2. CHINA

Although China ranks the 2nd in the world in terms of the total GHG emissions and energy consumption, its per capita emissions are very low.

2.1 Introduction

The People's Republic of China (PRC) is the world's most populous country with 1.3 billion people (accounting for 20% of the global population) growing annually at 0.6% (World Bank 2005). Its rapid economic growth during the past two decades can be ascertained from the fact that its Gross Domestic Product (GDP) grew by nearly seven times from US$256.1 billion in 1984 to US$1,649 billion in 2004 (Table 2.1). Consequently, energy consumption and GHG emissions by China are now the second largest in the world, following the USA (World Resources Institute 2005). Another major reason for the growth in China's GHG emissions is its high rate of coal use which accounts for 67% of total energy use (UNFCCC 2005g). In terms of per capita GHG emissions, however, China is ranked at 97th and its per capita energy consumption is only one-eleventh of that of the US (Pan 2002a).

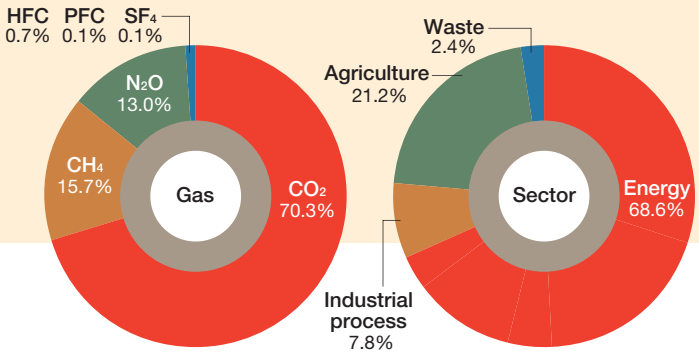
Table 2.1 Key statistics for China

Population (2004)		1,297 million
Annual Population Growth (2004)		0.63%
GDP (Current US$) (2004)		US$ 1,649 billion
GDP per capita (2004)		
	Current US$ (2004)	US$1,272
	Purchasing Power Parity (2004)	US$5,495
GNI per capita (Atlas Method) (2004)		
	Current US$ (2004)	US$1,290
	Purchasing Power Parity (PPP) (2004)	US$5,530
Annual GDP growth (2004)		9.50%
Energy demand (2002)		1,229 million metric tonnes of oil equivalent (MMtoe)
Per capita energy consumption (2002)		959.52 kgoe
Per capita electricity consumption (2002)		987.09 kWh
Energy mix (2002)	Coal	57%
	Oil	20%
	Combustible, renewable and waste	18%
	Gas	3%
	Hydro	2%
	Nuclear	1%
GHG Emissions (2000)		4,946 million $MtCO_2e$
GHG Emissions per capita (2000)		3.92 $MtCO_2e$
CO_2 Emissions (2000)		2,790 million $MtCO_2$
CO_2 Emissions per capita (2000)		2.21 $MtCO_2$
CO_2 Emissions per GDP (2000)		2.58 kg/US$

Sources: UNFCCC (2005g), World Bank (2005), IEA (2005)

Of all GHG, CO_2 emissions are the highest followed by methane. Emissions from energy activities are the highest followed by agriculture (Fig. 2.1). Consumption of energy is projected to increase from 9.8% in 2001 to 14.2% of global consumption in 2025. Likewise, GHG emissions (excluding LULUCF) are projected to grow from 14.7% in 2000 to 17.8% of global emissions in 2025. A recent study by Tsinghua University indicated that GHG emissions are projected to grow to 7039 million metric tonnes of CO_2 equivalent ($MMtCO_2e$) in 2030 (Wang et al 2005).

Figure 2.1 Distribution of GHG emissions from China in 2000



Source: WRI-CAIT Version 2 2005

2.2 Major Domestic Climate Policies and International Contributions

In the mid-1980s, China started several GHG mitigation and adaptation initiatives in relation to its national goals for improving energy efficiency, optimising energy structure and conserving energy based on the principle of "developing and conserving energy simultaneously with conservation put in the first place"(UNFCCC 2005g). Some of the policies and measures taken by China are listed below (Table 2.2).

China's contributions to international discussions on the climate regime are articulated through its leadership role within the Group of 77 and China (G77 + China). China's willingness to play an active role in the future regime discussions can be seen from its statements at the Seminar of Government Experts (SoGE) and at the Group of Eight (G8) Gleneagles Summit held this year. In addition, China entered into several bilateral and multilateral partnerships on energy efficiency and conservation with key Annex I countries (e.g., Asia-Pacific Partnership on Clean Development and Climate, and China Climate Change Info-Net).

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Table 2.2 Selected climate policies and measures of China

	Issue	Policies and Measures
MITIGATION	Energy efficiency	• Energy saving and conservation measures through regular 5-year updates to Energy Saving Law of 1985. • National energy conservation plans (1985-2010) include principal policies for energy development and conservation. • Energy transformation: Coal to Natural gas, oil and hydropower, and renewables. • The 9th Five-year Plan (2000-2005) sets goals of improving the energy infrastructure, increasing the share of energy provided by natural gas, and reducing coal use.
	Renewable energy use promotion	• Renewable Energy (RE) Law of 2003 to promote biomass, solar, hydro, wind and geothermal sources with a target of 10% electricity generation from RE. RE use increased by 300% between 1994 and 2000. • National Action Plan on Nuclear Energy Promotion 2004 to achieve a share of 4% in electricity generation by 2025, from less than 1% in 2004.
	Transportation	• Government pledge on investment on transportation sector to achieve annual growth of 7% in energy efficiency.
	Carbon sequestration	• Promotion of the policy of reclaiming farmland back to woodland, large-scale afforestation and reforestation, to enhance the removal of CO_2 by sinks (e.g., "Grain for Timber" project).
	Technology development and transfer	• Key Energy Technology Development Plan of 2005 focusing on critical technologies for GHG mitigation. • Initiatives for enhancing bilateral and multilateral cooperation on climate-friendly technologies, particularly on clean coal technologies. • Initiatives for nuclear technology advancement.
ADAPTATION	Natural resources management	• Policies for food security and forest & biodiversity conservation. • Incentives for water conservation in agriculture and industry. • Converting some of the cultivated land to pasture, forest and grassland. • Plans for co-existence of developmental needs and ecological conservation.
	Infrastructure management	• Strengthening embankments against flooding along major rivers, diverting water from the south to the north. • Improving agricultural infrastructure, and curbing deforestation. • Measures for strengthening the construction of coastal infrastructure against the tide.
	Other initiatives	• Setting up and strengthening the monitoring, forecasting, and early warning systems for control of fire, disease, and pests of pasture and forest.

Sources: Jiang (2005), UNFCCC (2005g).

2.3 Assessment of the Current Climate Regime from the National Perspective

2.3.1 Progress achieved-to-date

International consensus about climate change as a global issue and institutional mechanisms to tackle it under the UNFCCC, the Kyoto Protocol (KP) and the Marrakech Accords were regarded as important achievements. The establishment of market-based mechanisms and strengthening of institutional and human capacity-building to address climate change were also recognised as prominent successes of the current regime. Most participants agreed that the KP framework should be the basis for formulating the post-2012 regime.

The Kyoto Protocol is an important initial step and a good basis for the post-2012 regime.

2.3.2 Global challenges

2.3.2.1 Compliance challenge: Participants noted that a stronger compliance mechanism than in the current regime is necessary to improve the credibility of international commitments to reduce GHG emissions. Although the KP has a compliance mechanism, no credible enforcement methods were included in the current framework. This may induce non-compliance by Annex B parties of the KP.

2.3.2.2 Sustainable development challenge: Further strengthening of the CDM to promote sustainable development was also identified as a challenge. Current CDM projects approved internationally (and domestically), such as HFC23 and methane projects, are not targeted to sustainable development needs of developing countries.

2.3.2.3 Technology challenge: Most participants mentioned that the transfer of climate-friendly technologies from Annex I countries to non-Annex I countries was limited so far, as was confirmed in publications by Chinese researchers (e.g., Jiang 2003, 2005). Facilitating an effective technology transfer remains a key challenge to the global community due to the lack of financing options and barriers related to the protection of intellectual property rights (IPRs).

2.3.3 National challenges

How to minimize GHG emissions while utilizing the currently available fossil fuels in China is a major challenge for both China and the rest of the world.

2.3.3.1 High dependence on coal and oil: As per China's Initial National Communication, two-thirds of China's energy use (67%) is supplied by coal, which when burned releases sulfur and particulates that cause severe air pollution. As of 2005, China ranks the largest coal user in the world, followed by the USA and India. Rising oil demand and imports have made China a significant factor in world oil markets. China also surpassed Japan as the world's second-largest petroleum consumer in 2003. China has become the second largest emitter of GHG after the USA, mainly as a result of fossil fuel combustion. How to minimize GHG emissions while utilizing the currently available fossil fuels in China is a major challenge for both China and the rest of the world.

2.3.3.2 Adaptation challenge: China is extremely vulnerable to the negative impacts of climate change. Its large territory and various climatic patterns make China face a difficult situation to adapt to climate change (Table 2.3). Since the early 1990s, studies have been conducted on vulnerability assessment and adaptation in China, focusing on four areas closely related to the economy, namely water resources, agriculture, terrestrial ecosystems, and the coastal zones including offshore marine ecosystems. In terms of geographical distribution, it can be seen that the warming trend was the most obvious in north-west, north-east, and northern China, while not so obvious in the areas south of the Yangzi River. Furthermore, the warming increment in weather is the most obvious effect during the seasonal cycle. Studies on extreme weather events and trends showed that both drought and flooding are likely to become more frequent and intense.

2.3.3.3 Capacity challenge: Improving human and institutional capacities to assess vulnerability of, and to develop adaptation strategies to, climate change, and creating well-managed national GHG inventories using the common reporting format (CRF) under the UNFCCC framework, are two major national challenges.

Table 2.3 Adaptation-related challenges in China

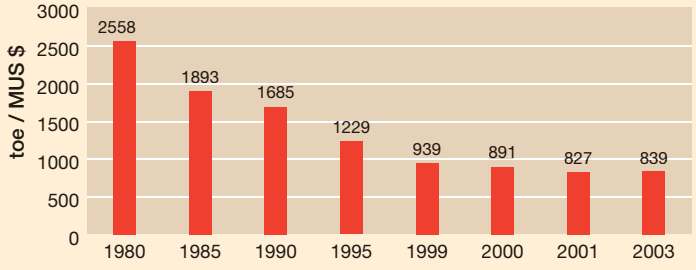
Water resources crisis	• Decline in the run-off of the major rivers during the past 40 years. • Continuing drought in the north China since the 1980s. • Frequent flooding disasters in Southern China since the 1990s.
Glacier melt	• Shrinking of glaciers by 21%, especially in west China. • Threatening the future exploitation of the glaciers as water resources.
Food security	• Climate change would speed up plant growth and shorten the crop growth period and consequently would affect the accumulation of dry biomass and the grain yield. • Declines in yield of major cash crops.
Sea Level Rise	• Increasing trend of sea-level rise along the coast since the 1950s. • Current rate of rise of 1.4-2.6mm per year. • By 2100, the rate is estimated to be from 31cm to 65cm, which will cause the serious coastal erosion. • Sea water intrusion into the fresh water, which causes degradation of the quality of water for drinking and farming.

2.4. Major Concerns on Current and Future Climate Regime

2.4.1 Development and economic concerns

China's production and consumption of coal, which makes up 67% of its primary energy, is the highest in the world. While China managed to "decouple" the growth of GDP from that of energy consumption recently (Chandler et al 2002), as reflected by considerable improvements in GDP energy intensity (Fig. 2.2) it still faces the crucial challenge of improving its energy efficiency further. With a high rate of economic growth and the rapid increase in energy demands, China is currently concerned with its energy security, as it is predicted that over 60% of China's energy needs will have to be met imports by 2020 (Jiang 2003).

Figure 2.2 Energy efficiency in China



Source: Handbook of Energy & Economic Statistics in Japan, 2004.

2.4.2 Market-based mechanisms-related concerns

Currently over 100 CDM projects are in development in China but only eight projects (four each on methane recovery and renewable energy) were approved.

Currently over 100 CDM projects are in development in China but only eight projects (four each on methane recovery and renewable energy) were approved with emissions reductions of 1.33MtCO_2 e/yr (Table 2.4)(NCCC 2005). Further, only one out of thirty-four CDM projects registered by the CDM Executive Board (CDM-EB) (as of 1 November 2005) is from China (UNFCCC 2005b). In view of this slow progress, several concerns regarding the CDM were raised by participants and Chinese researchers (Pan 2002b; Zheng 2004). Some of them are listed below:

- Slow development of the CDM market.
- Very few examples of successful CDM projects so far.
- Rigidity of the CDM approval process.
- High transaction costs.
- Lack of confidence among potential participants due to the stagnant CDM market and the non-participation of the US to the Kyoto Protocol.
- Lack of confidence about the validity of the CERs after 2012.
- Low CER price.
- Imbalance between national priorities for development and CDM project areas.

Table 2.4 List of approved CDM projects by the Chinese government (as of Oct. 25, 2005)

Project Name	Project Type	Project Owner	CER Buyer	Ave. GHG Reduction (tCO_2e/y)
Anding Landfill Gas Recovery and Utilization Project	Methane recovery & utilization	Beijing Erqing Environment Engineering Group	Energy Systems International B.V. (ESI)	90,000
Inner Mongolia Huitengxile Wind Farm Project	Renewable energy	Inner Mongolia Long Yuan Wind Power Development Co., Ltd.	SenterNovem (Netherlands)	51,430
Nanjing Tianjinwa Landfill Gas to Electricity Project	Methane recovery & utilization	Nanjing Green Waste Recovery Engineering Co., Ltd.	EcoSecurities Ltd (UK)	265,032
Zhangbei Manjing Wind Farm Project	Renewable energy	Beijing Guotou Energy conservation Company (BJGT)	First Carbon Fund Ltd. (UK)	96,428
Meizhou Landfills Gas Recovery and Utilization as Energy Project	Methane recovery & utilization	Shenzhen PhasCon Technologies Co., Ltd.	Austrian JI/CDM Programme, Kommunalkredit Public Consulting Gmbh	278,000
China Xiaogushan Hydropower Project	Renewable energy	Xiaogushan Hydropower Co. Ltd.	World Bank PCF	327,300
Yuzaikou Small Hydropower Project	Renewable energy	Rucheng County Yuzaikou Hydropower Co Ltd.	EcoSecurities Ltd (UK)	40,480
Rudong County Wind Farm Project-China	Renewable energy	Jiangsu Unipower Wind Power Co. Ltd	Cooperatieve Centrale Raiffeisen Boerenleenbank B.A.	181,274

Source: Office of National Coordination Committee on Climate Change (2005)

2.4.3 Equity concerns

Although China emits nearly 15% of the world's total GHG emissions in 2000, its per capita GHG emissions are very low (Table 2.1). In addition, despite improvements in its socio-economic conditions, over 200 million Chinese still live on less than US$1 a day and often do not have access to clean water, arable land, or adequate health and education services (IEA 2002). Most participants were concerned with equity issues, both domestically and internationally, and identified the need for the design of an equitable future climate regime based on common but differentiated principles. Considering such conditions, it was widely felt that it is premature for China to make any legally-binding GHG emissions reduction commitments immediately after 2012 (Jiang 2003b; Pan 2002a).

Several participants noted that it is premature for China to take any legally-binding GHG emissions reduction commitments immediately after 2012.

2.4.4 Technology development and transfer-related concerns

Most participants pointed out that very few examples of successful transfer of climate-friendly technologies exist and that only two out of sixteen cases examined could be considered successful transfer of technologies from Annex I countries to China. It was also noted that under the Annex I National Communications, "soft" technology transfer, such as information networks and capacity-building, was often listed as transfer of technologies. The poor record of technology transfer so far implied that the use of the market mechanisms was a failure. Participants emphasised that technology transfer from Annex I countries would have to increase exponentially if China is to substantially reduce GHG emissions without compromising its development goals (Pan 2004; Jiang 2005, Jiang 2003b). The long duration of twenty years for the protection of IPRs and the high cost of climate-friendly technologies were considered additional barriers for effective technology transfer (Lesser 2002). The lack of concerted efforts to localise and commercialise indigenous technologies due to limited financial resources was also a point of concern.

Very few examples of successful transfer of climate-friendly technologies exist so far, which implies a failure of the use of the market-based mechanisms.

2.4.5 Adaptation-related concerns

China is extremely vulnerable to the negative impacts of climate change. China faces a difficult situation in adapting to climate change because of its vast territory and various climatic patterns that affect it. Since the early 1990s, studies have been conducted on vulnerability assessment and adaptation, focussing on four areas closely related to the economy: namely water resources, agriculture, terrestrial ecosystems, and the coastal zones, including offshore marine ecosystems (UNFCCC 2005g). Such studies identified various vulnerable areas, including ecosystems in northern China, but it was found that China lacked adaptive capacity to climate change impacts in terms of human and technical capacity (Pan 2003). Even if the vulnerable areas were identified and appropriate plans set up, financial resources for implementing such plans are limited.

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2.5 Priorities for Restructuring Climate Regime

2.5.1 Market-based mechanisms

In order to restore confidence in the CDM, participants in our consultations felt that it is necessary to design and implement various policy measures in order to remove uncertainties and minimise risks related to the CDM. Some ways to move forward are listed below:

- Establishment of credit procurement agreements beyond 2012 – unilaterally, bilaterally, and/or multilaterally – to provide investors with confidence in the CDM market and the validity of CERs they purchase now.
- More flexibility should be introduced to the CDM procedures and implementation without compromising environmental effectiveness.
- Unsuitability of unilateral CDM for China due to risks associated with the system (Jahn et al 2003).
- Preference for top-down approach for CDM planning and implementation to bottom-up approach because of the potentials for 1) saving time and centralised monitoring of individual projects; 2) high manageability in multiplying successful CDM project design and implementation and in reallocating benefits from the CDM; and 3) an easier monitoring and evaluation system through the public-private partnerships (Pan 2003; Xu 2005).

The idea of utilising ODA for CDM is not acceptable to China for several reasons.

The idea of utilising ODA for the CDM was not acceptable to China because 1) ODA has broader objectives for promoting sustainable development, including the development of social infrastructure; 2) ODA should not be used for commercial activities which create profits for participating companies from developed countries; and, 3) as the Kyoto Protocol and the Marrakech Accords mention, the CDM needs to include the additionality criteria in its project development, which means that the CDM should be additional to what has been and should be done through ODA (Michaelowa et al 2000).

The use of the domestic emissions trading scheme was also mentioned as a future option. In this regard, many participants agreed that the forerunner example of sulphur dioxide Emissions Trading System (SO_2 ETS) case in Hong Kong could surely provide the basis for a CO_2 ETS scheme in the future, including a legal setting, measuring methods, and registration. Moreover, Hong Kong's SO_2 ETS has extended to other provinces based on the 2003 PRD Regional Air Quality Management Plan. The government has already accumulated knowledge and skills on how to cooperate among ministries based on the experience of the collaboration between the Chinese EPA and State Tax Administration of China in implementing SO_2 ETS. Although implementing such a scheme is still a long way off, participants agreed that the ETS could be a good domestic measure for China to make its efforts in reducing GHG emissions and improving its energy efficiency.

2.5.2 Technology transfer

Technology transfer-related concerns and expectations were repeated throughout our consultations. The need for new ways of thinking in order to facilitate effective technology transfer was noted. Restructuring the IPR regime for climate-friendly technologies is one of them. Many claimed that the 20-year protection period for patented technologies under TRIPs makes technologies outdated by the time the technologies are transferred

from developed to developing countries (Lesser 2002; Ogonowski et al., 2004). In order to mitigate GHG by relevant technologies, it would be necessary to shorten the IPR protection period for climate-friendly technologies by considering mitigation of the climate change as a global public good. In this respect, the importance of political will was emphasised as in the case of HIV/AIDS drugs, where the patents on drugs for HIV/AIDS treatments are exempted from the Trade-Related Aspects of Intellectual Property Rights (TRIPs) rule in order to enhance the access to drugs (WTO 2001; Lesser 2002; WTO 2003). However, it is also argued that, under market mechanisms, it is important to create a system from which holders of patents could adequately benefit.

Restructuring of the IPR regime for climate protection technologies through shortening the duration of IPR protection may facilitate technology transfer to developing countries.

Ensuring funding availability and financial safeguards were also argued as important instruments to promote technology transfer. China has its own ESTs, but it claims that sufficient financing is lacking to localise and commercialise such technologies (Peng et al 2005). On the other hand, Annex 1 companies with technologies face pressures from the corporate management to make profits from the technologies in which they have invested enormous amounts of money in their research and development (R&D). In other words, the costs for R&D must be recouperated through the sale of those technologies. In order to fulfill the needs of both sides, the importance of the roles played by the financial institutions – private, multinational, and public seems to be increased.

Conducting mutually-beneficial technology cooperation and demonstration projects for technology transfer is necessary (Jiang 2003b). In this regard, the China-EU cooperation on clean coal technology and the Asia-Pacific Partnership on Clean Development and Climate may serve as good examples in establishing joint R&D on clean technologies.

In combination with financial mechanisms for technology transfer, it is necessary to explore the possibility of an effective technology dissemination mechanism (Jiang 2003ab; Xu 2005). This mechanism should allow substantial decreases in the cost of technology transfer in the larger interests of tackling climate change so that developing countries can have access to affordable yet advanced ESTs.

2.5.3 Adaptation

For China to carry out adaptation policies and measures further, international cooperation in various areas, such as financial mechanism, development and transfer of climate-friendly technologies, and capacity-building, is necessary (Zhou 2005). Several options at the international level were pointed out in our consultations, including an adaptation protocol, capacity-building, funding mechanism, and transnational networking of technology and knowledge for adaptation.

For China to carry out adaptation policies and measures further, international cooperation in various areas, such as financial mechanism, development and transfer of climate-friendly technologies, and capacity-building, is necessary.

Participants noted that increasing the current 2% share of the proceeds from the CDM projects to the Adaptation Fund is not likely to be adequate to respond to the adaptation needs expressed by developing countries. It was argued that guidelines on utilising the adaptation fund should be made at the international arena. The idea of introducing market mechanisms in adaptation through adaptation vouchers or credits was discussed. Many participants who expressed their concern on the complexity of the market mechanisms doubted its practicality. Although the idea of using the insurance mechanism for adaptation seems to be attractive to developing countries that are extremely vulnerable to climate change impacts, participants expressed that total

reliance would not be appropriate because private insurance markets were still immature in developing countries, including China (China Economic Information Network 2003).

2.5.4 Equity

The principle of "common but differentiated responsibilities" should continue be the basis of the future regime.

All participants shared the view that the principle of "common but differentiated responsibilities" should be maintained in the future regime. However, the difficulties in forging and implementing a universal equity principle, which would cover all the parties to the UNFCCC, the KP, and an upcoming regime after 2012, were considered a challenge (Pan 2002a). For example, it was noted that while the per capita allocation principle may be preferable to those countries with high population growth, such as China and India, emission intensity per GDP may be preferable to those with low population growth, like Japan and other Annex I countries.

As one of the forms for allocation, the idea of "grandsonning" principle, which allocates emissions caps according to future projections of emissions instead of the grandfathering principle, was introduced. The idea was welcomed but its feasibility and practicality were questionable due to various uncertainties in climate science that makes future predictions of GHG emissions. It was agreed that principles and methods that the parties can accept and recognise as fair should be explored further in order to attract wider participation of the parties in a future climate regime. In this connection, Pan (2003) proposed three forms for commitments in a future climate regime, namely voluntary, conditional, and obligatory, which allow countries not to sacrifice their development goals (Table 2.5). Such distinction could form the basis for discussions on equity in the future climate regime.

Table 2.5 Potential forms of commitments for the future climate regime

Form	Contents	Expected goals
Voluntary	• No-regret emissions reductions. • Autonomous energy efficiency improvement during the course of economic development. • No technological progress and institutional innovation. • Voluntary adjustments to more energy and carbon saving way of life (lifestyle changes).	• Internal drive to increase energy efficiency & lower costs of production and consumption. • Technology spill-over effect. • Developed countries' commitment is obligatory due to technological advantages.
Conditional	• External push (technology transfer and financial assistance) is needed. • Emissions reductions and human development. • No luxurious/wasteful emissions in developing countries. • No carbon credits granted if no-achievement in human development.	3 purposes (simultaneously): • extra emissions reduction, • lower costs of emissions in developed countries, • Achievement of development goals in developing countries.
Obligatory	• "Rights" for basic human needs. • Restriction of excessive emissions. • No distinctions among countries in terms of "rights."	• No excessive emissions or restrictions on lifestyles are allowed.

2.5.5 Capacity-building

Participants noted the need for enhancing capacity in several areas as follows: development of GHG inventories; statistical data management using the UNFCCC Common Reporting Format (CRF); procedures for handling data on impacts & the response measures; market-based mechanisms; project management, carbon accounting, and fund allocation to projects and technology localisation (Pan 2003; Jiang 2003ab). To realise this, participants urged for more international assistance in terms of funds and technological support.

2.5.6 Other issues: Compliance

In designing a stronger compliance mechanism of the future climate regime, some participants suggested that the compliance mechanism under the Montreal Protocol could be a good model. It was noted that lessons from successful cases of compliance should form the basis for discussions on future regime by furthering synergies among not only the Rio Conventions, but also other multilateral environmental agreements (MEAs) including the Montreal Protocol.

The compliance mechanism under the Montreal Protocol may be a good model for designing a stronger compliance mechanism of the future climate regime.

2.6 Epilogue

China's major concerns for the current and the future climate regime are energy security, technology transfer and the market mechanisms. Therefore, Chinese policy-makers and negotiators need to play proactive roles in mainstreaming these concerns and issues into the China's national development strategies and implementation (Papineau 2005). In terms of energy security concerns, China should reflect its concerns into the design of CDM projects that contribute to the improvement of its energy efficiency. Regarding technology development, deployment and transfer, China should broaden the partnerships with developed countries as well as mobilise domestic financial resources in order to help localise/ commercialise technologies that already exist in China. In this regard, examples under the other conventions, particularly the Montreal Protocol and its multilateral fund, should be incorporated into the plan for future climate policies (Pan 2003).

In designing the future climate regime, it is necessary to create a situation that would change the game from "blaming" to "cooperation". Considering the fast growing trends in its economy, energy consumption, GHG emissions, China will undoubtedly become a major actor in discussions on the future regime. China's active participation in international negotiations and its political will to implement concrete domestic measures will ultimately determine the future of China and the world.

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