## International Development Cooperation in addressing Climate Change:

# A Scoping Paper on China's Policies and Practices

July 2023

# Table of Contents

## Disclaimer

# Background

Climate change is a worldwide challenge requiring coordinated efforts at the global level to achieve effective solutions. In the most recent years, China announced several critical commitments to this end, suggesting that tackling the climate change crisis has become a higher priority for China's domestic and international development agenda.

In 2020, China pledged to peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060. In 2021, it announced to stop building new coal power projects abroad while stepping up support for green development in other developing countries, providing opportunities to accelerate the implementation of the Paris Agreement and the UN 2030 Agenda for Sustainable Development.

To better understand China's current practices and challenges in carrying out international development cooperation to address climate change (IDCCC) and support the SDGs, UNDP China supported by the Swiss Development Cooperation Office in China commissioned this scoping paper. The paper is part of a broader initiative, including two informal discussions on the future of international development cooperation. Key insights from the discussions are distilled in Summary Notes published in 2021 and 2022, aiming at facilitating the exchange of countries' best practices, identifying common denominators for future collaborative development efforts.[1]

1 https://www.undp.org/china/publications/how-global-development-cooperation-could-work-better-perspectives-china
https://www.undp.org/china/publications/global-development-cooperation-transition-undp-caitec-informal-discussion-series-development-cooperation

According to the *White Paper on China's International Development Cooperation in the New Era* released in 2021, "China's international development cooperation" refers to the country's "bilateral and multilateral efforts, within the framework of South-South cooperation (SSC), to promote economic and social development through foreign aid, humanitarian assistance, and other means."[2] Based on this definition, this report presents an overview of the progress of China's IDCCC efforts in recent years using publicly available information contained in official documents published by relevant government agencies and media reports. The analysis is also complemented by a series of informal conversations with key stakeholders under Chatham House rules.

This report is structured in three chapters. Chapter 1 introduces the historic evolution and status quo of China's international development cooperation on climate change. Chapter 2 identifies the opportunities and challenges facing international development cooperation around climate change, while Chapter 3 proposes pathways for strengthening such cooperation.

Finally, the scoping paper provides a cursory review of the status quo of China's IDCCC, however this review is subject to limitations. Apart from international development cooperation (similar to ODA as defined by the OECD), China also supports developing countries in coping with climate change through commercial cooperation and projects receiving official funding that were not subject to review.

Considering the urgent need to scale climate actions, this paper aims to provide a starting point for future research in support of evidence-based policy and investment decision making that foster advancements of the 2030 Agenda for Sustainable Development and keeps the 1.5 Degree Celsius target of the Paris Agreement alive.

2 http://www.cidca.gov.cn/2021-08/31/c_1211351312.htm

# 2 EVOLUTION AND STATUS QUO OF CHINA'S IDCCC

## 2.1 Historic review of China's IDCCC

The People's Republic of China (PRC) started offering assistance to other developing countries in need since 1950. In 1978, during the period of reform and opening up, China began providing foreign aid to other developing economies in more diverse forms. Throughout the 21st century, China has been scaling up its international cooperation and expanding it to more sectors.

As stated in the first white paper on China's foreign aid (published in 2011) "climate change has become a new emerging cooperation area for China's foreign aid".[3] Two subsequent white papers on China's response to climate change (Table 2) also listed specific international cooperation projects on environmental protection and climate change. Likewise, investment programmes under China's Belt and Road Initiative launched in 2013 also include climate cooperation engagements with participating countries such as Kyrgyzstan and Brazil, to name a few.[4]

Table 1 summarizes the key features of China's international development cooperation, as well as the scope and noteworthy progress of IDCCC at various stages based on the three White Papers published by the Government of China since 2011.

3 Information Office of the State Council (2011), White Paper on China's Foreign Aid, http://english.www.gov.cn/archive/white_paper/2014/09/09/content_281474986284620.htm

4 In 2022, China's companies signed investment and construction agreements to build PV power plants in Kyrgyzstan and Brazil. https://www.yidaiyilu.gov.cn/p/238680.html, https://www.yidaiyilu.gov.cn/p/242040.html

**TABLE 1:** White Papers on China's international development cooperation (1949-2022)

| White Paper's Title | Reference Period | Total funding | Overview of climate-related development cooperation projects | Progress and targets in climate related development cooperation |
|---|---|---|---|---|
| *China's Foreign Aid (2011)* | 1950-2009 | By the end of 2009, China provided a more than RMB 250 billion (USD 37.5 billion) in aid to foreign countries. | At the beginning of its foreign aid efforts, China carried out projects relating to clean energy use, such as biogas and small hydropower generation. | China has "steadily increased the scope and volume of support to other developing countries in addressing climate change" |
| *China's Foreign Aid (2014)* | 2010-2012 | From 2010 to 2012, China distributed a total of RMB 89.34 billion (USD 14.4 billion) for foreign assistance. | China actively cooperates in the areas of clean energy, environmental protection, flood control and drought relief, water resources management, sustainable development of forestry, water and soil conservation, and meteorological information services. In the three years of this period, it provided a total of 16 batches of equipment and supplies for environmental protection to 13 developing countries, including wind and solar power generators and lighting equipment, portable solar power supplies, biogas equipment, garbage collection trucks, and draining and irrigation equipment. It also organized 150 training sessions on environmental protection and addressing climate change. | In March 2010, China issued the *Interim Measures on the Administration of External Cooperation to Address Climate Change,* which further regulates and promotes IDCCC. |
| *China's International Development Cooperation in the New Era (2021)* | 2013-2018 | From 2013 to 2018, China distributed a total of RMB 270.2 billion (USD 42 billion) for foreign assistance and placed greater emphasizes on combining IDC with other development finance channels where policy banks and private sector are playing an increasing important role. | From 2013 to 2018, China undertook 423 turn-key projects ,13 of which were on climate-related areas in the energy sector. During the same time period, China organized over 200 training programs on climate and environment protection areas. | In 2015, China announced the establishment of the South-South Cooperation Climate Fund, and the plan to set up 10 pilot low-carbon industrial parks, initiate 100 climate mitigation and adaptation programs and provide training programs on tackling climate change for 1,000 people. |

Source: prepared based on White Papers released by the State Council Information Office (SCIO) of China

More information about China's IDCCC is released in the chapters concerning international cooperation in two other white papers summarized in Table 2.

**TABLE 2:** White Papers on China's response to climate change

| White Paper's Title | Reference Period | China's efforts in IDCCC |
|---|---|---|
| *China's Policies and Actions for Addressing Climate Change (2011)* | 2006-2011 | China implemented 200 clean energy and environmental protection projects in developing countries, implemented 100 China-Africa joint scientific and technical research demonstration projects and carried out 85 foreign aid training programs. |
| *Responding to Climate Change: China's Policies and Actions (2021)* | 2012-2021 | From 2011, China allocated about RMB 1.2 billion for South-South climate cooperation; signed 40 cooperation documents with 35 countries; helped countries build low-carbon demonstration zones; provided them with relevant supplies such as meteorological satellites, PV power generation and lighting equipment, new energy vehicles (NEVs), environmental monitoring devices, and clean cookstoves to improve countries' capability to tackle climate change. Additionally, it trained about 2,000 officials and professionals in the field of climate change in nearly 120 developing countries. |

Source: Prepared according to White Papers released by the Information Office of the State Council (SCIO)

## 2.2 China's existing approaches in supporting other developing countries to mitigate and adapt to climate change

### 2.2.1 Key actors

The China International Development Cooperation Agency (CIDCA), the Ministry of Ecology and Environment (MEE), the Ministry of Commerce (MOFCOM), and the Ministry of Foreign Affairs (MOFA) all play key parts in China's IDCCC efforts under the leadership of the central government.

**BOX 1** Concepts relevant to China's IDCCC

The central leadership navigates China's efforts in IDCCC through top-level design and strategic planning. In this box, we present two concepts proposed by central leadership that has influenced how China carries out its international development cooperation.

"Build a community with a shared future for mankind" was a concept first proposed in 2012 which implies that the world is "a community of shared interests and risks, as well as shared responsibilities". It shows China's willingness to take on additional responsibilities and make contribution to a better future for mankind, guiding China's approach in tackling global challenges and shaping its international strategy. "Promoting a global community of shared future" is clearly articulated as the mission of China's international development cooperation in China's latest white paper on foreign aid.

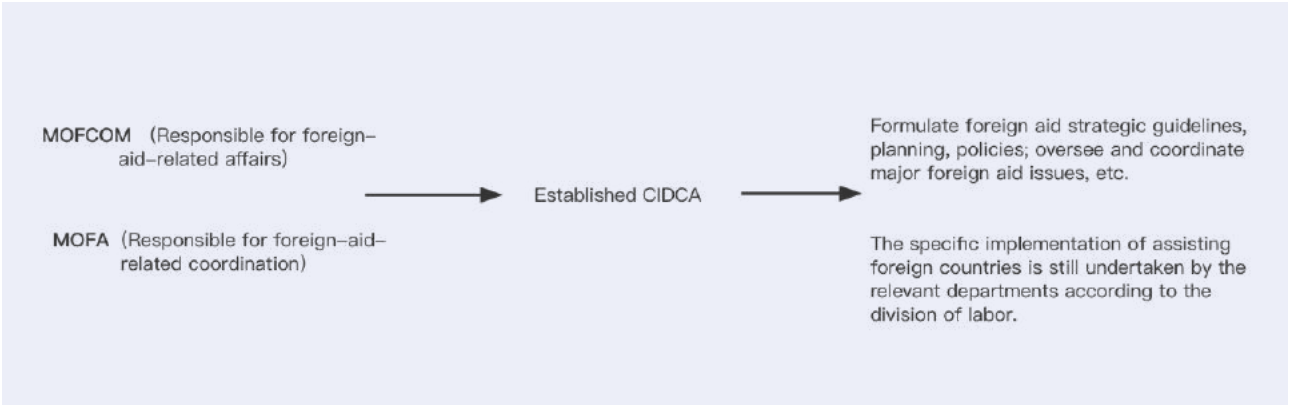
"Global ecological civilization" is an extension of "ecological civilization" which is a new development paradigm that China has been advocating for to solve the issue of environmental unsustainability. The key idea is to pursue the harmonious coexistence of man and nature and acknowledge that "lucid waters and lush mountains are invaluable assets". This concept has guided China's participation in global environmental and climate governance as well as its IDCCC.

Prior to 2018, China's IDCCC primarily involved three authorities: MOFCOM, the National Development and Reform Commission (NDRC), and the then Ministry of Environmental Protection (MEP, now MEE). At the time, MOFCOM was the official foreign aid agency designated by the State Council, responsible for drafting foreign aid policies and project implementation. NDRC oversaw international cooperation on climate change areas, while MEP advised on technical issues related to international cooperation on environmental areas and coordinated with relevant international organizations.

To strengthen cooperation and consolidate responsibilities of different government agencies on foreign aid, in 2018 China established CIDCA as a direct affiliated agency under the State Council, marking a new era for China's international development cooperation. CIDCA integrates the responsibilities of MOFCOM on foreign assistance and the coordinating function of MOFA concerning foreign aid (see Figure 1).[5] An inter-ministerial mechanism is also established involving CIDCA, MOFCOM, the Ministry of Finance (MOF), MOFA and other line ministries to discuss major issues concerning foreign aid and to facilitate inter-ministerial communication and coordination.

5 CIDCA, MOFA, MOFCOM. Measures for the Administration of Foreign Aid, August 27, 2021, http://www.cidca.gov.cn/2021-08/31/c_1211351312.htm.

**Figure 1:** Main functions of CIDCA




The implementation of foreign aid projects is delegated to relevant authorities based on their individual functions and expertise.[67] As such, after the 2018 institutional reform, IDCCC falls under the responsibility of MEE, considering its expertise on tackling climate change. MEE also leads China's global climate talks with support from other relevant institutions and ensures China's compliance with the United Nations Framework Convention on Climate Change (UNFCCC).

Many institutions affiliated to ministries are designated as implementing agencies and are key to ensure the successful implementation of China's IDCCC, providing technical assistance, human resources, and project management support during the process. This includes the International Cooperation Center of NDRC, the Foreign Environmental Cooperation Center (FECO) of MEE, and under MOFCOM, the Agency for International Economic Cooperation (AIECO), the China International Center for Economic and Technical Exchanges (CICETE), and the Academy for International Business Officials (AIBO).

In addition, state-owned enterprises and development financial institutions (DFIs) are also involved in China's IDCCC by providing concessional lending, undertaking project construction, and supplying goods and materials. Some local governments such as Yunnan Province are also key participants and contributors to China's IDCCC, leveraging their advantage in industrial development and geographical proximity to partner countries.

Given the interdisciplinary nature of the topic, IDCCC requires not only technical expertise on climate and environmental science, but also knowledge and experience on areas such as disaster management, agriculture, and resource management, and therefore requires cross-ministerial efforts. See Figure 2 and Table 3 for a detailed description of the governance structure and functional division of China's IDCCC.

---

6 CIDCA, Functions of the CIDCA, November 2022, http://www.cidca.gov.cn/zyzz.htm.

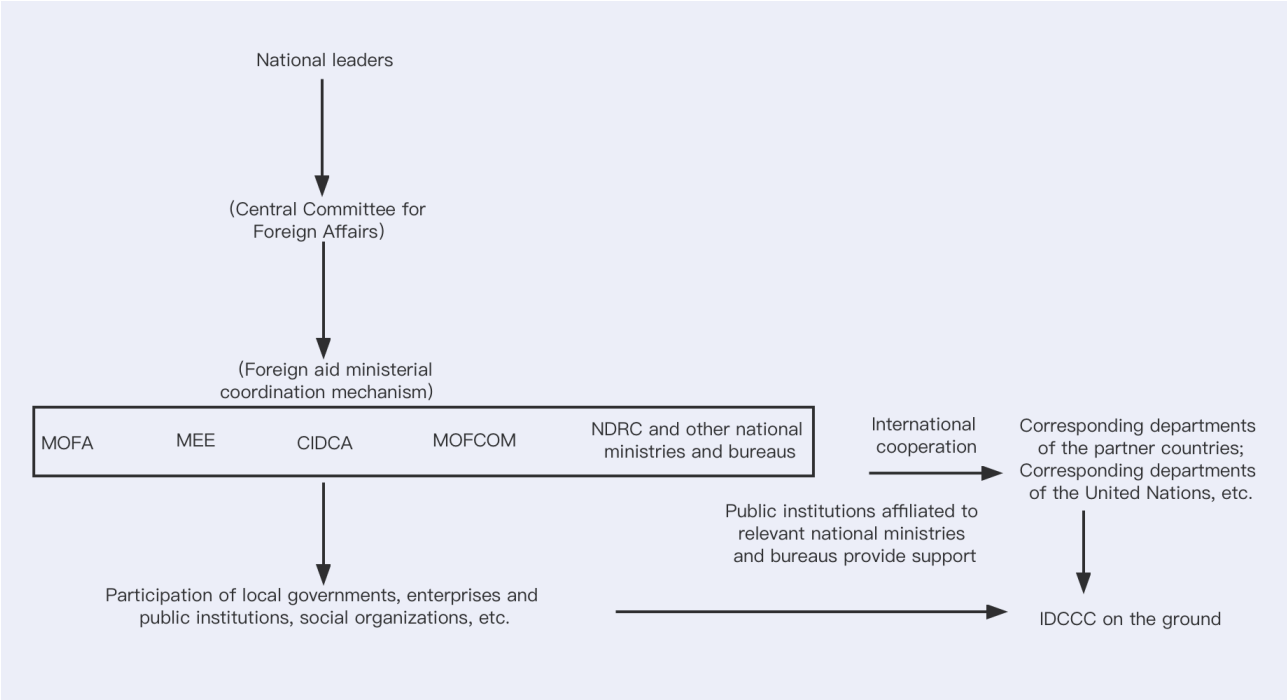
7 For instance, the National Health Care Commission (NHC) is responsible for managing foreign aid medical teams, the Ministry of Science and Technology (MOST) sci-tech cooperation grants for aid purposes, and the Ministry of Education (MOE) is responsible for government-granted scholarships. See Wang Luo, Reflecting on Reforming the Administration Institutions and Mechanism of China's Foreign Aid, People's Tribune - Academics Frontier, Issue 4, 2018, pp. 76-83.

**Table 3:** Roles and responsibilities of different departments in China's IDCCC

| Department | Responsibilities |
|---|---|
| State Council | Oversees all diplomatic activities, engages in climate diplomacy, performs top-level design and strategic planning for IDCCC. |
| CIDCA | Develops foreign aid policies, reforms foreign aid modalities, manages the size and use of foreign aid funds, prepares annual budgets and financial statements for foreign aid projects, selects foreign aid projects, monitors and evaluates project implementation, and organizes international exchanges and cooperation on foreign aid. |
| MEE | Engages in exchanges and dialogues with relevant countries and international organizations on climate change, manages and implements bilateral and multilateral cooperation projects to effectively address climate change. |
| MOFCOM | Implements specific foreign aid projects, negotiates with recipients about implementation details, manages projects, selects implementing personnel or dispatch staff, and manages foreign aid funds within the ministry. |
| MOFA | Offers suggestions on foreign aid in accordance with diplomatic needs. Embassies and consulates coordinate foreign aid management in the host country, assist in foreign aid-related matters, review and communicate with recipients about their needs, as well as oversee the implementation of foreign aid projects from host countries. |
| NDRC | Organizes important economic dialogues, participates in major economic and diplomatic events and promotes international cooperation and the implementation of the BRI, and assists in major foreign-related projects. |
| Other ministries and commissions | Undertake international cooperation work within their areas of expertise, coordinate cooperation and exchanges with international organizations and other foreign organizations and government agencies in the same areas. |
| Local governments | Participate in project implementation when needed. |
| State-owned enterprises | Participate in development projects, including the construction of infrastructure projects within the scope of IDCCC. |
| DFIs | Provide concessional lending |

Source: prepared based on information posted on the CIDCA and the MEE websites.

**Figure 2:** Governance structure of China's IDCCC



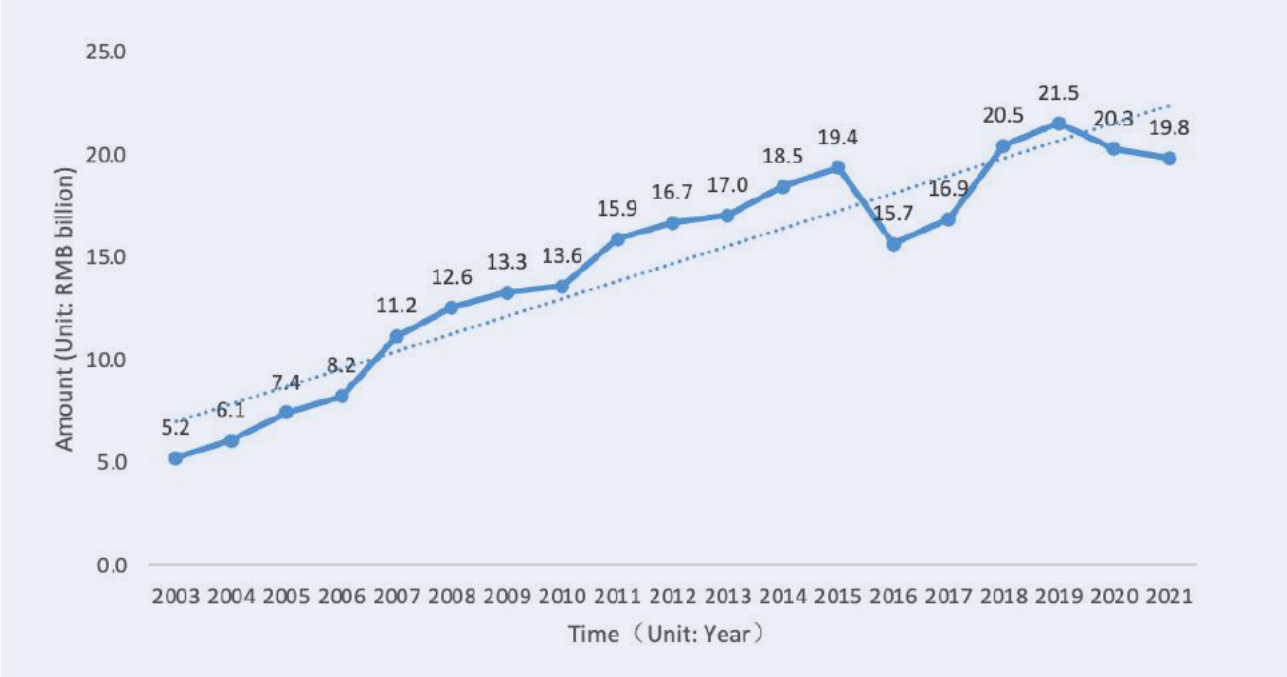

## 2.2.2 Financial sources

According to the financial statistics report from MOF, the central government's annual expenditure on foreign aid has increased from 5.2 billion (USD 0.6 billion) in 2003 to 19.8 billion (USD 3.1 billion) in 2021 (see Figure 3 for details). The total funding that flows to tackling climate change, however, is not feasible to estimate due to limited information released through official channels. In the later section, approximated estimates are presented using alternative data sources.

China's foreign aid including IDCCC is based on three financial modalities: grants, interest-free loans, and concessional loans (see Table 4 for details).

Setting up special purpose funds is another relatively new channel that support China's IDCCC efforts. In 2015, China announced the establishment of the China South-South Climate Cooperation Fund with an initial contribution of RMB 20 billion (USD 3.2 billion). The fund is operated by the Department of Climate Change under the MEE, with intellectual support provided by the National Center for Climate Change Strategy and International Cooperation (NCSC), directly affiliated to MEE. It followed the establishment of the broader-in-scope South-South Cooperation Assistance Fund (SSCAF), last year upgraded into the Global Development and South-South Cooperation Fund (GDSSCF). During COP 15, China also initiated new international funds targeting biodiversity conservation, investing RMB1.5 billion (USD 233 million) to establish the Kunming Biodiversity Fund and calling for contributions from all parties

**Figure 3:** Central government's foreign aid expenditures (2003-2021)




Source: Statistical yearbook of the MOF

**Table 4:** Types and uses of China's foreign aid funds

| Type of Funds | Areas of aid or cooperation | Involves IDCCC? |
|---|---|---|
| Grants | Poverty alleviation, disaster mitigation, people's livelihoods, social welfare, public services, and humanitarian aid. | Yes |
| Interest-free loans | Public infrastructure, industrial and agricultural production, etc. | Yes |
| Concessional loans | Mainly executed by China Export-Import Bank to help recipients undertake productive projects generating economic benefits, energy resources development projects, large-sized infrastructure construction projects, etc. | Yes |

Source: prepared based on the Measures for the Administration of Foreign Aid jointly published by CIDCA, MOFA and MOFCOM in Sep 2021.

**Table 5:** GDSSCF, China South-South Climate Cooperation Fund and Kunming Biodiversity Fund

| | GDSSCF (Former SSCAF) | China South-South Climate Cooperation Fund | Kunming Biodiversity Fund |
|---|---|---|---|
| Launch | 2015 | 2015 | 2021 |
| Main goals | Strengthen South-South development cooperation and promote global sustainable development | Support other developing countries in tackling climate change and transforming into green and low-carbon economies | Support other developing countries in biodiversity conservation |
| Agency in charge | CIDCA | MEE | MEE (tentatively) |
| Amount | USD 4 billion (RMB 24.9 billion) | RMB 20 billion (USD 3.1 billion) | RMB 1.5 billion (USD 233 million) |
| Applications | Expand multilateral cooperation on global development. Primarily fund selected small-sized projects designed to support poverty alleviation, pandemic containment, human resources development cooperation, food security, digital connectivity, and green development. | In developing countries, build low-carbon demonstration zones, carry out climate change mitigation and adaptation projects, and organize collaborated training in tackling climate change. | Support biodiversity conservation in developing countries, promote the implementation of the Convention on Biological Diversity and the post-2020 Global Biodiversity Framework. |
| Area of focus | Sustainable development | Climate change | Biodiversity |
| Application features | Address sustainability issues | Focus on climate change | Focus on biodiversity |
| Targeted recipients | Developing countries | Developing countries | Developing countries |

Source: Prepared according to the information posted on the CIDCA and the MEE websites.

### 2.2.3 Cooperation mechanism

China traditionally carries out IDCCC mainly through bilateral cooperation, with two emerging trends: a shift towards regional collaboration and increasing participation in global and multilateral mechanisms.

**First, bilateral cooperation is the most frequently and broadly used modality** for China to support other developing countries in boosting their capacity to address climate change. In Africa alone, China had signed 15 cooperation documents with 14 African countries as of October 2021, helping to tackle climate change by implementing climate change mitigation and adaptation projects, developing low-carbon demonstration zones, and carrying out capacity building and training.[8]

**Second, regional climate cooperation is on the rise**. As many developing countries in the same region share similar climate challenges, China is leveraging regional cooperation initiatives to increase its efficiency in carrying out IDCCC. While many of the existing regional frameworks and platforms mainly focus on economic cooperation, China is extending their scope to environmental protection and climate change, for example, by establishing specific cooperation centers (Table 6). The main mechanisms China uses to promote climate cooperation and foster green development partnerships at regional level include BRICS cooperation mechanisms, the Shanghai Cooperation Organization (SCO), the Forum on China-Africa Cooperation (FOCAC), and the China-ASEAN Summit. (See Table 6 for details).

**Table 6:** IDCCC levering regional initiatives

| Regional organizations / initiatives | Actions to enhance cooperation on climate change and environment protection |
|---|---|
| Lancang-Mekong Cooperation | Establishment of Lancang-Mekong Environmental Cooperation Center |
| China-ASEAN Summit | Establishment of China-ASEAN Environmental Cooperation Center |
| Forum on China-Africa Cooperation | Establishment of China-Africa Environmental Cooperation Center |
| Shanghai Cooperation Organization | Establishment of China-ASEAN Environmental Cooperation Center |
| BRICS | BRICS High-level Meeting on Climate Change<br>BRICS Environment Ministers Meeting |
| China-Pacific Island Countries Economic Development and Cooperation Forum | Establishment of China-Pacific Island Countries Climate Action Cooperation Center |

Source: Prepared according to the information posted on the MOFA and the MEE websites.

8 The State Council Information Office: China and Africa in the New Era (white paper), November 26, 2021, http://www.scio.gov.cn/zfbps/ndhf/44691/Document/1717830/1717830.htm.

FOCAC, the main platform to promote China-Africa partnerships, has seen a shift of focus towards climate and environment cooperation. China has implemented more than one hundred clean energy and green development projects under the FOCAC framework to support African countries to better utilize renewable energy, including solar, hydro, wind and biogas.[9] Building upon achievements of the 7th FOCAC, the 8th FOCAC further increased the depth and breadth of China-Africa cooperation on climate actions. The ministerial conference adopted the *Declaration on China-Africa Cooperation on Climate Change* which states "both parties decided to establish a China-Africa strategic partnership for a new era to combat climate change", highlighting enhanced commitments. In the *China-Africa Cooperation Vision 2035*, another document produced by the Forum, the two sides mapped out future actions as part of their efforts to advance climate cooperation, strengthen clean and low-carbon energy cooperation and improve development quality with green cooperation.

Oceania is another priority region in China's IDCCC, as many Pacific island countries are among the most vulnerable to climate change. To more effectively mitigate climate change, China launched the China-Pacific Island Countries Climate Action Cooperation Center, providing assistance to these countries within the South-South cooperation framework. In addition, China launched a training program on green and low-carbon development, assisting Kiribati, Samoa, Tonga, Fiji, Vanuatu, and Micronesia with their talent training and capacity building to address climate change.

**Third, China has been actively participating in global multilateral mechanisms to promote sustainable development, including the climate agenda.** China has long been promoting IDCCC under the UN framework. In 1992, China signed the UNFCCC and the Convention on Biological Diversity (CBD). Since then, it has been actively contributing to global climate and ecological governance under the framework. The recently issued report on *China's Policies and Actions for Addressing Climate Change (2022)* has highlighted some of China's key achievements, including "play a leading role in and pressed ahead with the conclusion of key documents including the Paris Agreement" and "coordinates the positions of countries within climate negotiation blocs such as the BASIC (Brazil, South Africa, India and China) countries".[10]

China has been increasingly engaged in trilateral cooperation under the UN South-South framework. One example is the China-Ghana and Zambia Renewable Energy Technology Transfer Project, which was jointly designed by Ministry of Science and Technology (MOST) and UNDP in 2015. The project was implemented in the two countries through the Administrative Center for China's Agenda 21 to transfer clean energy technologies and facilitate relevant projects and the development of clean energy industry.

China provides funding to multilateral development institutions and funds, such as the Global Environment Facility (GEF). China has contributed USD 31.9 million to the GEF for its 8th replenishment cycle to assist developing

9 http://www.gov.cn/xinwen/2021-12/02/content_5655366.htm

10 The MEE: China's Policies and Actions for Addressing Climate Change (2022), October 27, 2022, https://www.mee.gov.cn/ywgz/ydqhbh/syqhbh/202210/W020221027551216559294.pdf.

countries in climate and environmental governance.[11] Meanwhile, China's financial contributions to international financial institutions has been growing, making it the second-highest aggregated voting power in the IFIs it supports.[12]

In addition, China has also increasingly advocated at different global multilateral forums and consultations for stronger support to developing countries in addressing the climate crisis.

## 2.3 Categorization of China's development cooperation on climate change

As of June 2022, China has signed 43 cooperation documents with 38 developing countries, aiming to enhance their capabilities in addressing climate change through aid and other means.[13] China's development cooperation projects on climate change mainly fall into the following four categories: complete projects, supply of goods and material, technical assistance and capacity building. In terms of priority areas, China attaches particular importance to cooperation on clean energy development and sustainable infrastructure construction. With growing understanding and increasing capacity in international development cooperation, China not only carries out targeted projects based on the needs of partnering countries, but also looks to integrate varied forms of development cooperation modalities. This includes combining funding and technical assistance with capacity building to make projects more sustainable while boosting synergy and increasing impact (see Table 7 for details).

China's IDCCC projects involve several stages including early-stage communication, agreement signing (MOU, letter of intent, etc.), project implementation, follow-up operation and maintenance, subsequent feedback which requires continuous refinement and optimization. One example is China-Laos low-carbon demonstration zone projects in the Vientiane Saysettha Development Zone (SDZ). China and Lao PDR have been undertaking consultations since 2019, following which China's MEE and Laos Ministry of Natural Resources and Environment signed the *MOU on the Construction of the Vientiane Saysettha Low-carbon Demonstration Zone* in July 2020 . By providing solar streetlights, electric vehicles and portable environmental monitoring equipment, the project aims to build the SDZ in a greener way with enhanced energy efficiency and reduced carbon emission. One year later, in June 2021, the first batch of supplies, including electric cars and trucks arrived. In April 2022, a ceremony was hosted for the inauguration of the Vientiane Saysettha Low-carbon Demonstration Zone.

---

11 https://www.mee.gov.cn/ywgz/ydqhbh/syqhbh/202210/W020221027551216559294.pdf The contribution to the GEF is not from China's existing funding such as China South-South Climate Cooperation Fund

12 https://www.cgdev.org/publication/mapping-chinas-participation-multilateral-development-institutions-and-funds

13 Xinhua Net. The Fifth Press Conference Held at the Press Center for 20th CPC National Congress, October 21, 2022. http://www.news.cn/politics/cpc20/zb/jzh10698/index.htm.

**Table 7:** Categorization of China's IDCCC

| | |
|---|---|
| Complete/turn-key projects | Construct projects in production and civil fields mainly through grants or interest-free loans. |
| Goods and material provision | Provide partner countries with goods and materials that help mitigate or adapt to climate change mainly through grants. |
| Technical assistance | Dispatch experts to provide technical guidance on the operation and maintenance of projects after they are completed, as well as train local people as managerial and technical personnel, and assist developing countries in planning, research and consultation work as requested. |
| Capacity building | Run different kinds of capacity building programs for government officials; provide formal education, technical training and exchange programs for relevant personnel in developing countries. |

Source: Prepared according to the White Paper of China's Foreign Aid (2011)

In addition to the above four modalities, humanitarian financial assistance is another means for China to support other developing countries in tackling climate change, particularly in the face of climate-related disasters. In 2022, China provided RMB 8 million (USD 1.2 million) and RMB 400 million (USD 60 million) in humanitarian aid to Madagascar for hurricane damages and to Pakistan for flood victims.

### 2.3.1. Complete Projects

China has emerged as a leader in renewable energy and its technological innovation has contributed to the decline in global prices for solar and wind power equipment. By 2022 September, China's installed capacity of renewable energy reached 1.1 billion kilowatts. Wind farms and photovoltaic stations both saw capacity exceeding 340 million kilowatts, with offshore wind power ranking the first worldwide.[14] China has leveraged its manufacturing capacity when carrying out IDCCC. For example, China will assist Burkina Faso with the construction of 4 MW solar power plants to increase their capacity in utilizing their natural resources. This cooperation was formalized in October 2021 with the signing of the *MOU between the Ministry of Ecology and Environment of China and the Ministry of Energy and Mines of Burkina Faso on the Construction of Solar Power Plants under South-South Cooperation on Climate Change*. Details of several typical cases of China's complete projects of IDCCC are shown below in Table 8.

14 The National Energy Administration: Transcript of the NEA 2022 Q4 Online Press Conference, 2023, http://www.nea.gov.cn/2022-11/14/c_1310676392.htm.

**Table 8:** Selected examples of complete turn-key projects

| Recipient | Project Name |
|---|---|
| Cuba | Projects consist of a 4 MW Solar Farm in the Pinar del Rio and a 5 MW solar power plant in Cienfuegos Province |
| Namibia | Climate Monitoring, Forecast, and Hazard Early Warning Project (involving climate equipment, software design and development, personnel training and technical services, etc.) |
| Pakistan | Solar-powered Electricity Project for Pakistan's Parliament House |
| Ethiopia | Addis Ababa Riverside Green Development Project |
| Kyrgyzstan | Southern Grid Upgrade Project |

Source: Prepared according to information on the website of the MEE.

### 2.3.2. Goods and Material Provision

Leveraging China's strength in manufacturing products to combat climate change, it has provided other countries with large quantities of goods and materials to address climate issues, such as solar and wind power systems. For example, China has signed a bilateral *MOU on Material and Goods under South-South Cooperation on Climate Change* with Fiji, Iran, Pakistan, Uruguay, Costa Rica and Cuba and has provided the signatories with targeted materials based on the memorandum. By providing material aid and other assistance to countries in need under the framework of the "South-South Cooperation on Climate Change" program, China is supporting efforts to alleviate and contribute to solving the problems and difficulties faced by partner countries in addressing climate change within a very short timeframe.

In the *Interim Measures for the Management of Material Aid Projects under South-South Cooperation on Climate Change* issued by the Chinese Government *(hereinafter referred to as the Interim Measures)*, it is stipulated that:

> "Supplies for South-South Cooperation material aid projects must be purchased from China, and shall meet such requirements including mature technology, fine quality, reasonable and applicable, and guaranteed after-sales service. What's more, they must conform to the laws and regulations on material export and international agreements concluded or acceded to by China".

Furthermore, according to the *Interim Measures*, low-carbon demonstration zone construction projects which mainly rely on the supply of material and goods provided by China and thus are considered "Material Aid" as per the description included in the *Interim Measures*. Therefore, low-carbon demonstration zones projects are presented here as goods and material in the report. Details of representative cases of China's material aid of IDCCC are shown below in Table 9.

**Table 9:** Representative cases of goods and material provision

| Recipient | Goods and material |
|---|---|
| Cuba | In 2022, MEE handed over 5,000 sets of household solar photovoltaic power generation systems, 25,000 sets of energy-saving lamps and other materials. |
| Uruguay | In 2019, China's MEE and the Ministry of Education and Culture of Uruguay jointly signed the *MOU between the Ministry of Ecology and Environment of China and the Ministry of Education and Culture of the Oriental Republic of Uruguay on Material Aid under South-South Cooperation on Climate Change*, based on which China has provided Uruguay with a set of meteorological mobile ground application systems to improve its ability to adapt to climate changes. Currently, the development and research work, as well as debugging and commissioning testing of the system, have all been completed, and the system sent to Uruguay. |
| Iran | China delivered 535 household solar power generation systems and 240,000 LED energy-saving lamps in February 2022, helping to alleviate the power shortages in working stations within environmental protection zones throughout the country. |
| Egypt | In 2022, China provided Egypt with 1,835 solar LED streetlamps, 40,000 LED energy-saving lamps, 1,000 sets of household solar power generation systems, 906 sets of energy-saving air conditioners and other materials to facilitate the transformation of energy consumption pattern toward low-carbon development. |
| Pakistan | In March 2022, China's first batch of household solar power generation systems to Pakistan was distributed and installed in Gwadar. |

Source: Prepared according to information on the website of the MEE.

### 2.3.3. Technical Assistance

China is committed to sharing its technology with other developing countries. From 2013 to 2018, China completed 414 technical cooperation projects in 95 countries and regions, covering various areas, including agricultural planting and husbandry , clean energy development. Details of several representative cases of China's technical assistance on IDCCC are shown below in Table 10.

**Table 10:** Representative cases of technical assistance

| Recipient | Technical Assistance |
|---|---|
| Other Developing Countries | Between 2010 to 2012, China sent more than 2,000 technical experts to over 50 countries. These experts carried out extensive technical cooperation in a variety of areas, including agriculture, handicrafts, radio and television, clean energy, culture and sports, and conducted applicable technology transfers to improve the technical management capacity of the recipient countries. China has also sent senior planning consultants to work with other developing countries, drawing up plans for land development and utilization, clean energy utilization, river management, and economic cooperation. |
| Ethiopia | In 2019, China launched a remote sensing microsatellite for Ethiopia to support the country's climate change research. The satellite provided remote sensing data for agriculture, forestry, water conservation, and disaster prevention and mitigation. In addition, some 20 Ethiopian engineers have been trained in China to operate the ground station. A ceremony was held in 2020 which marks the successful completion of the projects. |

Source: Prepared according to information on the website of the MEE.

China's technology assistance cooperation is usually initiated as a complement to other projects. In the case of China and Lao PDR, since the two countries started to jointly build the Vientiane Saysettha Low-carbon Demonstration Zone, training sessions were also organized for staff working in the demonstration zone to help familiarize staff with daily operations, troubleshooting, and maintenance of related equipment.

## 2.3.4. Capacity Building

From 2013 to 2018, China held more than 200 research and training projects on climate change and ecological and environmental protection, set up environment management and sustainable development majors in university degree programs and trained over 5,000 people from different countries. Details of several typical cases of China's capacity building on IDCCC are shown below in Table 11.

Besides providing scholarships for international students to study in China, it also offers special training courses to actively practice international cooperation on climate change talent cultivation.

Furthermore, China has been offering training courses on addressing climate change under the organization of the government and scientific research institutions, providing opportunities for relevant members from other countries to study and exchange ideas in China. Examples include the Climate Change Training Program for Belt and Road Countries hosted by the Climate Change Division of the National Development and Reform Commission of China, the International Training Course hosted by China Meteorological Administration, as well as the Training Courses on Climate Change under South-South Cooperation hosted by MEE.

**Table 11:** Representative cases of capacity building

| Recipient | Capacity Building |
|---|---|
| Pacific Island Countries | In 2022, China opened its first climate change online training session to Pacific Island countries under the South-South Cooperation framework since the outbreak of COVID-19. |
| Burkina Faso, Chad, Mali, Niger, Mauritania, Senegal | In 2022, China held a workshop to support the construction of the Great Green Wall of Africa, with more than 20 officials from six countries attending the training online. |
| BRI Partnering Countries | As of October 2022, China has trained over 3,000 environmental management personnel, experts and scholars from more than 120 countries through the implementation of the Green Silk Road Envoy Program. |
| 16 African countries | Between October and November 2022, an online training course on China-Africa South-South cooperation on addressing climate change and green low-carbon development was successfully hosted by MEE's FECO. Over 30 government officials and experts specialized in the climate change field attended the training. |

Source: Prepared according to information on the website of the MEE.

## 2.4 Statistical analysis of China's IDCCC practice based on AidData dataset

Data availability remains a critical challenge when analyzing China's IDCCC progress. Official white papers have disclosed information related to IDCCC projects to some extent, however the granularity is not sufficient for in-depth analysis. To supplement the official data, this report uses the Global Chinese Development Finance Dataset Version 2.0[15] as an alternative data source for analysis. The dataset was launched in 2021 by AidData, a research lab based at William & Mary Global Research Institute, and records all available data of foreign aid and other official financing projects implemented by China between 2000 and 2017 from open sources, including official websites and the press. To analyze China's IDCCC practice, the analysis presented here is only based on projects classified under "ODA-like"[16] flows and involves

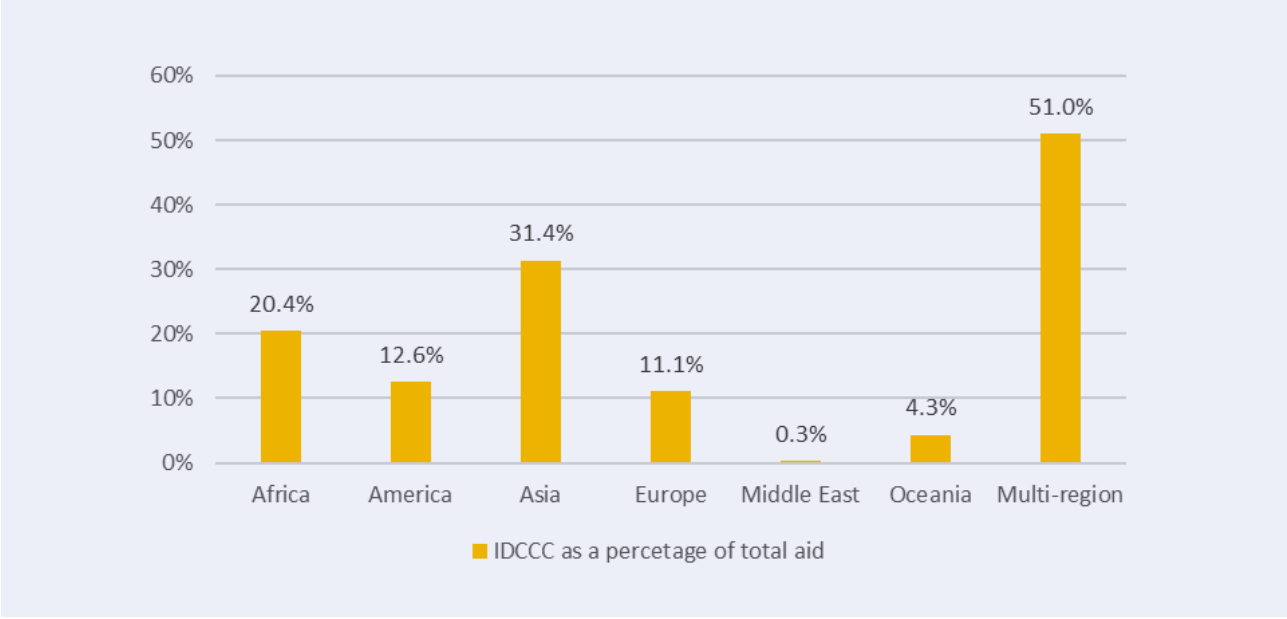
15 As AidData compile the datasets based on open-source information, it is not guaranteed to be exhaustive. Thus limitation exists and analysis presented here should be viewed with cautious.

16 Projects under the Flow Class of "ODA-like" broadly fit the OECD's definition of official development assistance, as they aim at promoting development at partner country and meet concessionality level set by OECD.

those in the fields of energy, agriculture and environmental protection that are most relevant to climate change mitigation and adaptation.[17]

From 2000 to 2017, the total funds of IDC projects implemented by China reached USD 100.6 billion (at the constant price in 2017), among which those concerning climate change (including environmental protection, energy and agriculture) amounted to USD 21.8 billion, accounting for 21.6% of the total. Measuring IDCCC as a percentage of total aid across different geographies, China placed the highest priority on climate in multi-region cooperation and cooperation with Asia, with 51% and 31.4%, respectively.[18] However, it is important to note that the total amount spent on multi-region international development cooperation projects is in itself small, at only USD 100 million; even with the relatively high share of climate-related projects, in absolute terms, multi-region climate assistance is only USD 51 million.

**Figure 4:** Proportion of IDCCC to total aid by regions



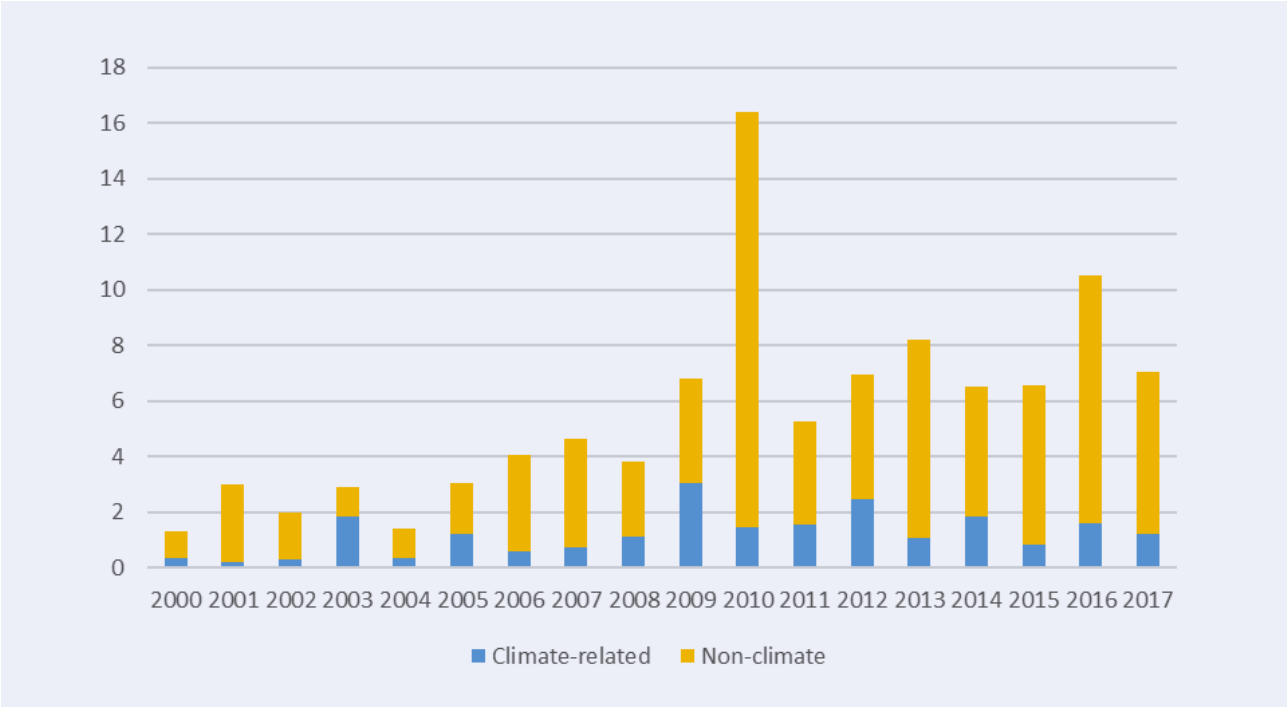

In terms of trends across time, China's spending on international development cooperation continued to rise (with 2010 being an outlier) while the annual amount for climate-related development cooperation fluctuated, hitting its peak at USD 3 billion in 2009, with those of the following years averaging roughly USD 2 billion (Figure 5).[19]

17 As the cooperation in agriculture between China and other developing countries is included in chapters concerning international cooperation in the White Paper of China's Policies and Actions for Addressing Climate Change (2011), this Chapter also includes agricultural projects in the scope for addressing climate change.

18 Multi-region cooperation refers to the case where multiple recipient countries are involved, and belong to different regions

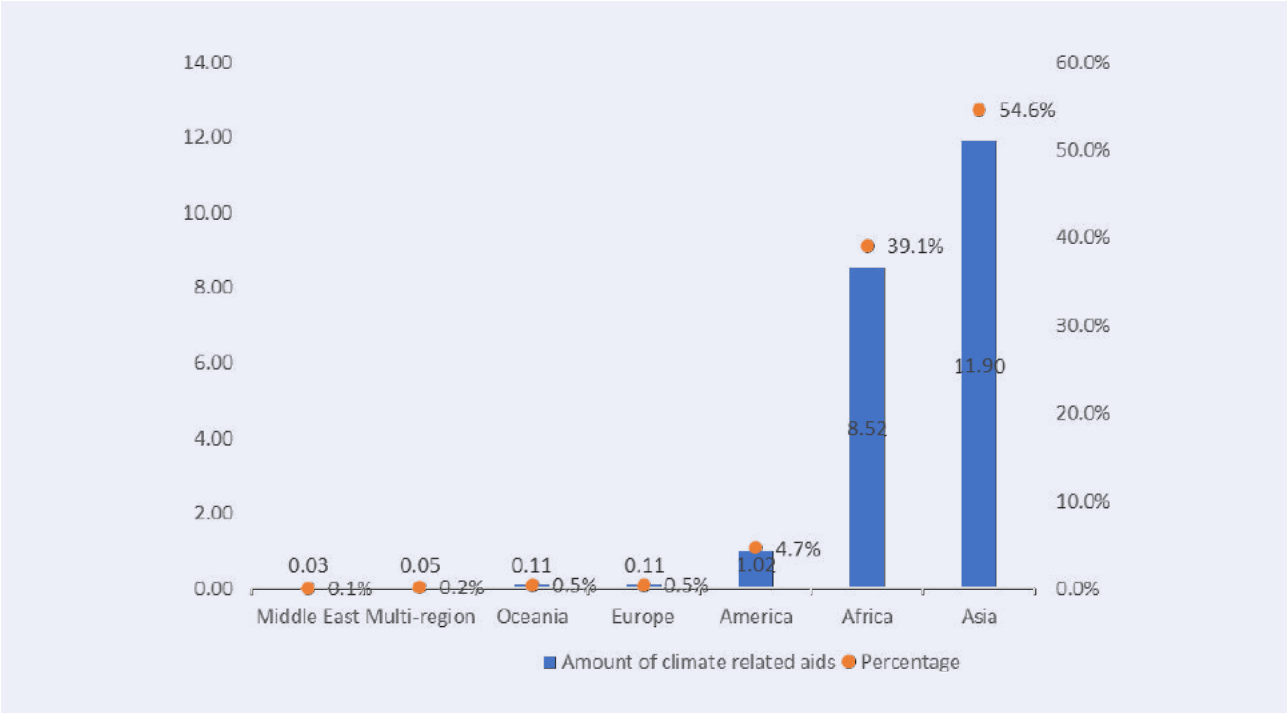
19 The outlier in 2010 is mainly driven by China's debt relief for Iraq.

**Figure 5:** Total amount by thematic area (2000-2017) (Unit: USD billion)




As for regional distribution, China's IDCCC mainly concentrated in Asia and Africa, with an amount of USD 11.9 billion and USD 8.52 billion, respectively, accounting for 54.6% and 39.1% of the total spending on IDCCC (see Figure 6) between the whole period.

**Figure 6:** Total amount of IDCCC by regions (2000-2017) (Unit: USD billion)



At the country level, Asian countries such as Indonesia, Pakistan, Lao PDR, as well as African countries, including Sudan, Ghana, Ethiopia and Kenya, received most of the funds for climate-related areas from China (see Figure 7).[20]

Among 822 climate-related international development cooperation projects, the majority (65%) were grants, followed by loans (16%), and technical assistance (15%). In terms of amount, however, loans accounted for 68.6% of the total, followed by grants (31.3%), while technical assistance and capacity building merely occupied 0.1%.[21]

**Figure 7:** Top ten recipients in climate-related areas (ranked by fund scale, Unit: USD billion)

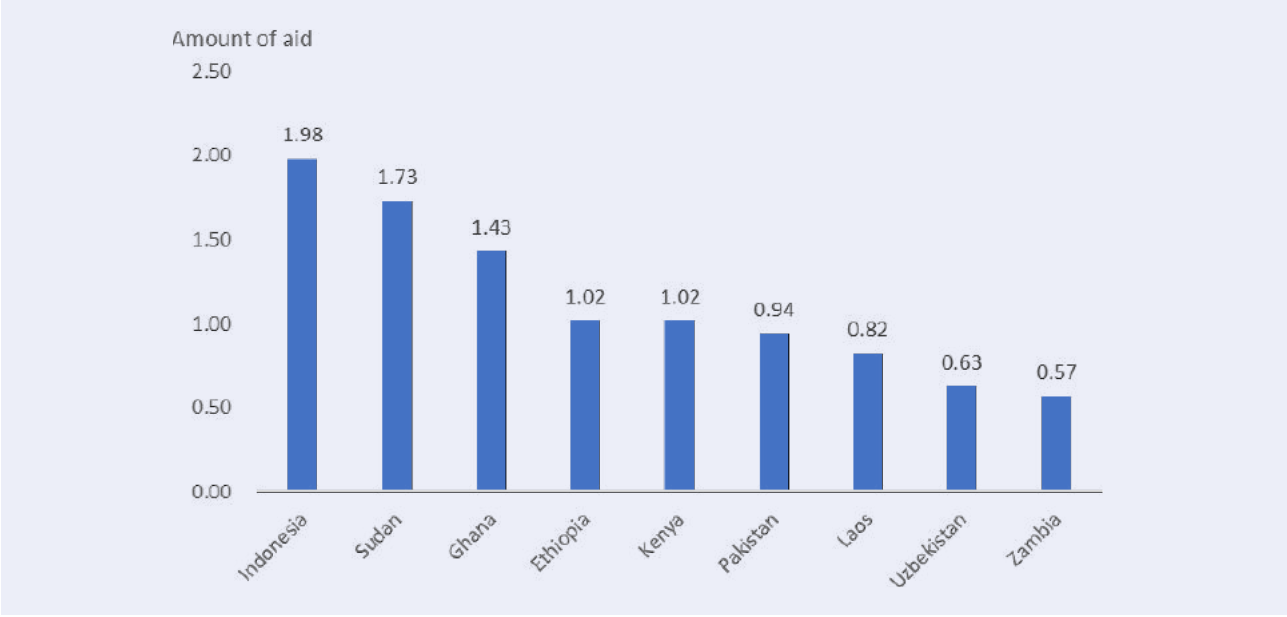
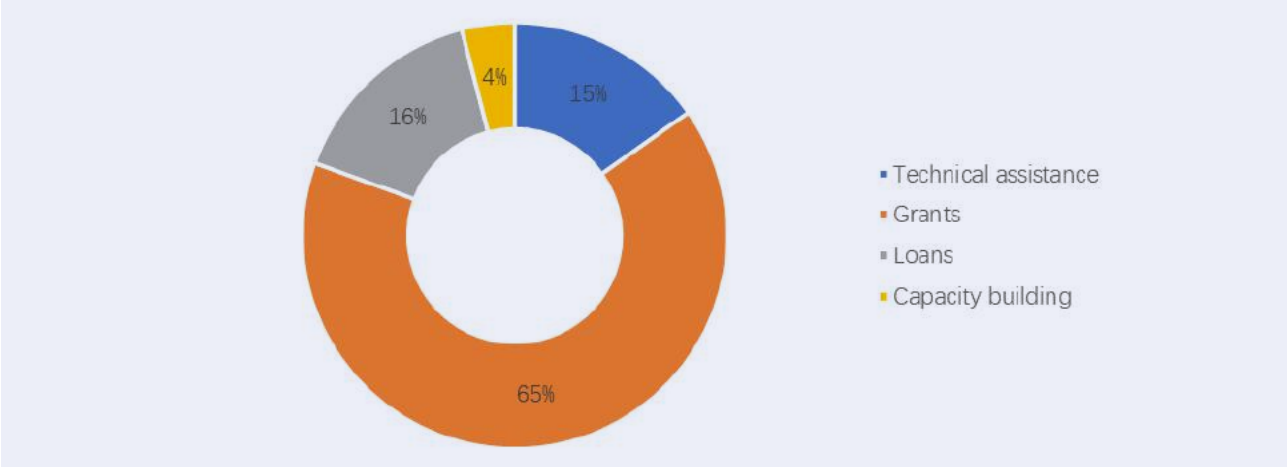



**Figure 8:** Number of projects by type

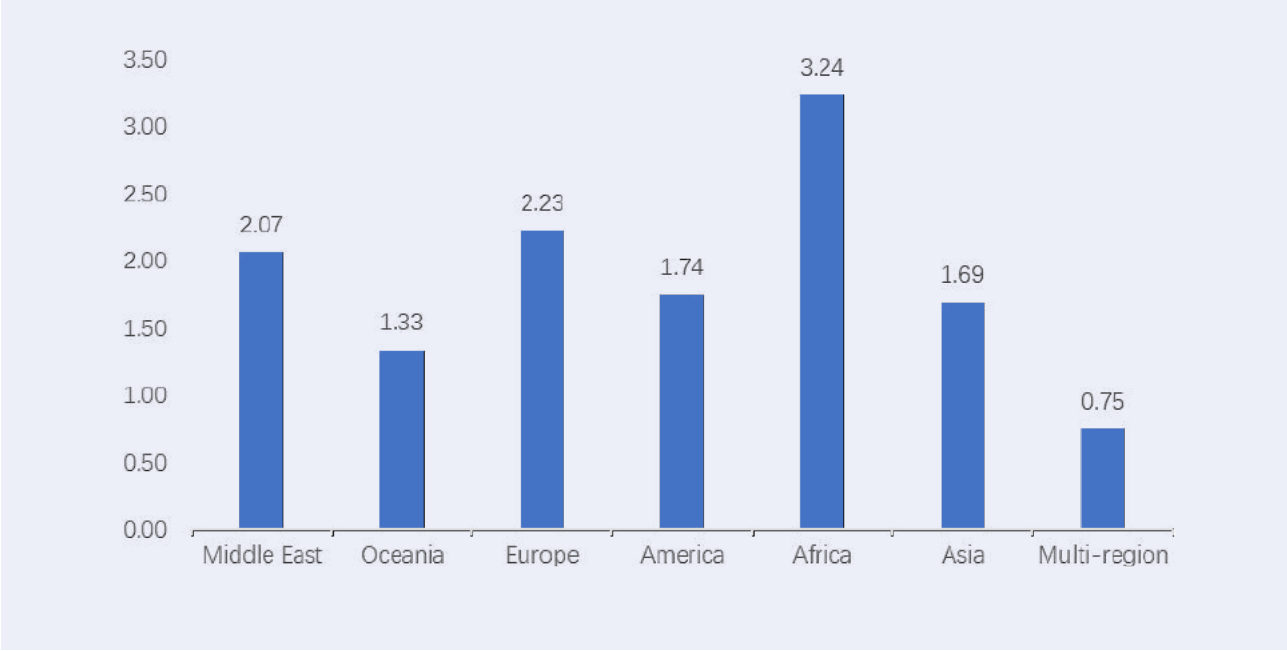



20 North Korea is not presented here as the large amount of humanitarian assistance received from China should not be count as climate-related assistance.

21 Projects in AidData are mainly categorized into loans, grants, technical assistance and capacity building which is differed from China's official categorization.

With regard to the length of projects, China's IDCCC projects spanned an average 2.27 years. The average duration of IDCCC projects in Africa is the longest, at about 3.24 years, while the length for multi-region projects is the shortest, at 0.75 year (see Figure 9). While project length is subject to many factors, it can reflect the complexity of the project, where complete projects usually take longer than other types.

**Figure 9:** Average length of China's IDCCC projects by region (years)



# 3 OPPORTUNITIES AND CHALLENGES IN IDCCC OF CHINA

Considering China's increasing IDC and IDCCC flows and collaboration, its role and impact are receiving more attention as well as generating expectations from the international community, including developing countries. Based on the practices outlined here, there are opportunities and challenges in scaling China's IDCCC for greater impact supporting partner countries in their national priorities and SDG attainment.

## 3.1 Opportunities

**First, China's engagements in international development are now shifting to a new stage, moving from "foreign aid" to "international development cooperation" with diversified modalities, wider sectoral coverage, and a strengthened governance system. This offers a wider range of opportunities for China to boost its support to other developing countries in climate and environmental issues.**

China undertook a comprehensive institutional reform in 2018, aiming to enhance its governance efficiency. Previously, the rather vague IDCCC governance structure posed challenges for inter-ministerial coordination and effective resource allocation and consolidation, making it difficult to meet increasing demand from developing countries on IDCCC.

Notably, China established CIDCA consolidating functions and with an upgraded mandate. With the founding of MEE, the responsibilities of addressing climate change were transferred from the NDRC to MEE, contributing to more effective coordination between the work on climate change and environmental areas. As

described in section 2.2, currently, CIDCA and MEE play prominent roles in China's IDCCC, contributing to more efficient decision-making and more effective governance, laying a foundation for further expansion and innovation in cooperation around environmental matters.

As a result of greater domestic capacity around climate governance[22], as well as in response to the evolving global context, China has been actively engaging in and leading international climate change and environmental negotiations such as through presiding over the UN Biodiversity Conference (COP15). In addition, it has also put forward its own IDCCC mechanisms such as launching the Belt and Road Initiative International Green Development Coalition, and unveiling a big data service platform on environmental protection.[23] China has also been actively promoting its philosophy and experiences in building its "ecological civilization" model.

**Second, demand for international climate development cooperation is rising as more developing countries announce carbon-neutral commitments, creating stronger momentum and broader space for China's IDCCC.**

As global warming accelerates and climate risks rise, tackling the climate crisis becomes more urgent than ever. Since the adoption of the Paris Agreement in 2015, countries have taken actions to achieve the goal of limiting global warming to well below 2 degrees Celsius, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. As of January 2023, 133 countries and numerous cities and businesses around the world have made their respective carbon neutrality commitments.[24] It has been estimated that to meet international climate and energy goals, between USD 1.4 to 1.7 trillion dollars of annual investment in renewable electricity generation and related infrastructure will be needed by 2030.[25] With the biggest green bond market in the world at 489 billion dollars in value, China's efforts at the national level can significantly help fill this financing gap, in addition to greater international development cooperation.

While China is the world's largest carbon emitter and energy consumer[26], it is also the largest investor in renewable energy.[27] In 2022, China installed around 125 GW of new solar and wind capacity[28], more than double that installed in the EU.[29] China also leads on a range of

---

22 China has established a National Leading Group for Climate Change and Energy Conservation, led by the Premier of the State Council and consisting of 30 relevant ministries. In 2018, China's government restructure has shifted climate change work to the newly established Ministry of Ecology and Environment, thereby strengthening the coordination between climate change and environment protection.

23 https://eng.greenbr.org.cn/

24 The Net Zero Tracker https://zerotracker.net/, last accessed on 20 January 2023

25 https://trackingsdg7.esmap.org/data/files/download-documents/sdg7-report2023-full_report.pdf

26 https://www.statista.com/statistics/271748/the-largest-emitters-of-co2-in-the-world/ https://www.statista.com/statistics/263455/primary-energy-consumption-of-selected-countries/

27 https://www.iea.org/reports/world-energy-investment-2023/overview-and-key-findings

28 https://cec.org.cn/detail/index.html?3-317477; https://news.bjx.com.cn/html/20230118/1283936.shtml

29 Enerdata (2023, March 1). https://www.enerdata.net/publications/daily-energy-news/europe-built-19-gw-new-wind-capacity-2022-including-16-gw-eu.html#:~:text=Europe%20now%20has%20a%20total,reach%20the%20EU's%202030%20goals. SolarPower Europe (2022, December 18). https://www.solarpowereurope.org/press-releases/new-report-reveals-eu-solar-power-soars-by-almost-50-in-2022

S&P Global (2023). https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/us-generating-capacity-additions-down-yoy-in-2022-solar-takes-top-spot-73918740#:~:text=Wind%20capacity%20additions%20declined%20the,GW%20more%20than%20in%202021

technologies critical for renewable deployment (e.g., long-distance energy transmission and storage and battery technologies), as well as in transport electrification, accounting for around 60% of electric car sales globally in 2022.[30] In the context of rising demand for climate development cooperation from developing countries including in areas of technical and financial assistance, China's capacity and experience in renewable energy deployment and ecological preservation can play an important role in accelerating the implementation of the 2030 Agenda for Sustainable Development at the global level.

**Third, looking ahead, trilateral cooperation could make an important contribution to advancing global climate agendas.[31]**

At present, North-South cooperation between developed and developing countries, and South-South cooperation among developing countries are two of the main modalities for international cooperation. Trilateral cooperation is emerging as a new model which can mobilize multiple resources and leverage the comparative advantages of different players including developed and developing countries, as well as international organizations. Doing this could provide additional support for recipient countries to deal with climate change, and help increase the scale of IDCCC.

## 3.2 Challenges

**First, China may face competing financing priorities on climate, born from its domestic carbon neutrality pledge.** China accounts for 32 percent of the global CO2 emissions.[32] Despite its rapid development in renewable energy, coal still dominates China's energy consumption. As a result China has a tighter timeline and steeper climb to achieve it carbon peaking and neutrality goals. Meanwhile, as a developing economy, China is also facing multiple development challenges including the need to further strengthen its social protection system, taking care of its rapidly aging population, and continuing to close development divides between regions and population groups all of which compete for limited public financial resources. As such, domestic development priorities may crowd out and constrain China's ability to scale up resource allocations and engagements in IDCC.

**Second, China needs to enhance its capacity in communication and research and further expand the scope of IDCCC to meet the high expectations from the international community.**

The 2021 announcement of stopping new coal-fired power plant construction overseas and

30 https://www.iea.org/reports/global-ev-outlook-2023/executive-summary

31 Trilateral cooperation refers to innovative development cooperation modalities that involves three or more partners, including not only countries, but also international organization or civil societies. Here we mainly refer to trilateral cooperation involving China, other developing countries as recipients and other developed countries as donors.

32 https://www.iea.org/reports/global-energy-review-co2-emissions-in-2021-2

increasing support for green and low-carbon development in developing countries has further raised the international community's expectations towards China's IDCCC. However, despite increasing investments in IDCCC, there is a lack of information, knowledge products and academic research on China's engagement in these areas.

In addition, China mainly engages in IDCCC by offering foreign aid in the form of either complete projects or goods and material supply. However, similar to China, most developing countries have to deal with both climate challenges and development issues at the same time, which require conducive policy frameworks and institutions with the capacity to balance environmental protection with economic development. The transformation to a low carbon economy will also need systematic skills-building and expertise to drive the needed innovation and incubation across different industries. China's current approach which emphasizes turn-key projects and provision of goods and equipment is unlikely to be able to meet partner countries' long-term development needs in climate mitigation and adaptation. Despite its increasing investment in capacity building and technical assistance, in view of the rising demand of developing countries for climate governance and green development, there are mounting expectations for China to upgrade and innovate the scope and cooperation modality of IDCCC.

**Third, the growing uncertainties and risks also pose pressure to China's engagement in IDCCC.**

China's IDCCC is challenged by a complex international context. First, rising geopolitical pressures, global supply disruption and COVID-19 have led to an intensifying energy crisis, increasing the cost of living in many countries and adding new uncertainties to China's work in IDCCC. Rising pressure on economic and social development in many developing countries may lead them to deemphasize climate and environmental agendas, possibly reducing the demand for IDCCC.

Second, other challenges urgently require international organizations, such as the United Nations, to play a key role in bridging differences and strengthening cooperation. For example, with different levels of climate resilience, developed and developing countries face very different consequences of climate change, which widens the gaps in their needs in climate negotiations and governance. At the same time, the long-standing and persistent differences between developed and developing countries on core issues such as climate finance mechanisms also pose a long-term challenge to international climate development cooperation.

# 4 PATHWAYS FOR ENHANCING CHINA'S IDCCC

Considering the opportunities and challenges facing China's IDCCC, as well as the demands and trends of international development cooperation, this section proposes a set of recommendations aimed at enhancing China's IDCCC for greater SDG impact.

## 4.1 Capacity-building in climate governance is fundamental for effective IDCCC. While strengthening its own climate governance capacity, China should also promote the improvement of climate governance capacity in partner countries.

Developing countries need to overcome systemic inertia to accelerate the low-carbon transition, including the lock-in effect brought by existing infrastructure. These difficulties are exacerbated by gaps in capacity, especially in climate governance.

In light of such challenges, China should prioritize capacity building of climate governance (including mitigation and adaptation to climate change) as the cornerstone for IDCCC. First, China should continue to strengthen its domestic capacity for addressing climate change. There is a need to further mainstream climate awareness in its governance structures and to integrate climate change considerations

into existing decision-making across all sectors. As climate policies and actions have implications and impacts on different groups, a more inclusive planning approach and mechanisms are needed to fully consider the concerns of all parties at the early stage of decision-making. Enhanced coordination across line ministries on climate actions would be helpful, given the cross-cutting nature of the challenge and actions required. Second, it is critical that climate governance capacity building of partner countries is incorporated into IDCCC projects from the early design phase all the way through to implementation and follow-up evaluations. This includes efforts to enhance relevant decision makers' awareness and understanding of the climate emergency and prioritized areas for actions in partner countries, as well as their ability to monitor and evaluate environmental impact of development cooperation projects.

In addition to capacity building at the national level, it is also important to strengthen capacities of local officials at subnational levels in partner countries as the implementation and actual impact of actions to combat climate change mostly play out at the local level.

Moreover, it is recommended for China to further strengthen its contributions to the development of global public goods within the international climate governance structure including leveraging the existing system anchored around the UN Intergovermental Panel on Climate Change (IPCC) and supporting scientific research in related fields as well as global climate talks. To maximize overall impact, China should look to strengthen the linkages and synergies between itself, recipient countries, and global climate governance capacity-building efforts.

## 4.2 China should give higher priority to clean energy cooperation in IDCCC as key to tackling the climate crisis.

Energy consumption is the leading source of greenhouse gas emissions, and clean energy is key for addressing climate change. To accelerate developing country's progress in adopting clean energy, the cost of such technology needs to be further reduced to make it affordable for them. This will require global collaboration, in which China could play a key role. In addition, China should also consider increasing the concessionality of its current clean energy lending to incentivize partner countries to improve their energy mix.

Based on its comparative advantages in the renewable energy sector, China should scale up its technical assistance for clean energy by promoting renewable power generation projects based on local conditions, supporting partner countries efforts in accelerating national environmental priorities and the SDGs. Furthermore, to maximize impact of China's renewable energy development projects in recipient countries, China should consider complementing such projects and initiatives with efforts to support local capacity by constructing low-carbon technology demonstration zones and advancing local talent development in clean energy.

## 4.3. China should increase leveraging diverse financing sources and deepen cooperation with developed countries to increase funding support for IDCCC.

China's central fiscal expenditure on foreign aid has been increasing over the past two decades. However, public resources are limited compared to the actual financing needs. It is therefore crucial to leverage more resources and cooperation mechanisms.

Since the launch of 2030 Agenda for Sustainable Development, China has placed greater importance on trilateral cooperation with Africa and Asia, above other regions, to advance global sustainable development. To amplify impact, China may wish to look for opportunities for finance cooperation to synergize and coordinate its trilateral cooperation with existing mechanisms and platforms such as EU-China High-Level Environment and Climate Dialogue and Tripartite Environment Ministers Meeting among China, Japan and South Korea.

Another option would be to leverage the financial market and tap into the potential of diverse financing sources including development banking, commercial lending, bonds and equity, etc. An example of cooperation between China and developed countries is the Hann's Bay Sanitation Project in Senegal, totaling €30 million, co-financed by the Agence Française de Développement (AFD) and the China Development Bank (CDB) under a Memorandum of Understanding between the two banks, with commitment to further align their mandate with the Paris Agreement and the 2030 Agenda.[33]

In terms of areas for additional financial support, there also is a particular need to focus on climate adaptation. The *Adaptation Gap Report 2022* released by UNEP underscores that financing to turn global adaptation plans and strategies into action is not adequate. International adaptation finance flows to developing countries are five to 10 times below estimated needs, and the gap continues to widen. Estimated annual adaptation needs are between USD 160 billion and 340 billion by 2030.[34] China's increased emphasis on adaptation is therefore a welcome step. In May 2022, China released the *National Climate Change Adaptation Strategy 2035*, seen as a major update of the previous policies. Building on its domestic experience and lessons learned from its own low carbon development transition, China could play a role in promoting a boost in financial resources for climate change adaptation actions.

33 AFD, CDB and AFD Strengthen Their Strategic and Operational Cooperation, November 2019, https://www.afd.fr/en/actualites/communique-de-presse/cdb-and-afd-strengthen-their-strategic-and-operational-cooperation

34 UNEP, Adaptation Gap Report 2022, November 1, 2022, https://www.unep.org/resources/adaptation-gap-report-2022.

## 4.4 Further experience sharing and stakeholder engagement to better support developing countries' efforts in climate change mitigation and adaptation.

As an emerging actor in IDCCC, China has accumulated valuable experience that could be shared. To better communicate its IDCCC efforts, more support is needed to promote policy research in this field and knowledge sharing on international development cooperation. With the fast development of the internet and new media, China could more broadly present and share its experiences, knowledge and approaches related to IDCCC through various communication channels, expanding its reach and impact, as well as promoting transparency and engagement of local communities.

Additionally, it could also benefit from best practice exchanges with development agencies of other developed countries and multilateral organizations such as UN and OECD. By systematically and comprehensive drawing on international best practices in development cooperation, China could further enhance its efforts to achieve greater SDG impact.

IDCCC involves many stakeholders, and it is crucial to facilitate engagement, consultation and contribution from multiple stakeholders, including domestic and foreign businesses, universities, think tanks, media, society organizations, communities, and local governments for greater impact.

To sum up, China's IDCCC has a critical opportunity to incorporate and unite the experience and capabilities of different stakeholders and focus on bringing the strengths and potential of each party into full play.