



China Carbon Forum | 中国碳论坛

An independent platform to foster trust and cooperation among China's stakeholders for climate action

How can China and the EU get the most out of Paris 2015?

Executive Summary

On 24th April 2014, China Carbon Forum and the Beijing climate community welcomed the EU Climate Commissioner, Ms. Connie Hedegaard, to participate in a discussion on 'How can China get the most out of Paris 2015?' along with other distinguished panelists.

The panel discussed the importance of international cooperation leading up to the Paris COP21 in 2015. The panel emphasized the existing partnership between the EU and China in the areas of energy, urbanization and emissions trading. Building on the impressive progress made domestically in China, the panel suggested that this must be allowed to help progress discussions in the UNFCCC. While differentiation of responsibility should be considered a core principle of any deal in Paris, it must nevertheless be equally binding to all parties. The current slow progress, including climate finance assistance from developed countries, must be overcome in order to build confidence amongst parties and lift ambition. It is also important that public support contribute momentum in the lead up to COP21, as it did prior to the Copenhagen conference in 2009. The panel agreed that much has changed since Copenhagen, including increasing evidence of the seriousness of the challenge, awareness amongst leaders in both politics and industry, as well as significant domestic action worldwide. With strong cooperation between now and COP21 between the EU and China, and working to achieve agreements on key issues prior to the meeting, the chances of a successful outcome will be greatly increased.

Record of Discussion

The following is an edited synthesis of discussion that took place at the event among panelists (around 40 minutes) and open Q&A with participants (30 minutes). As per convention, individual's comments are not attributed.

China and the EU, both individually and collectively, have an impressive record on action to address climate change. Domestically, for China this includes ambitious carbon intensity reduction targets as well as the introduction of carbon pricing through pilot emissions trading schemes. The EU has pioneered carbon markets, and as a whole boasts the biggest renewable energy investment in the world, helping to drive down production costs for renewables. At a bilateral level, existing EU-China cooperation on energy, urbanization, will be extended. Cooperation on pilot ETSs has allowed China to learn from both good and bad experiences from the EU.

The Paris COP must achieve a credible deal that will allow the world to stay below 2 degrees of warming. This is a daunting task for all parties, and must be pursued actively not just at the international level but domestically, in order to allow for success in Paris.

Europe's leaders received the EU Commission's proposals on emissions and renewable energy targets for 2030 well, and committed to making a final decision by October 2014. **China is now the world's largest emitter, and that brings with it sufficient responsibility.** Of course developed countries have special responsibility; however, without a "fair share" contribution from the current largest emitter, there is no possibility of tackling the climate change challenge. It is important that all parties announce their targets by early 2015 as agreed in Warsaw last year, so that these pledges can be assessed prior to Paris.

There are a number of positive developments in China, including the pilot emissions trading schemes and the high-level recognition of the challenge, however **there is a paradox that this progress is not reflected at the international negotiating table.** The sooner China's efforts and "fair share" commitments are reflected at the negotiating table, the more likely that a successful outcome at Paris can be reached.

The French government has stressed the importance of a successful outcome in Paris 2015, given the threat of business as usual taking us towards 4 degrees of warming, and will do everything it can to ensure this. The French government volunteered to host COP21 at a time when the UNFCCC process was struggling and facing many challenges, demonstrating a commitment to endorse and promote its role. France and China established bilateral discussions on climate change from last December, at the meeting between the two countries presidents, and this continues.

Progress is now not limited to the public sector, with companies and investors aware of the risk and factoring it in to their decision-making. So there is a new narrative, and we need to see climate

change as an opportunity to rethink our economies. **Action is not just necessary but desirable, because it leads to sustainable jobs and healthier lives. The French government will use this narrative to help realize a successful deal in Paris.**

A deal must be universal, ambitious, binding and flexible, identifying a spectrum of different possible actions and responsibilities according to capacity. Providing climate finance to developing countries will also be essential.

The panel addressed the question of what has changed since the relatively unsuccessful Copenhagen conference. They pointed to even more evidence which has been published about the seriousness of the climate change challenge, as well as the fact that more governments and business people around the world realize that business as usual comes with a high price tag. Indeed, since Copenhagen 90 countries around the world have developed their own climate change legislation. Today it is hard to find a mayor of a city, both in Europe and in China, who doesn't know about climate change. **In China climate change is no longer a peripheral issue, but one centred in the minds of the political leadership.**

In the run-up to Copenhagen, one success was the mobilization, creating awareness worldwide. While less expectations may make the meeting less dangerous for the leaders involved, **the agreement that the world needs will not be reached without expectations.** There has to be a push from the bottom-up, that citizens expect leaders to do what is needed. The deal must reflect what is feasible, but politicians must be expected to deliver the necessary outcome. **You can avoid making such an agreement once, but not delivering in Paris will make hard to see a way for any credible approach to limiting climate change.**

One of the key failures at Copenhagen was to have sufficient exchange between parties in the lead-up to the meeting. **For Paris to be successful there must be regular discussion and agreement on important elements of a deal prior to the COP**, including targets and support. We don't have much time, so EU and developed countries need to "listen carefully" to what China's concerns are, in order to achieve cooperation. In the new agreement there must still be differentiation, because China is not the US or Europe. Even so, the agreement must be equally legally binding.

The panel discussed whether there continues to be universal support for the Durban Agreement which endorsed legally binding commitments for all parties. **As far as China and India are**

concerned, support for the agreement continues, however the nature of the binding commitments is open to question. It is important that this issue does not continue to waste time at Paris, and with only one year left before the meeting, this needs to be addressed.

The lack of adequate climate finance assistance to date has led to reduced confidence amongst developing countries about the commitments made by developed countries. However, while China has not received such finance, Europe has made contributions to LDCs. Going forward, climate finance must come from both public and private sources, and public money can be leveraged to attract private resources.

Private sector finance provisions may be a part of a Paris deal, and the UN Secretary General's leaders summit later this year may progress this issue, which would provide a strong signal that leaders are serious. This is an area where behind-the-scenes much work has been done since Durban. Addressing barriers to institutional investors to support low-carbon investments has huge potential. Successful international examples can be replicated. Regional development banks and multilateral banks are shifting away from coal toward alternatives, which can engender significant change.

The EU's emissions peaked in about 1990, the US in recent years. **Now is a good time to have the discussion about when China's emissions can peak.** This needs rigorous analytic work because if the peak is five years earlier or later, this has a big impact on the climate system.