

Report Part Title: EU-China Co-operation and the Politics of Climate Change

Report Title: EU-China Co-operation in Global Governance:

Report Subtitle: Going Beyond the Conceptual Gap

Egmont Institute (2017)

Stable URL: <http://www.jstor.com/stable/resrep06666.6>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



Egmont Institute is collaborating with JSTOR to digitize, preserve and extend access to this content.

JSTOR

EU-CHINA CO-OPERATION AND THE POLITICS OF CLIMATE CHANGE

BAI HEFEI & WANG HONGYU

Climate change is becoming one of – if not – the most acute global issues whose effective solution requires an unprecedented level of international co-operation. Amongst the direct consequences are rising sea levels and inter-state conflicts over increasingly scarce water resources, which risks generating refugee flows across borders or internally within countries.¹ The EU and China are both key actors in global climate politics given their present economic weight and pollution record. Europe as the pioneer of industrial revolution had once accounted for 90% of the planet's emission, whereas China now is the only country with an annual emission of more than 10 billion tons.² Yet, the approaches of these two actors to how global warming should be tackled often differ. This contribution explores the key areas of disagreement between the EU's and China's position in the negotiations pursued under the United Nations Framework Convention on Climate Change (UNFCCC) and identifies possible solutions to overcome these differences.

Differing positions on climate politics

The EU and China represent different interests and have therefore different objectives to strive for in international climate negotiations. Generally, the EU spearheads such talks and positions itself as a leader on global climate governance and thus often formulates ambitious positions on abatement targets. The EU's call for a robust, universal and binding climate regime is informed by its commitment to good governance and multilateralism. In other words, in seeking to promulgate stringent multi-lateral solutions in the face of climate change, the 28-country bloc also intends to export its internal *modus operandi* in terms of decision-making, demonstrate its internal cohesion and ability to speak with one voice on the international scene. As the largest carbon emitter and the second largest economy in the world, China faces massive domestic challenges but also pressure from the international community to mobilise significant efforts. However, to assume a greater share in the global endeavor to mitigate climate change, China must strike a careful balance between the process of ongoing domestic economic reform and climate change policies.

¹ climatemigration.org.uk, Climate and Migration Coalition brief Q&A on climate change and refugee crisis, last accessed on 23 March 2017.

² [Chinaairn.com](http://chinaairn.com), Carbon emissions, 20 January 2016.

Divergent approaches to climate change

Led by differing interests, the EU and China have tended to adopt differing approaches when climate change is concerned. Three points of divergence merit a more nuanced discussion.

(1) Disagreements on sharing responsibilities

The two parties tend to disagree on how to share the responsibility to act, largely attributable to different understandings of the principle of the Common But Differentiated Responsibilities (CBDR). It is worth adding that it is not the principle itself that is being challenged, given that it has been a guiding principle in international environmental co-operation since it was first put forward at the United Nations Conference on Environment and Development (UNCED) in 1992.³ China has been a staunch supporter of the principle. Beijing has long insisted that developed and developing countries should be allowed to undertake different commitments when it comes to measuring and reporting. By contrast, the EU has sought to create further dividing lines within the group of developing countries in recent years, thus singling out emerging economies (e.g. China) and pressuring them to assume similar commitments as developed ones.

As disagreements on the interpretation of the CBDR persist, the UNFCCC process has come to be led by a bottom-up approach, where countries determine independently their emission reduction targets, hence somewhat softening opposition between country groupings. However, it is not unreasonable to expect that varying interpretations of the CBDR principle will continue to hamper international climate action in the future.

(2) Disagreements on emission reduction targets

Another disputed area between the EU and China concerns the nature of emission reduction targets. The EU has long insisted on universally binding reduction targets, while China has preferred to call for voluntary arrangements with certain concessions for developing countries.

In the run-up to the 21st Conference of Parties (COP21), the EU had proposed a binding reduction of 40 percent in greenhouse gases by 2030 which would be measured against 1990 levels. The 28-country bloc's joint position represented the first concrete commitment and was considered to be a benchmark for the rest of the membership.

³ Un.org, 2012 UN Conference on Environment and Development, last accessed on 23 March 2017.

Despite appearing ambitious at first glance, the plan disappointed certain groups of states including the Association of Small Island States and non-governmental organisations such as Greenpeace.⁴ To ensure large participation and a broader validity, the 2015 Paris conference relied on Intended Nationally Determined Contributions (INDC). While this bottom-up approach did indeed pave the way successfully for an agreement acceptable to all parties, there remains a steep gap between what the totality of the INDCs would achieve and what would be needed to abide by the 2° C target.

Furthermore, as far as the regular review and tracking of the contributions is concerned, China will continue to demand differentiated treatment for developing – including emerging – countries, contrasting with the EU's push for a unified approach. This means that, when the reduction targets are renewed every five years and the *modus operandi* of monitoring the INDC's execution is considered, China's position may again be at odds with that of the EU.

(3) Divergent views on green finance

The EU and China also have differing views on climate finance. Since the Group of 77 and China declared that developed countries should provide financial support to developing countries (as per the conclusion of the Bonn Climate Change Conference in October 2014) to help enhance their mitigation and adaptation actions,⁵ it has been a consensus that the former group would make available 100 billion USD a year by 2020. However, China insists that this sum should increase year by year with a clear timeline and roadmap and that most of the aid should stem from the public sector. However, the Paris agreement did not fulfill China's vision, largely due to the EU's opposition to providing a concrete promise to increase aid and the bloc's insistence on the private sector being a key source of finance.

China itself should not, however, be relegated to a mere recipient of aid when it comes to climate finance. At the 2015 US-China Summit, for example, China committed to offering approximately 3.1 billion USD aid to developing countries to help their actions aimed at greenhouse gas emission reduction.⁶ In spite of the unconditional commitment, China's delivery of foreign aid, in general, have long been criticized for several reasons including the lack of transparency and ignorance of governance standards.⁷ Moreover, in comparison to the EU, the biggest challenge China is facing is that its domestic climate mechanisms remain in an embryonic stage. Take the building of a carbon market as an example, while the EU already has a

⁴ eubusiness.com, EU's 2030 climate plan draws mixed response, last accessed on 22 March 2017.

⁵ Unfccc.int, Bonn Climate Change Conference – June 2014, last accessed on 21 March 2017.

⁶ Ministry of Commerce of P.R.C website, 美联社称习近平的国际援助承诺增强中国外交力量, last accessed on 22 March 2017.

⁷ L. Xue, 'China's Foreign Aid Policy and Architecture', *Ids Bulletin*, 45(4), 2014, pp. 36-45.

mature market, China is still at the experimental stage with an emission trading system pilot initiated in 2015.⁸ At the same time, avoiding double accounting and unleashing the role of public institutions including the Green Climate Fund and the Global Environment Facility are also potential areas of concern that may divide the two parties.

What is next?

Despite the above-mentioned differences, synergies in the EU's and China's handling of climate change could arise in line with the Beijing's 13th Five Year Plan and the EU's 2020 Strategy. To make that happen, both sides ought to adjust their overall climate posture and undertake specific actions on a set of issues.

First, the EU and China could try to approximate their overall position on climate governance. For the EU, it would be worth adopting a negotiating strategy that allows for the formulation of distinctive positions by the UNFCCC parties, thus drawing the lessons of the Copenhagen summit of 2009 where the Union pushed for a single set of binding targets applicable for the whole membership but ended up sidelined. To avoid this, the EU may continue to further the experiences of COP21, where it acted as a guide negotiating a deal in a bottom-up (based on individually set reduction targets) rather than top-down fashion (applying a universal reduction target to all members). The viability of the UNFCCC process may be increasingly contingent on the building of a mutual understanding among the largest emitters in the run-up to climate summits, which could serve as a benchmark for other parties.

In addition, since the G77 plus China group had split into several camps and held differing positions at COP21, opinions of all stakeholders including the Umbrella Group⁹ and the BASICs¹⁰ should be taken into account in order to ensure fairness and justice to all actors. Moreover, the UNFCCC process could be better linked to other multilateral platforms, notably the G20¹¹ and the World Trade Organisation (WTO), which could help settle some key issues. It is worth noting that the EU has already made significant strides to embrace an evidence-informed rather than evidence-based attitude to policy-making which gives more consideration to balancing differing climate governance goals.¹²

⁸ Z. Shuang, 'China's carbon market – progress and outlook', National Climate Change Strategy Centre, last accessed on 22 March 2017.

⁹ Although there is no formal list, the Group is usually made up of Australia, Canada, Japan, New Zealand, Kazakhstan, Norway, the Russian Federation, Ukraine and the US.

¹⁰ The group comprises Brazil, South Africa, India and China.

¹¹ news.xinhuanet.com, 'China Focus: China pushes green finance onto G20 agenda', 2 September 2016, last accessed on 17 March 2017.

¹² D.C. Rose, 'Five ways to enhance the impact of climate science', *Nature Climate Change*, 4(7), 2014, pp. 522-524.

As for China, the country should play a more influential role in climate politics, while also assuming more responsibilities. Beijing's revamped climate action could start with domestic economic reform on energy consumption and renewable energy development – steps that could allow the country to reduce the energy intensity of its economy. For example, China has launched the 2017 carbon market plan and formulated province-specific emission reduction ambitions which are both revolutionary actions in Chinese policy-making. Additionally, China should match its internal aspirations when acting on the global stage and adopt a more powerful discourse.

Second, the two parties need to invest more efforts into understanding each other's core narratives and establish cooperation based on fundamental mutual trust. As far as the most contentious issue – the CBDR principle – is concerned, several delegates at the Lima Conference in 2014 agreed that “differentiation was the elephant in the room”.¹³ The EU needs to gain a deeper understanding of China's and other developing countries' concerns about ambitious reduction targets while also supporting developing countries through the provision of climate finance, technology and capacity building. As for China, the country needs to strengthen its emission reduction commitments and make its policies more transparent.

Finally, the EU and China could take advantage of a broad variety of platforms to enhance cooperation in technology, finance along with their policy-making dialogue. The EU-China summit has been a significant platform for strategic planning on climate change since the 5th summit in 2002. At the 8th summit in 2005, the two parties formulated a joint declaration on climate change and have since continued to work towards their joint objectives. The regular ministerial dialogues and consultation mechanisms that take place between EU and Chinese officials also provide an important channel for the two sides to exchange views. Some key achievements include, for example, the joint declaration of the two parties in Brussels in December 2015 that proved to be an important step towards the eventual climate deal in Paris.¹⁴ Another concrete initiative, the Clean Development Mechanism subsidized by the European Commission, is committed to supporting CDM projects, staff training and technology development in China, which has already culminated in remarkable results.¹⁵ The EU and China should also further exploit the development opportunity residing in clean energy usage, carbon trading system building and green finance regulation.

In the future, Brussels and Beijing will need to optimize the above two channels even further to unlock the full potential of EU-China cooperation. Furthermore, co-opera-

¹³ A. Meyer, *Confronting the Elephant in the Room: Differentiation of Obligations in the Paris Climate Agreement*, UCSUSA Blog, 19 December 2014.

¹⁴ eeas.europa.eu, EU-China Joint Statement on Climate Change, 29 June 2015, last accessed on 17 March 2017.

¹⁵ For more information on the Clean Development Mechanism in China see: <http://cdm-en.ccchina.gov.cn/>

tion on climate change could go beyond EU-China relations, embracing also EU member states' bilateral relations with China as well as the relations existing between the two at the level of regional authorities.

Finally, the two can also learn from each other's central planning structures on green governance – the EU from China's unique central planning politics and increasingly liberalized economy; and China from the EU's systematic management of its member states.¹⁶

Conclusion

The EU and China have enduring disagreements on how to mitigate climate change. However, their differences are not impossible to overcome. Climate politics is arguably a unique field suitable for establishing mechanisms of cooperation between the EU and China. This is because both have deeply entrenched interests to shape policy-making on climate change and push forward the international negotiation processes. Having entered into force recently, the Paris agreement aims to ensure that global temperature rise by the end of this century remain well below 2 degrees Celsius above pre-industrial levels, pursuing additional efforts to limit the temperature increase even further to 1.5 degrees Celsius. Against this background, the EU and China ought to join forces to resolve their differences and strengthen the INDC system. What needs to be done first is the implementation of INDCs followed by their effective tracking on the domestic front. At the same time, the EU and China could continue to iron out their lingering differences through the provision of green finance, with the long term goal of establishing a global carbon trading system.

Bai Hefei, Research Assistant at the Center for Economic Diplomacy, University of International Business and Economics.

Wang Hongyu, Executive Director and Associate Professor at the Center for Economic Diplomacy, School of International Relations, University of International Business and Economics.

¹⁶ S. Kalantzakos, 'EU and China: Leadership after COP21', Hellenic Foundation for European and Foreign Policy, Working paper no.72/2016.