



# CHINA CLEANTECH MONTHLY UPDATES

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## Policy: China Announces Targets on Carbon Dioxide Emission Cuts

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The State Council announced on November 26, 2009 that China is going to reduce the intensity of carbon dioxide emissions per unit of GDP in 2020 by 40% to 45% compared with the level of 2005.



Pursuant to the State Council, this is "a voluntary action" taken by the Chinese government "based on our own national conditions" and "is a major contribution to the global effort in tackling climate change".

In a meeting presided over by Premier Wen Jiabao on November 25, 2009, the State Council reviewed a national task plan addressing climate change. A press statement released on November 26, 2009 stipulated that the

index of carbon dioxide emissions cuts, announced for the first time by China, would be "a binding goal" to be incorporated into China's medium and long-term national social and economic development plans. New measures would be formulated to audit, monitor and assess its implementation.

Pursuant to the statement, the government would devote major efforts to develop renewable and nuclear energies to ensure the consumption of non-fossil-fuel power accounted for 15% of the country's total primary energy consumption by 2020; more funding would be invested into the research, development and industrialization of technologies for energy saving, and into energy efficiency, clean coal development, renewable energies, advanced nuclear energies, and carbon capture and storage; laws, regulations and standards would be formulated and fiscal, taxation, pricing and financial measures would be introduced to manage and monitor the implementation of those laws and regulations.

## Event: EUR 134 Million from EIB to Finance Four Projects under China Climate Change Framework Loan

Source: Finchannel.com Date of Issuance: Dec 1, 2009

Drawing from the China Climate Change Framework Loan (the "CCCFL"), signed with China in November 2007, the European Investment Bank (the "EIB") is providing a total of EUR 134 million in four operations that will contribute to the mitigation of climate change. EIB estimates that up to 830,000 tons of CO<sub>2</sub> emissions will be avoided every year when the four projects will be fully operational. The four projects are as follows:

The transformation of the district heat system of the city of Jinan (capital of Shandong Province); the installation of street, building, landscape and lawn lighting with energy efficient lights running on renewable solar energy, in Chaoyang City (Liaoning Province); 10 small scale hydropower plants, with a total capacity of 62 MW, in Yi-chang City (Hubei Province); the construction and operation of a sodium carbonate and ammonium chloride co-product plant, using the CO<sub>2</sub> currently vented from the existing fertiliser complex.

According to EIB, all four projects will result in a significant reduction of emissions of greenhouse gases and other pollutants, as well as improve energy efficiency, thereby contributing to the mitigation of global climate change; all projects will seek CDM registration for carbon credit generation; the possible sale of carbon credits would further improve their financial situation and mitigate the extra-cost of their "green" investments.

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After the signing of the CCCFL in November 2007, 20 project schemes received EIB funding for a total amount of EUR 334 million (out of the EUR 500 million available under the CCCFL). Overall CO<sub>2</sub> emission reductions will stand at 1.57 million tons every year when all schemes will be fully operational.



## Event: China Has Most Projects to Curb Greenhouse Gas Emissions

Source: *Global Times* Date of Issuance: Dec 2, 2009

**B**y the end of October this year, the Chinese government approved 2,232 Clean Development Mechanism (CDM) projects and 663 of them have been successfully registered in the CDM Executive Board of the UN, topping the number of CDM registered projects worldwide.

Sun Cuihua, deputy director of the Department of Climate Change at the National Development and Reform Commission (the "NDRC") disclosed the news at the EU-China CDM Facilitation Project Final Dissemination Conference in

Beijing, which is aimed to build cooperation between China and the EU on CDM projects and discuss the development trends of CDM projects after 2012.

According to relevant scientific analysis, these 663 projects will help reduce some 190 million tons of carbon emissions, making up 58% of the total emissions amount by the registered CDM projects globally, ranking the first place in the world.

EU Ambassador to China Serge Abou said at the conference that China has taken about 60% of the global carbon market share, and cooperation on carbon transactions between China and the EU plays an important role in the carbon economy of both sides.

Pursuant to Wan Bentai, chief engineer of the Ministry of the Environmental Protection of China, the Chinese government is paying much attention to cooperating with the international community on the issue of climate change and cooperation with the EU on CDM projects are important. He explained that until June 30 this year, China's CDM projects that were approved by the CDM Executive Board of the UN have produced a total of 63 million tons of carbon emissions, accounting for 45% of the emissions produced by CDM projects approved by the Chinese government.



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