

BRIEF UPDATE ON CHINESE NATIONAL ETS DEVELOPMENT

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London
March 2015

UPDATE ON RELATED BACKGROUND-INDC OF CHINA

- **Responsibility:** Chinese government is very active in preparing for INDC paper, based on our policy commitment in the UN Summit last year, our target by the U.S.-China Joint Announcement on Climate Change, our domestic actions currently.
- **Comprehensiveness:** Chinese INDC paper will cover all key aspects in addressing climate change, like basic understanding and standpoint on climate change, the target from 2020 to 2030 and respective policies and measures (include ETS development), actions on mitigation and adaptation, inputs and demand on capital and technology, suggestions on negotiation in 2015, as well as other related background information.
- **Determination:** although many challenges, NDRC is still pushing the preparation in INDC paper, and is eager to submit it in the first half of this year. The actions and targets will be guaranteed by the 13rd 5-Years-Plan adopted by CPC and implemented together with other social and economic programs.

UPDATE ON RELATED BACKGROUND-US CHINA JOINT ANNOUNCEMENT ON CLIMATE CHANGE

- **Target:** aggressive action targets in addressing climate change after 2020, especially GHG emission summit target by 2030.
- **Cooperation:** clean energy, CCUS, HFCs reduction, low carbon cities, green trade, GHG reporting, etc. i.e.,:
 - NDRC is working out a program together with MOF for reduction of HFCs by the subsidies by national finance, and now it is in process of consultation and approval by State Council.
 - United States is proposing to organize a low-carbon cities summit in US this year.
 - China-US working group meeting in March will discuss and enhance the next cooperation.
 - Contribution to Paris Conference this year.

UPDATE ON CPMR FROM PREPARATION TO IMPLEMENTATION



UPDATE ON DEVELOPMENT OF CHINESE ETS

- Keep going in the 7 pilot regions: to extend coverage, explore carbon finance, reinforce legislation, improve MRV, finish the first compliance period, consider the next period of allowance allocation.
- Transition from pilot to nation-wide: consultation with pilot regions, investigation in experiences of pilots, engagement of local experts from pilots
- Development of nation-wide ETS:
 - Legislation: issuance of ETS regulation by NDRC and going to issue ordinances of ETS by state council
 - Top policies: study of cap-setting and allowance allocation program on ETS
 - MRV: enterprise GHG data reporting, development of MRV system
 - Infrastructure: operation of national registry for CCER
 - Specific questions: SOEs and power sector study
 - Capacity building: domestic and international training

PERSPECTIVE FOR NEXT STEPS

- Enhance the communication between pilots and nation to assure smooth transition
- Enhance the coordination with related domestic sectors and agencies to apply for more support
- Enhance the management of CPMR project to assure that it can be implemented very well in order to provide practical support for the development of Chinese ETS
- Enhance the information exchange on the platform of PMR to learn more experiences and to share Chinese lessons
- Enhance the bilateral and multilateral cooperation with other partners to back up the development of Chinese ETS together
- Enhance the consultation with stakeholders to increase the feasibility of policies

THANKS FOR YOUR ATTENTION

