the global challenge that climate change represents.

Joint Declaration on Climate Change between China and the European Union

- 1 We underline our commitment to the objectives and principles of the UN Framework Convention on Climate Change and the Kyoto Protocol and in this context agree to set up a Partnership on Climate Change. This Partnership will strengthen cooperation and dialogue on climate change including clean energy, and promote sustainable development. Follow-up of the Partnership will be carried out regularly at a suitably high level through a bilateral consultation mechanism, including in the context of the China - EU Summits.
- 2 We will strengthen our dialogue on climate change policies and exchange views on key issues in the climate change negotiations.
- 3 We will co-operate to realise our respective goals of significantly improving the energy intensity of our economies.
- 4 We will strengthen our practical co-operation on the development, deployment and transfer of low carbon technology, to enhance energy efficiency and promote the low carbon economy.
- 5 We agree on the following key areas for technical co-operation:
 - Energy efficiency, energy conservation, and new and renewable energy;
 - Clean coal;
 - Methane recovery and use;
 - Carbon capture and storage;
 - Hydrogen and fuel cells;
 - Power generation and transmission.
- 6 We will take strong measures to encourage low carbon technology development, deployment and dissemination and will work jointly to ensure that the technologies become affordable energy options. We will explore financing issues including the role of the private sector, joint ventures, public private partnerships, and the potential role of carbon finance and export credits. We will co-operate to address barriers to the development, deployment and transfer of technology.
- 7 We will aim to achieve the following co-operation goals by 2020:
 - To develop and demonstrate in China and the EU advanced, near-zero emissions coal technology through carbon capture and storage;
 - To reduce significantly the cost of key energy technologies and promote their deployment and dissemination.
- 8 We will enhance our existing co-operation and we welcome the following recent initiatives:
 - The China-EU Action Plan on Clean Coal to promote collaboration in the development of clean coal technologies in China;
 - The China-EU Action Plan on Industrial Co-operation on Energy Efficiency and Renewable Energies.

- 9 We will co-operate to strengthen the implementation of the Clean Development Mechanism (CDM), exchange information on CDM projects and encourage our companies to engage in CDM projects co-operation. We will engage in dialogue on improving and further developing the CDM. We will facilitate the exchange of information and experience on the design and practical implementation of other market-based instruments such as emissions trading and on assessing the costs and benefits of their use.
- 10 We will strengthen co-operation on adaptation to the impacts of climate change through:
- Research and analysis on adverse effects of and vulnerabilities to climate change;
 - Research and analysis on assessing the socio-economic impacts and costs of climate change;
 - Enhancing the scientific, technical and institutional capacity to predict climate change and its impacts;
 - Research and development on technologies and measures to adapt to climate change;
 - Raising awareness of integrating vulnerability reduction and adaptation needs into sustainable development strategies and their implementation.
- 11 We will enhance our co-operation in capacity building and strengthening institutions, including through raising public awareness, exchange of personnel and training.