# China's Climate Change Policies After the Paris Agreement

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# <u>Session 3</u>: Is it possible to reconcile economic prosperity with climate sustainability?

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# **1. The Outline of China's INDC**

★ China submitted the Intended Nationally Determined Contribution (INDC) to the UN on June 30, 2015.

**★** The Key Points of China's INDC:

First, China recognized and declared that, tacking climate change is the intrinsic requirement of China's sustainable development as well as the international obligation of a responsible major country.

Second, China has nationally determined its overall targets by 2030 as follows:

- <u>To lower carbon dioxide emissions per unit of GDP by 60% to 65% from the</u> <u>2005 level;</u>
- To increase the share of non-fossil fuels in primary energy consumption to around 20%; and
- To increase the forest stock volume by around 4.5 billion cubic meters on the 2005 level;
- <u>To achieve the peaking of carbon dioxide emissions around 2030 and</u> <u>making best efforts to peak early.</u>

# **1. The Outline of China's INDC**

Third, in order to achieve these action objectives, <u>China has nationally determined</u> an comprehensive policy package with 15 measures including introduction of <u>Emission Trading Market as well as achievable numerical targets in detail for</u> <u>low-carbon energy development.</u>

## For instance,

- the State Council released the <u>"Energy Development Strategy Action Plan (2014-2020)</u>" on November 19, 2014, which <u>sets the targets by 2020</u> to expand the installed capacity of <u>hydropower, wind and solar PV</u> to 350 GW, 200 GW and 100 GW, respectively. The targets for <u>nuclear power</u> are set at 58 GW for operating capacity and a minimum of 30 GW for construction capacity. <u>However, the INDC does not mention the hydropower and nuclear targets</u> <u>specified in the Strategy Action Plan</u>; perhaps due to rising uncertainty in development <u>and to avoid losing face before the international community in</u> <u>case of missing these numerical targets.</u> This shows the difficulty of developing an energy plan that can meet international commitments without fail.
- \*\*Development of hydropower is facing issues such as migrants and rising costs associated with dam construction, while nuclear development is facing problems such as repeated delays in the construction of the US third-generation reactor AP1000 and public opposition to inland NPP construction.

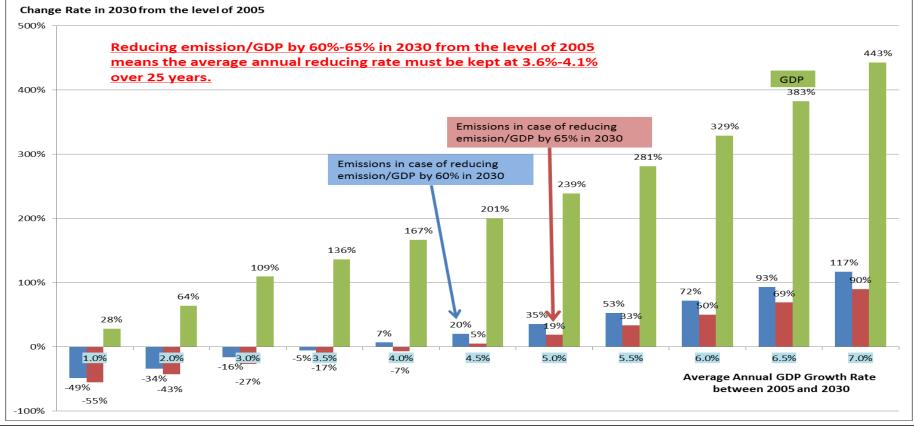
# Many points of view for evaluating INDCs

For example: How much will it cost to achieve the INDC targets?

According to <u>Xie Zhenhua</u>, China's Special Representative for Climate Change Affairs, achieving the targets in China is expected to <u>require the investment 30 trillion</u> <u>RMB yuan (approx. 4.62 trillion dollar) from 2016 to 2030.</u>

This amount is equivalent to 44% of China's GDP in 2015.

## <u>What's the meaning of reducing emissions per unit of GDP by 60% to 65% by 2030</u> <u>from the 2005 level?</u>



# What should we do after the Paris Agreement?

To make a good understanding of INDCs, and then tolerate the differences among INDCs, taking into account the differentiated historical responsibilities and distinct national circumstances, the differences of development stagy and capability.

# To realize the targets by "living up to its word", respectively. To keep working to increase ambition over time, respectively, and make some successful models and best practices as early as possible.

Cumulative Total and Per Capita Emissions in China and the World(2012)

	Cumulative Total Emissions from 1890						Cumulative Total and Per capita Emissions from 1990 to 2012							
		to 1	990	to 2	012	Total En	nissions	Per Capita Emissions						
		Gt-CO <sub>2</sub>	シェア	Gt-CO <sub>2</sub>	share	Gt-CO <sub>2</sub>	share	t-CO <sub>2</sub>		Index				
World		778	100.0	1,295	100.0	538	100.0	80	100.0	41.0	21.6			
	OECD	498	64.0	737	56.9	250	46.5	195	244.0	100.0	52.8			
	USA	239	30.7	349	27.0	115	21.4	369	462.2	189.4	100.0			
	Japan	29	3.7	53	4.1	25	4.6	180	225.6	92.5	48.8			
	EU	211	27.1	287	22.1	80	14.8	149	186.0	76.2	40.2			
	Non-OECD	280	36.0	557	43.0	286	53.3	53	65.8	27.0	14.2			
	India	13	1.7	36	2.8	24	4.4	21	26.1	10.7	5.7			
	China	42	5.4	135	10.4	95	17.7	70	87.5	35.9	18.9			

Notes: The cumulative total emissions are calculated based on data from IEA "World Energy Outlook 2009" and EDMC/IEEJ "Handbook of Energy & Economic Statistics in Japan 2015". The cumulative per capita emissions are estimated by [Cumulative Emissions / Cumulative population \* the number of years].

	Per Capi	ta Index o	on GDP, En	ergy Con	sumption a	and CO2 E	missions	in China and	the World	(2012)	
		Pe	er Capita GE	)P	Per Cap	ita Primary	Energy	Per Capita CO2 Emissions			
		\$/Person	OECD=100	USA=100	Toe/Person	OECD=100	USA=100	T-CO <sub>2</sub> /Person	OECD=100	USA=100	
Wo	orld	10,377	27.8	20.1	1.79	42.7	26.2	4.63	48.2	28.3	
	OECD	37,356	100.0	72.2	4.19	100.0	61.4	9.60	100.0	58.7	
	USA	51,736	138.5	100.0	6.82	162.9	100.0	16.37	170.5	100.0	
	Japan	46,391	124.2	89.7	3.53	84.3	51.8	9.53	99.3	58.2	
	EU	32,893	88.1	63.6	3.25	77.6	47.7	6.74	70.2	41.2	
	Non-OECD	4,523	12.1	8.7	1.27	30.3	18.6	3.55	37.0	21.7	
	India	1,530	4.1	3.0	0.52	12.5	7.6	1.59	16.5	9.7	
	China	6,091	16.3	11.8	2.00	47.7	29.3	6.71	69.9	41.0	

Sources: Compiled by Li Zhidong, based on EDMC/IEEJ, Handbook of Energy & Economic Statistics in Japan, 2015.

Population, Energy Consumption, CO2 Emissions and GDP in China and the World (201	<sup>opulation</sup> ,	Energy Con	sumption, (	CO2 Er	nissions	and GDP	in China	and the	World	(2012	2)
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10159 00110	umptio		15510115 ui				(LOIL)	
Populat	ion	Primary	Energy	CO2 Emis	ssions	Nominal GDP		
Million	%	Mtoe	%	Mt-CO <sub>2</sub>	%	Billion \$	%	
7,033	100.0	12,578	100.0	32,562	100.0	72,983	100.0	
1,254	17.8	5,250	41.7	12,038	37.0	46,845	64.2	
314	4.5	2,141	17.0	5,139	15.8	16,245	22.3	
128	1.8	452	3.6	1,220	3.7	5,938	8.1	
506	7.2	1,644	13.1	3,408	10.5	16,644	22.8	
5,779	82.2	7,328	58.3	20,524	63.0	26,138	35.8	
1,237	17.6	645	5.1	1,961	6.0	1,893	2.6	
1,351	19.2	2,696	21.4	9,067	27.8	8,229	11.3	
Large	st	Large	est	Large	st	Second La	argest	
	Populat Million 7,033 1,254 314 128 506 5,779 1,237 1,351	Population       Million     %       7,033     100.0       1,254     17.8       314     4.5       128     1.8       506     7.2       5,779     82.2       1,237     17.6	Population     Primary       Million     %     Mtoe       7,033     100.0     12,578       1,254     17.8     5,250       314     4.5     2,141       128     1.8     452       506     7.2     1,644       5,779     82.2     7,328       1,237     17.6     645       1,351     19.2 <b>2,696</b>	Population     Primary Energy       Million     %     Mtoe     %       7,033     100.0     12,578     100.0       1,254     17.8     5,250     41.7       314     4.5     2,141     17.0       128     1.8     452     3.6       506     7.2     1,644     13.1       5,779     82.2     7,328     58.3       1,237     17.6     645     5.1       1,351     19.2     2,696     21.4	Population     Primary Energy     CO2 Emis       Million     %     Mtoe     %     Mt-CO2       7,033     100.0     12,578     100.0     32,562       1,254     17.8     5,250     41.7     12,038       314     4.5     2,141     17.0     5,139       128     1.8     452     3.6     1,220       506     7.2     1,644     13.1     3,408       5,779     82.2     7,328     58.3     20,524       1,237     17.6     645     5.1     1,961       1,351     19.2 <b>2,696</b> 21.4     9,067	Population     Primary Energy     CO2 Emissions       Million     %     Mtoe     %     Mt-CO2     %       7,033     100.0     12,578     100.0     32,562     100.0       1,254     17.8     5,250     41.7     12,038     37.0       314     4.5     2,141     17.0     5,139     15.8       128     1.8     452     3.6     1,220     3.7       506     7.2     1,644     13.1     3,408     10.5       5,779     82.2     7,328     58.3     20,524     63.0       1,237     17.6     645     5.1     1,961     6.0       1,351     19.2 <b>2,696</b> 21.4     9,067     27.8	Population     Primary Energy     CO2 Emissions     Nominal       Million     %     Mtoe     %     Mt-CO2     %     Billion \$       7,033     100.0     12,578     100.0     32,562     100.0     72,983       1,254     17.8     5,250     41.7     12,038     37.0     46,845       314     4.5     2,141     17.0     5,139     15.8     16,245       128     1.8     452     3.6     1,220     3.7     5,938       506     7.2     1,644     13.1     3,408     10.5     16,644       5,779     82.2     7,328     58.3     20,524     63.0     26,138       1,237     17.6     645     5.1     1,961     6.0     1,893       1,351     19.2     2,696     21.4     9,067     27.8     8,229	

Sources: Compiled by Li Zhidong, based on EDMC/IEEJ, Handbook of Energy & Economic Statistics in Japan, 2015. 5

## 2. The Progress Status and Perspective towards Achieving the INDC in China

# 2.1 China's Targets for 2020 and the Achievements by 2015

## China's Targets for 2020

At the end of <u>January 2010</u>, the Chinese government answered the question on whether China will participate in the Framework for <u>post Kyoto Protocol</u> by <u>submitting a voluntary action plan to the UN</u>. China announced internationally the following targets for 2020:

●To reduce CO2/GDP by 40% to 45% from the 2005 level; ●To increase the share of non-fossil fuels in primary energy consumption to about 15%; ●To increase the forested area by 40 million hectares and the forest stock volume by 1.3 billion cubic meters compared to the 2005 levels.

## **China's Actions towards Achieving the targets for 2020**

In this connection, China has enacted and implemented the following action plans:

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; the National Plan on Climate Change (2014-2020).

China has accelerated the <u>adjustment of its industry and energy structures</u> and invested great efforts <u>in improving energy efficiency</u>, <u>lowering carbon</u> <u>emissions and enhancing the ecosystem</u>. China has initiated <u>carbon emission</u> <u>trading pilots in 7 provinces and cities and low-carbon development pilots in 42</u> <u>provinces and cities</u> to explore a new mode of low-carbon development consistent with its prevailing national circumstances.

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# 2.1 "China's Targets for 2020 and the Achievements by 2015

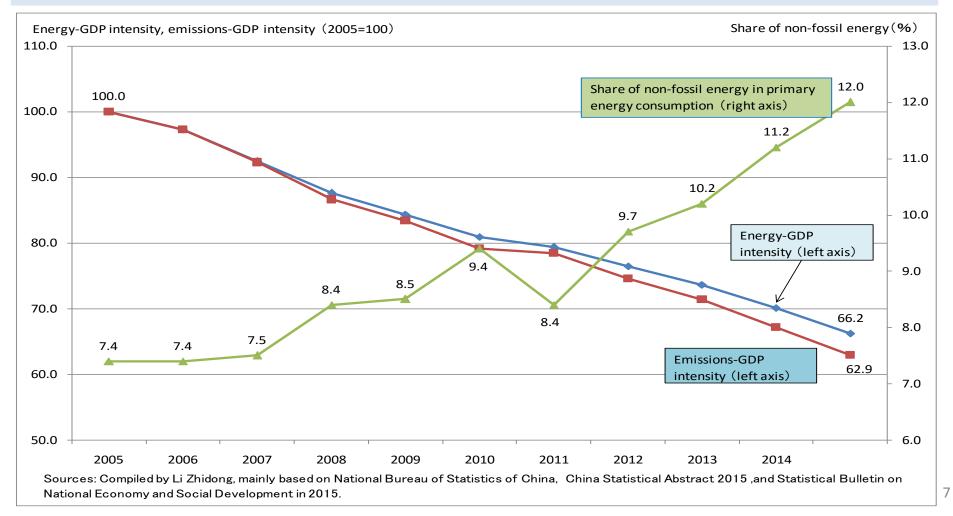
### China's Achievements by 2015 (compared to the 2005 levels)

★ Energy-GDP intensity decreased by 33.8%;

★ Non-fossil energy share increased by 4.5 points to 12% (\*target is 15% in 2020);

⇒ Emissions-CO2 intensity decreased by 37.1%, reaching to 92.8%-82.4% of the targets.

★ The forest stock volume are increased by 2.681 billion cubic meters, exceeding the target.



# Energy efficiency continued to improved.

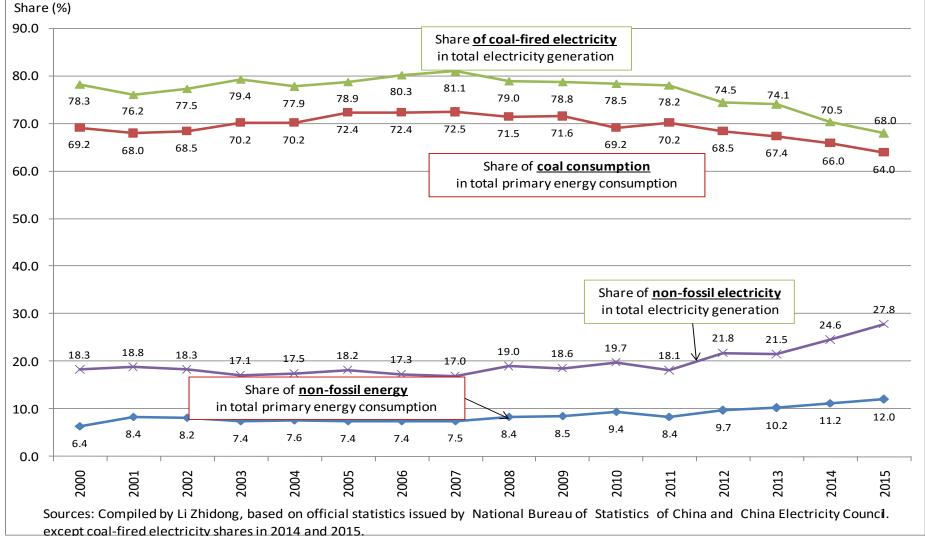
#### The average thermal efficiency (%) 43.0 The best practice has been shown in the Third Electricity Company of Shanghai 41.5 40.7 41.0 Waigaogiao, which owns two units of ultra-supercritial coal-fired power with a total 41.0 40.3 capacity of 2GW, and the gross thermal efficiency reached 45.2%, at the same 39.8 time, the net reached 43.6%. 39.0 38.4 38.2 39.0 38.3 38.5 37.0 37.8 37.0 37.3 35.8 35.9 Gross thermal efficiency 36.9 35.2 36.1 34.4 34.5 34.6 35.0 35.6 33.8 31.3 31.5 <sup>31.8</sup> <sup>32.0</sup> <sup>32.2</sup> <sup>32.4</sup> <sup>32.6</sup> <sup>32.8</sup> <sup>32.9</sup> 33.3 34.5 33.0 33.5 33.2 32.7 <u>31.9</u> 32.1 <sup>32.3</sup> **Net thermal efficiency** 31.0 31.3 30.8 28.8 29.0 29.3 29.5 29.7 29.8 30.0 30.1 30.4 29.0 27.0 25.0

1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Sources: The National Energy Administration, China; China Electricity Council.

Notes: The gross thermal efficiency in 2014 and 2015 is estimated by assuming the own use ratio in plant didn't change from 6.01% of 2013.

# EEU:June 2016 © IEEJ2016 Energy mix improved a lot in both primary energy and electricity ★ By 2015, in primary energy consumption, share of coal decreased to 64%, and non-fossil energy increased to 12%. ★ In electricity generation, share of coal-fired electricity decreased to 68%, and non-fossil electricity increased to 27% (of which, <u>19.9% for hydropower,</u> <u>3.3% for wind, 3.0% for nuclear</u>)



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# 2.2 The After Paris Agreement Perspective towards Achieving the INDC Targets in China

Promoting Energy Revolution and International Cooperation

On June 13, 2014, President Xi held the sixth meeting of Central Leading Group for Economic and Financial Affairs, in which he announced promoting a fourpart "energy revolution" and international cooperation.

★ Without "energy revolution", the INDC couldn't be achieved effectively !!!

Energy revolution strategy promoted by Xi Jinping leadership (issued in June, 2014)

•<u>Consumption revolution</u>: Controlling overall energy consumption by implementing exhaustive energy saving measures in all phases of socio-economic development and all consumption areas, firmly holding the strategic priority of energy saving

•<u>Supply revolution</u>: Diversifying energy sources by developing energies other than coal, while strongly promoting the clean and efficient use of coal; At the same time, strengthening the development of transportation, electricity transmission and distribution infrastructure and storage facilities

•<u>Technological revolution</u>: Enhancing the development of green and decarbonization technologies, and reinventing the relevant industries into a new industry that can drive economic growth and elevate the level of the overall industry

 Management system revolution: Developing a competitive market by highlighting the commercial aspects of energy, focusing particularly on building the market-driven pricing mechanism and improving the legal system
Stronger international cooperation: While domestic issues remain the highest priority, strengthening international cooperation in all possible areas related to energy production and consumption, to use

Sources: Li Zhidong compiled.

# Ambitious, but Achievable National Targets in Related Plans

	Medium- to	Long-Term National Strategies and Targets in China
	Overall target	•To reduce CO <sub>2</sub> -GDP intensity by 40 to 45% from 2005 levels by 2020
	Targets for	•To keep energy consumption below 4.8 billion tce and coal consumption below 4.2 billion tons by 2020
	energy	•To increase domestic energy production to about 4.2 billion tce by 2020, and keep the self-sufficiency
China's	supply/demand	ratio around 85%
National Plan	, and energy	· by 2020, to raise the percentage of non-rossil energy (renewable energy plus nuclear energy) in primary
on Climate	, and energy mix	energy consumption to 15%, the share of nature gas to above 10%, and reduce the share of coal to below
Change for		62%
2014-2020		•By 2020, expanding general <u>hydropower</u> capacity to 350 GW; expanding <u>wind</u> power generation capacity
issued in		to at least 200 GW, and decreasing the electricity sales price to match that of coal-fired thermal (on
September		average 0.41 yuan/kWh nationwide as of October 2014); Expanding <u>solar</u> power generation capacity to at
2014; Action		least 100 GW, and decreasing the sales price (currently 0.9-1.0 yuan/kWh) to match that of the electricity
Plan on Energy		tariff (consumer purchase price of electricity from electricity transmission companies)
	Targets by	•By 2020, increasing <u>nuclear</u> power capacity to 58 GW, and the capacity under construction to 30 GW
		•By 2020, reducing the distributed use of <u>coal</u> in residential and industrial sectors, and using it centrally in
issued in		the power generation sector, where the ratio of coal is increased to above 60% from 50% in 2013. At the
November 2014		same time, all new coal-fired thermal power plants must have a net thermal efficiency of at least 41% and
		fulfill an emission standard equivalent to that of gas thermal plants, while existing plants must improve the net thermal efficiency to at least 39.6% by 2020 from 38.3% in 2013.
		•By 2020, expanding the supply capacity of <u>nature gas</u> to 400–420 billion m <sup>3</sup> (consumption was at 167.6
		billion m <sup>3</sup> 3 for 2013), including 30 billion m <sup>3</sup> of shale gas and coal-bed methane, respectively.
"Made in Obie	0005"	• To reduce Energy–GDP intensity in manufacturing sector by 18% by 2020 and 34% by 2025 from 2015
"Made in China		levels
issued on May 1	9, 2013	•To reduce CO2–GDP intensity in manufacturing sector by 22% by 2020 and 40% by 2025 from 2015
0	1	levels

Sources: Li Zhidong compiled.

#### 13th Five-Year Plan and Roadmap towards targets for 2020 and 2030

		Level				Cumulative change rate				Rate of change from 2005		
	2005 <sup>a</sup>	2010 <sup>a</sup>	2015 <sup>a</sup>	Targets for 2020 <sup>a,b</sup>	Targets for 2030 <sup>c</sup>	10/05	15/10	20/15	30/20	2015	2020	2030
Energy-GDP intensity	100.0	80.9	66.2	56.3		-19.1%	-18.2%	-15.0%		-33.8%	-43.7%	
Share of non-fossil fuels in total primary energy consumption	7.5%	8.3%	12.0%	15.0%	20.0%							
CO <sub>2</sub> -GDP intensity	100.0	80.2	62.9	51.6	35.0	-19.8%	-21.6%	-18.0%	-32.1%	-37.1%	-48.4%	-65.0%

Notes: a) Figures for 2015and earlier years are actual, based on official releases, and figures for 2020 are targets set in the 13th Five-Year Plan. b) Targets for 2020 set in China's voluntary action plan submitted to the UN in 2010 is to reduce the CO<sub>2</sub>-GDP intensity by 40-45% from 2015 level. Fulfilling the target in the 13th Five-Year Plan will result in a 48.4% reduction of the CO<sub>2</sub>-GDP intensity, exceeding the target submitted ot the UN. c) Even the target in the 13<sup>th</sup> Five-Year Plan has been reached, an average annual reduction of 3.8%, or a cumulative reduction of 32% between 2020 and 2030, is needed for reducing emissions by 65% in 2030 from the level of 2005, which has been set as the upper limit of reduction targets in China's INDC.

Sources: Compiled by Li Zhidong.

Going forward, attention will focus on:

Ohow the binding target for energy consumption should be allocated to each region; Owhether the global warming prevention plan will include a target for CO2 emissions; Ohow the trading system for energy consumption and CO2 emissions to be introduced in 2017 will be designed, etc.

## 2.3 Some Long-term Projections on China's Low-Carbon Roadmap

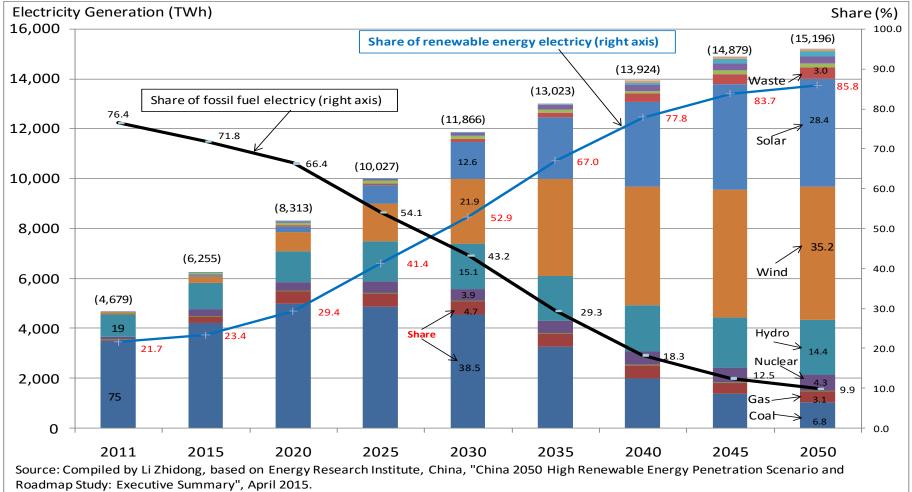
☆China Electricity Council's The Status and Outlook on China's Power Generation Industry (March 2015) suggests that non-fossil electricity will account for 29% by 2020, 37% by 2030 and 50% by 2050 in terms of power generation, or 39%, 49% and 62% in terms of capacity.

China Electricity Council's <sup>[</sup>The Status and Outlook on China's Power Generation Industry | (March 2015)

	Indu							
	C	Capacity; I	Electricity	/				
	2014	2020	2030	2050	2014	2020	2030	2050
Power generation capacity (100GW)	13.60	19.6	30.2	39.8	100.0	100.0	100.0	100.0
Non-fossil energy power	4.53	7.6	14.8	24.7	33.3	39.0	49.0	62.0
Renewable power	4.33	7.1	12.8	20.7	31.8	36.0	42.4	51.9
Hydropower	3.02	4.2	6.3	8.0	22.2	21.4	20.7	20.1
of which:General hydro	2.80	3.6	4.8	5.0	20.6	18.4	15.7	12.6
Pumped hydro	0.22	0.6	1.5	3.0	1.6	3.1	5.0	7.5
Wind, solar and others	1.31	2.9	6.5	12.7	9.6	14.6	21.7	31.8
of which: Wind	0.96				7.0			
Solar power	0.27				1.9			
Waste and others	0.09				0.7			
Nuclear power	0.20	0.6	2.0	4.0	1.5	3.0	6.6	10.1
Fossil fuel thermal power	9.07	12.0	15.4	15.1	66.7	61.0	51.0	38.0
Coal-fired	8.25	11.0	13.4	12.0	60.7	55.9	44.4	30.2
Natural gas-fired	0.56	1.0	2.0	3.0	4.1	5.1	6.6	7.5
of which: General		0.6	0.8	1.0		3.1	2.6	2.5
Distributed		0.4	1.2	2.0		2.0	4.0	5.0
Oil-fired	0.26	0.0	0.0	0.1	1.9	0.0	0.0	0.3
Electricity generation (TWh)	5.55	7.7	10.3	12.5	100.0	100.0	100.0	100.0
Non-fossil energy power	1.42	2.2	3.8	6.3	25.6	29.0	37.0	50.0
Fossil fuel thermal power	4.13	5.5	6.5	6.3	74.4	71.0	63.0	50.0
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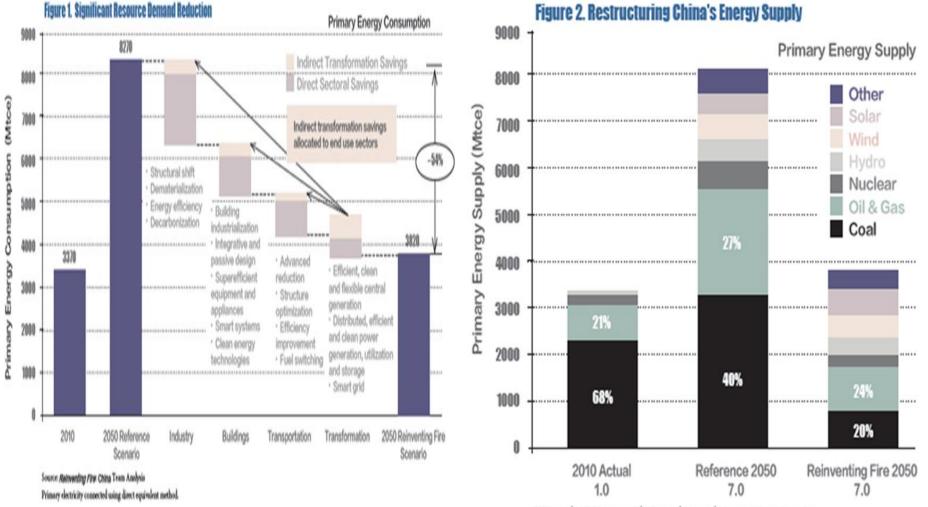
Sources: Compiled by Li Zhidong, based on http://www.cec.org.cn/yaowenkuaidi/2015-03-10/134972.html <sup>[</sup>The Status and Outlook on China's Power Generation Industry] issued by China Electricity Council, and other related sources.

**EXAMPLE 1211** China's China 2050 High Renewable Energy Penetration Scenario and Roadmap Study, conducted by more than ten organizations of China, issued April 2015, estimates that: **•** non-fossil electricity could account for up to 90% by 2050, and the high renewable energy penetration power system can be built at a small or non-incremental cost. The average cost of electricity will rise from RMB0.672/kWh in 2030 to RMB0.685/kWh, while in the reference scenario it will stay flat around RMB0.67/kWh between 2030-2050; **•** CO2 emissions will peak by 2025 and decrease to 3 billion tons by 2050.



### **<u>Refiveriting Fire: China</u>** (by <u>ERI, Rocky Mountain Institute. Lawrence Berkeley National Laboratory, Energy</u> Foundation China) (2016/3/9):

(1) China can grow its GDP seven fold by 2050 while using only slightly more energy in 2050 than in 2010; (2) The share of non-fossil energy in primary energy consumption will increase to about 50% by 2050; (3) Carbon emissions would fall below 2010 levels by more than one-third; (4) The upfront investment of 46 trillion RMB—about 1–2% of GDP—returns 68 trillion RMB in savings, for a net-present- value benefit of approximately 22 trillion RMB.



Source: <u>http://www.boaoreview.com/plus/view.php?aid=839</u> Reinventing Fire: China A Clean Energy Roadmap for China's Energy Future

Primary electricity converted using coal power plant conversion convention. Source: Reinventing Fire: China Team Analysis, 2015.

## **3. Strengthening International Cooperation After the Paris** Agreement in China

☆China has played an important role in securing an historic climate agreement in Paris - the Paris Agreement - on December 12, 2015.

☆ After the Paris Agreement, China will continue to strengthen international cooperation as follows:

## (1) Cooperation for achieving the early entry into force of the Agreement

Zhang Gaoli, Chinese vice premier and special envoy of President Xi Jinping, signed the Paris Agreement, and announced on Friday that China aims to finalize domestic legal procedures to ratify the pact before the G20 Hangzhou summit in September this year, at the United Nations headquarters in New York April 22, 2016.

## (2) Cooperation based on China SSCCF

China announced in September,2015, the establishment of an RMB 20 billion <u>South-South</u> <u>Climate Cooperation Fund</u> (approx. <u>3.1 billion dollars</u>) on its own mainly for small island nations and the poorest countries in Africa and elsewhere.

In 2016, China will launch cooperation projects to set up 10 pilot low-carbon industrial parks and start 100 mitigation and adaptation programs in other developing countries and provide them with 1,000 training opportunities on climate change. China will continue to promote international cooperation in such areas as clean energy, disaster prevention and mitigation, ecological protection, climate-smart agriculture, and low-carbon and smart cities. China will also help other developing countries to increase their financing capacity.

Source: <u>http://www.chinadaily.com.cn/world/XiattendsParisclimateconference/2015-12/01/content\_22592469.htm</u> Full text of President Xi's speech at opening ceremony of Paris climate summit

# (3) To promote low-carbon energy cooperation in the "One Belt, One Road"

## Initiative as one of its pillars (March 2015)

Priorities:☆ Promoting green and <u>low-carbon infrastructure</u> construction and operation management, taking into full account the impact of climate change on the construction; ☆ Promoting the connectivity of energy infrastructure including oil and gas pipelines, <u>cross-border power supply networks and power-transmission routes, and cooperate in regional power grid upgrading and transformation</u>; ☆ Increasing cooperation in the exploration and development of coal, oil, gas and other conventional energy sources; cooperation in <u>hydropower, nuclear power, wind power, solar power and other clean, renewable energy sources</u>; cooperation in the processing and conversion of energy.



Source: http://english.cri.cn/12394/2015/03/29/3801s872029.htm

## ⇒To make an environment-friendly OBOR

China's advantages in Low-carbon energy cooperation: ☆high competitiveness, especially in term of costperformance; ☆growing capability on international development finance through AIIB(100 billion USD), Silk Road Fund (40 billion USD), Green Silk Road Fund(4.6 billion USD), etc.

# Appendix: The Outline of China's INDC

# **China submitted** the Intended Nationally Determined Contribution (INDC) to the UN on June 30, 2015.

		Outline of China's INDC: Enhanced Actions on Climate Change (June 30, 2015)
	Overall	• Achieving the peaking of CO <sub>2</sub> emissions around 2030 and making best efforts to peak as early as possible
	targets	• Reducing the CO2-GDP intensity in 2030 by 60-65% from 2005 (reducing the 2020 intensity by 40-45% after cutting the 2015 intensity by 37.1% actually)
Targets after		• Raising the share of non-fossil energy in primary energy consumption to around 20% (against the actual share of 11.2% in 2015 and the target of 15% for 2020)
2020	Individual	• Increasing forest CO <sub>2</sub> storage in 2030 by 4.5 billion m <sup>3</sup> from 2005 (actual storage in 2015 at 15.137 billion m <sup>3</sup> , up 2.681 billion m <sup>3</sup> from 2005)
	targets	• Creating arrangements and capacity to effectively mitigate climate change risks in agriculture, forestry, water resources and other priority areas, urban regions, coastal
	U	regions and regions with vulnerable ecological environments, and developing forecasting, warning and disaster prevention/reduction systems steadily
	1 Proactive in	nplementation of national strategy for preventing climate change
	1. I loaetive ii	• Enhancing the development of climate change prevention laws • Incorporating behavior objectives into national economic and social development plans to create a lo
		term low-carbon development strategy and a roadmap
		• Breaking down targets and missions (by region, major industry, priority enterprise, etc.) to improve the system for holding specific parties responsible for accomplishing
		targets
	2. Improving	regional climate change prevention strategies. Setting targets, missions and paths for reducing gaps and adapting to climate change based on regional characteristics
	3. Attempting	to decarbonize energy mix
		• Coal: Attempting to implement the total amount control on coal consumption, enhance clean coal use and raise the share of concentrated and highly-efficient electricity
		generation from coal. Cutting the sending-end intensity to around 300 gce/kWh for new coal power plants (raising the thermal efficiency to around 40.95%)
		• Gas: Expanding natural gas use to raise natural gas's share in primary energy consumption to 10% or more in 2020 and increasing coal-bed methane output to 30 billion n
		•Hydro power generation: Proactively promoting the development of hydro power, on the premise of ecological and environmental protection and inhabitant resettlement
		Nuclear power generation: Developing nuclear power generation in a safe and efficient manner
		• Wind power generation: Promoting wind power generation development powerfully to expand the installed capacity to 200 million kW in 2020 (against 12,900 kW in grid-
		linked capacity in 2015
		• Solar energy: Accelerating solar photovoltaics and thermal power generation development to expand solar power generation capacity to 100 million kW in 2020 (against 43.18 million kW in actual capacity in 2015)
		•Geothermal energy and others: Developing geothermal, biomass and marine energy proactively. Expanding geothermal energy use to 50 million tce in 2020.
olicy measurs		• Promoting distributed energy development powerfully and enhancing smart grid construction
for	4 Duilding on	energy-saving, low-carbon industry system 5. Reducing emissions in building and transportation sectors 6. Attempting to increase carbon sinks
ccomplishing		the energy-saving, low-carbon industry system 5. Reducing emissions in building and transportation sectors 6. Attempting to increase carbon sinks to explore the energy sector sectors and transportation sectors 6. Attempting to increase carbon sinks
targets	· · · · · · · · · · · · · · · · · · ·	s support in terms of low-carbon technology development 11. Enhancing financial and policy support 12. Promoting carbon emission trading market
		statistical and accounting system for GHG emissions
	13.mpioving	• Improving statistical GHG emission data quality continuously by attempting to develop GHG emission statistics and statistical indicator systems and enhance human
		resources development
		• Enhances in or HG inventory creation projects to regularly prepare national and provincial emission inventories, establishing GHG calculation standards for priority industri
		and enterprises, introducing a system for GHG emission reports by priority enterprises
	14. Improving	social participation systems
	15. Promoting	international cooperation proactively
		• Maintaining the principles of common but differentiated responsibilities, equity and respective responsibility, encouraging developed countries to substantially reduce
		emissions and fulfill obligations to provide developing countries with financial, technical and capacity-building assistance, winning fair opportunities for sustainable
		development and more financial, technical and capacity-building assistance for developing countries, promoting north-south cooperation
		• China will take on international commitments that match its national circumstances, current development stage and actual capabilities by enhancing mitigation and
		adaptation actions and further strengthening south-south cooperation on climate change
		• China will establish the Fund for South-South Cooperation on Climate Change, providing assistance and support, within its means, to other developing countries including the small island developing countries, the least developed countries and African countries to address climate change
		• Attempting to expand international dialogue and exchange, to enhance policy cooperation and working-level cooperation, to share positive experiences and good practic
		and to diffuse low-carbon and adaptation technologies
		official releases by the National Bureau of Statistics, and China's INDCE: Enhanced Actions on Climate Change, as compiled by National Development and Reform Commission