



# QUESTIONING CHINA'S EMISSION PLEDGES

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## INTRODUCTION

FRANÇOIS GODEMENT

This issue of China Trends focuses on the decarbonization targets of the Chinese economy – on which Institut Montaigne has already commented recently. Our sources point out a malaise or at least some ambiguity among experts and voices for China's public diplomacy. It is understandable: **any target that President Xi has set becomes unquestionable**. But he has also, quite aptly, described the path to reach these targets as an "uphill battle". Therefore, commentators owe it to themselves to point out some of the difficulties involved – without challenging the realism of the overall targets. After all, if not before 2030, at least by 2060, many things that could ease the situation can happen – technological innovation, restructuring of what should be an advanced economy, a radical change in energy demand with a smaller population.

Yet commentators have their own reservations, more or less expressed. One is that economic growth will not take a second seat to control of emissions. There is a welcome side to this – **one will not easily find in China an advocate of degrowth or "décroissance", that fad of old industrialized societies**.

Yet, a diminishing population from the next few years onwards, and the completion of the massive urbanization that went on for decades might in themselves bring an element of solution. The trouble is that for at least the next few years, growth will largely mean coal, steel, cement, aluminum, and petrochemical products, with the construction sector uniquely predominant: even a 100% ratio of electric mobility would not change that reality.

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While the experts want to persuade themselves that decreasing carbon emissions is an inevitable international trend, and that emission control will be a source of growth, there is also an underlying argument that China cannot avoid sticking to a higher level of CO<sub>2</sub> emissions. China's climate diplomacy, as shown here, is a mix of traditional rigidity with adaptation to international asks. Under the former heading, **one finds the right to pollute**

**because others did so previously: this moral argument frees China's diplomacy of any guilt**, even if the scale of China's emissions today dwarfs that of any predecessor in history. Under the second heading, China seeks a role in fostering an "ecological civilization". Indeed it has developed the world's largest alternative energy sector, and its public diplomacy is at the forefront of greening semantics.

It is largely their full awareness of China's present economic structure that hampers many experts and commentators. We can't blame them without some hypocrisy: if one sees, in very advanced economies, the difficulty of implementing a green transition in housing and construction, and the role that farming still plays in emissions, as well as the fights among proponents of diverse energy sources, one understands that an energy transition involves and mobilizes the whole of society. China's vaunted ability to overcome the resistance of social groups, thanks to authoritarianism, falls short when some of the main sectors lobbying for the status quo are the economic pillars of the party-state, and when the achievement of a "moderately prosperous" society is the key argument that the CCP holds up to its people. There is an often heard argument that the green transition is in China's own interests – since, with 30% of global emissions and a high vulnerability to pollution and climate change, it is both guilty and a victim of its own CO<sub>2</sub> intensive path. **In China as elsewhere, that argument rests on rational decision-making. But large short-term drawbacks, adjustment issues, and the question of losers in this transition weigh just as much.** We hope that debate will grow in China, because it is only by changing the overall economic structure that the 30/60 pledges will become realistic.

## ABOUT

China Trends seeks understanding of China from Chinese language sources. In an era where the international news cycle is often about China, having a reality check on Chinese expressions often provides for more in-depth analysis of the logic at work in policies, and needed information about policy debates where they exist. China Trends is a quarterly publication by Institut Montaigne's Asia program, with each issue focusing on a single theme.



## MARCHING TOWARDS CARBON NEUTRALITY: NUANCES AND UNDERTONES

Since last year, China's high profile pledges to peak carbon emissions by 2030 and to reach carbon neutrality by 2060 have become a topic of debate inside China and abroad. China's domestic debate focuses mostly on how to reach the targets set by President Xi Jinping, without questioning whether they are too ambitious. The possibility of failure is not mentioned. In the words of Guan Qingyou, Chief Economist and President of the Rushi Advanced Institute of Finance, **carbon neutrality is, first of all, a political decision, which must be achieved** (碳中和首先是政治决策, 这事必须干).<sup>1</sup>

Chinese policymakers and experts thereof do not question that decision. Guan notes that in 2009, when China pledged to cut its CO<sub>2</sub> emissions per unit of GDP by 40-45% by 2020 from their 2005 level, the energy, technology, and environmental protection sectors all expressed reservations. At that time, these sectors highlighted that **reaching the target meant shutting down many enterprises, a price that they were unwilling to pay**. After more than a decade, Guan adds that China's political, business and academic circles

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have gradually reached a **consensus that carbon neutrality is both a constraint and a stimulus**, forcing an upgrade of the whole economy. In his words, the path to carbon neutrality is a systemic industrial revolution and a new opportunity for wealth creation (一场系统的产业革命, 也是新一轮创富机会).

Chen Ying, Deputy Director of the Research Center for Sustainable Development (CASS), argues that the competition around the target of carbon neutrality, including the development of green technology and green finance, is likely to reshape the world's economic landscape in the near future. Hence **China has no choice but to follow the trend and take seriously this target**.<sup>2</sup> This also applies to companies. Guan uses the example of digital transformation, which benefits the companies that are among the first to invest and adjust. He argues that the same will happen to companies that put efforts into reducing carbon emissions: they will become more competitive and attract a larger market share. The reduction of emissions is also about profit and speeding up China's transition to a green economy with promises positive economic outcomes.

But what trade-offs does greening imply from a macroeconomic perspective? Will China be forced to accept slower growth? Chinese views suggest that only a minimal reduction is acceptable. Bai Chong'en, Dean of the School of Economics and Management of Tsinghua University, points out that **China has to achieve its 30/60 carbon pledge while ensuring high-quality economic growth**.<sup>3</sup> Bai's view is shared by Liu Shijin, Vice-Chairman of China



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1. Guan Qingyou, "Carbon Neutrality, an industrial revolution, a wealth creation opportunity (碳中和, 一场产业革命, 一轮创富机会)", *China-cer.com.cn*, 02 June 2021, <http://www.china-cer.com.cn/shuangtan/2021060212926.html>

2. "The Economics of Carbon Peak and Carbon Neutrality Explained (碳达峰、碳中和的经济学解读)", *Xinhua*, 22 June 2021, [http://www.xinhuanet.com/politics/2021-06/22/c\\_1127586321.htm](http://www.xinhuanet.com/politics/2021-06/22/c_1127586321.htm) shuangtan/2021060212926.html

3. "Seminar on Economic Policies of China's Carbon Neutrality (中国碳中和的经济政策"研讨会举行)", *Tsinghua University*, 28 June 2021, <https://mp.weixin.qq.com/s/sw3HRU40XRTJVGqHXJ405A>

Development Research Foundation. Liu notes that there are technically two possible avenues: one is the traditional development path, which involves high emissions and high growth; the other, low emissions and slower growth. However, he argues that neither are suitable for China and that a third, unconventional, win-win path is needed, characterized by low emissions and relatively high growth.<sup>4</sup> He points out two main advantages that China should make use of. First, **developed countries started their green transition only after they reached their emission peak.** China starts this transition before reaching peak emissions, making it possible to introduce green products in the sectors that still have to reach this peak, thus decreasing the overall cost implied by the replacement of existing products and processes. Second, China currently has a high growth rate, a large market for innovation and promotion of green products, with a market demand that speeds up innovation. He concludes that these two advantages will allow China to continue its high growth despite the need of decreasing emissions.

For his part, Ding Zhongli, Vice Chairman of the National People's Congress and therefore a political leader, prioritizes growth over climate. When faced with the dilemma between growth and pollution, he argues that growth should prevail. Ding stresses that although new projects that are energy-intensive and highly polluting should be avoided, there is still a need to be realistic and pursue growth. If certain energy-intensive and highly polluting projects are necessary to meet the energy demand for economic development, the state should approve them (该上马的还是要上).<sup>5</sup>

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Other views point out specific issues. Targeting high-carbon emission sectors, such as electricity, iron and steel, cement, and chemicals, will not be sufficient. According to Zhang Zhiqiang, Associate Researcher at the National Center for Climate Change Strategy Research and International Cooperation, simultaneously promoting less carbon-intensive emerging activities, especially the emerging service sector, is also key to China's transformation.<sup>6</sup> **This will require mobilization at all levels, as resources required for the greening effort are so important that public financing alone will be largely insufficient to fulfill the need.** Shi Yichen, Vice President of the International Institute of Green Finance at the Central University of Finance and Economics, caps government financing in achieving carbon neutrality at about 15% of the total. The remaining 85% should rely on the private sector, mainly from households, enterprises, and financial institutions.<sup>7</sup> He notes that since the announcement of the 30/60 targets, Chinese banks, trust, fund companies, and other financial institutions have all joined the effort, by issuing green financial products. The Shanghai Stock Exchange and Shenzhen Stock Exchange launched carbon neutral corporate bonds in February and March 2021 respectively. To date, 48 carbon neutral bonds have been issued, for a total of nearly EUR 9 billion (CNY 70 billion).

The numbers required are large, but this volume of investments is also an opportunity rather than a burden. Yi Gang, Governor of the People's Bank of China, estimates that in order to reduce carbon emissions, China will need to invest approximately EUR 280 billion (CNY 2.2 trillion) per year by 2030, and around EUR 500 billion (CNY 3.9 trillion) per year from 2030 to 2060.<sup>8</sup> In

4. Liu Shijin, "How China can maintain higher economic growth in a low-carbon context (中国如何在低碳背景下保持经济较高增长)", *Aisixiang*, 26 May 2021, <http://www.aisixiang.com/data/126693.html>

5. "Interview with Ding Zhongli: Achieving "carbon neutrality" needs to be based on market mechanisms and technological innovation (专访丁仲礼:实现"碳中和"需以市场机制为基础,技术迭代为前提)", *China News*, 08 June 2021, <https://finance.sina.com.cn/tech/2021-06-08/doc-ikqczyi8473455.shtml>

6. "The Economics of Carbon Peak and Carbon Neutrality Explained (碳达峰、碳中和的经济学解读)", *Xinhua*, 22 June 2021, [http://www.xinhuanet.com/politics/2021-06/22/c\\_1127586321.htm](http://www.xinhuanet.com/politics/2021-06/22/c_1127586321.htm)

7. Deng Yue, "Where is the carbon neutrality investment coming from and where is it going? (碳中和超百亿元投资从哪来投向哪?)", *China Environment News*, 03 June 2021, [https://mp.weixin.qq.com/s/tWeK7k01DvUo\\_kcgF5kScw](https://mp.weixin.qq.com/s/tWeK7k01DvUo_kcgF5kScw)

8. "Yi Gang: China's carbon emission reduction is expected to require an annual investment of 2.2 trillion yuan by 2030 (易纲:预计2030年前中国碳减排需每年投入2.2万亿元)", *Yicai*, 16 April 2021, <https://www.yicai.com/news/101023516.html>

the eyes of Zhang Zhiqiang, Associate Researcher at the National Center for Climate Change Strategy Research and International Cooperation, such needs provide a huge room for **scaling up investment**, a positive factor for the overall economy.<sup>9</sup> Yi's analysis is echoed by Wang Ke, Associate Professor of School of Environment of Renmin University. Wang suggests that a substantial volume of investment in R&D, promotion and application of low-carbon technologies will **provide new momentum for economic growth, while enhancing China's international competitive position in the field.**

He Kebin, Dean and Professor of the School of Environment of Tsinghua University, provides a more concrete example. He notes that wind and solar resources are mostly concentrated in less developed regions of China. **The energy transition will thus bring new growth opportunities to these regions and to some extent, tackle the problem of unbalanced development between the coastal and inland areas.**<sup>10</sup> This means that these regions will not only attract more investments in the wind and solar energy sectors but also serve as a magnet for the relocation of energy-intensive industries. He adds that such a transition will also foster China's shift from resource-dependent to technology-dependent development.

Lin Boqiang, Dean of the China Institute for Studies in Energy Policy at Xiamen University, acknowledges that current environmental policies tend to focus on the production and supply side, often overlooking the consumption and demand side.<sup>11</sup> This is because of the difficulty of controlling consumer behaviors and demand compared to the production and supply side. **He encourages more developed cities such as Shanghai, Beijing and Xiamen, to take a leading position and reach carbon neutrality ahead of others.** Since these cities are highly digitalized and authorities have better access to data, they can better measure and evaluate the effectiveness of public policies, including those related to the reduction of carbon emissions. Their success, or failure, will be assessed and used to better structure the path other cities will take to achieve carbon neutrality.

Overall, Chinese experts mostly provide a positive outlook of China's greening goals. However, they do not hide their concerns over the tight schedule of Xi's climate goals, and they do highlight some of the challenges. For instance, Wang Ke, Associate Professor of School of Environment of Renmin University, notes that as the world's largest developing country, China's urbanization process is still ongoing, and **cities in the expansion stage still have larger infrastructure construction and renewal needs.** At such a stage

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of development, there are greater difficulties to effectively control carbon emissions.<sup>12</sup> This analysis, coupled with Ding Zhongli's observation on the need for growth to prevail when difficult choices are needed regarding industrial projects, suggests that despite the overall positivity and the overwhelming realization that the green transition provides a huge opportunity for China's social and economic transformation, there are many doubts below the surface regarding the realism of Xi Jinping's roadmap.

9. "The Economics of Carbon Peak and Carbon Neutrality Explained (碳达峰、碳中和的经济学解读)", *Xinhua*, 22 June 2021, [http://www.xinhuanet.com/politics/2021-06/22/c\\_1127586321.htm](http://www.xinhuanet.com/politics/2021-06/22/c_1127586321.htm)

10. He Kebin, "Carbon neutrality is a broad and profound systemic transformation (碳中和是一场广泛而深刻的系统性变革)", 15 June 2021, <https://mp.weixin.qq.com/s/GECEWiCWzu9DLWIHYjY0Rg>

11. Lin Boqiang, "China's Difficulties and the Way Forward Towards Carbon Neutrality (中国迈向碳中和的难题与出路)", *Aisixiang*, 03 June 2021, <http://www.aisixiang.com/data/126803.html>

12. "The Economics of Carbon Peak and Carbon Neutrality Explained (碳达峰、碳中和的经济学解读)", *Xinhua*, 22 June 2021, [http://www.xinhuanet.com/politics/2021-06/22/c\\_1127586321.htm](http://www.xinhuanet.com/politics/2021-06/22/c_1127586321.htm)



## THE CHANGING CLIMATE IN CHINA'S COAL DEBATE

**"We aim to have CO<sub>2</sub> emissions peak before 2030 and achieve carbon neutrality before 2060."** President Xi Jinping's announcement for China's carbon emissions goals<sup>13</sup> has surprised even some of the closest observers of Beijing's climate policies and sent shockwaves through the energy and industrial sectors in China.

The new commitments signal China's intention to align its economic development with the objective of the Paris Agreement, the climate accord signed by 195 countries in 2015, in which they agreed to limit the global temperature increase to below 2, preferably to 1.5°C, compared to pre-industrial levels. **It is the first time that Beijing has placed a limit on the total amount of carbon emissions, as opposed to a curb on emissions relative to economic growth**, known as an "intensity target", which has been part of China's official policy for a decade.

The new targets are also meant to inject much-needed vigor into China's transition towards a green economy. Bureaucrats and academics alike have described the neutrality goal as a way to "force" (倒逼) the changes required to decarbonize the economy, including "high-quality economic development" (经济高质量发展),<sup>14</sup> energy system reforms<sup>15</sup> and deepening the supply-side reform (深化供给侧结构性改革)<sup>16</sup> of emission-intensive industries such as steel.

While China's pledge is a welcome step forward, leaders from the world's largest emitters have urged Beijing to put forward concrete plans to back up its climate targets. John Kerry, the US climate envoy, used his first public appearance to voice his concerns over China's climate goals: **"we don't have a clue really yet how they're going to get there"**.<sup>17</sup> Ursula von der Leyen, President of the European Commission, welcomes China's pledge but believes "a lot of work remains to be done".<sup>18</sup>

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### Fulfilling the climate aspirations

**It remains unclear when Beijing would publish a clear policy roadmap to support its new emissions target.** But what is certain is that President Xi did not pull the targets out of thin air. He Jiankun, Director of Tsinghua University's Institute of

Low Carbon Economy, is widely believed to be the mastermind behind the research that provided the evidence base for China's 2030 carbon peaking and 2060 carbon neutrality goals, commonly referred to as the "30/60 targets (3060目标)".



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13. "Xi Jinping's Speech at the General Debate of the 75th United Nations General Assembly (习近平在第七十五届联合国大会一般性辩论上的讲话)", *Xinhua*, 9 September 2020, [http://www.xinhuanet.com/politics/leaders/2020-09/22/c\\_1126527652.htm](http://www.xinhuanet.com/politics/leaders/2020-09/22/c_1126527652.htm)
14. Chen Lujun, "To do a good job in carbon peak and carbon neutrality, industrial parks must contribute, (做好碳达峰碳中和工作, 工业园区必须做出贡献)", *Xinhua*, 3 March 2021, <http://society.people.com.cn/n1/2021/0310/c1008-32048271.html>
15. Wang Jing, "Experts discuss carbon neutrality and carbon peak: forcing China's energy system to accelerate its transformation (专家谈碳中和、碳达峰: 倒逼中国能源体制加速转型)", *Xinhua*, 20 May 2021, [http://news.cnr.cn/dj/20210520/t20210520\\_525491675.shtml](http://news.cnr.cn/dj/20210520/t20210520_525491675.shtml)
16. Xie Xiyao, "Need to try 'harder'! Carbon peak and carbon neutrality press the steel industry for high-quality development (要求更'刚'! 碳达峰碳中和倒逼钢铁行业高质量发展)", *Xinhua*, 21 March 2021, [http://www.xinhuanet.com/2021-03/21/c\\_1127237451.htm](http://www.xinhuanet.com/2021-03/21/c_1127237451.htm)
17. "China Warns US Global Cooperation Depends on Overall Ties", *Bloomberg*, 28 January 2021, <https://www.bloomberg.com/news/articles/2021-01-28/china-warns-u-s-global-cooperation-depends-on-overall-ties>
18. Chloé Fragand, Megan Darby, "China will aim for carbon neutrality by 2060, Xi Jinping says", *Euractiv*, 23 September 23, 2020, <https://www.euractiv.com/section/energy/news/china-will-aim-for-carbon-neutrality-by-2060-xi-jinping-says/>

His study, titled *Long-term Low Carbon Development Strategy for China* (中国长期低碳发展战略研究)<sup>19</sup>, detailed the transformation required across industrial sectors for China to achieve the 30/60 targets. To stay within the most stringent requirements of the Paris Agreement, **China's greenhouse gas emissions should shrink by 90% between now and 2050 and non-fossil energy should make up 85% of primary energy use by 2050** (15.8% in 2020<sup>20</sup>), with coal power supplying less than 5% of the country's electricity (60% in 2020<sup>21</sup>).

The pace of transition in the energy sector, particularly the role coal would play in future power systems, is a key determinant of China's carbon emissions trajectory. According to Chao Qingchen, Deputy Director-General of National Climate Center, the power and industry sectors need to peak their emissions before 2025 in order for China to achieve an overall 2030 emissions peak<sup>22</sup>. At the same time, He Jiankun has stressed on various occasions that China would need to put "strict controls on coal consumption (对煤炭消费量进行严格的控制)", plateau coal use during the 14<sup>th</sup> Five-Year Plan period (2021-2025) and decline thereafter. Kang Junjie, Deputy Director of Peking University's Institute of Energy, has called for much more radical measures: a complete halt of all new coal power projects<sup>23</sup>.

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Ahead of the pivotal climate negotiations in Glasgow later this year, where countries would meet to agree on the rulebook on how to put the Paris Agreement into action, **Beijing also faces fresh calls by heavyweights in the climate debate to step up its climate policies**. In March, UN chief António Guterres urged all developing countries to phase out coal in the power sector by 2040 to secure the 1.5 °C goal.<sup>24</sup> A recent report by the International Energy Agency warned that any new coal extraction beyond 2021 would breach the Paris climate goals.<sup>25</sup> The recent pledge by the G7 to end financing for international coal power and to transition to an "overwhelmingly decarbonized power systems in the 2030s" has further raised the stakes in the race for global climate leadership.<sup>26</sup>

## The view from Beijing

Analysts had pinned their hopes on the 14<sup>th</sup> Five-Year Plan, published in March, as the number one exhibit of China's operations manual for achieving the 30/60 goals. **While the 14<sup>th</sup> Plan introduced new targets on renewable energy, it did not detail how Beijing intends to shrink its fossil-intensive industries.**

Despite the glaring absence of proposals to align the energy sector in China's latest grand plan, a closer examination of the political conversation reveals that the tide is turning against fossil-based power.

Climate remains a top priority in Beijing's domestic policies. At the Central Economic Work Conference (中央经济工作会议),<sup>27</sup> the Chinese government's annual agenda-setting meeting, top policymakers in the country agreed that carbon peaking and neutrality is one of the eight economic development priorities of 2021. At a recent meeting of the Communist Party top economic body,<sup>28</sup> President Xi said that **the achievement of the 30/60 goals is an "uphill battle, and also a test of our Party's ability to govern the country."** (实现碳达峰、碳中和是一场硬仗,也是对我们党治国理政能力的一场大考).

19. He Jiankun, "Study on China's long-term low carbon development strategy, (中国长期低碳发展战略研究)", *Tsinghua University*, 12 October 2020, <https://www.efchina.org/Attachments/Program-Update-Attachments/programupdate-lceq-20201015/%E9%A1%B9%E7%9B%AE%E6%88%90%E6%9E%9C%E5%8F%91%E5%B8%B3%E4%BC%9A-%E4%B8%AD%E5%9B%BD%E4%BD%8E%E7%A2%B3%E5%8F%91%E5%B1%95%E6%88%98%E7%95%A5%E4%B8%8E%E8%BD%AC%E5%9E%8B%E8%B7%AF%E5%BE%84%E7%A0%94%E7%A9%B6%E9%A1%B9%E7%9B%AE%E6%88%90%E6%9E%9C%E4%BB%8B%E7%BB%8D.pdf>

20. "The State Information Council Information Office held a press conference on the white paper 'China's Energy Development in the New Era' (国务院新闻办就《新时代的中国能源发展》白皮书有关情况举行发布会)", *Gov.cn*, 22 December 2020, [http://www.gov.cn/xinwen/2020-12/22/content\\_5572192.htm](http://www.gov.cn/xinwen/2020-12/22/content_5572192.htm)

21. "China is the only G20 country with a significant increase in coal-fired power generation in 2020 (中国是唯一在2020年燃煤发电量显著增长的G20国家)", *Ember*, March 2020, <https://ember-climate.org/wp-content/uploads/2021/03/Global-Electricity-Review-2021-China-Translated.pdf>

22. Chao Qingchen, "The scientific connotation of 'carbon peak and carbon neutrality' and my country's policy measures, environment and sustainable development (集清尘, "碳达峰和碳中和"的科学内涵及我国的政策措施, 环境与可持续发展)", *National Climate Center*, 2018. <http://zktsg.com/qikan/c6a93579a669d6ee93f42128253e48d5.html>

23. "During the Fourteenth Five-Year Plan period, is coal power "being rebuilt", or "saying goodbye" ("十四五"期间 煤电是"再建"还是"再见")", *Xinhua*, 13 April 2021, [http://www.xinhuanet.com/energy/2021-04/13/c\\_1127323306.htm](http://www.xinhuanet.com/energy/2021-04/13/c_1127323306.htm)

24. "UN Chief Calls for Immediate Global Action to Phase Out Coal", *United Nations Climate Change*, 2 March 2021, <https://unfccc.int/news/un-chief-calls-for-immediate-global-action-to-phase-out-coal>

25. "Net Zero by 2050, A Roadmap for the Global Energy Sector", *International Energy Agency*, May 2021, <https://www.iea.org/reports/net-zero-by-2050>

26. "G7 moves to isolate China on coal", *Politico*, 21 May 2021, <https://www.politico.eu/article/china-g7-coal-power-emissions-xi-jinping/>

27. "The Central Committee Economic Work Conference was held in Beijing, Xi Jinping and Li Keqiang delivered an important speech, Li Zhanshu, Wang Yang, Wang Huning, Zhao Leji and Han Zheng attended the meeting (中央经济工作会议在北京举行 习近平李克强作重要讲话 栗战书汪洋王沪宁赵乐际韩正出席会议)", *Xinhua*, 18 December 2020, [http://www.xinhuanet.com/politics/leaders/2020-12/18/c\\_1126879325.htm](http://www.xinhuanet.com/politics/leaders/2020-12/18/c_1126879325.htm)

28. "Xi Jinping presided over the ninth meeting of the Central Financial and Economic Affairs Committee and emphasized the promotion of the platform economy and the inclusion of the carbon peak and carbon neutrality in the overall layout of the construction of an ecological civilization (习近平主持召开中央财经委员会第九次会议强调 推动平台经济规范健康发展 把碳达峰碳中和纳入生态文明建设整体布局)", *Xinhua*, 15 March 2021, [http://www.xinhuanet.com/politics/leaders/2021-03/15/c\\_1127214324.htm](http://www.xinhuanet.com/politics/leaders/2021-03/15/c_1127214324.htm)

Since the beginning of this year, President Xi has started sending clear signals on the dominant role of renewables in future energy systems (构建以新能源为主体的新型电力系统).<sup>29</sup> At the Leaders Summit on Climate, convened by President Biden in April, **President Xi indicated for the first time that coal power is on its way out in China's energy system, pledging to "strictly control" coal consumption growth** in the 14<sup>th</sup> Five-Year Plan period (2021-2025) and gradually reduce coal use in the 15<sup>th</sup> Five-Year Plan period (2026-2030) ("十四五"时期严控煤炭消费增长、"十五五"时期逐步减少).<sup>30</sup> However, critics said that this leaves room for coal power to grow between now and 2025, and falls short of the pace of change required by the Paris Agreement.

29. *ibid.*

30. "Xi Jinping attended the Leaders' Climate Summit and delivered an important speech (习近平出席领导人气候峰会并发表重要讲话)", *Xinhua*, 22 April 2021, [http://www.xinhuanet.com/politics/leaders/2021-04/22/c\\_1127363307.htm](http://www.xinhuanet.com/politics/leaders/2021-04/22/c_1127363307.htm)

*These corporate goals should be taken with a pinch of salt, as most do not have a clearly defined scope and rely heavily on controversial carbon offsets - which is considered by some activists as "greenwashing".*

Inspectors from the Central Supervision Office of Ecological and Environment (中央生态环境保护督察办公室), the government's official watchdog on environmental policies supervised by Politburo member Han Zheng, published a scathing review of the National Energy Administration's policies in January 2021.<sup>31</sup> **The inspection team criticized the NEA for failing to square its coal power policy with the country's air pollution control and low-carbon energy strategies, leading to a situation where "what should have been built was not**

31. "The Sixth Central Ecological and Environmental Protection Supervision Group provides feedback to the National Energy Administration (中央第六生态环境保护督察组向国家能源局反馈督察情况)", *Ministry of Ecology and Environment*, 30 January 2021, [https://www.mee.gov.cn/xxgk/2018/xxgk/xxgk15/202101/t20210129\\_819526.html](https://www.mee.gov.cn/xxgk/2018/xxgk/xxgk15/202101/t20210129_819526.html)

**built, while what shouldn't was wrongly built.**" (该建的没建、不该建的建了). Although the report does not reference China's new climate targets, it is bound to push energy officials across the country to think twice when they approve the next coal project.

State-owned enterprises, on the other hand, have promptly responded to Xi's appeal for more climate action. Leading utility companies, including State Power Investment, Datang, Huadian, and Three Gorges Corporations have all published new climate targets that put them on track to achieving emissions peaking and neutrality ahead of the "30/60" timeline. But some observers cautioned that these corporate goals should be taken with a pinch of salt, as most do not have a clearly defined scope and rely heavily on controversial carbon offsets - which is considered by some activists as "greenwashing (漂绿)".<sup>32</sup> **It is not a surprise, these commentators pointed out, for state-owned firms to come out swiftly with new targets to pledge political loyalty** (高碳排行业的央企 ..... 承担着央企的政治任务与表率作用, 反应迅速并不奇怪).

32. Yuan Ying, Song Xiao, Pan Wenjing, "Carbon neutrality, Chinese companies' five major mistakes (碳中和, 中国企业的五大误区)", *Caijing Magazine*, 11 May 2021, <http://yuanchuang.caijing.com.cn/2021/0511/4764128.shtml>

## The resistance

**We should not confuse political signals with political reality.** The geopolitics and domestic politics remain challenging for climate progressives in the Chinese bureaucracy who want to drive the necessary reforms to put China on track towards its climate goals.

Beijing characterizes the external context for its development as uncertain, due to rising "unilateralism, protection and hegemonism" (国际经济政治格局复杂多变, 世界进入动荡变革期, 单边主义、保护主义、霸权主义对世界和平与发展构成威胁).<sup>33</sup> Such assessment, largely driven by simmering tensions between China and the US, has prompted Beijing to place a strong emphasis

33. "The Fourteenth Five-Year Plan for the National Economic and Social Development of the People's Republic of China and the Outline of the Long-Term Goals for 2035 (中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标纲要)", *Gov.cn*, 13 March 2021, [http://www.gov.cn/xinwen/2021-03/13/content\\_5592681.htm](http://www.gov.cn/xinwen/2021-03/13/content_5592681.htm)



on energy security in its policy. **The energy chapters of China's latest Five-Year Plan stress the need to secure coal production and raise production of oil and fossil gas, a strategy that is clearly at odds with the country's climate goals.** Major power outages during last winter in the southeastern provinces have also raised the political salience of energy security

Energy experts have defended the role of coal in future energy systems, on energy security grounds. Wang Guofa, a member of the Chinese Academy of Engineering, believes that coal, the most abundant source of energy available domestically, is “the ballast to secure power supply” and “a stabilizer of the energy transition (煤炭仍是能源安全稳定供应的“压舱石”, 支撑能源结构调整和转型发展的“稳定器”),<sup>34</sup> as it complements the variable nature of renewable power.

Coal incumbents are eyeing the potential to use coal as a raw material in industrial processes to make up for the expected fall in demand from the power sector.<sup>35</sup> Analysis by Lauri Myllyvirta at the Centre for Research on Energy and Clean Air has found that **“coal-to-chemicals” projects are one of the most favored investments by Chinese provincial governments, as they have tried to jump-start their economies post-pandemic.**<sup>36</sup> While these new chemical plants may throw a lifeline to coal miners, coal-to-chemicals are also emission-intensive processes. To generate the same amount of power, gaseous fuel produced from coal consumes more coal than conventional coal combustion processes.<sup>37</sup>

Some Chinese observers think that local officials need more time to come to grips with the new policy and to align their economic plans with carbon neutrality goals.<sup>38</sup> **The transition away from a fossil-based economy is extremely challenging for major coal-producing provinces, including Inner Mongolia, Shanxi, Shaanxi, and Xinjiang. They depend significantly on coal for tax revenues. Shanxi, for instance, derives 46% of its taxes from coal-related industries.**<sup>39</sup> Without major support by the central government to manage the impact of lost revenues and jobs from the energy transition, these provinces will continue to struggle to introduce more ambitious climate policies. Provincial policymakers would also benefit from international experience in managing the socio-economic fallout of the transition, such as lessons from Europe on designing regional transition strategies for a “fair transition” of coal and high-carbon regions.

### The battle continues

China's 2030 targets might have provided some long overdue tailwinds to “force” the necessary reforms in its climate policies. But **we should be under no illusion that the quest towards carbon peaking and neutrality is going to be a smooth sail.** To win the “uphill battle”, President Xi will have to counter strong headwinds, while navigating the domestic politics and balancing local budgets.

In the next six months, Beijing is expected to further flesh out its climate action plan with two documents - Carbon Emissions

*The pace of change advocated by these plans will determine how much longer coal will remain in China's energy mix and provide another opportunity for observers to take stock in the tug-of-war between climate progressives and the vested interests.*

34. “Academician Wang Guofa : Improving the efficiency of coal development and its utilization is in itself carbon emission reduction (王国法院士：提高煤炭开发利用效率本身就是碳减排)”, *China Energy Post*, 11 May 2021, <https://huanbao.bjx.com.cn/news/20210511/1151839.shtml>

35. “How to develop a coal industry which benefits to ‘carbon peak’ and ‘carbon neutrality’? Academician Liu Zhongmin : By adjusting the structure (煤炭产业如何发展有利“碳达峰”“碳中和”? 刘中民院士：调结构)”, *People.cn*, 26 January 2021, <http://www.people.com.cn/n1/2021/0126/c32306-32012693.html>

36. Lauri Myllyvirta, Yedan Li, “Analysis: China's Covid stimulus plans for fossil fuels three times larger than low-carbon”, *Carbon Brief*, 23 September 2020, <https://www.carbonbrief.org/analysis-chinas-covid-stimulus-plans-for-fossil-fuels-three-times-larger-than-low-carbon>

37. Christine Ottery, “China's planned coal-to-gas plants to emit over one billion tons of CO<sub>2</sub>”, *Unearthed*, 23 April 2014, <https://unearthed.greenpeace.org/2014/07/23/chinas-planned-coal-gas-plants-emit-one-billion-tons-co2/>

38. Wang Fan, “Controversial coal consumption: the Fourteenth Five-Years Plan’ targets on high-carbon projects and thermal power plants makes harder to reach high return on investments (争议煤炭消费量：“十四五”上高碳项目、火电厂或将难有高投资回)”, *21<sup>st</sup> Century Business Herald*, 20 April 2021, [https://m.21jingji.com/article/20210420/herald/3a3669247462f7d6f776e8dbe1d92aa\\_zaker.html](https://m.21jingji.com/article/20210420/herald/3a3669247462f7d6f776e8dbe1d92aa_zaker.html)

39. Gang He *et al.*, “Enabling a Rapid and Just Transition away from Coal in China”, *One Earth*, 21 August 2020, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7442150/>

Peaking Action Plan (碳排放达峰行动方案) and the 14<sup>th</sup> Five-year Plan for Energy Development (能源“十四五”规划). The pace of change advocated by these plans will determine how much longer coal will remain in China's energy mix and provide another opportunity for observers to take stock in the tug-of-war between climate progressives and the vested interests.



## CHINA'S CLIMATE DIPLOMACY: CONTINUITY AND EVOLUTION

China's climate diplomacy has demonstrated narrative stability since the early 1990s, even before the adoption of the UN Framework Convention on Climate Change (the Convention) in 1992. In 1990, China's Environmental Protection Committee of the State Council adopted a position paper on global environmental issues (中国关于全球环境问题的原则立场). **This document asserted China's right to development, blamed the "blind pursuit" of industrialization by developed countries for global environmental problems, and called for the particular circumstances and needs of developing countries (发展中国家的特殊情况 and 需要) to be respected.**<sup>40</sup>

Domestic responsibility for climate change lay with a series of environmental agencies until the National Development and Reform Commission (NDRC), a macroeconomic management agency under the State Council, took over in 1998. **This shift evidenced a growing recognition of the economic ramifications of environmental issues.** From 2003 and alongside the NDRC, the Ministry of Foreign Affairs (MOFA) took a leading role in interagency coordination through the National Coordination Committee on Climate Change.

In 2007, further indicating the climate issue's growing profile, this committee was superseded by the National Leading Committee on Climate Change, Energy Conservation and Emissions Reduction, chaired by China's Premier. Its current deputy chairs are Han Zheng, Politburo Standing Committee member and first Vice-Premier (responsible in the State Council for the NDRC), and Wang Yi, state councilor and foreign minister. During US climate envoy John Kerry's April visit to Shanghai, Han Zheng had a video meeting with John Kerry to discuss climate cooperation, reflecting Han Zheng's role in China's climate diplomacy.<sup>41</sup>

*China is now an upper-middle-income country with per capita greenhouse gas emissions higher than those of the European Union and some other wealthy countries.*

The NDRC's focus on economic development and MOFA's emphasis on 'fairness' and making common cause with developing countries have long translated into **an international stance based on sharply differentiating the responsibilities of developed and developing countries.**<sup>42</sup> This stance reflects China's developmental conditions at the time of the Convention's adoption. At that time, the justification for not including China in the Annex I list

of developed countries was self-evident. That position has become more contested, given that China is now an upper-middle-income country with per capita greenhouse gas emissions higher than those of the European Union and some other wealthy countries.



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40. Bo Yan, "The Principle of Common but Differentiated Responsibility and China's Environmental Diplomacy Discourse (共同但有区别的责任"原则与中国环境外交话语)", *Fudan International Relations Review* - 复旦国际关系评论, No. 1, 2013, pp. 195-196.

41. "Office of the State Council on the Adjustment of the National Response to Climate Change and Notification of the Composition of the Leading Group on Energy Conservation and Emission Reduction (国务院办公厅关于调整国家应对气候变化及节能减排工作领导小组组成人员的通知)", *Office of the State Council of People's Republic of China*, October 7, 2019, [http://www.gov.cn/zhengce/content/2019-10/12/content\\_5438830.htm](http://www.gov.cn/zhengce/content/2019-10/12/content_5438830.htm)

42. Yu Hongyuan, *Global Warming and China's Environmental Diplomacy*, Nova Science Publishers Inc., New York, 2008, p. 61.

## Copenhagen, Paris, and beyond

**While the basic line on developed countries' responsibility has remained, China's practical approach to climate diplomacy has evolved in the face of changing objective conditions.** These changes can be summarized as follows: the increased salience of pollution in the domestic political system and its linkages with climate change in policymaking and public discourse; China's transition to being a net importer of fossil fuels, entailing energy security risks; China's rapid rise to become by far the largest emitter of greenhouse gases, resulting in growing international pressure to limit its emissions; broad international support to move beyond the Kyoto Protocol model to an international system in which all countries have mitigation responsibilities, resulting in the Paris Agreement; the consistency of climate action and China's economic development goals; and **China's growing capacity to conduct climate negotiations, implement – and benefit from – climate measures, and to cooperate with third parties on climate initiatives** (e.g. leveraging its leadership in renewable energy markets).

China has responded to – and helped to shape – key inflection points in climate diplomacy. Despite controversy<sup>43</sup> over China's role in 'wrecking'<sup>44</sup> the Copenhagen negotiations, their real significance was that China and other non-Annex I countries<sup>45</sup> accepted that they would adopt mitigation targets (albeit framed as voluntary) alongside wealthier countries. This new consensus enabled a key feature of the Paris model, Nationally Determined Contributions. **At the 2015 Paris conference, China was a key player on the basis of its own interests. It even supported a last-minute change from 'shall' to 'should' in a critical passage of the text to accommodate the United States.**<sup>46</sup>

According to Yu Hongyuan, Director of Institute for Comparative Politics and Public Policy at the Shanghai Institutes for International Studies (SIIS), **following President Trump's announcement that the United States would withdraw from the Paris Agreement, China's participation in a united front alongside the EU and others successfully defended the treaty.**<sup>47</sup> No country joined the US in withdrawing, while further ratifications and accessions followed. It is likely that China's influence within the G77 and China bloc of developing countries, and in smaller configurations including the Like-Minded Developing Countries and the BASIC group,<sup>48</sup> contributed to this outcome.

The Trump administration's hostility to the Paris Agreement created ideal conditions for China to present itself as a 'responsible large developing country' (负责任的发展中大国).<sup>49</sup> But as **major powers, including the United States, now significantly increase their climate ambition, the effort required to demonstrate 'responsibility' correspondingly increases.**

The change in China's climate (and more broadly) environmental diplomacy position can be tracked in various measures. **China has gone from being the largest beneficiary of investments under the Kyoto Clean Development Mechanism to a major outbound investor for climate projects in its own right.** It is also noteworthy that China has occupied high-level positions in international

*The Trump administration's hostility to the Paris Agreement created ideal conditions for China to present itself as a 'responsible large developing country' (负责任的发展中大国).*

43. Ed Miliband, "The road from Copenhagen", *The Guardian*, December 20, 2009, <https://www.theguardian.com/commentisfree/2009/dec/20/copenhagen-climate-change-accord>

44. Mark Lynas, "How do I know China wrecked the Copenhagen deal? I was in the room", *The Guardian*, December 22, 2009, <https://www.theguardian.com/environment/2009/dec/22/copenhagen-climate-change-mark-lynas>

45. "Parties & Observers", *United Nations Framework Convention on Climate Change (UNFCCC)*, <https://unfccc.int/parties-observers>

46. Ed King, "China rescues US from Paris climate deal 'typo' fiasco", *Climate Home News*, December 12, 2015, <https://www.climatechangenews.com/2015/12/12/china-rescues-us-from-paris-climate-deal-typo-fiasco/>

47. Yu Hongyuan, "China's Environmental Diplomacy under the Transformation of Global Environmental Governance: Concept, Practice and Leadership (全球环境治理转型下的中国环境外交: 理念、实践与领导力)", *Chinese Social Sciences Net*, *Contemporary World - 当代世界*, No.5, 2021, [http://www.cssn.cn/gjgxx/gj\\_zgwj/202105/t20210521\\_5335149.shtml](http://www.cssn.cn/gjgxx/gj_zgwj/202105/t20210521_5335149.shtml)

48. "Developed countries urged to revisit climate change targets", *South African Government News Agency*, April 9, 2021, <https://www.sanews.gov.za/south-africa/developed-countries-urged-revisit-climate-change-targets>

49. Liu Yi, "A Great Power Takes Charge! China Leads Global Climate Governance (大国担当! 中国引领全球气候治理)", *People's Daily*, June 13, 2019, [http://gd.cma.gov.cn/ssgsqxj\\_2565/zwgk\\_2566/zwyw\\_2596/mtjj\\_2598/201812/t20181210\\_81754\\_mo.html](http://gd.cma.gov.cn/ssgsqxj_2565/zwgk_2566/zwyw_2596/mtjj_2598/201812/t20181210_81754_mo.html)

environmental agencies. For instance, Zhang Xinsheng has been the President of the International Union for the Conservation of Nature (IUCN) since 2012. China is also hosting in Kunming later this year the fifteenth Conference of Parties to the Convention on Biological Diversity.

### Climate diplomacy as an international dimension of “ecological civilization”

China’s climate diplomacy today can be considered an external dimension of its broad policy of “ecological civilization”, a concept originally adopted by former President Hu Jintao and later rebadged ‘Xi Jinping Thought on Ecological Civilization’ (习近平生态文明思想).<sup>50</sup> In his report to the 19<sup>th</sup> Communist Party congress in 2017, Xi Jinping claimed that “taking a driving seat in international cooperation to respond to climate change, **China has become an important participant, contributor, and torchbearer in the global endeavor for ecological civilization**” (全球生态文明建设的重要参与者、贡献者、引领者).<sup>51</sup> Zhuang Guiyang, Bo Fan, and Zhang Jing, analysts at Chinese Academy of Social Sciences (CASS), have characterized China’s adoption of a leading role as conforming to the ‘inevitable trend’ (必然趋势) of global climate governance.<sup>52</sup> Also in the 19<sup>th</sup> Party congress report, Xi identified climate change as both a global destabilizing factor and a priority for international cooperation.

*Rhetoric aside, elements of “ecological civilization” have fed into practical international engagement. For instance, China is simultaneously implementing its “green finance” policies and co-chairing the G20’s sustainable finance working group.*

In recent years, officials have integrated into China’s declaratory climate diplomacy phrases associated with Xi. These include “ecological civilization”, “community of common destiny” (人类命运共同体)<sup>53</sup> and Xi’s “two mountains concept”, according to which “**green mountains and clear waters are as valuable as mountains of gold and silver**” (绿水青山就是金山银山).<sup>54</sup> Rhetoric aside, elements of “ecological civilization” have fed into practical international engagement. For instance, China is simultaneously implementing its “green finance” policies and co-chairing the G20’s sustainable finance working group.<sup>55</sup>

### Multiple tracks of climate diplomacy

Like other major powers, **China pursues climate diplomacy in multiple fora and configurations**. The outline of the 14<sup>th</sup> Five Year Plan calls for climate diplomacy in the areas of international scientific and technological cooperation, implementing the Convention and Paris Agreement, South-South cooperation, and the Belt and Road Initiative.<sup>56</sup>

A non-exhaustive list of climate diplomacy tracks includes the UNFCCC and other relevant UN processes (consistent with China’s view of an “international system with the UN at its core”<sup>57</sup>); bilateral and plurilateral fora (with partners such as the US, EU, ASEAN and within configurations such as the BRICS and BASIC countries); within relevant international organizations and financial institutions (including the China-headquartered Asian Infrastructure Investment Bank, New Development Bank, and Shanghai Cooperation Organization); through the BRI; and under the rubric of “South-South

50. “Leading the Construction of Beautiful China with Xi Jinping’s Thought on Ecological Civilization (以习近平生态文明思想引领美丽中国建设)”, *People’s Daily*, August 14, 2020, <http://theory.people.com.cn/n1/2020/0814/c40531-31821860.html>

51. “Xi Jinping: Deciding to Build a Well-off Society across the Board and Seizing the Great Victory of Socialism with Chinese Characteristics in the New Era - Report of the 19<sup>th</sup> Congress of the Chinese Communist Party (习近平: 决胜全面建成小康社会 夺取新时代中国特色社会主义伟大胜利—在中国共产党第十九次全国代表大会上的报告)”, *Xinhua*, October 27, 2017, [http://www.gov.cn/zhuanti/2017-10/27/content\\_5234876.htm](http://www.gov.cn/zhuanti/2017-10/27/content_5234876.htm)

52. Zhuang Guiyang, Bo Fan, Zhang Jing, “China’s Role and Strategic Choice in Global Climate Governance (中国在全球气候治理中的角色定位与战略选择)”, *Chinese Social Sciences Net*, World Economy & Politics – 世界经济与政治, No. 4, 2018, [http://sky.cssn.cn/jjx/xk/jjx\\_yyjx/csqyhjjjx/201806/t20180609\\_4355852.shtml](http://sky.cssn.cn/jjx/xk/jjx_yyjx/csqyhjjjx/201806/t20180609_4355852.shtml)

53. See, e.g.: “Cooperating to Address Climate Change and Build a Global Ecological Civilization - Speech at the UN Climate Action Summit (合作应对气候变化，建设全球生态文明—在联合国气候行动峰会上的发言)”, Ministry of Foreign Affairs of the People’s Republic of China, September 23, 2019, [https://www.fmprc.gov.cn/web/wjzb\\_673089/zjyh\\_673099/t1700637.shtml](https://www.fmprc.gov.cn/web/wjzb_673089/zjyh_673099/t1700637.shtml)

54. “UN Climate Action Summit: China’s Position and Actions (联合国气候行动峰会：中方的立场和行动)”, Ministry of Foreign Affairs of the People’s Republic of China, September 25, 2019, [http://www.xinhuanet.com/world/2019-09/25/c\\_1210292094.htm](http://www.xinhuanet.com/world/2019-09/25/c_1210292094.htm)

55. “G20 Sustainable Finance Working Group”, *G20*, April 16, 2021, <https://www.g20.org/g20-sustainable-finance-working-group.html>

56. “Outline of the Fourteenth Five-Year Plan of the National Economic and Social Development of the People’s Republic of China and the Vision 2035 (中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标纲要)”, *Xinhua*, March 12, 2021, [http://www.xinhuanet.com/2021-03/13/c\\_1127205564.htm](http://www.xinhuanet.com/2021-03/13/c_1127205564.htm)

57. “Statement by H.E. Xi Jinping President of the People’s Republic of China at the General Debate of the 75<sup>th</sup> Session of the United Nations General Assembly”, Ministry of Foreign Affairs of the People’s Republic of China, September 22, 2020, [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1817098.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1817098.shtml)

cooperation". There is important feedback across these tracks. For instance the 2014 US-China joint announcement on climate change captured shared understandings that helped to enable the Paris outcome.

Also, **climate diplomacy is not confined to state level. Chinese actors are also very active in a multi-level diplomacy** (e.g. promoting 'climate-friendly' Chinese cities as exemplary of sustainable development<sup>58</sup>).

Recent experience suggests that climate diplomacy cannot be achieved separately from the overall state of bilateral relationships. The last months of the Trump administration saw the United States and China trade public "fact sheets"<sup>59</sup> harshly criticizing<sup>60</sup> each other's environmental records. The election of the Biden administration was rightly perceived among Chinese climate strategists as an opportunity for cooperation.<sup>61</sup> In the words of Zou Ji, CEO & President of Energy Foundation China, "**climate diplomacy may re-inject positive elements into U.S.-China Relations**". The April US-China joint statement,<sup>62</sup> while lacking substantive breakthroughs, saw China adopt the term 'climate crisis', perhaps for the first time and underscoring the urgent need for progress.

Climate change is an important focus of China's South-South cooperation, as emphasized in China's White Paper<sup>63</sup> on international development cooperation in the 'new era' (新时代). According to a recent article by the Foreign Environmental Cooperation Center, China has concluded agreements on climate cooperation with 35 countries and has provided climate-relevant training for over two thousand officials from over 120 developing countries.<sup>64</sup>

*China has concluded agreements on climate cooperation with 35 countries and has provided climate-relevant training for over two thousand officials from over 120 developing countries.*

Chinese institutions have launched several projects to 'green' the BRI, including with the participation of international partners. However, **the BRI's heavy carbon footprint continues to complicate China's climate diplomacy**. In addition to foreign criticism (which has drawn sharp retorts from China<sup>65</sup>), there is also debate in China on this point. For example, Yu Hongyuan and his colleagues have recommended that China reduce the proportion of outbound investment that goes to coal infrastructure while simultaneously increasing BRI 'green finance' cooperation.<sup>66</sup>

### Racing to zero?

In the absence of formal, in-person meetings, this past year of climate diplomacy has been dominated by the commitments of major economies to achieve climate neutrality (or net-zero) by 2050 or some later date. China's commitment to carbon neutrality by 2060 contributed to this momentum.

Nevertheless, the international politics of China's 2060 target are complicated. First, **transparency of policies and measures is required to render the target credible**. Second, many experts believe that 2060 is too late for China to reach carbon neutrality if the Paris goal of limiting global temperature increase to 1.5 degrees Celsius above pre-industrial levels is to be met.

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*Awareness of shared interests, coupled with China's growing capabilities, creates opportunities for greater international cooperation.*

**In contemporary diplomacy, avoiding a climate catastrophe is the ultimate shared interest.** Chinese officials and experts are aware of their own country's vulnerabilities regarding rampant climate change. Awareness of shared interests, coupled with China's growing capabilities, creates opportunities for greater international cooperation. Whether these opportunities can be fully exploited depends, in part, on

whether China can enhance its practical contributions to climate action while maintaining its fundamental declared positions.

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