

# IDDRI



SciencesPo.

## **An assessment of EU's low-carbon cooperation strategy with China**

Xin WANG

IDDRI

Qi YE

Tsinghua University

24 October, 2013, Brussels

# Plan

Context + objective

Method

Results and discussions

## Changing global and domestic contexts

Global economic downturn and sovereign debt crisis in EU

=> Need of economic growth

=> Limited financial resources for cooperation

Need of an effective global climate change agreement

World trade governance

=> current bilateral negotiations

=> Establishment of Shanghai free trade area

Urbanization and strategic and emerging sectors in China

*Summary: increasing demands from China and new opportunities for EU-China cooperation: where does LCE stand?*

## Questions on EU-CN LCD Cooperation

With regard to MS-level cooperation with China (which seems to be generally efficient to satisfy MS's objectives of coop),

- Is there a need to assess the **necessity and feasibility** of a strategic EU approach when cooperating with China in the area of LCE?
- Will such an approach help to multiply economic and political interests and results of existing cooperation therefore catalyzing the consolidation of a stronger general **EU-China partnership in the changing global context**?
- And in particular, will such approach help to put forward an effective **global climate agreement** given the key role of EU and China in global climate change governance?

## Objective of this presentation

Difficult to answer all these questions at one time!

Based on my recent paper “An assessment of EU-China low-carbon cooperation”, this presentation aims at discussing the following issues:

### Objectives:

1. Mapping recent cooperation **projects** between (some) MS and China
2. Assessment of their particularities and similarities
3. Discussion of key conditions of successful cooperation with China

# Method

1. **Mapping** of existing coop projects in LCD of France, Germany, Italy and the UK with China (2007- ) from official sources (Embassies, gov websites, etc.)

Regroup them by sectors and regions in China

Yet, insufficiency exists (of course):

- No projects in EU territory
- Lack of data of local gov level coop
- Only project numbers, no scale...
- Risk of omitting coop projects
  - Time consuming
  - No relevant database

2. **Field interviews** in China (Sept., Nov. 2012)

⇒ Assess current projects

⇒ Collect options for (better) EU-CN coop in LCD

*Table: number of stakeholders interviewed*

Stakeholder	Number
University	5
Governmental think tanks	9
Officials	6
Chinese industries and banks	5
NGOs	1
Foreign embassies in China	3
Foreign firms in China	5

## Result: cooperation projects by sectors and by regions

	EU	France	Germany	Italy	UK
EE building	0	6	3	1	1
Low carbon zones (including transport)	1	0	1	0	8
EE industry	1	1	5	2	2
Renewables	0	3	2	5	2
CCS	1	0	1	0	2
Other (technology) pilot projects	0	0	6	7	17
Policy issues	1	3	1	0	30
Governance (capacity)	7	0	2	5	16
Training	1	1	1	1	3
Network (center)	3	2	5	3	5
R&D	0	2	1	2	0
Forest	1	0	1	1	0
<b>Total</b>	<b>16</b>	<b>18</b>	<b>29</b>	<b>27</b>	<b>86</b>

## Cooperation projects by regions

	EU	France	Germany	Italy	UK	
National	11	9	20	13	53	
Regional (multi-provincial)					5	
Beijing		1	2	3	1	Provincial level municipality
Tianjin	2			3	1	
Shanghai		1		3	1	
Chongqing	1	1			5	
Hebei	1		1			Costal provinces (relatively richer measured in GDP per capita)
Shandong	1		1	1	3	
Fujian	1		1			
Jiangsu		1	2	1	3	
Guangxi			1			
Guangdong			1		11	
Anhui			1			
Zhejiang			1		1	
Jilin	1					
Liaoning		2				
Jiangxi					2	
Henan				1		
Hubei		2		1	1	
Hunan			1			
Hainan			1	1		
Sichuan		2			2	(Southern) western provinces (relatively poorer measured in per capita GDP)
Shanxi		1		1		
Gansu	1			1		
Ningxia				2		
Yunnan		2	1			
Tibet				1		
Inner Mongolia				1		
Guizhou					2	



# Economic results of coop: the Italian case

## Demonstration projects

- Lanzhou air pollution monitoring
- Zero emission bus in Olympic Park

## Building construction

- Buy Italian
- Impression from the top Chinese official

## Training

- Inter-personal relation building

=> *LCD coop with China helps to boost Italian domestic firms' economic profits and market access in China.*

## Discussion: what is an EU-level LCD coop with China?

Need to continue to strengthen government's accompany to domestic firms to better access to Chinese markets

LCD coop at MS level already help to consolidate mutual trust and understanding

There exists (a certain degree of) complementarity of LCD coop projects among MS with China, yet there are also repeating areas

=> Provided the limited financial resources today, an EU-level LCD cooperation strategy with China could accelerate and multiply effects of LCD cooperation (??)

## Recommendations

Experience sharing mechanism

Establish EU-China LCE workgroup

cf. the recent US-China joint declaration on CC.

Identify good timing fitting to China's domestic needs

Key areas of coop: ETS, Urbanisation, RENs, Nuclear energy, etc.

Align European think tanks and NGOs

**Thank you!**

Xin WANG

IDDRI

Tele: +33 1 4549 7655

Email: [xin.wang@iddri.org](mailto:xin.wang@iddri.org)