

China' Choice Approach in Post- Kyoto Era

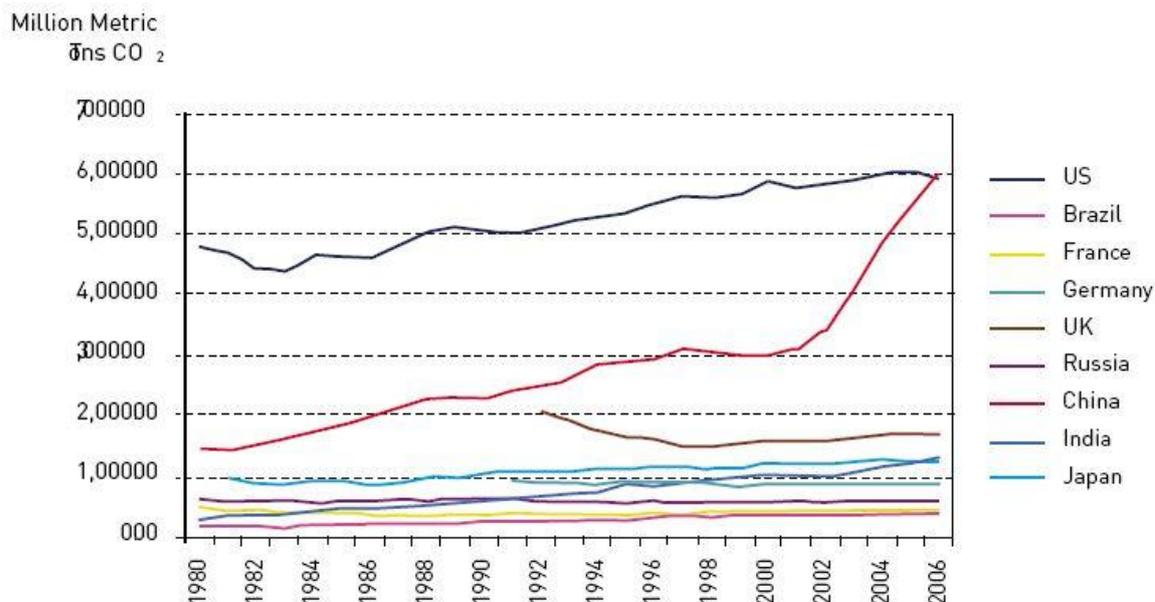
——Compare the EU-China and US-China Cooperation on Climate Change

Introduction

Global climate change is regarded as one of the most serious global issues posed to the international community. The latest scientific research findings show that the global average surface temperature has increased by 0.74°C over the past century (1906-2005), and is expected to rise by 1.1-6.4°C by the end of the 21st century. The increase of global average temperatures since the mid-20th century is very likely due to the increase of atmospheric concentrations of greenhouse gases resulting from human activities, such as the combustion of fossil fuels and land use and land-use change. The whole world witnesses the negative environmental impact of climate change and thus recognizes the great importance of fighting global warming. Global negotiation around the Kyoto Protocol has been the most significant international environmental concern in the past 17 years. The road from Bali to Copenhagen will be tough but promising for a global deal to address climate change.

During the construction of international climate change regime, EU, US and China are three key players participating in global climate governance. US and China are the largest two countries of GHG emission. In June 2007 China has overtaken the United States as the world's biggest producer of carbon dioxide, the chief greenhouse gas. The EU is the largest regional integration organization as a world leader to fight against climate change.

CO2 emissions of major economies 1980-2006. Source: EIA ^①



At the international level of environmental governance among these big three, the U.S. used to claim itself as an environmental leader in the 1970s, first at the UN Conference on the Human Environment and later in the multilateral efforts to create environmental treaties. With the end of the cold war, the EU gradually took this position and has played an active and predominant role in promoting international climate negotiations of Kyoto Protocol. Especially when the U.S. retreated from the Kyoto Protocol mainly due to the no binding emissions limit of major developing countries such as China in 2001, the leaders of Germany, France and Britain warned Bush that the transatlantic relations might be damaged if the U.S. did not take actions.

U.S.'s laggard action pushed the EU and the developing countries including China to come closer to save the protocol. EU has pushed and led the negotiation process of the Kyoto Protocol with the primary goal of reaching a binding environmental agreement. Promoting environmental cooperation and gaining "green" soft power has become a significant part of EU global strategy.

^① Climate for Cooperation The EU, China and Climate Change ,A report by the Brussels Institute of Contemporary Chinese Studies.

From the Cooperation with EU on climate change, there is a “position shifting” process of China existing, from an indifferent stand-by to an active player in the environmental cooperation. China’s multilateral environmental diplomacy formally appeared on its diplomatic agenda in 1972 and has made great progress since then. China, as a big developing country, has been an active but prudent participant in the processes due to its special development period and concerns. EU and U.S. expect China to engage more actively in global climate change governance and to play a bigger role in the global reduction of emissions. As a response, although China insisting the principle of “Common but differentiated” principle of developing countries, China in 2006 unilaterally announced a series of ambitious targets to curb emissions growth. It is on track to reach the 20% energy intensity target it set for 2010, a goal that will reduce carbon emissions by 1.5 gigatonnes per annum, to increase the proportion of non-fossil fuel to 15 percent of the nation's energy supply by 2020.

China’s action rose the admirable comment internationally, and the world began to pay more attention to the action of U.S. With the beginning of Obama administration, we see the hope from his “Green New Deal”, President Obama has pledged to reduce U.S. emissions by 14% below 2005 levels by 2020. In addition, President Obama broke the old rules to initiate his first visit for China in his first administrative term (Old Bush, Clinton and Bush all visited China in their second administrative term). That is to say, the leader of the world's largest developed country came across the Pacific Ocean to the largest developing country in November, 2009, they issued a Joint Statement on climate change.

In this paper, the author tends to compare the climate change cooperations between EU and China as well as U.S. and China in different dimensions. The main objectives of this paper tend to explore the interacting roles of these three major players in the construction process of future climate change

regime, especially the chances and challenges of China will be confronted with in the Post-Kyoto Era and puts emphasis on the China's position and rational choice in the Great Triangle Relations In order to demonstrate in a logical and concrete way, the paper will includes five parts as follow:

- 1) Climate Change Affecting China and China's Position
- 2)EU's leadership and EU-China climate cooperation relations.
- 3) The historical development of U.S.-China climate cooperation relations.
- 4) The Comparison of EU-China and U.S.-China cooperation regimes
- 5) China's strategic thinking in Post-Kyoto International Climate Regime

1. Climate Change Affecting China and China's Changing Position

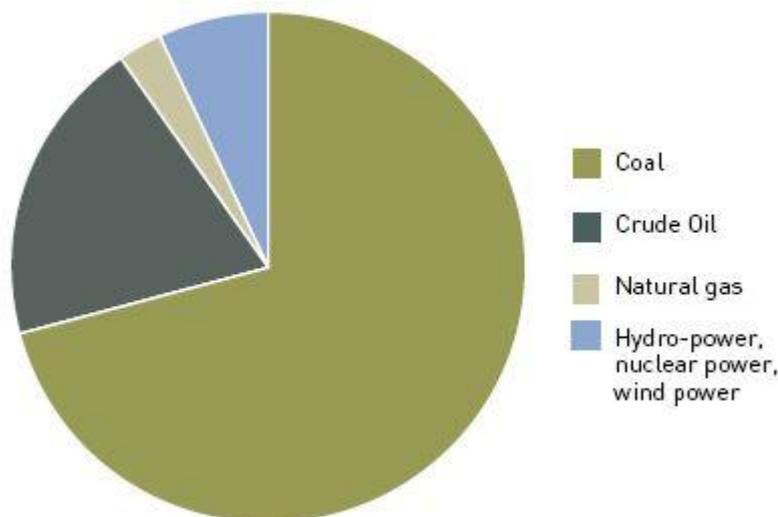
With the unprecedented rapid economic development (China contributed 28% of the global GDP growth during 1990 to 2005), China is playing an increasingly more significant role in global climate change, and its policy and position in the negotiations on international climate change have aroused more concern from the international society. China is also exerting leadership in shaping the global response to the climate change problem, in Copenhagen and beyond.

China is a country suffering a greater tension between its population, resources and environment than developed nations, and these are long-term problems. Although China's economic development over the past 30 years has brought enormous gains in welfare to the Chinese people, it has been achieved at high cost to the environment. The threat of a warming climate is far more severe and long-lasting.

The energy structure during the fast economic development causes a lot of environmental problems. China boasts fairly rich fossil energy resources,

dominated by coal. By 2006, the reserves of coal stood at 1,034.5 billion tons, and the remaining verified reserves exploitable accounted for 13 percent of the world total, ranking China third in the world.^① In 2006, China accounted for 5.5% of global GDP, but accounted for 15% of total coal consumption, 30% of steel consumption and 54% of concrete consumption. China's economic growth has been 25% more expensive than the world average. To produce U.S.\$1 million in GDP, China expends three times as much energy as the United States, five times as much as Germany and six times as much as Japan. A tonne of coal in China does 28.6% as much work as in the United States, 16.8% as in the European Union or 10.3% as in Japan.

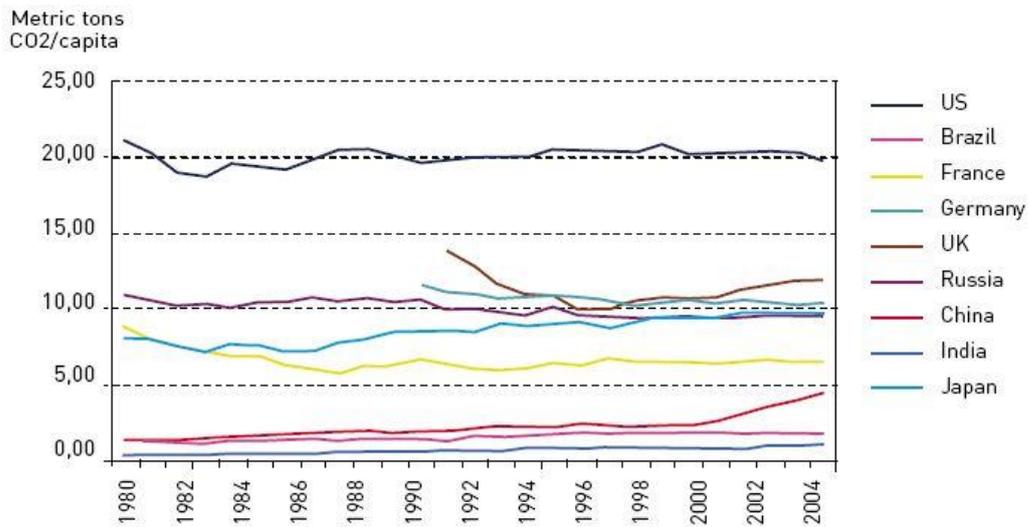
Structure of China's energy consumption 2007 Source: National Bureau of Statistics



CO2 emissions per capita of major economies 1980-2006 Source: EIA^②

^① China's Energy Conditions and Policies Information ,Office of the State Council of the People's Republic of China December 2007.

^② Climate for Cooperation The EU, China and Climate Change, A report by the Brussels Institute of Contemporary Chinese Studies.

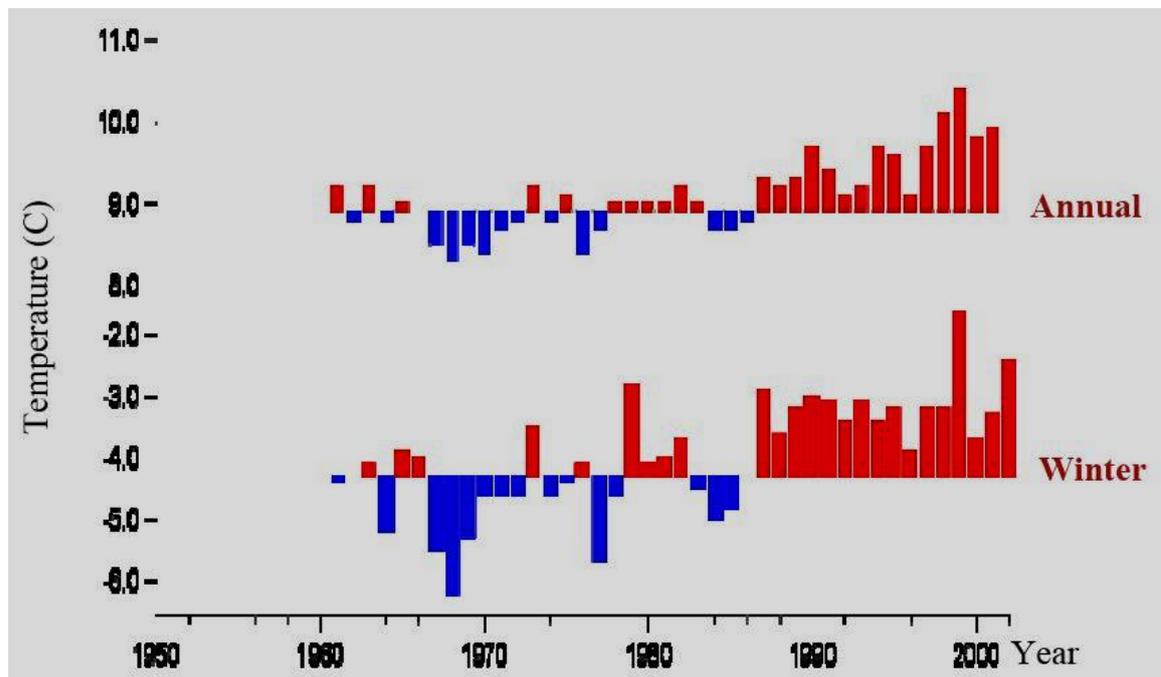


The latest observed record released by the China Meteorological Administration shows that the average surface temperature in China has increased by 1.1°C over the last 100 years (1908-2007), and that China experienced 21 warm winters from 1986 to 2007, with 2007 being the warmest year since the beginning of systematic meteorological observations in 1951. The nationwide distribution of precipitation in the past 50 years has undergone marked changes, with increases in western and southern China and decreases in most parts of northern and northeastern China. Extreme climate events, such as hot extremes, heavy precipitation and severe droughts, have increased in frequency and intensity. The frequency of heat waves in summer has increased and droughts have worsened in some areas, especially in northern China; heavy precipitation has increased in southern China; and the snow disaster has become more frequent in western China. In China's coastal zones, the sea surface temperature has increased by 0.9°C and sea-level risen by 90 mm over the past 30 years.

Scientific research projects that the trend of climate warming in China would further intensify; frequency of extreme climate events is likely to increase; uneven distribution of precipitation would be more visible than before and the frequency of heavy precipitation would increase; the arid land would expand in scope(Such as One-third of China's land area is affected by acid rain.); and

the sea-level would rise faster than ever.^① According to the new World Bank report presented on November 9, 2009. China will be one of the countries most affected by climate change. It is projected to have temperatures rising more than the world average, sea levels rising across its dense eastern seaboard, water shortages increasing in the North, weather events increasing in the South, and dramatic melting of Qinghai-Tibet glaciers that feed the country's major rivers.^②

Change in Surface Temperature in China for Past 50 Years Change^③



The surface temperature in China has been increasing since the last century. The long-term warming trend is similar to the global average. The warming in winter is the most significant.

Historically speaking, in the past, for much of the period of economic reform since the late 1970s the Chinese government gave only low priority to the environment and climate change was not considered to be an issue of importance. Environmental protection occupied, at best, the margins of China's political agenda – and climate change occupied only the margins of

^① Chu,Zhaogen (2009), Rethinking Sino-US relations, [http://www.chinadialogue.net/article/summary/3232,\(01-11-2009](http://www.chinadialogue.net/article/summary/3232,(01-11-2009)

^② People' s Daily Online, <http://english.people.com.cn/90001/90778/90862/6809102.html> (6-8-2009)

^③ CAI Asia Center www.cleanairnet.org/caiasia , (10-09-2009) www.

the environmental agenda. The importance accorded to different environmental issues is reflected in the environmental targets set by the government. Targets set in the 9th and 10th Five-Year Plans and State Council decisions on strengthening environmental protection all failed to identify climate change as part of the core environmental agenda.^①

More recently the priorities of the Chinese government have changed. Questions of energy security and climate change are now central to China's domestic policy considerations. In terms of managing its emissions, China has made important progress in addressing its rising trend in carbon emissions, particularly in the energy sector.^② Especially in 2005, the National People's Congress adopted the Renewable Energy Law of the People's Republic of China, setting out the duties and obligations in development and utilization of renewable energy and a series of policies and measures. The 11th Five-Year Plan calls for a compulsory 20% reduction in energy consumption per unit of gross domestic product (GDP) and a 10% reduction in emissions of major pollutants.^③

In June 2007, a National Climate Change Programme (CNCCP) was released, comprehensively detailing China's stance and policy on climate change. Even though the plan does not include any quantified targets for carbon dioxide emission, if all the objectives in the program were achieved - the world's most populous country would emit 1.5 billion tons less carbon dioxide and equivalent by 2010 while still continuing to grow rapidly. That same month, a National Leading Group to Address Climate Change, headed

^① Zhang Haibin(2008) ,China and the US moving forward on climate January 29, 2008 <http://www.chinadialogue.net/article/show/single/en/1665>.

^② Climate for CooperationThe EU, China and Climate Change Duncan Freeman and Jonathan Holslag, A report by the Brussels Institute of Contemporary Chinese Studies September 2009.

^③ Zhang Haibin(2008) ,China and the US moving forward on climate January 29, 2008 <http://www.chinadialogue.net/article/show/single/en/1665>.

by premier Wen Jiabao, was founded on the basis of the existing National Coordination Committee on Climate Change (NCCCC).

In October 2007's report from the 17th Party Congress, president Hu Jintao identified managing environmental resources as the main challenge to China's development and put forward the concept of building an "ecological civilisation" – indicating a major increase in importance for environmental protection. At about the same time, the climate-change issue received further government attention. China has been ambitious in improving energy efficiency, calling for a 20 percent reduction in energy intensity between 2005 and 2010.

In October 2008, The Information Office of China's State Council issued a white paper titled "China's Policies and Actions for Addressing Climate Change". On May 20, 2009, National Development and Reform Commission (NDRC) expresses the "China's Position on the Copenhagen Climate Change Conference" (implementation of the Bali Roadmap). According to this report, China's position on fighting climate change can be concluded as follows:

The UNFCCC and its Kyoto Protocol as the Basis and the Mandate of the Bali Roadmap as the Focus; The Principle of Common but Differentiated Responsibilities; The Principle of Sustainable Development; Mitigation, Adaptation, Technology Transfer and Financial Support on the Same Footing and as Equal Priorities. China emphasize that "Given their historical responsibility and development level and based on the principle of equality, developed countries shall reduce their GHG emissions in aggregate by at least 40% below their 1990 levels by 2020 and take corresponding policies, measures and actions; The quantified emission reduction targets and corresponding policies, measures and actions undertaken by developed countries shall be measurable, reportable and verifiable". Mitigation and adaptation are integral components of combating climate change and should be given equal treatment. Financing and technology are indispensable means to

achieve mitigation and adaptation. The fulfillment of commitments by developed countries to provide financing, technology transfer and capacity building support to developing countries is a condition sine qua non for developing countries to effectively mitigate and adapt to climate change.^①

In September 2009, at the UN General Assembly in order to tackle global warming, President Hu Jintao announced steps China will take to reduce emissions, without naming a specific numerical goal. He made the promise of a “notable” decrease in the carbon intensity of China’s economy – the amount of emissions for each unit of economic output – by 2020. “At stake in the fight against climate change are the common interests of the entire world,” Hu said. “Out of a sense of responsibility to its own people and people across the world, China fully appreciates the importance and urgency of addressing climate change.” As a result, China wins praise for efforts on clean energy, climate front.

Moreover, China has also been aggressive in developing renewable energy such as wind and solar. By the end of last year, China had a total installed wind power capacity of more than 12 gigawatts, which puts it among the top four countries for wind power capacity. The sector has reported more than 100 percent growth year-on-year over the past three years, according to the National Energy Administration. Officials estimated China's wind power capacity will be close to 20 gigawatts by the end of this year. In solar power, China has the world's largest solar heat concentration surface for water heating. It also ranks at the top in nuclear power capacity under construction. Deputy Director Li Junfeng of the Energy Research Institute of the National Development and Reform Commission (NDRC) report Next year, China can basically achieve the goal of "renewable energy accounting for up to 10% of primary energy".(Currently China's renewable energy accounts for 9% of

^① On May 20, 2009, National Development and Reform Commission(NDRC) expresses the” China’s Position on the Copenhagen Climate Change Conference

primary energy.)At the same time Li Junfeng confirmed to reporters, NDRC is drawing up "guidance on renewable energy development."

2. EU's Leadership and EU-China Climate Cooperation Relations.

Since the 1990 s, China began to play a more flexible and cooperative role in the international climate negotiations as well as the regional climate cooperation projects. In addition to joining the international climate change regime of UNFCCC and Kyoto Protocol, China pays attention to develop the bilateral relations with EU and U.S..

The EU and China have a long history of cooperation on climate change; moreover the cooperation at the bilateral level has been further strengthened in the post-Kyoto process. Both China and the European Union are parties to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol.^①.The EU and China have considerable experience in cooperating on climate change, and have made it one of the key areas of their relationship. At another level, there is also the business relationship that must be taken into consideration. Although still relatively small, the potential economic gains from cooperation in the energy and other sectors related to climate change may be enormous. All of these will have to be taken into account in the future relationship between the EU and China, including the negotiations leading to the Copenhagen Summit.

There are several frameworks to provide the forum for EU and China cooperation on Climate Change, such as EU-China summit, to ensure high-level political follow-up and where necessary provide further guidance; Bilateral Consultation Mechanism , to ensure contacts at working level, involving representatives from the Chinese Ministries concerned and the EU to

^① MEMO/05/298 Brussels, 2 September 2005 EU and China Partnership on Climate Change.

provide broader political coordination and guidance for the implementation of the Partnership and strengthen their dialogue on climate change policies and exchange views on key issues in the climate change negotiations; Direct cooperation between the EU environment counsellors group and relevant Chinese ministries: the EU environment counsellors group will ensure coordination between EU Member States and day to day follow-up of the Partnership.

In 1994, the EU and China began to explore clean energy as a new area for collaboration. That year, a new policy dialogue was established to conceive priorities and projects for jointly combating climate change. Initially, this process integrated growing interest from both corporate players and development agencies, and was actively promoted by member states like Spain, Germany and Denmark. The first joint Energy Conference, organized in 1996, identified various technologies that the EU sought to promote in cooperation with national and local Chinese governments. In 1999, a delegation of the European Parliament, the European Commission and highranking representatives from the industry, called on China to make an assessment of the co-operation between the EU and China in energy-related areas. From that moment, clean technologies gained prominence as a focal point of the energy partnership.

In 2003, a vice-minister-level Environment Dialogue was started. This move coincided with the approval of the Energy and Environment Program (EEP). This five-year programme, with a 45 million Euro budget co-financed by China and the EU, aimed at encouraging the formulation of good energy policies via assistance to the central government and local authorities, as well as to promote new technologies by funding feasibility studies. Between 2004 and 2008, 26 workshops and conferences were organized in the framework of the programme and cooperation was expanded to new areas like biomass resources, rural power supply and offshore wind power.

In September 2005, the EU and China agreed on a Partnership on Climate Change as one of the major outcomes of the China-EU Summit. The EU-China Partnership on Climate Change provides a high-level political framework that will further strengthen this cooperation and which sets out concrete new actions. The Partnership covers the China-EU Action Plan on Clean Coal and the China-EU Action Plan on Energy Efficiency and Renewable Energies, which provides for a robust follow-up process, which will include a regular review of progress in the context of the annual EU-China Summits. The Partnership will strengthen cooperation and dialogue on climate change and energy between the EU and China.

The partnership contains two concrete co-operation goals, to be achieved by 2020. The first is to develop and demonstrate, in China and the EU, advanced 'zero-emissions' coal technology. This technology will allow for the capture of CO₂ emissions from coal-fired power plants and its subsequent storage underground, for example in exploited oil or gas fields or in sealed geological strata, thereby avoiding CO₂ emissions into the atmosphere. The second cooperation goal is to significantly reduce the cost of key energy technologies and promote their deployment and dissemination. Together both sides have already initiated research projects in numerous areas, including climate monitoring, adaptation and mitigation strategies, sustainable energy management systems, fuel cells and clean urban transport^①.

As confirmed by the Leaders at the September 9 2006 EU-China Summit in Helsinki, China and the EU are committed to this Partnership. In order to implement and achieve the objectives of the joint declaration on climate change, China and the EU agreed the following Rolling Work Plan at the second meeting of the bilateral consultation mechanism on 19 October 2006.^②

^① MEMO/05/298 Brussels, 2 September 2005 EU and China Partnership on Climate Change

^②China-EU Partnership on Climate Change Rolling Work Plan ,<http://www.mfa.gov.cn/eng/wjb/zzjg/tyfls/tfsxw/t283051.htm>

The Partnership is to provide a mechanism for the EU and China to take a strategic view of shared climate change objectives, and to take an overview of, give direction to and develop bilateral cooperation activities that contribute to these objectives.

In June 2007, China and EU announced the launch of a joint project to boost the clean development mechanism (CDM) in China. According to the agreement, the EU will pour 2.8 million euros into the EU-China CDM Facilitation Project which aims to promote sustainable development in China by developing the regulatory and policy regimes affecting the application of the CDM in China^①. At the tenth China-EU Summit, which was held in Beijing on 28 November 2007, the launch of negotiations on a comprehensive new Partnership and Co-operation Agreement (PCA) was announced by External Relations Commissioner Benita Ferrero-Waldner and Chinese Foreign Minister Li Zhaoxing.^② The two sides agreed to step up their efforts to further enhance the bilateral cooperation, including their cooperation on technology development and transfer. ^③.

The EU considers the combat against climate change as an important element in the development of its external relations and even as a source of soft power. China and the EU have adopted a number of mechanisms to cooperate on climate change and various Member States have their own initiatives. These mechanisms have created a substantial basis of cooperation on climate change focusing on a number of key issues like Carbon Capture and Storage (CCS)^④. The EU and China have adopted different approaches to dealing with climate change, but have separately set ambitious objectives for the coming years. The EU has had a significant policy focusing on climate change for

^① New EU-China project on climate change, http://news.xinhuanet.com/english/2007-06/29/content_6307713.htm (09-08-2009).

^② Climate change takes centre-stage at EU-China meeting
<http://www.euractiv.com/en/sustainability/climate-change-takes-centre-stage-eu-china-meeting/article-161002>

^③ Bo, Yan and Chen, Zhimin (2009), The European Union, China and the Climate Change, embodied in Compendium of Asia and Europe, Inter- and Intra- Regional Dialogues.

^④ Climate for Cooperation The EU, China and Climate Change A report by the Brussels Institute of Contemporary Chinese Studies

much longer than China, culminating in the Climate Action and Renewable Energy Package (CARE) of December 2008, and has claimed a position as an international leader in mitigation efforts.

However, there are still many differences blocking the cooperation between EU and China. Unlike EU, China has not adopted market methods such as an Emissions Trading Scheme (ETS) as a central pillar of its climate change policy. China has committed itself to strong targets on energy efficiency and expansion of renewable energy production. There are signs that it is well on track to meet or exceed many of the targets which it has set itself.

3. The Development of US-China Climate Cooperation Relations.

The United States and China are, respectively, the world's largest developed and developing countries. China and the U.S. started their scientific cooperation in 1979 when signing their first agreement on science and development. They also are the world's largest emitters of greenhouse gases. It is no exaggeration to say that cooperation – or lack of it -- between these two countries will determine the future of climate change.

Currently, the world is agreed that global warming is a fact, and widespread international cooperation is under way. China and the U.S. must grasp this opportunity to work together on dealing with climate change, to reach agreement on root issues and to cooperate positively. If these two great nations cannot take genuine action, then global efforts to combat climate change may yet be wasted. ^①

^①Zhang Haibin(2008) ,China and the US moving forward on climate January 29, 2008 [http://www.chinadialogue.net/article/show/single/en/1665\(11-11-2008\)](http://www.chinadialogue.net/article/show/single/en/1665(11-11-2008)).

From the 1970s to mid 1980s, U.S. once used to claim itself as an environmental leader, first at the UN Conference on the Human Environment and later in the multilateral efforts to create environmental treaties, for example, in 1970, the U.S. Environmental Protection Agency (USEPA) was proposed by President Richard Nixon and began operation,(it is an agency of the federal government of the United States charged to protect human health and the environment, by writing and enforcing regulations based on laws passed by Congress.)^① the "cap-and-trade" approach to air pollution abatement was first demonstrated in a series of micro-economic computer simulation studies between 1967 and 1970 for the National Air Pollution Control Administration (predecessor to the United States Environmental Protection Agency's Office of Air and Radiation) by Ellison Burton and William Sanjour. the experimental policy idea of Emission Trading confined mostly to the U.S. until 1990s, although the first carbon emissions trading systems were introduced in 2001(Demark) and 2002(UK) .(For greenhouse gases the largest is the European Union Emission Trading Scheme.^②In the United States there is a national market to reduce acid rain and several regional markets in nitrogen oxides.^③Markets for other pollutants tend to be smaller and more localized.) Moreover, U.S. was the first country to ratify CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) in 1974 and pushed the development of Montreal Protocol.

However, with the end of the cold war, the U.S. became laggard in environmental cooperation due to Deregulation, Decentralization - shifting of regulatory authority back to the state and Strengthened corporate lobbying against regulations. The extreme development of this situation is that U.S. retreated from the Kyoto Protocol mainly due to the no binding emissions limit of major developing countries such as China in 2001, the leaders of Germany,

^① Joseph Kahn and Jim Yardley (August 26, 2007). "As China Roars, Pollution Reaches Deadly Extremes". *New York Times*.<http://www.nytimes.com/2007/08/26/world/asia/26china.html>.

Also see U.S. Census Bureau spreadsheet.

^② EU Emissions Trading System (EU ETS). UK Department of Energy and Climate Change. Retrieved 2009-01-19.

^③ "USEPA's Clean Air Markets web site". [Epa.gov](http://www.epa.gov/airmarkets/). Retrieved 2009-11-03.

France and Britain warned Bush that the transatlantic relations might be damaged if the U.S. did not take actions.

However, In the 2006 mid-term elections, the Democrats took control of both houses of the U.S. Congress -- the Senate and the House of Representatives – and the environment is increasingly becoming a major topic of legislative proposals and debate. President George W Bush's administration – with one more year in office -- also appears to be softening its position. Most notable is the shift from the fierce scepticism and unilateralism of the early years of the administration to a basic acceptance of the reality of climate change and a return to the United Nations framework today. Meanwhile, some state government administrations are racing ahead of the federal government in Washington.

Over a dozen states, led by California, are implementing their own plans to reduce emissions. California's state legislature passed a Global Warming Solutions Act in 2006, which sets a greenhouse-gas emissions reduction target of 25% for 2020 – bringing emissions down to 1990 levels.^① California's leadership is born of nearly 50 years of developing and implementing politics and strategies aimed at creating a healthier environment while growing a healthy economy. Throughout the 1960s and 70s, California pioneered environmental policy to clean up smog and other air pollution from vehicle and industrial facilities, policies that were eventually adopted nationally.

California's involvement in the international arena extends to its charter membership in the International Carbon Acton Partnership (ICAP), an organization comprised of public authorities and governments that have established or are actively pursuing carbon markets through mandatory cap-and-trade systems. ICAP provides a forum to share experiences and

^①Zhang Haibin ,China and the US moving forward on climate (part one)
January 29, 2008 <http://www.chinadialogue.net/article/show/single/en/1665>

knowledge and will enhance the design of other schemes by sharing lessons-learned and working together to design future trading programs.^① California is pursuing a range of policies and programs to reduce greenhouse gas emissions in ways that are cost-effective and that transform our economy toward greater efficiency and cleaner energy technology^②.

From what we have mentioned above, the environmental cooperation between US and China has close tie with the US national attitude towards the climate change. The series of China-US Relations conferences, initiated in 2003 by former U.S. president George W. Bush, is a semi-official and semi-nongovernmental platform for an exchange of ideas and research results among government officials, think-tank experts and academics from the two countries. The changes on the U.S. political scene also have created a desire to work with China. The U.S. government made energy and the environment one of the six key fields for cooperation during the China-US Strategic Economic Dialogue (SED), launched in 2006^③.

In May, 2007 Strategic Economic Dialogue (SED), More than 30 ministerial officials from the United States and China reached consensus on a range of energy and environmental issues. The SED will help “integrate energy and environment issues into a broader economic strategy” and bolster the relationship between two of the world’s largest energy users, they agreed to develop over the next five years up to 15 large-scale methane capture and use projects for coal mines in China. Efforts to capture methane emissions from coal mines are particularly important, said Bill Wehrum, assistant administrator for air and radiation at the U.S. Environmental Protection Agency (EPA),

^① Mary Nichols California’s Climate Plan- A Blueprint for International Action, 32-37, Toward a New Climate Network- Transatlantic Solutions for a Low Carbon Economy, Heinrich Böll Stiftung.

^② Mary Nichols California’s Climate Plan- A Blueprint for International Action, 32-37, Toward a New Climate Network- Transatlantic Solutions for a Low Carbon Economy, Heinrich Böll Stiftung.

^③ Zhang Haibin(2008) ,China and the US moving forward on climate January 29, 2008 <http://www.chinadialogue.net/article/show/single/en/1665>.

“because methane is a potent greenhouse gas pollutant, nearly 20 times more potent than carbon dioxide.”^①

During the fourth Strategic Economic Dialogue (SED) held in Washington in June 2008, the two countries signed a 10-year energy and environmental protection cooperation framework, which covers electricity, clean water, clean transportation, clean air and the conservation of forest and wetland ecosystems.^② Institutions including China's NDRC and the China Exim Bank, as well as the U.S. Trade and Development Agency and the Export-Import Bank of the United States, will sign a memorandum of understanding on measures to support the 10-year energy cooperation. At a National Committee on US-China Relations dinner in October 2007, deputy U.S. secretary of state John D. Negroponte called climate change one of five global challenges that the U.S. and China must face together. Interest in China-US cooperation on climate change also is increasing in Congress and the Senate – the focus of the US-China Economic and Security Review Commission (USCC) on China's energy and environmental sectors is a good example of this^③.

When President Obama entering the White House, he has pledged to take a series of active measures on climate change. On May 19, 2009 America took a historic step when President Obama announced that “for the first time in history, we have set in motion a national policy aimed at both increasing gas mileage and decreasing green –house gas pollution for all new trucks and cars sold in the United States of America”. And On 27 June 2009, America has taken historic action against climate change, with the U.S. Congress voting to reduce the carbon emissions that cause global warming. The house of representatives has voted 219 to 212 to bind the U.S. to cutting carbon

^① U.S., China Move Forward on Environment, Energy Issues
<http://www.america.gov/st/washfile-english/2007/May/200705241553011cnirellep9.307498e-02.html>

^② Environment: China, US build new partnership
http://www.hwcc.gov.cn/pub/hwcc/wwgj/xwzx/gdxw/200903/t20090304_211318.html

^③ Zhang Haibin ,China and the US moving forward on climate (part one)
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emissions by 17% from 2005 levels in 2020 and 83% in 2050. It will also set up a national cap and trade system^①. The vote also delivers an important boost to the prospects of reaching an agreement for international action on climate change at Copenhagen this year.

Building upon President Obama's call for a positive, cooperative, and comprehensive relationship, the U.S.-China Strategic and Economic Dialogue (S&ED) that President Obama and President Hu initiated in April recognizes that cooperation between China and the United States is vital not only to the well being of our two nations but also the health of the global economy. The U.S.–China Strategic and Economic Dialogue (S&ED) is an upgraded mechanism replaced the former Senior Dialogue and Strategic Economic Dialogue started under the George W. Bush administration. The format is such that high-level representatives of both countries and their delegations will meet annually at capitals alternating between the two countries.

On July 29, 2009, the Government of the United States of America and the Government of the People's Republic of China signed” Memorandum of Understanding to Enhance Cooperation on Climate Change, Energy and Environment” The purpose of this Memorandum of Understanding (MOU) is to strengthen and coordinate our respective efforts to combat global climate change, promote clean and efficient energy, protect the environment and natural resources, and support environmentally sustainable and low-carbon economic growth. Both countries commit to respond vigorously to the challenges of energy security, climate change and environmental protection through ambitious domestic action and international cooperation. Toward this end, both countries intend to transition to a low-carbon economy, carry out policy dialogue and cooperate on capacity building and research, development and deployment of climate-friendly technology^②. The agreement is believed to

^①In Close Vote, House Passes Climate Bill.

<http://www.washingtonpost.com/wp-dyn/content/article/2009/06/26/AR2009062600444.html>

^②Memorandum of Understanding to Enhance Cooperation on Climate Change, Energy and the Environment

chart the roadmap for the two countries to cooperation on the issues of climate change, energy and environment. This will herald the beginning of the joint efforts by the two countries' to develop the low-carbon economies.

In March, 2009, U.S. Secretary of State Hillary Clinton's visit to China opened a new chapter in environmental cooperation between the world's two largest greenhouse gas emitters. The two countries have agreed to build "an important partnership" to develop clean energy technologies and speed up their transition to low-carbon economies.^①

In November, 2009, United States President Barack Obama visited China and touched on economy, climate change in sweeping talks with Chinese President Hu Jintao. Before, the two presidents had agreed to a series of important new initiatives to tackle climate change, including a joint clean energy research center, and agreements on energy efficiency, renewable energy, cleaner uses of coal, electric vehicles and shale gas. They had also agreed to work towards a successful outcome at the climate change talks in Copenhagen next month, including an accord that covered all the issues and had "immediate operational effect. This time they reached an agreement that "This kind of comprehensive agreement would be an important step forward in an effort to rally the world around a solution to our climate challenge . Obama said that there would be no solution to climate change without the efforts of both China and the U.S., the two largest producers and consumers of energy."^②

4. The Comparison of EU-China and US-China cooperation on Climate Change

<http://www.state.gov/r/pa/prs/ps/2009/july/126592.htm>

^① Environment: China, US build new partnership

http://www.hwcc.gov.cn/pub/hwcc/wwgj/xwzx/gdxw/200903/t20090304_211318.html

^② Obama touches on economy, climate change in sweeping talks with Hu

http://news.xinhuanet.com/english/2009-11/17/content_12476042.htm

From the historical summary of EU-China and US-China cooperation on Climate Change, there are several differences between these two relationships:

1) Compared with EU-China cooperation, the US-China cooperation relationship is short of continuity according to their own position of Climate Change.

With the scientific community increasingly certain of the inevitability of climate change, European politicians across the ideological spectrum have reached broad consensus that the European Union must take action to avoid climate catastrophe. Progressive and conservative parties alike agree that climate change demands a bold response, hold similar views on the broad forms that action must take, and support vigorous participation in international negotiations. This consensus has allowed Europe to institute the world's largest greenhouse gas emissions trading scheme and make significant strike in clean energy technology and infrastructure. ^①The European Union has positioned itself as the international agenda setter in relationship to climate change mitigation.

At several critical junctures, the EU and its members have adopted policies and programs that have put it at the forefront of international efforts to address climate change. The EU in particular considers the combat against climate change to be an important element in the development of its external relations and even as a source of soft power. But the creation of soft power depends on hard deliverables. The EU's soft power will depend on how it strengthens its own know-how and technology, the contribution it makes to curbing emissions, financing technology transfer and to managing projects with developing

^① Zhang Haibin: China and the US: moving forward on climate, <http://www.chinadialogue.net/article/show/single/en/1668>

countries like China in a coordinated way. Since 1994, a new policy dialogue between EU and China was established to conceive priorities and projects for jointly combating climate change. From then on, EU and China have begun their steady and active cooperation to build a mutually beneficial partnership on climate change.

In contrast, in the United States, deep divides exist between left and right regarding whether and how the federal government should address climate change. Only until the 2006 mid-term elections, the Democrats took control of both houses of the U.S. Congress -- the Senate and the House of Representatives – and the environment is increasingly becoming a major topic of legislative proposals and debate. But After eight years of a Republican administration, with President Obama in the White House, strong climate policy advocates empowered in Congress, and an American public freshly engaged and eager for progress, the U.S. will be a constructive force on global efforts to achieve a best-case climate scenario. ^①

Moreover, The U.S. is the world's only superpower, while China is a rapidly rising new power. For reasons both historical and current, there is deep suspicion between the two nations and the foundation of strategic trust is weak. This leads the two countries to pay particular attention to the balance of costs and benefits of any cooperation. As a result, the cooperation on climate change of U.S. and China met more obstacles than EU-China relation development.

2) The difference of cooperation fields on climate change of EU-China and US-China.

EU has a continuant position on GHG reduction ^① and especially the CARE

^① John D. Podesta Toward a New Climate Treaty-Opportunities for Progress Under President Obama,38-42Toward a New Climate Network- Transatlantic Solutions for a Low Carbon Economy, Heinrich Böll Stiftung.

Package states EU 's target that by 2020 the EU will reduce its emissions from the 1990 level by 20 percent, and will increase this to 30 percent if other developed countries commit themselves to the same target. The EU also argues that as a group of developing countries will need to limit the rise in their GHG emissions to 15 to 30 percent below the baseline projection for their growth by 2020. So in the cooperation with China, EU pays foremost attention on the GHG emission reduction, for example, the EU-China Partnership on Climate Change built in 2005 covers the China-EU Action Plan on Clean Coal and the China-EU Action Plan on Energy Efficiency and Renewable Energies. Among the two goals, the first one is to advance 'zero-emissions' coal technology. This technology will allow for the capture of CO₂ emissions from coal-fired power plants and its subsequent storage underground, for example in exploited oil or gas fields or in sealed geological strata, thereby avoiding CO₂ emissions into the atmosphere.

Although China rejects any binding targets for developing countries, China insists on the principle of "common but differentiated responsibilities" rather than universal targets for all countries (According to the Chinese government, developing countries should adopt Nationally Appropriate Mitigation Actions. China also demands that developed countries accept their historical responsibility for GHG emissions and accept a binding target of a 40 percent reduction by 2020), EU-China relationship still will be regarded as an important in defining the ongoing relationship. The EU is aware that developing countries will need additional financial and technological assistance to complement the carbon market. EU believes financial support for mitigation should be based on "low carbon development strategies" produced by developing countries themselves.

For example, in the context of the EU-China Partnership on Climate Change, the European Investment Bank extended a 500 million Euro loan to China in 2007. The loan will support the NDRC's National Climate Change Programme,

with the focus on renewable energy sources, energy efficiency enhancement, the capture and use or storage of greenhouse gases and afforestation projects. Another avenue of cooperation that resulted from the 2005 Partnership on Climate Change is the CDM, established as part of the Kyoto Protocol. In 2007, Beijing and Brussels established the 2.8 million Euros.

Compared with EU, the climate change cooperation with China relies on the economic forums, like Strategic Economic Dialogue (SED-Bush Administration) and Strategic and Economic Dialogue (S&ED-Obama Administration). Although the “green turn” of U.S. will add favorable factors for the construction of international climate change regime led by EU, however, whether U.S. will involve itself completely in the Post-Kyoto process with binding scheme or not is really hard to say. U.S.’s aim to cut carbon emissions by 17% from 2005 levels in 2020 and 83% in 2050 is still far behind EU’s target, that is, the EU will lower GHG emissions by 30% compared to 1990, provided that other developed countries commit themselves to comparable emission reductions and economically more advanced developing countries to contributing adequately^①. So the emphasis of U.S. cooperating with China is not emission reduction, but the focusing on the market-based “green trade”.

But hostility toward communism excludes China from receiving official aid – including on climate change -- from the U.S.. Indeed, the U.S. is the only developed nation not to have provided China with assistance in this field – in contrast to the European Union. Official development aid is a main channel for inter-governmental cooperation on climate change, and without it China-US efforts in this field are crippled

3) Post-Kyoto regime , U.S. will still be out-of-track role?

Jeremy Rifkin published a book *The European Dream: How Europe's Vision*

^① Council of the EU: Presidency Conclusions 7224//07.If the other countries will not make corresponding concessions in international climate negotiations, the EU will go it alone and will reduce its GHG emissions by at least 20% by 2020.

of the Future Is Quietly Eclipsing the American Dream in September 2004, Rifkin describes the emergence and evolution of the European Union over the past five decades, as well as key differences between European and American values. He argues that the European Union, which he describes as the first truly postmodern governing body, is already an economic superpower rivaling the U.S., and has the potential to become a full world superpower. According to Rifkin, the "European Dream" is one in which individuals find security not through individual accumulation of wealth, but through connectivity, sustainable development, and respect for human rights. Rifkin argues that this model is better-suited to 21st century challenges than the "American Dream." Indeed, EU treat this world with "multilateral" position rather than the "Unilateralism" of U.S..

For putting the completion the Kyoto Protocol Aims, the EU committed to a far more modest 8 percent reduction of 1990 greenhouse gas emissions by 2008–2012, the EU put other countries on the defensive, pushing them to go farther than they had said they were willing or able to go.^① In March 2007, the European Council conarmed Europe's commitment to this approach announcing that the EU would cut its CO2 emissions by 20 percent of 1990 levels by 2020, increasing this to 30 percent should other developed countries agree to take action within the framework of an international agreement. Beyond this, the European Union adopted a number of other noteworthy policies. EU-China climate change cooperation is under the Kyoto Protocol Framework to develop.

On the contrast, U.S. initiated several mechanisms for climate change cooperation after it retreating from the Kyoto Protocol such as the Carbon Sequestration Leadership Forum, the Methane to Market Partnership, the Asia-Pacific Partnership on Clean Development and Climate, the International

^① Multi-Level Reinforcement: Explaining European Union Leadership in Climate Change Mitigation?
Miranda A. Schreurs and Yves Tiberghien*

Partnership for a Hydrogen Economy and so on, which are beyond the Kyoto Protocol framework. The Carbon Sequestration Leadership Forum (CSLF) is a Ministerial-level international climate change initiative that is focused on the development of improved cost-effective technologies for the separation and capture of carbon dioxide (CO₂) for its transport and long-term safe storage^①. The CSLF is currently comprised of 23 countries and the European Commission. CSLF member countries represent over 3.5 billion people, or approximately 60% of the world's population. The Methane to Markets Partnership is the world's largest exchange of methane-based energy resources, whose leading goal is to reduce global methane emissions as a way to enhance economic growth, strengthen energy security, and address climate change. In March, 2008, the European Union has firmed its commitment to participate in the Methane to Markets Partnership. ^②Unlike with the two organizations above, the Asia-Pacific Partnership on Clean Development and Climate is a regional organization exclusive to EU.

The Asia-Pacific Partnership on Clean Development and Climate is an innovative new effort to accelerate the development and deployment of clean energy technologies. By building on the foundation of existing bilateral and multilateral initiatives, the Partners will enhance cooperation to meet both our increased energy needs and associated challenges, including those related to air pollution, energy security, and greenhouse gas intensities. Although the organization declaring that “The Partnership will be consistent with and contribute to Partners’ efforts under the UNFCCC and will complement, but not replace, the Kyoto Protocol”^③, it is still expressing the out-of-track pursuing of U.S..

Confronted with these out-of-track challenges, the EU argued against the above initiatives and thought it is the UN that should dominate the global

^① http://www.cslforum.org/aboutus/index.html?cid=nav_about

^② <http://www.ngvglobal.com/eu-commits-to-methane-to-market-partnership-0305>

^③ <http://www.asiapacificpartnership.org/english/about.aspx>

process to tackle climate change. In order to pull the U.S. back to the framework, the double-track negotiation system of climate change (UNFCCC and Kyoto Protocol) has been carried out, for U.S. is still the member of UNFCCC. Furthermore, in the long run, the international leadership position of the EU on climate change may therefore be faced with challenges by other countries, especially U.S.. Once U.S. decide to engage fully in the fight against climate change, its political systems may provide them with a competitive edge in the pursuit of global leadership^①. However, the protection of the world's climate would benefit from the resulting leadership competition^②.

Based on flexible principle of regional cooperation, China actively participates in these Forum initiated by the U.S.. China believes that they are complementary to the Kyoto Protocol given that they are innovative new efforts to accelerate the global cooperation on climate change and to reduce the emissions by means of technology transfer. At the beginning of Obama administration, U.S. show its position to China that the two countries are presented with an unparalleled opportunity to form a new strategic partnership aimed at averting catastrophic climate change and catalyzing a new strategic transformation to a global, low-carbon economy. The report from the U.S. Asia Society Center on U.S.-China Relations and the Pew Center on Global Climate Change maintains that Closer cooperation with China should be a high priority in a U. S. climate strategy. U.S.-China collaboration can help that will be more sustainable while reducing greenhouse gas emissions.

5. China's strategic thinking for the Great Triangle Relations in Post-Kyoto International Climate Regime

^① President Obama appointed Dr. Steven Chu, distinguished scientist and co-winner of the Nobel Prize for Physics (1997), as the 12th Secretary of Energy. Chu delivered a speech at Tsinghua University of China in July, 2009 "The US is trying to show some leadership. I'm here today to tell you that the US is now ready to lead."

^② Sebastian Oberthür(2007), The European Union in International Climate Policy: The Prospect for Leadership, *Intereconomics*, March/April 2007, pp77-90.

No one can deny that the key player positions of EU, U.S. and China in dealing with climate change issue. According to the International Panel on Climate Change(IPCC), industrialized countries should reduce their overall greenhouse gas emissions by 25-40% below 1990 levels by 2020, eleven years from now. EU is definitely the leader to put forwards the target. The Climate and Energy package proposed by the European Community(EC) in 2008 is a far reaching policy strategy aimed a delivering on the EU commitment to fight climate change and promote sustainable energy (EU2008) The package and legislation, adopted in 2009, set ambitious targets to be reached by 2020: cut GHG emissions to 20% below 1990 level, increase the share of renewable energy(RE) to 20% and improve energy efficiency(EE) by 20% . The GHG target will rise to 30% if an international agreement is reached committing other developed countries and the more advanced developing nations to comparable emission reductions.By contrast, as a matter of fact, CO2 emissions in the U.S. have increased by almost 20% since 1990. The most demanding climate abatement plan that has been earnestly pursued in the U.S., the Waxman-Markey Bill, would amount to a reduction of less than 5% compared to 1990 levels. And President Obama has pledged to reduce US emissions by 14% below 2005 levels by 2020; this would merely return U.S. emissions to 1990 levels by 2020.

So the international community calls the joint transatlantic cooperation on Climate Change. According to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, global GHG emissions must reach their peak no later than between 2015 and 2020. Confronted with the survival-threatening issue, we must realize the climate change is a global challenge and a problem that can only be settled through global action. The climate cooperation provides a dynamic interacting level for the development of transatlantic relations.

The U.S. and the EU have begun to realize that there is an urgent need for a new and strategic dialogue between them to discuss and strengthen common interests in protecting the planet. There is no denying that serious disagreements have occurred in the context of the war in Iraq and the emergence of European Security and Defense Policy, but the twists and turns of transatlantic Relations only fluctuated limitedly due to the nature of this unique trans-regional relations: The U.S. and Europe share common values, the security relationship and the economic links between them remain of vital importance for both. Nowadays, trans-Atlantic inequality has been reduced; the relationship between Washington and Brussels has become less unbalanced as the U.S. has become more aware of the limits of its military power. Moreover, the climate change has appeared as one of the “most dangerous common enemies” for these transatlantic partners.

With the development of transatlantic development, China will be confronted with more chances and challenges. As a responsible developing country, China attaches great importance to climate change issues. Fully aware of the importance and urgency of addressing climate change, following the requirements of the Scientific Outlook on Development, and taking into overall consideration of both economic development and ecological construction, domestic situation and international situation, and the present and the future, China has formulated and implemented its national climate change programme, and adopted a series of policies and measures in this regard.

^①With active development of EU-China and US-China cooperation on Climate Change, China gradually adjusts the position and target on climate change, now China agreed to consider binding emissions reductions contingent on technology assistance from developed countries as part of the 2007 Bali Action Plan. The EU and US are proposing a range of options for technology

^① China's Policies and Actions for Addressing Climate Change, Information Office of the State Council of the People's Republic of China October 2008, Beijing

cooperation , from state-to-state programs to public-private partnerships.

In 2006, China unilaterally announced a series of ambitious targets to curb emissions growth. It is on track to reach the 20% energy intensity target it set for 2010, a goal that will reduce carbon emissions by 1.5 gigatonnes per annum. This is the largest reduction of any country in the world, and nearly four times larger than EU member countries' combined emission reduction commitments under the Kyoto Protocol. The Chinese government will continue this trend beyond 2010, reaching a 50% reduction in energy intensity – or equivalent reduction in carbon intensity – by 2020 from 2005 levels. By 2020, China will obtain 15% of primary energy from renewable sources, which will help shave an astounding four gigatonnes off its annual emissions compared with 2005 levels. This figure will likely be even larger: the amount of primary energy from renewable sources is shaping up to be closer to 20%, as development is running ahead of schedule. If U.S. want to match the target of Four-gigatonne emissions reduction, also need to set similarly ambitious targets as China.

In 2009 China is expected to reach the world's second-largest installed wind power capacity, and the largest annual installation of wind turbines. It is already the world's largest manufacturer of solar photovoltaics, and has more than 60% of the world's solar water heaters. The nation also accounted for 80% of the world's new solar water units in 2008^①.

Despite all these achievements, however, China could and should do more. China has, after all, surpassed the United States to become the world's largest carbon emitter. Participation in international climate negotiations is a must, as

^① Hou Yanli Can the US match China's efforts?
<http://www.chinadialogue.net/author/rss/single/ch/559-Hou-Yanli>

is promoting low-carbon technology development and diffusion. And over the long term, China needs to prepare for its emissions peak and consequent decline in line with global climate targets. However, there are many challenges for China to move further.

For example, The Taiyanggong Thermal Power Plant in north-east Beijing is delightfully green. With the help of two natural-gas-fuelled turbines built by America's General Electric, Taiyanggong produces only half the carbon emissions of a coal-burning facility of comparable size in China. It also generates much less smog-forming nitrogen oxide. Its steam supplies heat to 1 million homes. When Hillary Clinton visited the power station in February, she called it a "wonderful collaboration" between China and America in clean-energy production.

However, it was clear that natural gas would be considerably more expensive than coal, the fuel used by most power plants, and American-made state-of-the-art turbines would be far costlier than those made at home. The Power station's owners, led by a municipal state-owned company, are struggling to make it work financially. Luckily for them, Taiyanggong has qualified for funding under the UN's Clean Development Mechanism (CDM), which enables rich countries to offset carbon emissions by paying for carbon cuts in developing ones. A CDM project report estimates that it costs 50% more to generate electricity at a plant like Taiyanggong than it does at an equivalent coal-fired facility^①.

Even with the full support of U.S., the Thermal Power Plant in a clean-energy way (clean-energy production) is still questionable to spread in a large-scale. When Obama visited China in November, 2009, Chinese president Hu urged the United States to loosen controls on the export of its hi-tech products to China. Spokes person for the Ministry of Commerce Yao Jian said

^①The odd couple, the economist, 2009-10.

Washington's restrictions on high-tech exports have "indeed affected unbalanced Sino-U.S. trade ties" and "strongly restrained the competitiveness of U.S.-made products."^①

In the Grant triangle of EU-US-China, China not only feels the pressure from the developed country, but also from other developing countries. For instance, This year, Indian government has approved in principle new trading plans centred on energy efficiency as part of efforts to shift to a greener economy to fight climate change, opening up a potential market worth more than \$15 billion by 2015. Prime minister Manmohan Singh said the plan "will enable about \$15bn worth of transactions in energy efficiency. In doing so, it will, by 2015, help save about five per cent of our annual energy consumption and nearly 100 million tonnes of carbon dioxide every year."^② The plan involves creating a market-based mechanism that would allow businesses using more energy than stipulated to compensate by buying energy certificates from those using less energy due to energy efficiency practices. What China emphasizes on is relative cutting commitment rather than absolute binding commitment according to its capability and development before China reaching the goal of moderately developed country. India's bold behavior exerts great pressure on China.

Moreover, The version of the American Clean Energy and Security Act of 2009 which passed the House of Representatives in June and is now before the Senate states that the president has the right to impose a "carbon tariff" on imported products after 2012 if industrial greenhouse gas emissions in the country of origin of imported products is higher than that in the U.S..^③ With

^① Chinese hi-tech imports from the U.S. have shrunk since 2001. Eight years ago, the U.S. accounted for 18.3 percent of Chinese hi-tech imports -- it is now at 7 percent
http://news.xinhuanet.com/english/2009-11/17/content_12477354.htm

^② India lays foundation for \$15bn cap-and-trade market
<http://www.businessgreen.com/business-green/news/2248471/india-lays-foundation-15bn-cap>

^③ China Criticizes US Carbon Tariff "Protectionism," Considers Domestic Carbon Tax Policy
<http://www.chinastakes.com/2009/9/china-criticizes-us-carbon-tariff-protectionism-considers-domestic-carbon-tax-policy.html>

fear that countries like China will not pass legislation to cap their domestic industries' carbon output, U.S. Energy Secretary Steven Chu announced the possibility of levying a carbon tariff on countries that do not match U.S. emissions restrictions. It is unfair to China because it is irony that part of the growth in emissions from China, the world's top CO₂ polluter, is caused by consumer demand for cheaper Chinese goods in the United States and other rich nations.

China thinks the carbon tariff would raise the specter of a trade war, and also a fear that U.S. officials meeting with their international counterparts in Europe have been trying to diffuse, especially with the development of transatlantic cooperation on climate change. EU is the largest export market for China, if EU also take the carbon tariff for China, China would face a serious economic issue hard to surmount.

Some scholars put forward a suggestion that China should levy its own carbon tax immediately in line with the global carbon trading price if the US imposes one. According to WTO provisions, it is legal to collect a carbon tax, but WTO rules stipulate that double taxation is not allowed for the same product, so if China has already levied a carbon tax on the product in its domestic market, other countries are not allowed to impose yet more tax^①. At present, Denmark, Finland, the Netherlands, Norway, Italy, Sweden and the United States and parts of Canada and other developed countries and regions have systems of carbon tax. It is a kind of economic measure with high market efficiency. If China can overcome all kinds of difficulty to catch up this international emissions reduction trend, it is a good way to establish the image of one country. Idealizingly speaking, if the United States and other resource consuming nations embark on the way to the low-carbon economy, the price oil, gas and other resources drop significantly, low-cost resources, in turn,

^① China Criticizes US Carbon Tariff "Protectionism," Considers Domestic Carbon Tax Policy
<http://www.chinastakes.com/2009/9/china-criticizes-us-carbon-tariff-protectionism-considers-domestic-carbon-tax-policy.html>

promote China's own development, not to mention the formation of carbon trading and related technology industry chain will bring more benefits.

To make a conclusion, China, the world's third-largest economy is committed to helping fight climate change and has taken "responsible" steps. With the favorable interacting with EU and US, China could enhance its capability of tackling climate change in terms of technology, finance and adaptation, which will allow China to play a more active and constructive role for the international climate change regime. Climate change is a challenge China must cope with to realize sustainable development. Implementing a climate change containment policy may cost a fortune, but the cost will be even higher if China delays. Early action is imperative. Moreover, with the green tendency of Obama administration, the regional climate change cooperations initiated by U.S. might be integrated into the post-Kyoto framework with more advancing dynamic forces.

However, the road to Copenhagen is full of ups and downs. On November 15, 2009, world leaders have decided to put off the difficult task of reaching a climate change agreement at a global climate conference scheduled for next month, agreeing instead to make it the mission of the Copenhagen conference to reach a less specific "politically binding" agreement that would punt the most difficult issues into the future.^① In a word, The Copenhagen summit would not produce a legally binding agreement to tackle global warming. Despite the prospect of the Copenhagen meeting is still not clear, but it is certain is that future international climate agreement will not be the only with the target of emission reduction, but also likely a package agreement including mitigation, adaptation, finance, technology, markets and sustainable development policy.

^① World Leaders Agree to Delay a Deal on Climate Change
<http://theenergycollective.com/TheEnergyCollective/51583>

