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Transcript

CHINA IN THE WORLD PODCAST

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Guest: **Zou Ji**

Episode 28: Progress or Paralysis on Addressing
Climate Change?

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Wang: You are listening to the “China in the World” Carnegie–Tsinghua podcast, series of conversations of Chinese and international experts on China’s foreign policy, international role, and China’s relations with the world, brought to you by Carnegie–Tsinghua Center in Beijing. I am Wang Tao, a resident scholar at Carnegie–Tsinghua Center where I run a program on Climate and Energy Issues. I am standing here for Paul Haenle, and today I will be speaking about a recent shift in U.S. and China climate and energy policy as well as expectations for the upcoming UN Climate Summit to be held in New York in September.

To discuss these important issues I am thrilled to be joined by Dr. Zou Ji, deputy director of China's National Center of Climate Change Strategy and International Cooperation, and one of China’s veterans climate change negotiators. Welcome to the “China in the World” podcast, Doctor Zou, it is a pleasure to have you here today. June [was] an important month for energy and climate issues both in the United States and China. I would first like to talk to you a bit about what these policy shifts mean and then move into a broader discussion about the upcoming UN Climate Summit in September. On June 2, President Obama announced that the United States would restrict emissions for existing power plants, the single largest source of carbon pollution in the United States. The Environmental Protection Agency, the EPA, has since proposed a set of guidelines for a clean power plan which will cut the emissions on the power plants by 30 percent and would reduce the role of coal in generating electricity by 2030. Are these emissions cut significant enough to signal other developed and developing countries to make formidable industry policies to tackle climate change? Do you think a 30 percent cut in the carbon emissions from the power sector is feasible?

Zou: I should say I welcome President Obama’s announcement on that and also welcome the EPA’s guideline for power plants to reduce carbon emission. But I would also like to say this is something very natural, in my mind, given the energy independence and energy revolution in the US in the recent years. Also I believe this absolutely is a positive signal, but I don’t believe a 30 percent cut is a significant signal to other parties. I think we have higher expectations, certainly, given that to the power sectors this is very good news, and given that the shale gas, [and] the increase of non-coal fuel, I do expect that the United States can do more. Certainly, the power sector is not the only field for the United States to set up more ambitious targets. But anyway, that is a very positive signal. I do believe that this is very, very feasible.

Wang: So you believe that this is a positive signal, but you think that the United States has the capacity of doing more than that?

Zou: Yes, that is right.

Wang: OK. In the 6th round of the U.S.-China Strategic and Economic Dialogue in June, a series of agreements have been announced including technological transfer between China’s Huaneng group and Washington based Summit Power Group to develop coal into a synthetic gas. The Summit Power group also agreed to share information and technologies that uses captured carbon to force oil out of hot tapped wells. Is this type of cooperation unprecedented between the two countries and what might this mean for industries more broadly?

Zou: I think they are meaningful and very helpful for enhancing the cooperation between the two nations. But again we have higher expectations and more ambitious expectations for the two

nation cooperation. I believe that they can do more. For example, at this stage, they work more on information exchange or capacity-building or personal exchange. Certainly, those are necessary and useful. But we should look into some deeper cooperation, for example, some joint R&D actions, plans, or schemes or joint investments. In that way, we can create a new commercial model of technology cooperation. Also, I think the two nations are very complimentary in R&D in such kind of technologies among others.

Wang: These technologies specifically in gas sector, do you expect this in other sectors, for example...

Zou: ... For example, information technologies, the installation of a smart grid, and also vehicle car as well as some other efficiency...

Wang: ... Emission standards for vehicles?

Zou: Yes, including standard or code development for efficiency improvement.

Wang: Thank you. Though China is exempted from the emission caps under the Kyoto protocol. Xi Zonghua, vice-director of China's National Development and Reform Commission has expressed his hope that China will announce an ambitious overall cap on emissions within the first or the second quarter of the next year. How important do you think this is to propel the international negotiations on climate change. Is this hope likely to be realized and how will it be implemented in China?

Zou: Here, I would like to signal the wording from the negotiation process, so we use the wording [intended]. So here, I do not believe we are in the time to say a world can be ambitious with caps. There are a lot of indicators—a spectrum of indicators—to define and to determine the contribution. So, we are still in the stage [of] studying and providing proposals to [the] Chinese government: how and which firms and to which degree we make the nationally determined contribution is part of the engagement in the negotiation process. But I mean we do plan to come up with a proposal to describe our intended nationally-determined contribution in the first half of next year. I think it is very likely to realize. There is hope although it is very challenging. I do know we have to do a lot of work, for example, scenario studies or some quantitative analysis given lack of reliable data, and so on. Besides, I would like to invite all institutions to be aware of the fact that within China we have a very diversified judgement and opinions [as to] in which form and to which degree China can make a contribution. And besides, because this is a collective action from all over the world and a multilateral process, I would say some interaction between parties, especially between developed and developing countries can also play some role to determine the contribution within the UN Conventions context. So that means that if we can, if we are sure, some tangible and significant support in technology and finance from the developed countries will be available, we can make more ambitious targets for contribution to mitigation and adaptation.

Wang: Thank you. Are you implying that there may not be [an] overall cap but there will be intended nationally-determined contributions as a target announced by China by the first half of next year? And this to your understanding would be an ambitious target?

Zou: For the moment I do not mean that, I mean everything is possible. For the moment, we have a spectrum of options, including of overall caps, including intensity and relative indicators. So we have [many] different options there. Now what we have to do is to compare advantages and disadvantages in terms of feasibility, in terms of the cost and the benefit, in terms of how to maximize the co-benefit, what is the most effective option for China and the whole world. So we are still in the stage of studying. But certainly, an overall cap is one of our options and it is one of our consideration.

Wang: Despite these recent successes, the progress in global climate negotiation has reached a stalemate over the past few years due to a deep split between developed and developing countries in assuming responsibilities for emissions. However, this might be changing. German Chancellor Angela Merkel has promised 750 millions euros, which is about 1 billion U.S. dollars, to the UN Green Climate Fund, designed to channel climate aid from the industrialized countries to the developing nations. What kind of pressure does this place on other developed countries and how might this influence developing countries to cooperate with the industrialized nations on climate change policies? Do you expect the United States and China to join Germany in pledging aid to the UN Green Climate Fund?

Zou: First of all, I would like to say that I welcome Chancellor Merkel's announcement on the provision of the financial contribution to the GCF. So, this is very good news and a very good message. But I hesitate to use the word pressure on other developed countries; I would say this should encourage other developed countries to take action as early as possible and as much as possible. But certainly compared to the pledge made in the Copenhagen and Cancun, 1 billion is still very small [amount]. But certainly, as the Chinese saying goes, a long march should start from the first step. So I regard that at the first step. But certainly, I also see there will be a long way to go for the developed countries to implement their commitment or pledge in Copenhagen. So as you may remember, the pledge is by 2020, there should be 100 billion [dollars] to be raised to support developing countries' action for mitigation and adaptation. I do expect and encourage other developed countries to follow Germany's initiative and to design a very clear roadmap towards 2020 and to see how to implement [and] how to reach the targets for financial support by 2020—I mean 100 billion [dollars].

But the question you raised here saying should we expect the United States and China [to] join Germany in pledging aid to UN GCF, I should say this not the right way to raise the question, in my mind. Before I come to this question, I would say, within the UN GCF context, financial contribution is only the commitment by a developed country according to UN GFC. In this very specific context, the pledge of [financial aid] is only for developed countries. It's not appropriate to put the United States and China together here, in this very specific and very important context. But I do expect the United States to join Germany in pledging aid to the UN GCF. But certainly, to be honest, I think China is also under consideration to take some appropriate manners [and] to make some contribution but this is something else not necessarily within this context, not necessarily within GCF. I think the [on-going] negotiations are for the contribution to GCF, but I would say it would be nice to see a developed country to take the lead and to take earlier actions or

steps to operationalize GCF. At the moment the mechanism is there, the body is there, but the substantial progress should be financial flow into the GCF and flow out to developing countries as early as possible. China had made some contributions in other contexts like South-South cooperation.

Wang: So not in the GCF?

Zou: Not in the GCF. But that also depends on the progress made by developed countries as a first step, as a leading role to make GCF available, to make finance available from GCF. From that we can see what type of cooperation between developed and developing countries [exists] to make GCF more effective and more efficient. I think there should be some potential but for the first step, as a precondition without earlier and leading roles for developed countries is too early to discuss China's role there. Anyway, within UNCCC, China is in the position to get financial aid for mitigation of and adaptation to climate change.

Wang: Ahead of the UN Climate Change Conference later in Lima, Peru, the UN General Secretary Ban Ki-Moon is going to host a UN Climate Summit this September with the participation of many heads of states. Do you think that this major event could influence or leverage a meaningful global agreement to combat climate change?

Zou: Certainly, I hope and I also expect [that] this climate summit could be helpful to the on-going negotiation process [as a way to provide a] platform [for] negotiations. As a matter of schedule, this summit will take place in the upcoming September, [over] than one year [ahead of] our scheduled Paris co-op at the end of next year. In this moment, this summit can deliver some positive messages, [and it] can deliver some political willingness to push and to support the negotiations towards more ambitious target and action to enhance the implementation of UN CCC.

Wang: What are the expectations for new climate deals to emerge from the climate conference in Paris by end of 2015? Are you optimistic about the agreement that could be reached then?

Zou: I should say my expectation is [that] the actions will be enhanced by the new climate deals. I further expect the new climate deals will address not only mitigation but also adaptation technology, finance, and transparency as we agreed in Durban in 2010, and also the jointly determined contribution should reflect the principle of the provision of the UN FCC. That means to continue to correctly define the role, the commitment, and the action by either developed or developing countries to recognize different stage of development for the two groups of developing and developed countries, and also to pay attention to circumstances in developing countries. That means sustainable development would continue to be a strategic goal and a priority for them. I would also expect the developed countries to continue to take [the] lead, to set up and implement maps and economy-wide emission reduction targets and in that way demonstrate the possibility, the feasibility, and the trend of the whole world economy on energy use towards low carbon trends. That way, developing countries can be encouraged by [way of example by] the developed countries and also by [the latter's] financial and technological aid. [In terms of a] shift [of] their development path from a conventional [one] to low carbon pathways, I think that [this] is an interactive process from developed to developing countries. But certainly when we emphasize the importance of CBDR, on [the] one hand, we continue to emphasize the leading role [of] developed

countries. Meanwhile, on the other hand, this doesn't necessarily mean that there will be inaction from the developing countries. [On the contrary], there should be some enhanced action from developing countries to transition into low carbon pathways. That means to achieve their [development] goals with lower emissions and with stronger capacity to adapt to climate change.

But certainly here the key is international cooperation in technology and finance. [In particular,] the [shifts from] developed to developing countries will be very important—especially in the context of globalization—because through FDI, international trade, and with [a] very favored position in the global supply chain, developed countries continue to dominate in the world economy. They have a very strong influence, not only in developed countries but also in developing countries. That means without these kind of leading roles, [I] will be less optimistic for the whole world to transition to a low carbon pathway. So I do have a lot of expectations for Durban Platform process. But to answer your final question, I am cautiously optimistic for that agreement because I continue to see a lot of targeted dialogues there, [during the] negotiations. Frankly, I do not believe that developed countries, at the moment, have reflected adequate and encouraging willingness or attitudes in making more ambitious commitments. I do encourage them to be more ambitious. In this way we can expect a very strong interactive process and to reach the agreement in Paris next year.

Wang: Thank you very much for your frankness. I think this is the second time we have reached this gain [in terms of] the momentum [built in order to] try to reach deadlines and reach climate deals. I think, as you described, this is very challenging and difficult, but I think this is also probably the last chance for us to take to reach an international deal on climate change. I think in this regard, both developed countries and developing countries will have to work very closely together to reach that goal. Thank you very much for taking the time to speak with me today, Doctor Zou. It has been a pleasure.

That's it for this edition of the Carnegie–Tsinghua “China in the World” podcast. I encourage you to explore our site at www.carnegietsinghua.org and see the work of all our scholars at the Carnegie–Tsinghua Center. Thanks for listening and be sure to tune in next time.