



Foreign Policy Centre Briefing: Crossing the river – China in the international climate change negotiations

Stephen Minas

The key facts of climate change diplomacy are as familiar as they are concerning. The scientists' warnings ever more urgent; the gap between political rhetoric and outcomes still vast; the 'Bali road map' for a comprehensive, legally-binding global deal agreed in 2007, just before the world careered into the Global Financial Crisis, and exhausted two years later in Copenhagen; The United Nations talks on the brink of collapse in 2009 before modest recovery in 2010; ultimately, there is the new assertiveness of the big 'emerging' economies (with China the biggest and fastest growing) as the United States and most of Europe struggle with the aftereffects of recession.

The near-collapse of the UN Framework Convention on Climate Change (UNFCCC) negotiating process at Copenhagen has prompted many to reevaluate both the forum (UN versus the Major Economies Forum and the G20) and the strategy of the climate change talks.¹ But whichever approach is taken (or, more likely, emerges), the largest piece of the puzzle will be China.

The world's largest emitter of greenhouse gases, China – together with the United States – holds the key to the success or failure of any global effort to prevent dangerous climate change. For all the difficulties of the past year, China's negotiating position has developed from Copenhagen to Cancún. There will be opportunities in 2011 for European interlocutors to creatively engage China in the UNFCCC and in other fora.

From Copenhagen to Cancún

In China, climate policy was originally the preserve of environmental agencies. This changed as the economic ramifications of the issue became apparent, as opportunities for finance and technology transfer arose and as pressure increased from other nations for China to commit to actions to mitigate climate change.

In 1998, the powerful National Development and Reform Commission (NDRC) became responsible for climate change issues. The secretariat of the interagency coordination group for climate (chaired by the premier) is located within the NDRC. Staffing quality and resources allocated to climate diplomacy have been progressively increased.

As late as 2003, one interviewee told Yu Hongyuan: 'the flexible mechanisms are very complicated, and we know little about them. We should take the "no voice" policy in this issue.'² Such reticence is now a thing of the past. At the June 2010 talks in Bonn, China was represented by no fewer than 33 delegates, including eight from the NDRC, six from the Ministry of Foreign Affairs and six from Tsinghua University (which has a long-standing research and advisory role).³

¹ On strategy, for example, Robert Falkner, Hannes Stephan and John Vogler have argued that a 'building blocks' approach, under which different aspects of a climate regime would be developed incrementally and embedded within a broader framework, offers more hope than the 'global deal' strategy pursued thus far. Robert Falkner, Hannes Stephan and John Vogler, 'International climate policy after Copenhagen: Towards a "building blocks" approach' (2010) *Global Policy* Vol 1, Issue 3, 252-262.

² Yu Hongyuan, *Global Warming and China's Environmental Diplomacy* (New York: Nova Science Publishers, Inc., 2008), 58.

³ *South China Morning Post*, 5 November 2010.



During the two weeks of the Copenhagen summit, as delegates lurched from controversy to controversy, a confident and assertive China was on display. The delegation fought its corner publicly, with the world's media regularly crowded into China's modest national cubicle to hear chief negotiator Su Wei criticize the US and Japan. In the talks, China stuck to its red lines on key issues such as the developed-developing country binary of the 'common but differentiated responsibilities' formulation. Talk of a 'G2' proved unrealistic. With neither China nor the US willing to move far from its opening position, there was no 'grand bargain' to be struck.

But at least the United States was in the room. The text that became the Copenhagen Accord was finalised by the US, China and the other 'BASIC' countries – Brazil, India and South Africa. The European Union was not invited. Neither was the vast bulk of delegations, most of which nevertheless proved willing to approve the modest declaration in the final plenary. Six nations blocked its adoption under the consensus rule, and the Copenhagen Accord was merely noted.

Copenhagen had failed to produce the comprehensive deal targeted by many and, at least in the developed world, much of the blame was directed at China. The UK's then-climate change secretary, Ed Miliband, said that China had 'vetoed' targets of fifty percent global emissions reductions and eighty percent reductions by developed countries by 2050, 'despite the support of a coalition of developed and the vast majority of developing countries'.⁴ Miliband complained of 'impossible resistance from a small number of developing countries, including China, who didn't want a legal agreement'.⁵

Chinese officials responded. In January, Dr Lu Xuedu, deputy director of the National Climate Center, branded criticisms of China's role at Copenhagen 'ridiculous', and returned serve: 'it has been developed countries, instead of China or other developing countries, that have always been the hindrances to progression on global climate change efforts'. China, Lu wrote, had distinguished itself by coordinating with the other BASIC countries on the final text.⁶

Despite the ongoing war of words, in late January China notified the UN of its 'nationally appropriate mitigation actions' under the Copenhagen Accord (appendices to which list the nominated emissions reduction targets of developed countries and 'actions' nominated by developing countries). While stressing that the actions were 'autonomous' and 'domestic', Su Wei's letter stated that China would 'endeavor' to lower CO₂ emissions per GDP unit by 40-45% by 2020 on a 2005 baseline, together with other actions.

And in October, negotiators from more than 170 countries met in the northern Chinese city of Tianjin for the final meeting before 2010's annual conference of parties. It was the first time China had hosted UNFCCC negotiations and China bore much of the cost of the meeting. The choice of venue seemed designed to showcase China's commitment to address global warming: Tianjin is the site of both a carbon exchange and an eco-city China is developing together with Singapore.

⁴ Ed Miliband, 'The road from Copenhagen', *The Guardian*, 21 December 2009, <http://www.guardian.co.uk/commentisfree/2009/dec/20/copenhagen-climate-change-accord>

⁵ *The Telegraph*, 21 December 2009.

⁶ Lu Xuedu, 'Obstruction of developed nations', *China Daily*, 11 January 2010, http://www.chinadaily.com.cn/cndy/2010-01/11/content_9295448.htm



But if the venue was novel, the rhetoric proved familiar. Li Gao, a senior negotiator from the NDRC, said prior to the meeting opening: 'We have seen a lack of willingness among rich nations to host the regular UN climate talks this year and they are also reluctant to offer financial support for such meetings. In order to push forward the negotiations as scheduled and meet expectations from developing countries as well as the UN climate body, we have to make our own contribution.'⁷

Climate change special representative Dr Huang Huikang accused the US of having 'failed' to lead on climate, adding: 'The US has come under fire from developing nations as well as some of its industrialised allies, which everyone can see clearly this week, for seriously holding back the global climate negotiation process'. Su Wei, refuting US claims, even likened US envoy Todd Stern to a pig (specifically, to Zhu Bajie, the porcine assistant to the Monkey King in the Chinese classic *Journey to the West*). Su accused the US of having 'deliberately distorted' the Copenhagen Accord.⁸

The slow progress and ongoing public wrangling by the two biggest emitters augured poorly for the Cancún conference of parties. But China's delegation to the Mexican resort adopted a low-key approach. Only one official press briefing was held during the two weeks of the summit. Chinese negotiators had reportedly been 'instructed to avoid saying "No" ... in order to present a positive and constructive image of China'.⁹

The Cancún Agreements that emerged from the conference have been widely credited with rescuing the UN process from collapse or irrelevance. Broadly, the agreements codify, extend and stamp with the UN imprimatur¹⁰ the aspirations of the Copenhagen Accord. This outcome was made possible by Chinese compromise on two key points. (1) China, India and the US agreed on provisions for the measurement, reporting and verification (MRV) of mitigation actions undertaken by developing countries. MRV was a sticking point at Copenhagen, with China concerned to avoid infringements on sovereignty. (2) By agreeing to submit national mitigations actions under the Cancún Agreements (as it did under the non-binding Copenhagen Accord), Chinese emissions reduction plans will be incorporated into the UN process proper for the first time. This addresses, however indirectly, the concern of the likes of Japan and the US over the free rider problem created by the Kyoto Protocol's imposition of obligations on only UNFCCC Annex I (i.e. developed) countries. This free rider problem has become starker as China and other developing countries have become major, rapidly growing, high emitting economies. Chief negotiator Xie Zhenhua was sanguine on this point, stating that 'developing countries can ... make their own voluntary emissions commitments and these should be under the Convention'.¹¹

China as a negotiating partner in 2011

The events of the year from Copenhagen to Cancún show how China is developing as a negotiating partner on climate. It has shown a willingness to make a bigger contribution to the process, hosting UNFCCC talks for the first time in Tianjin. It showed, in Cancún, a clear preference to avoid a repeat of the blame it attracted after Copenhagen, as well as a willingness to find compromises on technical issues like MRV to keep the process going.

⁷ *South China Morning Post*, 4 October 2010.

⁸ *South China Morning Post*, 8 October 2010.

⁹ *South China Morning Post*, 9 December 2010.

¹⁰ Bolivia's dissent in the final plenary session having been overridden by the chair, despite the consensus convention of the UNFCCC.

¹¹ Reuters, 6 December 2010.



China also showed tactical flexibility, adopting a markedly more low-key approach at the latest conference of parties. Ultimately, China remains unwilling to budge on red line issues like the extension of the Kyoto Protocol and the maintenance of ‘common but differentiated responsibilities’ (especially when confronted by a US administration with little new to offer).

Interestingly, China’s modified approach at Cancún – widely credited with facilitating the conference’s improved outcome – may have deepened the cracks in the developing world united front of the G77 and China bloc. A Ghanaian delegate in Cancún was quoted complaining that, ‘to African countries, China is more and more like the United States. China and the US jointly produce over forty per cent of the world’s total emissions but they duck away from mitigation commitments under the Kyoto Protocol, the only legally binding treaty on carbon cuts’.¹² Interests change and diverge. If there was ever a time when a G77 negotiator could speak for China, that time has passed.

Opportunities for Europe

Cancún has been credited with rescuing the UNFCCC process from collapse. But the end goal of a comprehensive, legally binding agreement remains far off, and the capacity of such a deal to prevent dangerous climate change remains hypothetical. Of course the EU should continue to engage China in the UN forum. But just as important is work outside the UNFCCC process to shift the space of the negotiation and the incentives of the negotiators.

Here, there is a substantial diplomatic programme that could be developed further. An EU-China Partnership on Climate Change was established in 2005 to promote dialogue, and minister-level talks were established in 2010.¹³ An EU-China Clean Development Mechanism Facilitation Project ran from 2007 to 2010. Funded by EuropeAid, the project aimed to improve implementation of the highly controversial mechanism in China. There is also the EU Framework Programmes for Research, Technological Development and Demonstration. The 2007-2013 programme period (the Seventh Framework Programme, or 7FP) includes earmarks of €1.9 billion for environmental R&D and €2.35 billion for energy. The programme is open to international partners, and Aleyn Smith-Gillespie reports that China ‘has begun engaging with the EU research community through these programmes’.¹⁴ And there is more direct finance, with the European Investment Bank in December extending a €500 million Climate Change Framework Loan (CCFL) to China for mitigation projects. The loan has the stated purpose of helping China achieve its domestic targets, and follows an initial CCFL also worth €500 million made in 2007.

Clean energy finance and development, collaboration on science and technology – this EU programme engages with a second, distinct track of diplomacy within China’s overall policy framework. This track was identified by Elizabeth Economy, who described it as ‘techno-diplomacy’.¹⁵ Economy characterizes techno-diplomacy as ‘rooted in a cooperative rather than confrontational stance. It advocates China’s working together with the international community to address global environmental problems and committing real domestic resources ... The agenda, although encompassing the [Ministry of Foreign Affairs’] appeal for funds and technology transfer, is pursued primarily by scientific and environmental elites

¹² *South China Morning Post*, 13 December 2010.

¹³ RTT News, 29 April 2010.

¹⁴ Aleyn Smith-Gillespie, ‘Low carbon technology cooperation: A framework for EU-China dialogue’, E3G, March 2010, p. 45.

¹⁵ Elizabeth Economy, ‘China’s Environmental Diplomacy’, in *China and the World: Chinese foreign policy faces the new millennium*, ed. Samuel Kim, (4th ed., Boulder, CO: Westview Press, 1998), 273-274.



and emphasizes the need to elevate the status of environmental protection relative to economic development’.

The proposals recently made by Bernice Lee and Nick Mabey for EU-Chinese cooperation would feed into this techno-diplomacy track: ‘Joint development of standards for low-carbon goods and services’; joint development of ‘low carbon pilot areas in China’; and ‘[i]dentification of “fast-track” low carbon technology demonstration opportunities ... to attract EU technology suppliers’.¹⁶

Together with these worthwhile proposals, an overarching objective for the EU should be to support the growth of clean energy and of energy efficient practices in China. Why? To make low carbon policy a reality in the first instance and to put more ambitious Chinese mitigation targets within reach in the second. Also, scaled up EU engagement on this front could strengthen the hand of policymakers and industries within China which have an interest in ambitious climate change mitigation, and so change the terms of the internal Chinese debate. Pursuing this objective would also encourage clean industry price innovation in China of the kind necessary to create viable clean energy options for other lower-income nations.

Efforts should not be limited to the government-to-government level, but should encompass the promotion of private sector engagement (such as the Dutch firm SenterNovem’s participation in the city of Nanjing’s voluntary energy efficiency programme). There is also scope to expand collaboration among sub-national governments, such as in the C40 Climate Leadership Group, whose members include the Chinese cities of Beijing, Shanghai and Hong Kong (which hosted the most recent C40 meeting in November).

China’s twelfth five-year plan will be finalised by the National People’s Congress in March, and will include promotion of ‘Magic 7’ strategic industries including energy conservation, clean energy and electric vehicles, as well as measures to achieve the 2020 carbon intensity reduction target.¹⁷ The plan will itself create opportunities for creative EU diplomacy.

Conclusions

China has proved to be an able negotiator in the international climate talks. But as Professor Zhang Haibin, from Peking University’s School of International Studies, said on the eve of the Tianjin meeting: ‘Global climate negotiations affect national security and will alter the world order eventually. China has yet to work out a long-term strategy to deal with climate change politics and embrace the challenges of global warming scientifically and technologically.’¹⁸

When it comes to climate change, China (like all nations) is still ‘crossing the river while feeling for stones’, in the phrase made famous by former paramount leader Deng Xiaoping. Deng was referring to China’s economic modernisation. Avoiding (or, indeed, adapting to) dangerous climate change will require a transformation far more thorough on the part of the entire international society.

¹⁶ Bernice Lee and Nick Mabey, ‘An alliance worth striving forth’, *China Dialogue*, 12 October 2010, <http://www.chinadialogue.net/article/show/single/en/3868>

¹⁷ Zoe Knight, *et al*, ‘Climate investment update’, HSBC Global Research, 13 January 2011, p. 4.

¹⁸ *South China Morning Post*, 4 October 2010.



There is ample scope for the EU to deepen its engagement with China across a range of fronts. Doing so has the attraction of clean energy advances in the continuing absence of a strong UNFCCC deal. Ultimately, strong EU efforts can address the question of interstate justice which has long been at the centre of China's public diplomacy on climate, so that fairness concerns as between developed and developing nations are dealt with not perpetuated.

Further reading

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