Challenges and Reality

—China's dilemma to DP negotiation

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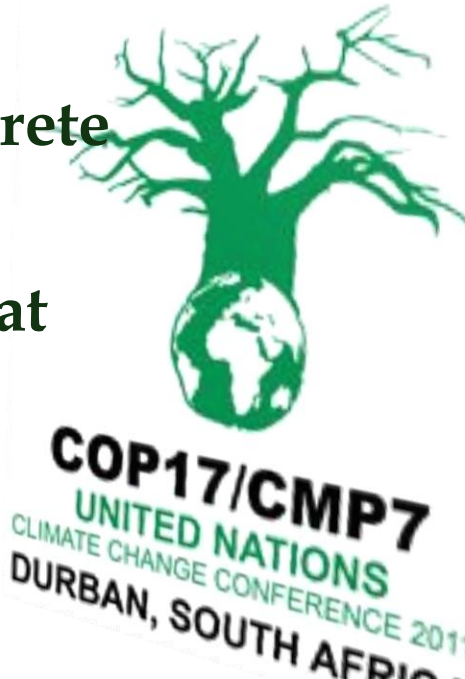
Outline

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

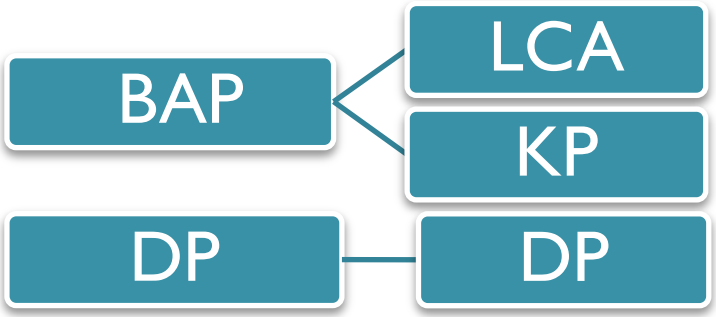
How to read durban deal?

- 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

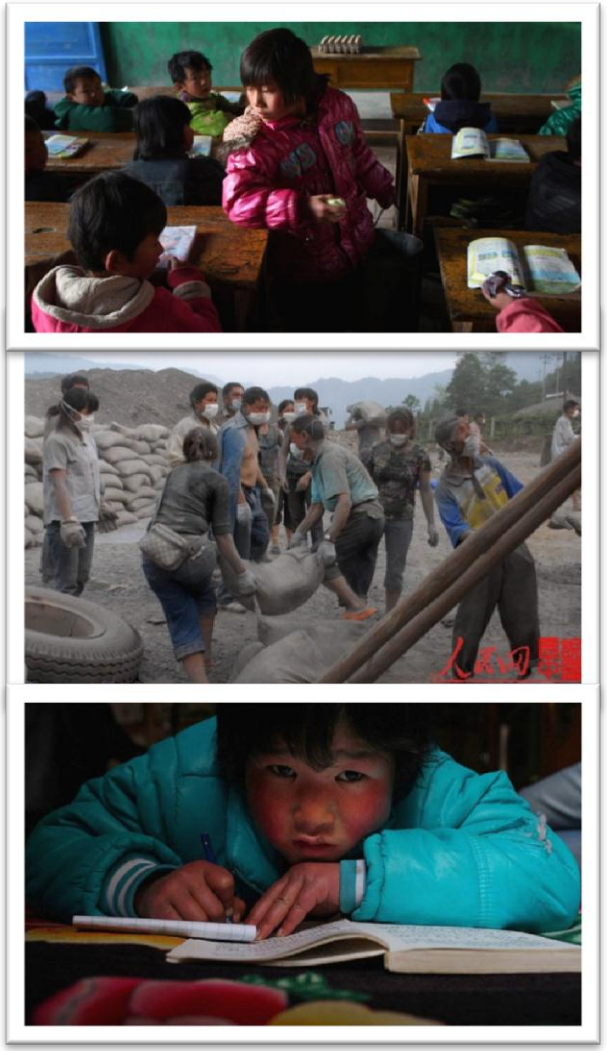
lack of confidence due to domestic multi-dimension constraints/ challenges

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

- 2nd 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

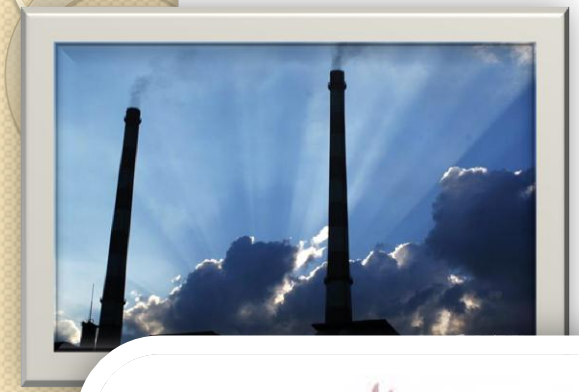





Industrialization with transferred emission

- 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