



*****Press Release*****

*****For Immediate Release*****

China's emissions trading pilots are starting to take shape as the EU's flagship climate policy looks increasingly fragile.

China's domestic climate policies are gathering pace and have set in motion the development of seven pilot emissions trading schemes, putting ever more pressure on the EU to fix its own scheme.

In a report, entitled *Turning the Tanker*, to be launched at a joint report launch in the European Parliament tomorrow [1][2][3], Sandbag examines why China is looking to move away from traditional command and control measures in favour of more innovative market based mechanism to tackle environmental concerns. Emissions trading is one such mechanism and China has already announced pilot projects to be implemented in five municipalities - Beijing, Chongqing, Shanghai, Shenzhen and Tainjin - and two provinces - Guangdong and Hubei from 2013. These pilot projects will pave the way for a national trading scheme (ETS) to be implemented in 2016.

Details are steadily emerging of the pilot schemes and China's commitment to tackling climate change is growing increasingly clear, making it more difficult for Europe to argue that it is out in front and unable to increase its ambitions.

At the same time as developing its own emissions trading schemes China is currently objecting to flights between China and Europe being included in the European scheme. The report suggests that China could include flights from the major cities within the emissions trading pilots and thereby enact the equivalent measure clause which would remove them from the EU scheme.

Commenting on the report, Sandbag Policy Officer, Rob Elsworth, said:

"All too often China's size and rapid development leads people to the conclusion that no action is being taken on climate change. However, behind the scenes domestic climate policy in China is advancing rapidly. Many challenges remain but the speed of advancement and the ambition of China's emissions trading plans are remarkable. Europe needs to realise that its position as the world leader in carbon pricing and low carbon technologies is under real threat. Action must be taken now to fix the EU's ailing emissions trading scheme."

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Download *Turning the Tanker* at <http://www.sandbag.org.uk/reports/>

Notes to Editors

The Sandbag Climate Campaign is the NGO leading in research-led campaigning for effective emissions trading. Through expert analysis, hard hitting reports and targeted advocacy we aim to shine a light on what's working and what's not and campaign for changes that could save billions of tonnes of carbon emissions.

[1] Sandbag will launch this report alongside the Stockholm Environment Institute / FORES who will launch a complementary report entitled: *China's Carbon Emissions Trading: An Overview of Current Developments*.

[2] This event was held in association with Peter Liese MEP (EPP), Linda McAvan MEP (S&D), Chris Davies MEP (ALDE) and Bas Eickhout MEP (Greens/EFA).

[3] Event details: What's happening on emissions trading in China? Tuesday 24th April 17:00 – 18:30, European Parliament - Altiero Spinelli - Room A5E3