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FACT SHEET: The United States and China Issue Joint Presidential Statement on Climate Change with New Domestic Policy Commitments and a Common Vision for an Ambitious Global Climate Agreement in Paris

On the occasion of President Xi's State Visit to Washington, D.C., the United States and China today marked another major milestone in their joint leadership in the fight against climate change with the release of a U.S.-China Joint Presidential Statement on Climate Change. The Statement, which builds on last November's historic announcement by President Obama and President Xi of ambitious, respective post-2020 climate targets, describes a common vision for a new global climate agreement to be concluded in Paris this December. The Statement also includes significant domestic policy announcements and commitments to global climate finance, demonstrating the determination of both countries to act decisively to achieve the goals set last year.

- **Common vision for the Paris climate agreement** – As part of their commitment to a successful and ambitious Paris outcome, the two countries articulated a set of shared understandings for the agreement, including on the importance of a successful agreement that ramps-up ambition over time, pointing toward a low-carbon transformation of the global economy this century. They agreed on the need for an enhanced transparency system to build mutual trust and confidence and promote effective implementation including through reporting and review of action and support in an appropriate manner, and made new progress on the issue of differentiation between developed and developing countries.
- **Ambitious domestic policy announcements** – China confirmed today that it plans to launch in 2017 a national emission trading system covering power generation, steel, cement, and other key industrial sectors, as well as implement a “green dispatch” system to favor low-carbon sources in the electric grid. These announcements complement the recent finalization of the U.S. Clean Power Plan, which will reduce emissions in the U.S. power sector by 32% by 2030. Both countries are developing new heavy-duty vehicle fuel efficiency standards, to be finalized in 2016 and implemented in 2019. Both countries are also stepping up their work to phase down super-polluting hydrofluorocarbons (HFCs).
- **Breaking new ground on climate finance** – Looking beyond their shores, the two countries announced further steps to help accelerate the transition to low-carbon development internationally, including a new climate finance commitment by China of CNY 20 billion (\$3.1 billion) to help developing countries combat climate change and new steps to control public support for high carbon activities. The two countries

also re-affirmed their commitment to bilateral cooperation, both at the federal and sub-national levels.

Building a Common Vision for the Paris Agreement

Presidents Obama and Xi are committed to an ambitious outcome at the Paris climate conference and have articulated a concrete set of shared understandings for the Paris agreement.

On mitigating the impact of climate change, the two leaders agreed on three elements of a package to strengthen the ambition of the Paris outcome. First, they recognized that the emissions targets and policies that nations have put forward are crucial steps in a longer-range effort to transition to low-carbon economies and agreed that those policies should ramp up over time in the direction of greater ambition. Second, they underscored the importance of countries developing and making available mid-century strategies for the transition to low-carbon economies, mindful of the below 2 degrees Celsius global temperature goal. Third, they emphasized the need for the low-carbon transformation of the global economy this century.

The leaders agreed on the importance of an enhanced transparency system to build mutual trust and confidence and promote effective implementation including through reporting and review of action and support in an appropriate manner, and agreed that such a system should provide flexibility to those developing countries that need it in light of their capacities.

The leaders also made new progress on the issue of differentiation, including by reaffirming their commitment to an ambitious agreement in 2015 that reflects the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances, and embeds differentiation in the relevant elements of the agreement in a manner appropriate to each individual element. They also agreed that adaptation needs to be elevated in the international talks, and that it is a key component of the long-term global response to climate change.

On financial assistance for developing countries, in addition to specific new climate finance announcements, the two sides reiterated the 2020 climate finance mobilization goal that developed countries committed to in 2009 and they underscored the importance of continued financial support beyond 2020 to help developing countries build low-carbon and climate-resilient societies, urging continued support from developed countries and encouraging such support by other countries willing to do so.

Finally, the two sides recognized the crucial role of major technological advancement in the transition to low-carbon economies, and endorsed significant increases in basic research and development into clean energy technologies in the coming years.

This set of agreements on key issues in the Paris climate negotiations reflects the commitment of the U.S. and China to work together and with all other countries to reach an historic climate agreement in Paris.

Ambitious Domestic Climate Policies

Today, President Obama and President Xi announced substantial, domestic climate actions that are designed towards implementing and achieving their respective climate goals announced in November 2014.

Power Sector and Industry.

- **The U.S. is Taking Steps to Implement the Clean Power Plan in 2016.** The recently finalized Clean Power Plan will reduce carbon pollution from the power sector by 32 percent below 2005 levels by 2030. Today, the United States committed to finalize, in 2016, a federal plan to implement carbon emission standards for power plants in states that choose not to design their own implementation plans.
- **China is launching a national emissions trading system in 2017.** China's national cap-and-trade system will support emissions reductions in power generation, iron and steel, chemicals, building materials including cement, paper-making, and non-ferrous metals. These sectors together produce a substantial percentage of China's carbon pollution.
- **China is implementing a new green dispatch approach in its power sector.** China's "green dispatch" system will prioritize power generation from renewable sources, and establish guidelines to accept electricity first from the most efficient and lowest-polluting fossil fuel generators. This approach will accelerate the phase down of high-polluting, energy intensive power while supporting the deployment of renewable and non-fossil sources, and will better utilize China's rapidly growing solar and wind capacity while supporting its ambitious non-fossil energy targets of 15 percent by 2020 and around 20 percent by 2030.

Transportation. Today, the U.S. and China are committing to finalize respective next-stage fuel efficiency standards for heavy-duty vehicles in 2016, and both countries are committing to implement them in 2019. This announcement marks a commitment from China to match the proposed timeline for the introduction of new heavy-duty vehicle standards in the United States.

Buildings and Cities. Today, the United States is committing to finalize over 20 efficiency standards for appliances and equipment by the end of 2016 – a commitment that will enable us to meet our goal of cutting 3 billion metric tons of carbon pollution

from these measures by 2030. Consistent with the ambitious early peaking targets announced by Chinese cities last week at the U.S.-China Climate Leaders Summit in Los Angeles, China is also affirming that 50 percent of new buildings in urban areas will meet green building standards by 2020. Additionally, China has affirmed that the share of public transport in motorized urban travel will reach 30 percent by the same year.

Methane and HFCs. Building on the U.S. Strategy to Reduce Methane Emissions, in January 2015, the Administration announced a goal to cut methane emissions from the oil and gas sector by 40 to 45 percent from 2012 levels by 2025 and has committed to finalize recently proposed standards for methane emissions from the oil and gas sector in 2016. Today, the U.S. is committing to finalize two standards to reduce methane emissions from landfills in 2016. The U.S. EPA also recently finalized a rule to prohibit some of the most harmful HFCs in various end-uses under our Significant New Alternatives Policy, and the United States is committing to pursue new actions in 2016 to reduce HFC use and emissions, including announcing progress against private sector commitments to reduce HFCs equivalent to 700 million metric tons of carbon pollution, and a new round of additional private sector commitments to reduce emissions of HFCs. China is also planning to accelerate its efforts to control HFCs, including effectively controlling HFC-23 emissions by 2020.

Breaking New Ground on Climate Finance

President Obama and President Xi emphasized the importance of mobilizing climate finance to support low-carbon, climate-resilient development in developing countries. Consistent with the United States' \$3 billion pledge to the Green Climate Fund (GCF) – the multilateral funding mechanism established to support climate action in developing countries – China announced that it will make available CNY 20 billion (\$3.1 billion) through a bilateral fund designed to help developing countries combat climate change. This is by far China's most significant commitment to climate finance to date, and reinforces that the two countries are working together to ensure that developing countries have the tools they need to develop sustainably and prepare for the impacts of climate change.

The United States and China reached an important new understanding on the need to control financing for high-carbon projects internationally. Today, China – one of the largest providers of public financing for infrastructure worldwide – agreed to work towards strictly controlling public investment flowing into projects with high pollution and carbon emissions both domestically and internationally. This follows a commitment in 2013 by the United States to end public financing for new conventional coal-fired power plants except in the poorest countries, and a growing number of other countries and financing institutions moving in a similar direction.

Deepening Bilateral Cooperation on Climate Change

Over the last several years, the United States and China have deepened our bilateral engagement to tackle specific challenges each country faces in combating climate change. We have launched a number of sectoral initiatives, ramped up joint research and development, and built strong connections between regulators, scientists, engineers, and businesses working on shared challenges.

U.S.-China Climate Change Working Group. Today, the two countries committed to further enhance and deepen our bilateral cooperation, including through the U.S.-China Climate Change Working Group. This cooperation includes technical and policy exchanges on the development of fuel efficiency standards for trucks and buses, continued progress towards implementation of CCUS projects with the selection of a project site in China as the large-scale CCUS demonstration project announced last November, cooperation on reducing HFCs, including private sector commitments to promote climate-friendly alternatives to HFCs, and continued support for phasing down HFCs through the Montreal Protocol, and additional cooperation on direct mitigation efforts across multiple other sectors.

Action by Sub-National Governments. The United States and China attach special importance to the burgeoning cooperation between our sub-national governments to promote climate action. The Presidents welcomed the success of the **U.S.-China Climate Leaders Summit**, held September 15-16, 2015, in Los Angeles, California. The Summit featured the announcement of the new “Alliance of Peaking Pioneer Cities” in China – cities and provinces accounting for approximately 1.2 gigatons of annual CO₂ emissions (roughly equivalent to all emissions from Japan or Brazil) established, for the first time, peak years for carbon dioxide emissions that are earlier than the national goal to peak around 2030. U.S. cities, counties, and states also put forward ambitious, long-term emissions reduction targets, including a commitment by the State of California to reduce emissions by 80 percent-90 percent below 1990 levels by 2050, and a commitment from the City of Seattle to become carbon-neutral by 2050.

Clean Energy Research. The United States and China also place great importance on exchanges and cooperation in the area of clean energy and recognize the collaboration and outcomes of the U.S.-China Clean Energy Research Center (CERC).

- **Transportation** - The two sides announced the launch of a new technical track under CERC to improve the energy efficiency of medium-duty to heavy-duty trucks. This initiative is expected to accelerate the development of high energy efficiency trucks and their introduction into the markets of both countries, leading to significant reductions in oil consumption and greenhouse gas emissions from the transportation sector. The United States and China additionally announced that they will develop collaborative Electric Vehicle (EV) Interoperability Centers with the

goal of coordinating relative technical standards, promoting coordination, and providing technical support to the existing, successful electric vehicle work between our two countries.

- **Energy and water** - Under the new energy-water track of the CERC, the United States and China will work together to discover an array of innovative technologies to alleviate pressures on water resources and management related to energy production and use. The United States has also announced five projects to study the feasibility of using salty water - or brine - from CO₂ storage sites to produce fresh water.

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