



# **Challenges and Reality**

## **— China's dilemma to DP negotiation**

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# Outline

1. How to read Durban deal?
2. 2012 & Durban platform(DP)
3. Key concerns to DP
4. China's dilemma to DP
5. Possible positions / choices

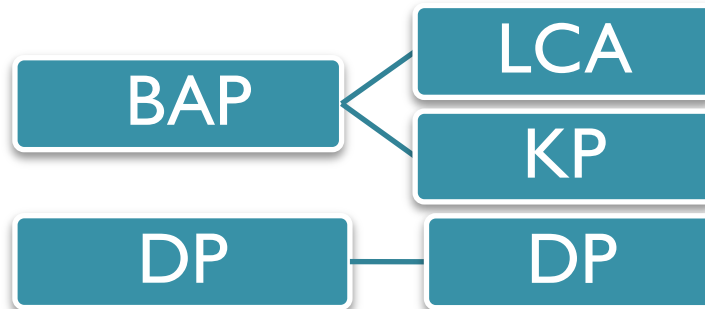
# How to read durban deal?

- ◆ A good answer for the world, developing countries get KP II , developed countries have DP mandate
- ◆ Divergences not resolved in Durban, transferred to a new platform to continue negotiation
- ◆ No deep cut in emission target, no concrete money, no technology transfer
- ◆ Durban is a milestone rather than a great success



# 2012 & Durban Platform

## ◆ Two mandate with three tracks



- ◆ The focus of negotiation will shift from LCA to DP -ed
- ◆ Finalizing KP will be another focus -ing
- ◆ More difficult to achieve consensus

# Key concerns to Durban platform

- ◆ How to define principles of DP including CBDR
- ◆ Legally binding vs legal force
- ◆ Key elements of DP
- ◆ The connection between DP & LCA
- ◆ The roadmap or timeframe of DP, 2015(DP) vs 2009(BAP)



# **China's dilemma**

**Positive & constructive manner**

**Vs**

**lack of confidence due to domestic multi-  
dimension constraints/ challenges**

# Challenges for China to curb GHG emission

- ◆ Social-economy development remains on low level
- ◆ Undergoing fast urbanization process
- ◆ Industrialization with transferred emission
- ◆ Resources endowment and energy mix
- ◆ Inefficient facilities with lock-in effect of technologies

# Social development remains on low level

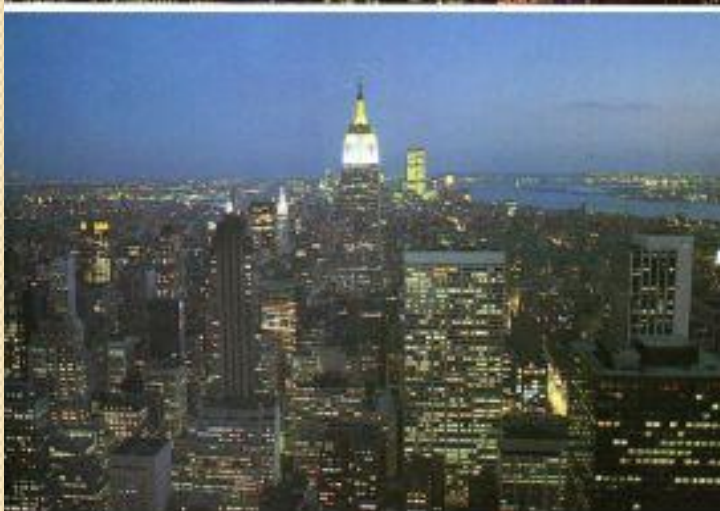
- ◆ 2<sup>nd</sup> largest economy, 4300 USD per capita, 1/3 of the world average
- ◆ Remarkable disparity in economic development among different regions
- ◆ poverty eradication remains an urgent task, 36million live on below 0.5USD per day.



# Undergoing fast urbanization process

- ◆ Finalize urbanization still need 20 years
- ◆ Absorbing statistically urbanized residents need more years
- ◆ Urban per capita energy consumption is 1.8 times higher than rural people





# Industrialization with transferred emission



- ◆ Average annual GDP growth is around 10% during the past 30 years
- ◆ Industrialization shift from labor intensive to capital intensive. Steel and cement rank the world No.1 production capacity.
- ◆ Export volume accounts for 26 per cent of GDP in 2010
- ◆ Embodied energy with export commodities account for 30% of total National energy consumption in 2005

# Resources endowment and energy mix



- ◆ Heavily rely on coal, 72% of total energy consumption in 2010, far exceeding the world average of around 30%.
- ◆ Nuclear and other renewables 3.5% vs France (39.1%) and the world average (6%).
- ◆ Energy mix is unlikely able to change in the near future

## **Inefficient facilities & lock-in effect of technologies**

- ◆ **Out-of-date technologies still occupy a relatively high proportion in China's key industries.**
- ◆ **Energy efficiency is about 10% lower than that of the developed countries, and its per unit energy consumption of energy-intensive products is about 40% higher than the advanced international level.**
- ◆ **Deployment of inefficient technologies will lead to lock-in effect**

# Possible positions / choices

- ◆ One track ≠ same responsibility & obligation
- ◆ Carbon equity as well as CBDR need to be highlighted in post 2012 and Durban platform negotiation
- ◆ Uncertainties for social-economy growth, China prefer to take actions more than to make unrealistic targets.
- ◆ Top down for AI, NAMAs for Non-AI, two separate list
- ◆ Deeper cut need finance and tec. Support
- ◆ Can not prejudge legal form without detailed contents



**Thanks for your attention !**

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# Deficits/Surplus of Carbon Budget

