# Pragmatic and Innovative Cooperation for a Green Future

## ——CCICED 2026 Annual General Meeting Policy Recommendations



At present, escalating geopolitical conflicts, intensifying major-power competition, slowing economic growth, and growing concerns over energy security are eroding trust among nations and constraining policy space for environmental and climate action, while the international governance system is undergoing profound change and restructuring. At the same time, the underlying momentum driving the global green and low-carbon transition continues to strengthen. The declining costs of green technologies and the emergence of new energy systems, including renewable energy, advanced energy storage, smart grids, virtual power plants, demand-side response, and end-use electrification, are reshaping the concepts of energy security and industrial competitiveness. The rapid rise of artificial intelligence (AI) is becoming deeply intertwined with the green transition, creating powerful synergistic effects. In this context, green transformation has evolved beyond a traditional environmental agenda and has become a critical factor affecting economic resilience, energy security, supply chain stability, and the evolution of international rules.

Based on CCICED policy research findings and discussions at the 2026 Annual General Meeting, members noted that under the guidance of the carbon peaking and carbon neutrality goals, China has pursued a green transition pathway driven by innovation at the source, characterized by a pathway in which goals shape expectations, expectations drive innovation, and innovation stimulates investment. This approach has transformed green transition into a major driver of economic growth, technological innovation, industrial upgrading, and optimization of the employment structure, providing new narratives and models for global environmental and climate governance.

The year 2026 marks the first year of China's 15$^{th}$ Five-Year Plan. Green transition has entered a critical and more challenging stage. The members recommend the following: **first, balance pragmatism with ambition while maintaining a clear direction for the green transition.** Coordinate development

and security, as well as equity and efficiency. Use the implementation of the 15th Five-Year Plan and the fulfillment of international commitments as key drivers to accelerate the development of the dual-carbon policy framework and strengthen ecosystem resilience. **Second, strengthen innovation to enhance the drivers of green growth.** Continue to leverage technological and institutional innovation to address structural challenges. Support the digital and intelligent upgrading of the circular economy, build a resource-efficient and circular industrial system, and elevate the strategic positioning of traditional energy regions. Leverage local resource advantages to foster competitive green industries and advance a green and just transition in a prudent and orderly manner. **Third, deepen openness and cooperation to advance global green prosperity.** Build on China's role as both a stabilizer and a co-creator in global governance. Promote the CCICED model, help defuse confrontational narratives, and foster consensus for cooperation. Explore mutually beneficial partnerships, launch a Global Green Initiative, and establish a dedicated international cooperation fund for green development. Share the benefits of a green and just transition and help narrow the North-South gap in green transition.

The following recommendations are proposed:

## I. Accelerate Reform and Innovation in the Dual-Carbon Agenda and Strengthen New Drivers of Green Growth

**1. Combine binding constraints with flexible market mechanisms.** In implementing the Measures for Comprehensive Evaluation and Assessment of Carbon Peaking and Carbon Neutrality, balance national climate objectives with regional development differences. Establish interprovincial carbon emissions quota trading and adjustment mechanisms, allowing a portion of newly allocated emissions space, excess emissions reductions, and certified emissions reductions to be traded or reallocated through a regulated framework. Deepen carbon market expertise and capacities. Revenues generated from interprovincial adjustments should be directed toward industrial energy efficiency and decarbonization, green transition initiatives in less-developed regions, and employment support. This would create a system in which baseline responsibilities are firmly enforced, marginal gaps are addressed through market mechanisms, and trading revenues are reinvested in low-carbon transition efforts, while preventing the mechanism from becoming a channel for expanding high-carbon projects.

**2. Deepen the integration of AI and green transition.** Position AI as a key tool for improving system efficiency and resilience and applying it broadly to support green transformation across sectors. In the energy sector, AI can enhance renewable energy dispatch, coordinated management of generation-grid-load-storage systems, energy storage optimization, and grid risk forecasting, thereby improving the efficiency, reliability, and resilience of power

systems. In the climate domain, leverage AI to support carbon emissions accounting, full life-cycle product carbon footprint tracking, and the design and deployment of locally tailored climate adaptation measures. In the circular economy, apply AI to solid waste traceability and intelligent sorting of recyclable resources, improving data quality, data credibility, and the precision of environmental governance. Develop a national strategy for green AI that takes into account the impacts of expanding computing capacity on water, energy and land use. Promote internationally interoperable standards for green data centres, share best practices for green data centre development, and explore international collaboration on the "green tokens". Embed AI development into the strategic framework for building ecological civilization, ensuring the assessment of its economy-wide employment impacts alongside social protection measures.

**3. Accelerate the development of new power system.** Improve the coordination among medium- and long-term electricity trading, spot markets, ancillary services, capacity mechanisms, and green electricity and green certificate trading. Shift grid dispatch and control from a backbone-grid-centred model toward a new system that balances power progressively across distribution networks and microgrids to improve the utilization efficiency of renewable energy resources. Further relax price limits in spot markets to encourage new business models that unlock demand-side flexibility and ensure that flexibility resources, reliable capacity, and demand response receive appropriate market-based compensation. Accelerate the development of flexible resources such as virtual power plants, vehicle-to-grid systems, and power-hydrogen integration. Support emerging models, including direct renewable power supply, zero-carbon industrial parks, and smart microgrids. Align dual-carbon evaluation mechanisms, green electricity consumption, and green supply chains to strengthen incentives for voluntary emissions reductions and green market demand.

**4. Coordinate the transition of existing coal-fired power capacity with large-scale renewable energy expansion.** Transform the role of coal-fired power generation from serving as a primary and baseload power source to providing peak shaving, capacity support, emergency backup, and system reliability services, strictly controlling the scale and distribution of new coal-fired power capacity to avoid new long-term carbon lock-in. Advance the flexible retrofitting, capacity compensation and orderly retirement of existing coal-fired power plants based on their operational characteristics. Promote the parallel development of both utility-scale and distributed renewable energy, expand renewable energy capacity, and accelerate the construction of interprovincial and interregional ultra-high-voltage transmission corridors. Strengthen integrated planning of generation, grids, load, and storage, as well as multi-energy complementarity, and explore innovative models, such as offshore energy islands, to steadily increase the share of renewable energy in the power mix.

**5. Establish innovation incentives through the carbon market.** Build a market-based framework that combines robust carbon pricing with climate finance and investment instruments to create a system in which constraints are effective, incentives are targeted, and transition efforts are adequately supported. Accelerate the transition of China's national carbon market from emissions-intensity targets to absolute emissions caps, while gradually expanding sectoral coverage. Introduce paid allocation of carbon allowances, establish clear sectoral emissions caps, define allowance allocation methodologies, and set progressively tightening reduction pathways. Develop carbon derivatives markets, explore more flexible allowance allocation approaches, and enhance market liquidity. Develop dynamic and high-integrity China Certified Emission Reduction (CCER) methodologies for emerging zero-carbon technologies. Channel carbon market revenues toward green technology innovation and a green and just transition. Match differentiated financing instruments to the three stages of green low-carbon technology development: research and demonstration, first-of-a-kind commercialization, and large-scale deployment. Encourage broader participation in voluntary carbon markets while enhancing public understanding of carbon markets. Enhance participation in and contribution to the development of international carbon markets under the Paris Agreement and advance mutual recognition of relevant international standards.

## II. Strengthen Ecosystem Resilience Through Integrated Nature Conservation, Sustainable Blue Economy Development, and Climate Adaptation

**6. Optimize the spatial framework for nature and ecological conservation.** Align spatial planning with the implementation requirements of the Kunming-Montreal Global Biodiversity Framework by strengthening the evaluation system for Ecological Conservation Redlines, including additional indicators for species diversity, genetic diversity, and natural carbon stocks. Accelerate the development of a national policy framework and recognition standards for Other Effective area-based Conservation Measures (OECMs), which along with nature reserves and Ecological Conservation Redlines would form a systemic protection system covering important areas throughout Chinese lands and marine areas. Designate national parks in key coral reef areas, key mangrove and seagrass-bed clusters, and ecologically important archipelagos within priority marine regions. Improve coordination between marine



spatial planning and fisheries management authorities to support mutually reinforcing outcomes for biodiversity conservation, blue carbon enhancement, and the sustainable development of coastal communities. Recognize marine carbon-cycle functions within integrated climate-ocean-biodiversity policy frameworks. Strengthen compliance and traceability of distant-water fisheries, extending port-state controls to domestic fleets, and align marine spatial planning with fisheries management.

**7. Strengthen governance mechanisms to promote the development of a marine economy for the future.** Develop national ocean economic accounting standards aligned with the System of Environmental-Economic Accounting. Actively support the establishment of additional marine protected areas in areas beyond national jurisdiction, accede to the Convention on the Conservation of Migratory Species of Wild Animals. Support the full and effective implementation of the Agreement under the United Nations Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas beyond National Jurisdiction (BBNJ Agreement) and demonstrate strong implementation efforts to enhance international confidence in ocean governance. Recognize coastal and marine ecosystems as critical natural infrastructure and explore innovative blue carbon financing mechanisms. Establish an open, internationally shared ocean data system and deploy digital ocean platforms to support marine spatial planning and biodiversity monitoring. Align fisheries subsidy policies with international rules. Adopt differentiated policy support for various offshore aquaculture models, supported by strengthened ecological carrying-capacity assessments and marine spatial planning. Require all new tourism developments to meet biodiversity no-net-loss requirements and net-zero emissions standards. Develop a national roadmap for zero- and near-zero-emission shipping, with phased targets for green methanol, ammonia fuels, and maritime electrification.

**8. Apply a science-based and precautionary approach to deep-sea mining through multilateral governance.** Support the International Seabed Authority in accelerating the development of the Mining Code under the framework of the United Nations Convention on the Law of the Sea. Promote an approach that commercial deep-sea mining activities should proceed only after the adoption of the International Seabed Authority Mining Code, the establishment of scientifically robust ecological thresholds, and the implementation of clear liability and benefit-sharing mechanisms. Development should follow a science-based, precautionary, and phased approach. Leveraging China's strengths in deep-sea science and technology, strengthen independent baseline environmental surveys, ecological baseline assessments, and mapping of deep-sea ecosystems, promote the standardization of survey methodologies and open data sharing, and support capacity building for developing countries.

**9. Accelerate the development of a climate-resilient society.** Integrate climate adaptation into the holistic national security framework and China's broader modernization strategy, ensuring that climate resilience is embedded throughout all stages of economic and social development. Establish and continuously update a climate-risk assessment mechanism and incorporate climate risk into territorial spatial planning, major infrastructure siting, and the revision of engineering standards. Develop cross-sectoral, basin-wide cross-watershed, and land-sea coordination mechanisms for joint risk assessment, early warning, and coordinated emergency response, supported by the integration of multi-source data and the creation of a dynamically updated national climate risk map. Expand nature-based solutions tailored to local conditions, and advance the coordinated development of sponge cities, resilient coastlines, and the upgrading of critical infrastructure networks to enhance the buffering capacity of ecosystems. Strengthen fiscal and financial support systems for climate adaptation, including innovative instruments such as catastrophe insurance and parametric insurance, to attract broader investment in resilience building. Uphold the principle of climate equity by establishing differentiated protection mechanisms for vulnerable communities and strengthening policy and project support for climate adaptation in less-developed regions, rural areas, and small and medium-sized cities.

**10.Strengthen integrated governance of ecological and environmental systems.** Establish a central coordination mechanism to guide the green transition and place comprehensive green transformation on the agenda of the Central Financial and Economic Affairs Commission. Clarify the division of responsibilities between central and local governments, strengthen inter-agency coordination, and improve policy implementation through closed-loop management. Use the implementation of the Environmental Code as the overarching framework to accelerate forward-looking legislation in key areas, including biodiversity conservation, and the management of emerging pollutants, and advance dedicated climate change legislation. Strengthen the role of the judiciary in supporting the green and low-carbon transition by effectively implementing environmental laws, enhancing accountability, and improving coordination between judicial and administrative authorities. Develop integrated governance frameworks for air, water, soil, emerging pollutants, and plastic pollution by promoting multi-pollutant control and region-specific environmental management approaches. Advance dedicated surveys and risk assessments for emerging pollutants and plastic pollution, while strengthening coordination with and the comprehensive evaluation of the Third National Pollution Source Census. Strengthen synergies in the implementation of multiple international agreements, including those related to climate change, biodiversity conservation, wetland protection, desertification control, and chemicals and waste management.

## III. Support the Digital and Intelligent Upgrading of the Circular Economy and Build a Resource-Efficient Circular Industrial System

**11. Strengthen top-level design and institutional support.** Prioritize waste reduction, place reuse at the core, and use resource recovery as a supporting safeguard, while leveraging digital technologies to upgrade the entire value chain. Advance the circular economy from a model focused primarily on end-of-pipe waste management toward one that enhances resource security, industrial supply chain resilience, and systemic pollution and carbon emission reduction. Initiate a timely revision of China's Circular Economy Promotion Law. Strengthen the extended producer responsibility system and establish more robust requirements and enforcement mechanisms for green design, mandatory recycling, and related measures. Establish implementation mechanisms based on the principle of "one industry, one plan" and "one material category, one pathway." Improve tax incentives, including the reverse invoicing mechanism; reserve at least 1% of industrial land for resource recycling and recovery infrastructure; and expand and deepen initiatives such as Zero-Waste Cities and Key Cities for the Development of Waste Materials Recycling Systems. Promote urban mining and establish dedicated recycling systems for critical minerals, renewable-energy technologies, and computing infrastructure. Promote safe-by-design principles, incorporate material traceability, strictly control endocrine-disrupting and persistent chemicals and hazardous substances in recycled products.

**12. Upgrade circularity and resource efficiency in key sectors.** Focus on key industries, such as steel, non-ferrous metals, plastics, construction materials, and textiles, to increase the high-value use of recycled materials. Strengthen the development of supply assurance systems for raw materials, core equipment, and recycling across the industrial chain. Accelerate technological innovation and standards development for waste generated by emerging clean energy industries, including retired electric vehicle batteries, solar photovoltaic modules, and wind turbine blades. Promote the large-scale utilization of bulk industrial solid waste, while strengthening environmental risk management through a "one stockpile, one tailored plan" management approach. Increase investment in the research and development of alternative materials, including bio-based materials, assess the potential of emerging protein sources through science-based evaluation, and promote the coordinated development of recycled materials, remanufactured products, and low-carbon substitute materials.

**13. Build a digital circular governance system.** Accelerate development and deployment of digital product passports, life-cycle traceability tools, and carbon footprint accounting systems for recycled materials. Establish a national traceability platform for recycled materials and solid waste. Promote the application of blockchain, the Internet of Things, and AI, while

strengthening data standards and enhancing alignment with international frameworks. Pilot innovative business models and value chain partnerships and establish regulatory sandboxes to support the development and testing of digitally enabled circular value systems.

**14. Cultivate demand for circular products.** Strengthen government green procurement requirements and encourage central and local state-owned enterprises to incorporate the utilization rate of recycled materials into their supply chain performance assessment systems. Improve certification and labelling systems for circular products and encourage green consumption, shifting recycled materials from being merely usable to being actively chosen and preferred. Promote digital governance systems that enable trusted cross-border environmental data sharing and mutual recognition of digital product passports.

## IV. Leverage Resource Endowments to Build Competitive Green Industries and Advance Green and Just Transition in Traditional Energy Regions

**15. Strengthen top-level design for the transition of traditional energy regions.** Formulate a master plan with clear targets, coordinated across national, provincial, and city levels, while building cross-regional cost-and-benefit sharing mechanisms between energy producers and consumers. Balance energy security with transition and development objectives, while giving equal weight to efficiency and equity. Support traditional energy regions in cultivating new drivers of green growth and ensure that the transition process is fair and inclusive. Transform resource-rich areas, such as the Coal Triangle Region, into comprehensive clean energy hubs and demonstration zones for a green and just transition.

**16. Cultivate competitive green industries by leveraging resource advantages.** Cap coal-to-chemical capacity/emissions with green hydrogen coupling targets, strictly control the disorderly expansion of coal chemical production capacity, accelerate the low-carbon transformation of existing industries, and support the orderly development of industries such as renewable energy equipment manufacturing, green hydrogen, green chemicals, and green computing in traditional energy regions. Promote both west-to-east power transmission and local utilization of electricity in western regions and support the coordinated development of large-scale wind and solar energy bases with energy-intensive industrial parks. Accelerate deep decarbonization measures in existing energy-intensive industrial parks, including end-use



electrification, direct renewable power supply, and flexible retrofits to reduce reliance on coal. Strengthen carbon footprint accounting, green electricity traceability, and green certification systems. Support the development of verifiable and tradable green value for products such as green methanol and low-carbon aluminum. Promote the integrated development of zero-carbon product production, certification, and trading systems, while aligning with international standards.

**17. Strengthen social protection and ensure a just transition.** Pilot city-level green just transition action plans and improve social safety nets. Mobilize fiscal resources, carbon revenues, policy-based finance, and private capital to support industrial diversification, ecological restoration, and social protection in transition regions. Explore horizontal ecological compensation mechanisms involving energy-consuming and electricity-importing regions. Establish employment impact assessment requirements for transition-related projects, accompanied by retraining programs, social protection measures, and community support policies. Prioritize assistance for workers in traditional industries and vulnerable groups, while ensuring women's equal participation in and benefits from the transition process.

## V. Deepen Global Cooperation on Green Governance to Promote Sustainable Development

**18. Define China's role in international cooperation with greater precision.** Build upon China's dual identity as a major developing country and a shaper of the global green transition, prioritizing its role as a stabilizer while progressively advancing toward that of a co-creator. Leverage the certainty of domestic governance to share affordable and replicable green solutions with the international community. Launch a Global Green Initiative and establish a dedicated International Green Development Cooperation Fund to support South–South cooperation on environment and climate issues. Promote coordinated international governance frameworks linking climate, energy, finance, food security, and emerging technologies. Promote mutual recognition and interoperability of standards, policies, and market rules; reduce barriers to international trade in renewable-energy and other green technologies; fully explore opportunities to participate in and help lead the development of global sectoral agreements. Strengthen coordination of China's overseas investment, finance, trade, and supply chain cooperation in green sectors. Play a leading role in climate-friendly cooling systems.

**19. Strengthen narratives and consensus building.** Support international scientific cooperation and network building and provide more green public goods for global environmental science cooperation. Develop an international repository of best practice case studies on topics such as

renewable energy deployment, electricity market reform, and South–South cooperation, using measurable indicators to demonstrate the benefits and impacts of green transition efforts. Enhance the credibility and international reach of these case studies through independent third-party evaluations and collaboration with international think tanks, helping counter confrontational narratives and build consensus for cooperation. Promote policy dialogue and experience sharing between China and the EU on green and low-carbon transition, explore opportunities for technology cooperation and joint research, and advance the mutual recognition of green standards and greater market connectivity. Replicate and expand the CCICED dialogue model to countries and regions such as Brazil, India, and Southeast Asia, and promote in-depth exchanges on green transition, sustainable development, and related policy priorities.

**20. Expand practical cooperation in key areas.** Continue to advance sustainable international cooperation and fully mobilize private capital to support sustainable development. Develop collaborative frameworks for green-industrial development that prioritize shared value creation, local manufacturing, technology transfer, and inclusive rule-making for developing countries. Strengthen green management throughout the full life cycle of overseas investment projects and integrate natural capital accounting into project planning, implementation, and evaluation. Shift from a model focused primarily on engineering contracting to one that provides comprehensive sustainable development solutions. Support the transition of green industries from product exports toward localized joint ventures and operational partnerships, helping create local employment, promote industrial upgrading, and share the benefits of green transition. Advance cooperation on sustainable digital infrastructure and explore pilot corridors that integrate data centres with clean energy infrastructure. Pilot dedicated energy transition projects in overseas industrial parks. Promote the adoption of best practices in China's overseas investment projects.

