

China Council for International Cooperation on Environment and Development

Policy Recommendations to the Chinese Government at the 2024 Annual General Meeting

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The World Meteorological Organization (WMO) reports that the decade from 2014 to 2023 has been the warmest on record globally. In 2023, the temperature increase reached approximately 1.45°C, and the time between now and reaching the global tipping points is shrinking. The implementation of the Paris Agreement and other multilateral agreements is facing urgent crises. However, the global economy is experiencing multiple challenges, including insufficient growth momentum, fragmented international trade, and geopolitical tensions. The global gap in achieving the United Nations Sustainable Development Goals (SDGs) is widening, further emphasizing the importance of international cooperation. The "UAE Consensus," adopted at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 28), explicitly calls for tripling global renewable energy capacity and doubling energy efficiency by 2030, as well as the transition away from all fossil fuels in energy systems. This reflects the high degree of consensus among all parties on the urgency of addressing climate change.

At the same time, a new wave of technological revolution and green industrial transformation characterized by digitalization, greening, and low carbonization is advancing rapidly. New frontiers for future growth and development are beginning to emerge, exploring new pathways to address major challenges facing human society, such as climate change and energy crises. China's renewable energy and energy storage technologies are developing at an unprecedented pace, achieving the country's renewable energy installation capacity target 6 years ahead of schedule and reaching a 50% penetration rate for new energy vehicles 11 years ahead of schedule. The high-quality and affordable green technologies provided by China have also instilled confidence in the global green transition process and achievement of the Paris Agreement goals.

CCICED Members highly commend China's remarkable achievements in building an ecological civilization and its key role in global environmental governance on issues such as climate change and biodiversity. They recognize that China is providing the world with leading green technologies and products, making significant contributions to the global green transition.

Based on the joint policy research conducted by Chinese and international experts and discussions during the 2024 Annual General Meeting, CCICED Members put forward the following recommendations in this document, titled *Further Deepen Comprehensive Reforms, Seize New Opportunities Brought by the Technological*

Revolution and Industrial Transformation, and Accelerate the Comprehensive Green Transition of the Economy and Society, for reference by governments and the international community:

Adopt a systematic and integrated approach to address environmental, climate, and development challenges and promote global sustainable development. In response to the urgent need to achieve the 2030 SDGs, it is essential to rely on the coordinated efforts of proactive governments and effective markets. Integrate global environmental issues into the planning of various sectors, including the economy, society, energy, transportation, food, health, industry, agriculture, trade, and finance to enhance policy synergy and efficiency, enabling high-quality sustainable development. Align the new round of economic stimulus policies more closely with pollution reduction, carbon mitigation, environmental quality improvement, energy transition, and climate adaptation to ensure precise and targeted actions.

Address the significant externalities of climate change with long-term, phased, and quantitative emission reduction targets to provide certainty, which is critical for economic development. Both China and the rest of the world have invested vast resources in achieving carbon neutrality, making it essential to maintain the strategic focus on the "dual carbon" goals. In this context, new nationally determined contributions (NDCs) could include quantitative targets for 2030 and 2035 to send strong demand signals to the market. Policy tools such as total emission quota settings can demonstrate a broad and systemic commitment to the green transition, establishing clear medium- and long-term expectations for investment, research and development, and innovation in green and low-carbon industries. These measures will also help expand green consumption and foster sustainable lifestyles.

In a timely manner, raise renewable energy development goals to achieve a win-win outcome for the economy and climate. Set renewable energy targets that align with economic development patterns, and accelerate their deployment. Translate the "dual-control" carbon emission targets into specific quantitative indicators, breaking them down by key sectors, enterprises, and various levels of government to stimulate demand and establish effective climate target monitoring and accountability mechanisms. Accelerate the iteration of green technologies and products both domestically and internationally. Create economies of scale in green industries to enhance green competitiveness.

Make climate adaptation a political and governance priority, and develop short-, medium-, and long-term plans. Central and local governments should take a leading role by formulating systematic action plans, providing climate vulnerability assessment frameworks, and encouraging active participation from all stakeholders. Establish rapid data-sharing platforms, such as early warning systems, to enhance climate adaptation efforts. Proactively identify resilience gaps in urban and rural areas, prioritizing densely populated cities and vulnerable coastal regions as key areas for climate adaptation.

Deepen international cooperation on climate and environmental issues, and improve the global governance systems. The world is fast approaching a series of critical tipping points at which damage to the global ecological environment may become irreversible. However, trade protectionism targeting green products and technologies in some countries risks delaying the global green transition, making the Paris Agreement goals increasingly difficult to reach. Such trade barriers must be avoided. Strengthened international cooperation is essential to align actions on climate, biodiversity, oceans, and environmental protection. Leverage initiatives such as the Green Belt and Road, South—South, and Triangular cooperation to uphold international trade rules and collectively build a clean and beautiful world.

Specific recommendations are as follows:

I. Promote Comprehensive Socio-Economic Green Transformation During the 15th Five-Year Plan Period

1. Leverage the update of NDCs, setting ambitious, quantitative, and time-bound targets to accelerate the green and low-carbon transition. The new round of NDCs will send a strong signal that all governments, including China, are steadfast in their commitment to achieving the Paris Agreement goals, promoting high-quality development, and advancing the comprehensive green transformation of the economy and society. Prioritize setting emission reduction targets for carbon dioxide and non-carbon dioxide gases such as methane for 2030 and 2035. Strengthen the synergy between renewable energy and new power grids to facilitate the integration and consumption of wind and solar energy. Accelerate the development of key technologies, such as solar, wind, green hydrogen, large-scale energy storage, electric vehicles, and smart grids. Explore developing a strategic roadmap for the application

of new carbon dioxide removal technologies, such as direct air capture (DAC). Further strengthen the role of nature-based solutions.

- 2. Enhance synergy and efficiency between the forthcoming "Ecological and Environmental Code" and related regulations to comprehensively deepen ecological civilization reform. Advance the formulation of laws related to climate change and the "dual carbon" goals. Ensure coordination between the "Ecological and Environmental Code" under development and other related regulations, and explore incorporating climate change response into the environmental public interest litigation system. Further reform the carbon market, studying the establishment of a total emissions cap and a 10-year declining emissions trajectory for the power sector. Gradually expand the coverage of the carbon market in a phased and orderly manner, following principles such as "starting with easier tasks, prioritizing sectors with high emission reduction potential and sectors with significant international trade impacts, and offering multiple low-carbon technology options." Improve the carbon pricing mechanism, and promote the gradual alignment of domestic carbon market rules with international standards.
- 3. Emphasize the government's ability to integrate and disseminate green technology-related information, and formulate a new round of green industrial policies driven by innovation. Establish a public information monitoring platform for green and low-carbon industries and technologies, and release data and information on industrial capacity utilization, market supply and demand, as well as technology investments and applications. Develop a green and low-carbon technology directory that balances emission reduction benefits, costs, and industrial innovation, aligning it with subsidy, financing, and other policies. Conduct regular assessments, and establish mechanisms for adjusting and phasing out technologies in the directory. Revise subsidies and tax policies with harmful environmental impacts, and strengthen government procurement support for green and low-carbon products. Consider pilot projects for green and sustainable consumption in the fashion sector, engaging youth to lead the trend toward green consumption.
- **4. Promote the coordinated development of the domestic and international green supply chains.** It is recommended that the country establish cross-departmental working groups to study and promote the synergies between climate and trade policies. Restructure the industrial organization upstream in the industrial chain, improve industrial efficiency, and strengthen entry thresholds to maintain moderate

competition and reasonable pricing. Encourage technological innovation to ensure the healthy and orderly development of the industry. Accelerate global cooperation in renewable energy and other green industrial supply chains, support low-carbon energy transition in developing countries, and contribute to achieving the goal of tripling global renewable energy installed capacity by 2030.

5. Elevate the National Climate Change Adaptation Strategy to one of the highest-level national development strategies to reflect the urgency of climate adaptation. Incorporate climate adaptation goals and requirements into the 15th Five-Year Plan, particularly in comprehensive plans such as spatial planning. Promote the development of foundational institutional frameworks to support the climate adaptation strategy, including legal and regulatory policies, fiscal and financial frameworks, and knowledge and data systems. Fully promote the establishment of a multi-level climate adaptation assessment mechanism from national to local levels. Develop short-term action plans for climate adaptation in response to climate risks, and outline medium- and long-term plans and visions for 2035, 2050, and 2100.

II. Vigorously Promote the Development of Green and Low-Carbon Industries

- **6.** Accelerate the development of green and low-carbon industries, and expand the economies of scale of the green economy. Promote the organic connection between green electricity markets, green certificate markets, renewable energy power quotas, green procurement, and the carbon markets. Fully leverage economies of scale of the green economy to support the development of green, low-carbon industries. Enhance the role of artificial intelligence in the decarbonization process. Consider setting clear development targets for renewable energy to stabilize market expectations and expand market size. For example, by 2030, achieve the installed capacity of wind and solar power of over 2,400 GW, accounting for over 50% of total power generation; and by 2040, increase the installed capacity of wind and solar power to over 6,000 GW, accounting for over 80% of total power generation.
- 7. Promote the application of innovative technologies such as industrial heat pumps, thermal batteries, and zero-carbon steel, utilizing fiscal and tax policies, extended producer responsibility, and circular economy tools to accelerate the decarbonization of key industries while enhancing resource utilization efficiency.

Provide research funding and fiscal and tax policy support for electrification technologies like heat pumps and thermal batteries. Gradually phase out industrial self-owned fossil-fuel power plants, and implement increasingly stringent energy efficiency and emissions standards to expedite industrial decarbonization. Accelerate grid decarbonization through innovative measures such as promoting interprovincial electricity trading, adopting smart grids, implementing market-driven green power pricing, and integrating vehicle-to-grid technologies. Promote best practices in the circular economy, and implement standards for product eco-design. Explore extended producer responsibility systems for key industries such as batteries, plastic products, textiles, and electronics. Reduce the carbon footprint of data centres, artificial intelligence, and the digital economy. Develop regulatory frameworks for algorithm and data governance to ensure transparency and compliance during usage.

- 8. Establish a just transition mechanism to strengthen the green and low-carbon transformation of industries in traditional energy regions. For regions heavily dependent on coal and other traditional energy sources, establish a national-level coordination mechanism to clarify coal development expectations under the "dual carbon" goals. Accelerate the green transition in areas with renewable energy advantages. Establish funding mechanisms such as a "Coal Transition Fund" to support the development of low-carbon technologies in traditional energy regions, including green hydrogen, energy storage, coal-to-chemical technology, carbon capture, utilization, and storage, and ecological restoration. Emphasize resource redistribution during the green transition and climate change responses by establishing a just transition mechanism to mitigate the impact of low-carbon transition on vulnerable groups, industry workers, women and the social economy in some areas. Strengthen international exchanges with regions facing similar challenges to encourage countries to explore just transition solutions suited to their own circumstances, ensuring that no one is left behind in the green transition.
- 9. Continue to leverage China's role as the COP 15 Presidency to the UN Convention on Biological Diversity, actively implementing the Kunming Montreal Global Biodiversity Framework (KMGBF) and its associated initiatives. Expand national parks, build and optimize the protected area system, and improve the management and governance mechanisms of protected areas. Expand the coverage of marine protected areas, and develop pilot areas that integrate coastal climate adaptation. Strengthen the research and sharing of policy tools such as

protected area systems, ecological conservation red lines, and other effective areabased conservation measures (OECMs). Promote the establishment of an ecological conservation red-line model that conforms to the international perspective to address biodiversity loss and other critical challenges in a coordinated manner.

- 10. Achieve a balance between environmental and social development through integrated ocean management, using the "dual carbon" goals and technological innovation to drive the green transformation of marine industries. Define the concept, principles, and industry classifications of the sustainable blue economy, incorporate its development into the 15th Five-Year Plan, and develop relevant incentive policies. Integrate environmental sustainability into approval processes and monitoring plans for rapidly growing sectors such as coastal infrastructure, marine energy, shipping, and marine food. Establish specific indicators and tracking mechanisms. Strengthen strategic planning and spatial management for offshore aquaculture by comprehensively considering ecosystems and incorporating the views of stakeholders across the industry value chain. Pay particular attention to interactions with ecological hotspots, such as the peripheries of marine protected areas, critical biological habitats, and migration corridors. Place greater focus on women and vulnerable groups involved in the fisheries and aquaculture industry chain.
- 11. Strengthen top-level planning for the marine renewable energy industry, and build the foundation for its industrial design and transformation. Expand the application of mature marine renewable energy technologies, including offshore wind power, and promote demonstrations for emerging and strategic marine renewable energy technologies, such as floating wind, wave, and tidal energy, and offshore green hydrogen production. Make the marine energy industry's contribution to the sustainable blue economy clearer and more visible. Advance the sustainable development of the marine renewable energy industry in the context of carbon neutrality.
- 12. Accelerate the development of new green and sustainable agricultural productive forces, enhance the ecological functions and biodiversity of agriculture, and ensure ecological safety in food production. Adopt crop diversification to increase farmland biodiversity and soil productivity. Incorporate soil biodiversity indicators into farmland soil health and agricultural ecological assessment systems. Actively explore transition pathways for high-yield and stable-yield regenerative agriculture and modern green organic agriculture, aiming to

accelerate the development of new agricultural productive forces. Fully integrate agricultural production, consumption, and dietary structure to conduct assessments and management of farmland soil health. Encourage the use of organic fertilizers. Develop ecological farming practices, and establish integrated spatial layouts of farmland and ecological islands to promote the transformation of agricultural production methods.

III. Leverage Green Finance to Promote Sustainable Development Across Sectors

- 13. Fully mobilize public and private sector funds to establish a comprehensive and long-term financing policy system for green and low-carbon technological innovations. Mobilize diverse funding sources, including bank loans, equity investments, and green bonds, to form a multi-tiered, multi-channel green finance system. Develop a financial service system centred on venture capital and supported by the stock market to drive original and transformative green and low-carbon technological innovations. Enhance the inclusiveness of the stock market for initial public offerings to build an innovation ecosystem that encourages mutual advancement across various fields and technological pathways. Develop more flexible evaluation standards for technological attributes to better support innovative small and medium-sized enterprises. Actively explore low-carbon procurement pilot programs targeting green technologies and product services.
- **14.** Encourage long-term or patient capital funds to become the main source of green investment. Encourage bank funds to support the green industry venture capital market, and guide high-net-worth group capital, pension funds, and other long-term funds into low-carbon technologies. Optimize the evaluation and guidance mechanisms for green industry funds, enhancing their investment and management capabilities. Address the potential market segmentation that may arise from industrial guidance funds, increase the proportion of national-level funds, and reduce the proportion of municipal and county-level funds when setting up such funds.
- 15. Strengthen the consistency and alignment of climate risk assessment and information disclosure standards for domestic and international enterprises. Encourage enterprises to implement and adhere to the International Sustainability Standards Board (ISSB) standards for sustainability information disclosure, actively considering disclosing other indirect greenhouse gas emissions generated across

the full value chain as well as climate information disclosures for overseas projects. Accelerate integration into international green finance markets, and expand climate and green financing channels. Increase financial openness to attract high-quality foreign general partners to enter China's venture capital market, and value the positive roles of high-quality foreign venture capital and corporate venture capital (CVC). Optimize the antitrust concept, and value the positive role of CVC in investment and management.

16. Actively participate in building global sustainable trade and green value chain systems. Adhere to the principles of shared benefits by transferring low-carbon production capacity and technologies to developing countries, emphasizing low-carbon sustainable development across the entire industrial chain during implementation. Support green growth in developing countries by establishing dedicated funds to provide capital for overseas investments in low-carbon technologies, complemented by risk mitigation tools such as insurance and guarantees. Create a favourable policy environment for outward direct investment, and expand trade in low-carbon technologies and related minerals with key trade partners. Diversify export destinations, and expand trade with emerging economies in low-carbon and environmental goods and services. Support technology transfer and enhance market access for green technologies and services.

17. Utilize multiple financing channels to support biodiversity conservation.

Expand private sector financial support for biodiversity conservation through platforms such as the Kunming Biodiversity Fund, the Global Environment Facility, and the UNDP Biodiversity Finance Initiative (BIOFIN). Enhance the disclosure of biodiversity-related information by listed companies in line with the KMGBF and international standards and practices. Integrate biodiversity financing into China's carbon market to promote the synergistic development of biodiversity conservation and climate change response efforts, making biodiversity conservation an integral part of the socio-economic development and transformation.



IV. Deepen International Cooperation on Environment and Climate, and Promote Global Environmental Governance

- **18.** Actively lead and promote global environmental and climate governance processes. Facilitate multilateral cooperation under Article 6 of the Paris Agreement. Through multi-level financing models, integrate global climate finance with poverty alleviation, infrastructure development, and SDGs. Strengthen international cooperation and research on climate adaptation and exchanges on experience, practices, and lessons learned. Work toward achieving a pragmatic, balanced, and legally binding international treaty on plastic pollution by the set deadlines.
- 19. Actively advocate for and promote the greening of global trade and investment. Assess the impact of the Carbon Border Adjustment Mechanism (CBAM) on key industries. Utilize existing multilateral mechanisms to establish exchange platforms for low-carbon industry investment and trade, strengthen dialogues, and seek solutions acceptable to all parties. Actively participate in or initiate negotiations for multilateral and bilateral investment and trade protection agreements. Promote the resumption of the World Trade Organization's "Environmental Goods Agreement" negotiations and the expansion of environmental products under the Asia-Pacific Economic Cooperation. Launch a low-carbon product trade liberalization and zero-tariff alliance, and enhance international trade cooperation and talent and technology exchange exchange to accelerate the global dissemination and application of low-carbon technologies.
- **20.** Enhance the evaluation, management, and financing support for green Belt and Road projects. Leverage the Green Investment and Finance Partnership and tools such as blended finance to increase private sector investment in green financing projects in emerging economies, and promote increased leverage of public financing in low-income countries. Further integrate climate elements into export credit policies and overseas investment and financing decisions, encouraging the use of climate stress tests for the balance sheets of overseas projects. Promote diversified financing methods such as low-cost capital, patient capital, joint ventures, venture capital, and equity investment.