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The global climate governance: comparative studies between the EU and China

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The global climate governance: comparative studies between the EU and China

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Abstract

By comparing the ideas and roles in the process of global climate governance, the article aims to analyze the difference and to explore cooperative perspectives between China and the European Union. The author argues that, both China and the EU have their ideas changed after the ratification of "Kyoto Protocol". China has transformed its position from passive acceptance to active participating international institutions, even raising proposals like south-south cooperation. The delivery of "Intended National Determined Contributions" has strongly showed the China's support on reaching an agreement in Paris by 2015. By taking advantage of agenda-setting power and climate diplomacy, the EU is a leading role of global climate governance and is heading the international direction toward her preference, while she is becoming a pusher of differentiating developing-country groups. Although there is a serious divergence on understanding "the common but differentiated responsibility" principle between China and the EU, but the cooperative space for both parties is getting enlarged, especially after the signature of "Paris Agreement". This result comes not only from China's persistent improvement on its cooperative willingness and capacity, but also from the EU's leading role on collaborating with emerging countries like China in the area of global climate governance.

Introduction

Climate changes have had widespread impacts on human and natural systems. ¹The climate change has become the core issue in political agenda in the last two decades. ²The consensus of the international community is to find a solution through collective actions. This is an essential path to deal with the global warming. In the

¹ Intergovernmental Panel on Climate Change (IPCC), "Climate Change 2014: Synthesis Report Summary for Policymakers, Contribution of working group II to the fifth assessment report of the intergovernmental panel on climate change". Cambridge University Press, 2014, p.2; and Intergovernmental Panel on Climate Change (IPCC), "Guidance Note for Lead Authors of the IPCC Fifth Assessment Report on Consistent Treatment of Uncertainties", Geneva, Switzerland, 2010, p. 4.

² Anthony Giddens, *The Politics of Climate Change* (2nd Edition), Polity Press, 2011.

regards, international negotiation within the United Nation Framework of Convention on Climate Change (UNFCCC) is the main platform for nations to reach a deal of carrying collective actions. Nevertheless, to understand of "who, what, how and which", countries have appeared their differentiations. The Paris Agreement reached in the end of 2015 in COP 21 has offered a practical and legally-binding platform for global climate governance ever since.

1. The view of China towards global climate governance

For years, in accordance with the principles of equity and common but differentiated responsibilities (CBDR) and respective capabilities, the Parties to the United Nations Framework Convention on Climate Change ((UNFCCC) have been working on to enhance cooperation and achieved positive progress in the implementation under the UNFCCC.

Over the past 25 years, China's position in international climate negotiations has changed steadily. China has fully involved in international climate negotiations since the early 1990s. China's action demonstrates her stance towards global climate governance. In the course of continuous participation in international climate negotiations, China has gradually formed a basic global climate concept, which includes five principles. The principles are: adhere to the principle of "common but differentiated responsibilities"; Adhere to the principle of sustainable development; Adhere to the principle of coordinating issues of mitigation, adaptation, finance and technology and the UN leading climate change negotiations; Under the framework of the United Nations convention, China adheres to the decision-making mechanism of "consensus".

Nevertheless, China had indeed changed her position from "being impossible for China's cutting green-house gas emissions before reaches to the middle-developed country" to deliver her "intended national determined contributions" (INDC) in 2015, ⁴in which China's GHG emission will peak around 2030, and China will lower carbon dioxide emissions per unit of GDP by 60% to 65% from the 2005 level by 2030 and increase the forest stock volume by around 4.5 billion cubic meters on the 2005 level by 2030.⁵ As remarks addressed by President Xi at COP21 in Paris, that China believes in "求同存异,聚同化异", which means to seek common ground while shelving differences and increase common interests and dissolve differences, China's view on global climate governance is that there should be no zero sum game at

³ "President Hu Jintao Speech on G8 Summit's Dialogue for developing countries in Germany", 9 June 2007, Sina.com from *Beijing Daily*, http://news.sina.com.cn/c/2007-06-09/105411989522s.shtml.

³ China's Policies and Actions for Addressing Climate Change, Information Office of the State Council of the People's Republic of China, November 2011, Part 7, para.2.

⁴ European External Actions Service, "Joint statement of the 20th EU-China Summit", 17 July 2015. https://eeas.europa.eu/delegations/china_en/48424/Joint%20statement%20of%20the%2020th%20EU-China%20 Summit.

⁵ UNFCCC, "China submits its Climate Action Plan Ahead of 2015 Paris Agreement", 30 June 2015, https://www4.unfccc.int/sites/submissions/INDC/Published%20Documents/China/1/China's%20INDC%20-%20on %2030%20June%202015.pdf.

international negotiations.

To act on climate change in terms of mitigating greenhouse gas emissions and enhancing climate resilience, is not only driven by China's domestic needs for sustainable development in ensuring its economic security, energy security, ecological security, food security as well as the safety of people's life and property and to achieve sustainable development, but also driven by its sense of responsibility to fully engage in global governance, to forge a community of shared destiny for humankind and to promote common development for all human beings.

The increased willingness of China' central government and cooperative capacity is the main factor to make the transition possible. The actions carried by China's active participating in the global climate governance are reflected three aspects. Firstly, in terms of involving the international institutions, China's position has moved from being suspicious to positively support, particularly in Clean Development Mechanism (CDM) of Kyoto Protocol. Till to 2015, China has over 270 projects registered under UNFCCC's CDM mechanism. ⁶

Secondly, in terms of climate finance and technology transfer, China has innovatively proposed to set up a South-to-South Cooperative Mechanism under the framework the United Nations which in aim to promote the financial cooperation and technological diffusion between developing countries. In the COP15 Copenhagen climate conference, Chinese government claimed that she would not compete with countries form AOSIS or from the least developed countries to apply climate funds. On the contrary, China will actively help these countries to develop their adaption actions with her financial support.

During 2010-2012, Chinese government and companies have invested more than 100 hydropower stations, solar power stations as well as agricultural pilot projects. ⁷In 2014, China has committed to mobilize \$5 billion dollars to Caribbean and Latin American countries supporting bilateral cooperation in the section of energy, hi-technology and sustainable development. ⁸China announced in 2015, the establishment of a 20-billion-yuan (about 3-billion-U.S. dollars) China South-South Climate Cooperation Fund to help other developing countries combat climate change.⁹

Thirdly, on domestic level, the results from the international negotiations have positivity pushed Chinese internal climate law making into a fast track. Since the year

⁷ "China's real actions reflects its active role against climate change", China.org.cn, 30 November 2011, http://www.china.com.cn/international/zhuanti/cop17/2011 11/30/content 24041229.htm.

⁶ UNFCCC, "CDM", https://cdm.unfccc.int/Projects/projsearch.html.

⁸ "Built a community with a shared future for mankind", Keynote speech by President Xin Jinping in China-Latin America and the Caribbean Countries Leaders' Meeting in Brasilia, 18 July 2014, Xinhua Net, http://www.news.xinhuanet.com/politics/2014-07/18/c 1111688827.htm.

⁹ "China's 20 billion on establishing China Climate South to South Cooperation Fund", China.org.cn, 27 September 2015, http://news.china.com.cn/2015-09/27/content_36692444.htm.

of 2005, Chinese government consistently adopt relating policies to control carbon emission by adjusting industrial structure and energy mix, improving energy efficiency as well as increasing carbon credits.

To accomplish low carbon goals, China adopted a range of major policy measures to mitigate and adapt to climate change during the 11th Five-Year Plan (2006-2010) period, and has achieved remarkable results. The Outline of the 12th Five-Year Plan for National Economic and Social Development released in 2011 which established the policy orientation of promoting green and low-carbon development, and clearly set the objectives and tasks of addressing climate change for the next five years.¹⁰

The Chinese government constantly sets strong ecological and economic targets by addressing climate change into its mid-and long-term planning for economic and social development as a major issue concerning its overall economic and social development. These policies includes, such as, National Program on Climate Change, the Work Plan for Controlling Greenhouse Gas Emissions during the 12th Five-Year Plan Period, the Comprehensive Work Plan for Energy Conservation and Emission Reduction for the 12th Five Year Plan Period, the 12th Five Year Plan for Energy Conservation and Emission Reduction, the 2014-2015 Action Plan for Energy Conservation, Emission Reduction and Low-Carbon Development, and the National Plan on Climate Change (2014-2020). In 2014, China adopts "Environmental Protection Act". The pass of the Act has shown China's dramatic change in environmental law-making. The Act has set a strict legislative system toward those who pollutes the environment.¹¹

Besides, China has viciously been promoting renewable energy. China is already the world's leading country both in energy saving and in the use of new and renewable energy. ¹²In 2014, the energy consumption and the emission of carbon dioxide per unit of the gross domestic product (GDP) decreased by 29.9 percent and 33.8 percent respectively, compared to the 2005 levels. In the future, China will achieve the installed capacity of wind power reaching 200 gigawatts, the installed capacity of solar power reaching around 100 gigawatts and the utilization of thermal energy reaching 50 million tons coal equivalent by 2020. The data of International Energy Agency shows, during the period of 2019-2024, China will account for 40% of global renewable capacity expansion over the forecast period. The higher forecast figure for China is because of improved system integration, lower curtailment rates and enhanced competitiveness of both solar PV and onshore wind. China is forecast to account for almost half of global distributed PV growth, and will overtake the

¹⁰ China's National Energy Administration (NEA), China: 12th Five-Year Plan on Solar Power Development (in Chinese), September 2012, https://policy.asiapacificenergy.org/node/41.

¹¹ Law on Environment Protection in The People's Republic of China, Article 31, Chinese Government Legal Information Net, 25 April 2014, http://www.moj.gov.cn/Department/content/2014-04/25/592_201403.html.

¹² Barbara A. Finamore, "China's Quest for Global Clean Energy Leadership", Institute of International Affairs (IAI), working paper No.20/05, January 2020.

European Union to become the world leader in installed capacity as early as 2021.¹³

China has put into place a host of other enabling policies and measures to support the development of renewable energy. These include ongoing power sector reforms, the construction of the world's largest ultra-high voltage transmission network, promotion of distributed energy and microgrids, support for the development of energy storage technologies, a national carbon market and measures to reduce the country's reliance on coal.

Over the past fifteen years, as solar and wind power have grown exponentially, China has adopted an increasingly ambitious series of renewable energy targets. The country has already exceeded its 2020 installed capacity targets for wind (210 gigawatts, GW) and solar (150 GW). Under the Paris Agreement, China pledged by 2030 to increase the share of non-fossil energy to 20 per cent of its energy mix, reduce its carbon intensity 60 to 65 per cent below its 2005 level, and peak its CO2 emissions (making best efforts to peak earlier).

During the period of 2010 – 2019, China has committed 758 billion US dollars in renewables capacity (excluding large hydropower), followed far behind by the US at 356 billion and Japan at 202 billion.¹⁴

China has not only improved her willingness in GHG emission control, but also increased her internationally cooperative capacity. Since 2017, the Chinese government has taken a series of actions in adjusting the industrial structure, optimizing the energy mix, conserving energy and improving energy efficiency, controlling greenhouse gas emissions from non-energy activities, and increasing carbon sinks, and achieved positive results. In 2017, China's carbon intensity was reduced by about 46 percent from 2005 levels, exceeding the target of a 40-45 percent reduction by 2020.¹⁵

2. The view of the EU towards global climate governance

Like China, the EU has been changing her stance in international climate negotiations. Before 2005, in order to make deal of the Kyoto Protocol, the EU was in support of most of developing countries, in other words, she was in line with "common but different responsibility principle" (CBDR). However, due to the implementation of the Emission Trade System Directive (EU-ETS) in 2005, the EU has shown "polluter pay" principle for including more industry into the EU ETS. Recently, the Council approves the revision of EU Directive of setting road tolls for heavy goods vehicles as well as

¹³ International Energy Agency, "Renewables 2019: Market analysis and forecast from 2019 to 2024", October 2019, https://www.iea.org/reports/renewables-2019.

¹⁴ Frankfurt School-UNEP Centre/BNEF, Global Trends in Renewable Energy Investment 2019, Frankfurt am Main, September 2019,

https://www.unenvironment.org/resources/report/globaltrends-renewable-energy-investment-2019.

¹⁵ Ministry of Ecology and Environment of People of Republic of China, "China's policies and actions addressing on climate change: 2018 annual report", November 2018, p.4.

http://www.mee.gov.cn/ywgz/ydqhbh/qhbhlf/201811/P020181129539211385741.pdf.

the maritime industry. Ever since then, the EU implements EU-ETS policy internally as well as to promote of reaching a globally legally-binding agreement at international arena. 16

European think tank IAI argues, the establishment of EU' leadership has built on raising her CO2 target and strengthening her norms.¹⁷ The EU has seized the "opportunity window" as U. S exited from Kyoto Protocol (KP) in 2000, and turned the pressure of implanter KP into motive of building internal institutions and rule of law regarding to climate and energy. Since then, the EU Emission Trading System has become the core of Union, and furtherly consolidated the climate\energy into EU ideas on global governance. ¹⁸

In terms of climate diplomacy, the EU integrates its internal climate policy into its foreign aid and development policies, and adopts bilateral and multilateral channels under the framework of foreign aid to promote the EU's concept of climate governance through cooperation in climate-related projects. For example, the European Union has launched multilateral cooperation on climate change with the food and agriculture organization of the United Nations, the United Nations environment programme, the African union and the Latin American development bank. The European Union has committed 20 million euros to the UN environment development agency's launch Africa green initiative to support sustainable development in Africa. ¹⁹As the EU implementing institute, the European bank for reconstruction and development (EBRD) has partnered with the climate investment fund (CIF), built a multilateral banking mechanism that provides grants, low-interest loans, risky mitigation tools and other financial leverage to support local climate change-related projects in developing countries. ²⁰During the year 2014-2018, the EBRD invested nearly 7.9 billion euros in 183 projects in 34 countries in energy related sectors. There are about 84% of total projects are implemented by the EBRD's "Green Economic Transition Approach". 21 By Using the approach, EBRD's 107 operations contributed to a cumulative expected annual emissions reduction of more than 15,000 kt CO2e/year.²²

Although suffered a setback in Copenhagen in 2009, the EU soften her position on emission cutting target internally, and added her desire for a legally-binding new

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¹⁶ European Commission, "The Paris Protocol – A blueprint for tackling global climate change beyond 2020", Brussels, 25 February 2015, COM (2015) 81 final, pp.8-9.

¹⁷ Luca Bergamaschi and Nicolò Sartori, "The Geopolitics of Climate A Transatlantic Dialogue", IAI paper, June 2018.

¹⁸ Cao Hui, The European Union's climate change policy: in the nexus of internal policy-making and international negotiations, LAP Lambert Academic Publishing, 2012.

¹⁹ European Commission, "2014 annual report: on the European Union's development and external assistance policies and their implementation in 2013", 13 August 2014, p.111.

²⁰ European Bank for Restructure and Development, "Annul Report 2014 – overview", 14 May 2015, p.7.

²¹ European Bank for Restructure and Development, "Energy Sector Strategy 2019-2023" Report, 12 December 2018, p.6.

²² European Bank for Restructure and Development," Thematic Evaluation: Review of the EBRD Energy Sector Strategy (2014-2018)— MANAGEMENT COMMENTS", April 2018, p.2.

agreement at the international level. ²³The EU-ETS has become the core of the EU's climate governance. After the Copenhagen's failure, the EU has vigorously promoted climate diplomacy into its external policies. Non-governmental organizations have also become an instrument for the EU to export her ideology in global climate governance. Cartagena Dialogue for Progress Action is an example which plays a key role to bridge the EU with many developing groups as well as the developed countries, such as parachute groups. ²⁴Through her climate diplomacy, the EU has successfully regained leading role in international climate negotiations, and still in the power of agenda-setting. The kind of soft power has helped the EU to materialize Paris Agreement in COP 21 in 2015.

In 2020, new European Commission led by Ursula von der Leyen has presented the European Green Deal, which is a roadmap for making the EU's economy sustainable by turning climate and environmental challenges into opportunities across all policy areas and making the transition just and inclusive for all.²⁵

The European Green Deal covers all sectors of the economy, notably transport, energy, agriculture, buildings, and industries such as steel, cement, ICT, textiles and chemicals.

To set into legislation the political ambition of being the world's first climate neutral continent by 2050, the Commission will present within 100 days the first 'European Climate Law'. To reach EU's climate and environmental ambition, the Commission will also present the Biodiversity Strategy for 2030, the new Industrial Strategy and Circular Economy Action Plan, the Farm to Fork Strategy for sustainable food and proposals for pollution-free Europe. Work will immediately start for upping Europe's 2030 emissions targets, setting a realistic path to the 2050 goal.

Meeting the objectives of the European Green Deal will require significant investment. Achieving the current 2030 climate and energy targets is estimated to require €260 billion of additional annual investment, representing about 1.5% of 2018 GDP. This investment will need the mobilisation of the public and private sectors. The Commission will present in early 2020 a Sustainable Europe Investment Plan to help meet investment needs. At least 25% of the EU's long-term budget should be dedicated to climate action, and the European Investment Bank, Europe's climate bank, will provide further support. For the private sector to contribute to financing the green transition, the Commission will present a Green Financing Strategy in 2020.

Lisanne Groen, Arne Niemann and Sebastian Oberthür, "EU as a Global Leader? The Copenhagen and Cancun UN Climate Change Negotiations", *Journal of Contemporary European Research*, 2012, Vol. 8, No.2, pp. 173-191.
 International Institute for Sustainable Development, "Cartagena Dialogue to Accelerate Preparations for

International Institute for Sustainable Development, "Cartagena Dialogue to Accelerate Preparations for Post-2020 Targets", 4 April 2014.

²⁵ European Commission, "COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS: The European Green Deal", 11 December 2019, Brussels, COM (2019) 640 final.

Even due to epidemic of COVID-19 started from March 2020, the EU had initiative an ambitious recovery economy plan. Again, EU's objectives on green investment and transition in the post pandemic era are still sitting as the political priority. ²⁶

In brief, the EU's global climate governance could be summarized as: below 2 degree C global temperature goal, set up a legally-binding global emission-cutting agreement, the INDCs between countries should be compatible, adapt a transparent mechanism in surveillance of country's activities relating mitigation and adaptation. The New Green Deal will be EUs growth strategy.

3. The conflicts and cooperation between the EU and China

The main difference between the EU and China is cause by the different understanding on "CBDR" principle. As Chinese government stressed, the implementation of the Paris Agreement shall reflect the principle. However, the EU reckons that the Paris Agreement is the first step to reach a globally emission-cutting in terms of its legally-binding nature. The Agreement has set up a surveillance mechanism in monitor countries' mitigation or adaptation activities. ²⁷The reporting and review system will be adopted by all parties who ratify the Paris Agreement in the near future.²⁸

The main conflicts have arisen in aviation industry in 2009 after the EU started to charge non-EU airline companies for carbon emission, and caused political dispute more than just a climate problem. Not until March 2011, the China Air Transport Association (CATA) made an official statement to claim that it against the inclusion of the aviation industry into the EU ETS. In the statement, CATA claimed that the regulation of the EU to include all flights in and from the EU has violated the principle of "Common but Differentiated Responsibilities" (CBDR) followed by the international community on climate change issue. The EU' unilateral action has not just against the rule of the Chicago Convention, but also adds global transaction costs for aviation industry to combating the carbon emission reduction.

The conflict is the mirror of different interpretation of CBDR principle between the EU and China. However, the divergence is on the contrary to stimulate the cooperative potentials between both sides.

In the side of institutional building, the EU and China has set up mechanism to communicate. Many projects in relating to climate have been carried out, such as the establishment of "Sino-EU Clean and Renewable Energy Institute", "Sino-UK (Guangdong) Carbon Capture and Storage Centre". The EU helps China to conduct a

²⁷ UNFCCC, "Adoption of the Paris Agreement". Bonn, 2015.

²⁶ Usula van der Leyen, "Coronavirus: President von der Leyen outlines EU budget as Marshall Plan for Europe's recovery", speech at the European Parliament, 16 April 2020,

https://ec.europa.eu/ireland/news/president-von-der-leyen-addresses-european-parliament-on-the-eu-coordina ted-action-to-combat-the-coronavirus-pandemic en.

²⁸ Peiter Pauw, Kennedy Mbeva and Harro van Asselt, "Subtle differentiation of countries responsibilities under the Paris Agreement", Palgrave Communication access, 2019, Vol. 5. No. 86.

pilot program in aiming to set up national-wide carbon market. The significant program is officially started in 2014, and China has announced to start national carbon market by the end of 2017.²⁹ the EU-China Joint Statement on Climate Change was agreed In 2015. In 2018, the two sides reaffirmed the importance of combatting climate change and welcomed the adoption of the *Leaders' Statement on Climate Change and Clean Energy*, which is annexed to this statement, and the *Memorandum of Understanding to Enhance Cooperation on Emissions Trading* between the European Commission and the Ministry of Ecology and Environment of the People's Republic of China. They committed to contributing actively to the conclusion of the Paris Agreement Work Programme at COP 24 in Katowice in 2018 in order to ensure full and effective implementation of the Paris Agreement.³⁰

4. Conclusion

In the certain period of time, the EU and China still coexist with conflicts and cooperation towards global climate governance. The different interpretation for CBDR principle under the UNFCCC has damaged the mutual trust at certain level. On one hand, like other developed countries, the EU accuses the emerging countries, including China for "free riding" of public goods offered by the international climate negotiation; on the other hand, developing countries complain that the EU is downplaying its GHG emission cutting target as well as its contribution in climate financing. ³¹Besides, developing countries stressed that they short of resources and institutional capacity to meet the requirements for implementing the global rules on climate change.

However, during the last decade, Chinese government has had significant developments both in willingness and cooperative ability. ³²Due to being in the different phase in terms of economic development, China and the EU's position in the global climate governance has remained a certain level of gap. The EU has the leading role and the power of agenda-setting in the global governance process, and is still benefited from it. China, as a main emerging developing country and one of the biggest polluter, China will continually adapt mitigation and reduction policies addressing on climate change by enhancing mechanisms and capacities to effectively defend against related risks in key sectors, such as industry, agriculture, forestry and water resources. Through implementing proactive national strategies on climate change, promoting carbon emission trading market etc., China had put her best efforts to gain trust from international communities. In reality, the EU and China

²⁹ "National Carbon Emission System starts, what will Chinese carbon market be?", Xinhua Net, 20 December 2017, http://www.xinhuanet.com/2017-12/20/c 1122137497.htm.

³⁰ European Council and the Council of European Union, "Joint statement of the 20th EU-China Summit", 16 July 2018,

https://www.consilium.europa.eu/en/press/press-releases/2018/07/16/joint-statement-of-the-20th-eu-china-summit/.

³¹ Joanna Depledge and Farhana Yamin, "The global climate-change regime: a defence". In: Dieter Helm, Cameron Hepburn (eds.) *The economics and politics of climate change*. Oxford University Press, 2009, pp. 433–453.

³² Cao Hui, "China and EU in the global climate governance: idea, action and cooperation", *The Journal of European Studies*, 2015, Vol.5, pp.50-65.

cannot fulfil the decarbonized development in the global climate governance until they may tie up a solid and progressive cooperation in the future.