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China's carbon-intensive rise: Addressing the tensions

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For many decades, there was a wide acceptance that the People's Republic of China (PRC), as a developing nation, did not bear the same responsibility as developed countries in addressing climate change – a concept known as 'Common But Differentiated Responsibilities' (CBDR). CBDR was agreed after the Rio Summit in 1992.[1] The Rio Declaration, which followed the summit, outlined the concept in the following way:

> In view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command.[2]

CBDR was founded on a three-part logic: first, that the vast majority of historic emissions have been produced by developed countries – or 'high income

[1] 'Rio Declaration on Environment and Development', United Nations, 12/08/1992, https://bit.ly/3Pgbldi (checked: 27/05/2022).
[2] *Ibid.*

economies' as per the World Bank[3] – which industrialised earlier, in the case of the United Kingdom (UK), picking up steam from the 1750s; second, that the relative wealth of the same countries, often founded on heavy emitting industries, enables greater environmental protection; and third, that developing nations need time to create the necessary wealth that enables them to modernise and improve their citizens' lives before they are able to channel their wealth into climate action. As such, it was agreed that developed countries bear more responsibility in countering climate change.

Rapid industrialisation and economic growth in the PRC now means that the Chinese economy has reached, and even exceeded, the greenhouse gas emissions released by developed economies. In 2004, the PRC became the second largest national historic emitter of greenhouse gases after the United States (US) (see Appendix 1, Chart 1).[4] Moreover, the PRC is not far off from becoming a 'developed' country; consequently, due to its sheer size and global influence, the PRC faces a growing domestic and international expectation that it should play an international leadership role in tackling climate change.

The unexpected commitment of the Chinese Communist Party (CCP) to carbon neutrality by 2060, heavy investment in renewable energy and electric vehicle supply chains, and introduction of a emissions trading scheme (which has already taken over the European Union's to be the largest),[5] give it a strong claim to be doing more than many other countries. Yet, as the PRC's wealth, power and emissions – cumulative, annual and per capita – grow, the narrative of fairness that has underpinned British, and indeed other developed countries', acceptance of the PRC's path, will come under greater domestic scrutiny.

Furthermore, the CCP has been leveraging CBDR for its own purposes. Not only has the CCP used the concept to deflect attention away from the PRC's position as the world's largest annual greenhouse gas emitter by some margin, it has also used it to challenge the developed world's relations with developing economies. Unless the PRC's narrative use of 'ecological civilisation' and historic emissions by developed countries is challenged through more effective narratives regarding British leadership on climate and the environment, including the role that the UK has played in enabling developing countries to progress economically and environmentally, then the UK risks ceding unnecessary ground to a 'systemic competitor'.

This Primer offers an initial foray as to how the UK might respond to the PRC's use of CBDR and 'ecological civilisation' to stake out special privileges for

[3] 'GDP per capita (current US$) – China', The World Bank, 2020, https://bit.ly/3PdJeeB (checked: 27/05/2022).
[4] 'Cumulative CO2 Emissions', *Our World in Data*, 09/02/2022, https://bit.ly/3NCPGdn (checked: 27/05/2022).
[5] Chris Busch, 'China's Emissions Trading System Will Be The World's Biggest Climate Policy. Here's What Comes Next', *Forbes*, 18/02/2022, https://bit.ly/3wUJNBA (checked: 27/05/2022).

itself in tackling climate change. It begins by analysing the CCP's environmental performance and its 'ecological civilisation' narrative, before explaining how the growth of the PRC's economy will force a new narrative into blanket application of CBDR. It then argues, in light of the PRC's rise as the world's leading greenhouse gas emitter and the CCP's attempts to deflect attention away from these growing emissions by 'positioning' developed nations as the key polluters, that Her Majesty's (HM) Government should adjust British discourse to counter CCP environmental exceptionalism, whilst still maintaining support for CBDR as a necessary tool to solve the climate crisis. This Primer concludes by highlighting the opportunity for alignment of national security, economic and climate objectives and makes ten recommendations – across discourse and investment – to help the UK stay ahead of the potential cleavage points which may result from the PRC's carbon-intensive rise.

The PRC's environmental policy

Large-scale industrialisation in the PRC began in the 1950s through the CCP's first Five-Year Plan (1953-1957), around 200 years after the first modern industries sprang up in the UK. By 1970, the PRC began emitting more greenhouse gases into the atmosphere each year than Britain (see Appendix 1, Chart 2).[6] Economic liberalisation in the post-Mao era rapidly accelerated the PRC's economic development and industrialisation, and by 1999, it had released more cumulative greenhouse gas emissions into the atmosphere than the UK (see Appendix 1, Chart 1).[7] By 2020, the PRC had released approximately three times the cumulative emissions of the UK, and is gaining quickly on the cumulative total of the US (see Appendix 1, Chart 1).[8] Perhaps most significantly, the PRC's per capita emissions have increased by over 250% since 1990, from 2.11 tonnes per person to 7.41 in 2020, making them significantly higher than those of Britain at 4.85 tonnes (see Appendix 1, Chart 3).[9] Given the PRC's economic growth, this might be expected, but global per capita emissions have only increased by 4.6% over the same timeframe, while those of the UK have declined by 53.8%.[10] Indeed, the average British citizen now produces approximately

[6] 'Annual CO2 emissions', *Our World in Data*, 09/02/2022, https://bit.ly/3FBEknr (checked: 27/05/2022).
[7] 'Cumulative CO2 Emissions', *Our World in Data*, 09/02/2022, https://bit.ly/3m7lKL3 (checked: 27/05/2022).
[8] *Ibid.*
[9] 'Per capita CO2 emissions', *Our World in Data*, 09/02/2022, https://bit.ly/3Mb1TG7 (checked: 27/05/2022).
[10] Calculations used using data from *Ibid*.

34.5% less pollution than the average Chinese person, despite being almost four times more productive in terms of GNI per capita.[11]

Alongside growing awareness of sky-rocketing Chinese emissions, the PRC was widely blamed for the collapse of negotiations at the Copenhagen Summit in 2009. This was due to the CCP's hardline stance on CBDR in negotiating the second phase of the Kyoto Protocol (insisting that developed nations make legally binding commitments while refusing to make any itself).[12] This reputational damage led the CCP to a much more proactive stance in climate negotiations and narrative development, particularly the strengthening of relations with the EU, which was viewed as the international climate leader following the American failure to ratify Kyoto.

In response to these factors, the CCP adopted and refined the discourse of 'ecological civilisation' to articulate the Chinese commitment to tackling climate change. 'Ecological civilisation' mixes in the social, economic, and environmental aspects of sustainable development with elements unique to the PRC such as classical Chinese philosophy, the Chinese political system, and the features of the Chinese 'civilisational state'.[13] On taking office as General Secretary of the CCP in 2012, Xi Jinping elevated 'ecological civilisation' to a primary component of 'Xi Jinping Thought' on climate and environmental policy – it was then written into the Chinese constitution in 2012 and was a central element of the 13th and 14th five-year plans.[14] Unlike free and open countries' liberal environmentalism, 'ecological civilisation' is a *uniquely* Chinese approach to constructing policies in tackling climate change, and gives the CCP further reason to emphasise its intrinsic role in the PRC's future development and that, in fact, the PRC is doing enough in addressing climate change.

The CCP's commitment to 'ecological civilisation' notwithstanding, for now, the PRC's economic growth is unavoidably attached to coal which enables carbon-intensive heavy industries, such as steel and cement production.[15] High capital investment in infrastructure projects, particularly at home, but increasingly abroad in developing countries, is another crucial ingredient for the PRC's economic success. The CCP has staunchly defended the PRC's moral right

[11] 'GNI (current US$) China', *The World Bank*, 25/05/2022, https://bit.ly/3FCqssZ (checked: 27/05/2022); 'GNI (current US$) United Kingdom', *The World Bank*, 25/05/2022, https://bit.ly/3as436f; Calculations using full World Bank dataset and data from *Ibid.*
[12] 'China blamed as anger mounts over climate deal', *The Guardian*, 20/12/2009, https://bit.ly/37GOJ4E (checked: 27/05/2022).
[13] Lila Buckley, 'Engaging with China's ecological civilisation', Green Economy Coalition, https://bit.ly/3Pi1yTO (checked: 27/05/2022).
[14] Berthold Kuhn, 'Ecological civilisation in China', Dialogue of Civilisations Research Institute, 26/08/2019, https://bit.ly/3L7wjYt (checked: 27/05/2022); Heidi Wang-Kaeding, 'What Does Xi Jinping's New Phrase "Ecological Civilisation" Mean?', *The Diplomat*, 06/03/2018, https://bit.ly/3w4w3VU (checked: 27/05/2022).
[15] Elisabeth Braw, 'Don't Let China Steal Your Steel Industry', *Foreign Policy*, 19/05/2020, https://bit.ly/3stQJ7i (checked: 27/05/2022).

to develop its economy and contribute to climate change in a way it sees fit under the auspices of CBDR, yet recognises its growing position of weakness in articulating its environmental commitments as a result of its increasingly large greenhouse gas emissions.

CBDR: The PRC's growing challenge

The PRC is about to transition to a developed economy and will subsequently be both a major cause of climate change and relatively wealthy. With a Gross National Income (GNI) which has grown over 75 times since 1980 to US$14.62 trillion (£11.75 trillion) in 2020, the Chinese economy is now, by some margin, already the world's second largest.[16] Although the PRC's GNI per capita only stands at US$10,550 (£8,481) and is still behind the UK at US$39,830 (£32,018),[17] the PRC is now classified by the World Bank as an 'upper middle income economy'[18] having graduated from a 'low income economy' in 2012.[19] It is expected to become a 'high income economy' – defined by the World Bank as a country with a GNI per capita of US$12,056 (£9,692) – in the next few years, possibly even as soon as 2023.[20] As the Chinese economy continues to grow, the PRC will release more emissions – perhaps even eclipsing the US as a cumulative emitter by the mid-21st century – and accumulate more responsibility for climate change.

As the PRC transitions to a 'developed economy', the special dispensations enjoyed under CBDR will no longer apply. To no small extent, this is perhaps part of what the CCP had in mind when it adopted 'ecological civilisation' as a new Chinese environmental master narrative. To be sure, this discourse *has* put climate change and environmental degradation on the CCP's agenda, alongside issues such as damage to public health in the PRC caused by air and water pollution, leading to significant changes in its climate policy. At the same time, however, 'ecological civilisation' is an important shield and bartering tool for the CCP in its climate diplomacy to shape international perceptions.

[16] Calculation made using full dataset from: 'GNI (current US$) – China', The World Bank, 25/05/2022, https://bit.ly/3FCqssZ (checked: 27/05/2022).
[17] *Ibid.*
[18] 'Upper middle income', The World Bank, 25/05/2022, https://bit.ly/3w5vevS (checked: 27/05/2022).
[19] 'World Development Report 2012: Gender Equality and Development', The World Bank, 10/09/2011, https://bit.ly/3LbaxTw (checked: 27/05/2022).
[20] Mathias Lund Larsen, 'China Will No Longer Be a Developing Country After 2023. Its Climate Actions Should Reflect That', *The Diplomat*, 03/07/2021, https://bit.ly/3MooBe5 (checked: 27/05/2022).

Box 1: Discursive statecraft

Discursive statecraft accounts for attempts by governments to articulate concepts, ideas, and objects into new discourses in order to degrade existing political and ideological frameworks or generate entirely new ones. It could be likened to offensive soft power.

In the final instance, such efforts are designed to (re-)structure how people can think and act, as well as what can be said and thought. This can involve the projection of vast new ideological or geostrategic formations, such as 'democratic liberalism', 'Soviet communism', 'the West', the 'non-aligned', and 'the Third World', as seen during the Cold War. But it can also involve positioning operations to alter and restructure another country's understanding of its place in the world, and encourage its leaders (and other nations) to accept new narratives about the target.

A form of 'discursive statecraft' (see Box 1), 'ecological civilisation' deflects attention away from Chinese emissions and instead 'positions' the PRC as a longstanding international environmental leader with 'ambitious' and 'unprecedented' policies.[21] It simultaneously allows the CCP to dilute the PRC's obligations in tackling climate change relative to those of developed nations, ultimately 'framing' the PRC as a global climate champion, especially among developing countries (despite setting itself apart from them in other aspects of foreign policy). Simultaneously, in a double move, developed economies are then 'positioned' as environmental villains which must do more to transition towards greener sources of energy, thereby deflecting attention in developing countries away from the PRC's own environmental record.[22]

Discursive statecraft aside, the PRC will find it harder and harder to hide behind the cloak of the CBDR as the 2020s pass; as Chinese economic output continues to grow and the PRC becomes a 'high income economy', the CCP will probably face growing international pressure to do more to tackle additional PRC

[21] 'China's climate ambition unprecedented but realistic', *Xinhua*, 05/06/2021, https://bit.ly/3suTHIT (checked: 27/05/2022).
[22] The PRC has been aligned since 1994 to the G77 grouping of developing countries which chided developed countries for failing 'to provide adequate financing for climate action in developing countries' and pressed for 'implementation, consistent with climate justice and principles of equity and common but differentiated responsibilities'. This is not an unusual statement, but it highlights how the CCP is using CBDR to drive a wedge between developed and developing nations. It is these relationships – those beyond the PRC – in which the concept of CBDR remains particularly important. See: 'G77 and China Opening Statement', United Nations Climate Change, 31/05/2021, https://bit.ly/3FBVzVE (checked: 27/05/2022).

greenhouse gas emissions. In response, the CCP may double down on leveraging 'ecological civilisation' to deflect attention from the PRC's growing emissions – cumulative, annual and per capita. There is a strong possibility that the PRC will assert, despite having become a developed economy, that its late start to industrialisation absolves it of the need to change as rapidly as others. This will challenge the ethos behind CBDR, pile pressure on far poorer developing nations to adapt, and potentially drive a wedge between the developed and developing world.

Turbo-charging Britain's climate agenda

The conundrum thrown up by the PRC's growing cumulative, annual and per capita emissions *and* increasing GNI per capita is a challenging one for Britain to navigate. To date, addressing this issue has not been a top priority. For starters, the UK has tended to accept the mainstream assumption that it, as the world's first industrial nation, holds significant responsibility for climate change.[23] So powerful has this discourse become that the British public feels, according to opinion polls, increasing guilt for climate change,[24] with some – such as 'Extinction Rebellion' – even questioning the benefits of industrial modernity. At the same time, the UK has sought to protect environmental issues in its relationship with the PRC, despite the fact that Chinese emissions have grown substantially, and as the CCP has adopted geopolitical stances the UK considers antithetical to an open international order (HM Government designated the PRC a 'systemic competitor' in the 2021 Integrated Review).[25]

The UK now only produces just under 1% of global emissions and has done more than most other developed countries to clean up its act since 1990.[26] Although this decline ignores the fact that emitted greenhouse gases can stay in the atmosphere for centuries and emissions produced through the consumption of foreign goods are often overlooked, it may become increasingly difficult for HM Government to push for a greener agenda if the PRC is allowed off the hook.

[23] 'Analysis: Which countries are historically responsible for climate change?', *Carbon Brief*, 05/10/2021, https://bit.ly/3wncmaF (checked: 27/05/2022).
[24] 'Climate anxiety in children and young people and their beliefs about government responses to climate change: a global survey', *The Lancet*, 01/12/2021, https://bit.ly/3l3dV8t (checked: 27/05/2022).
[25] 'Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy', Cabinet Office, 07/03/2021, https://bit.ly/37DZx3n (checked: 27/05/2022).
[26] 'Annual CO2 emissions', *Our World in Data*, 09/02/2022, https://bit.ly/3FBEknr (checked: 27/05/2022).

Various domestic British political forces have already begun to argue that UK efforts to tackle climate change are futile because Chinese emissions are increasing so sharply.[27] Any failure of the CCP to deliver on its 2060 carbon neutrality pledge – or doubts that its reporting of emissions is credible – will insert a further cleavage point into the mix.

Under these circumstances, the established British stance on CBDR will no longer get policymakers very far in generating the groundswell of support needed to tackle climate change, particularly when there are other issues, such as 'levelling up' the country, which may appear more pressing.[28] One option would be to give up on combating climate change, or another to increase pressure on the PRC to take more climate action. While superficially easy, these options are unlikely to work: first, the British public expect efforts to be taken to overcome the climate crisis, and there are huge economic rewards to be had in greening the British economy; second, the PRC is unlikely to respond positively to British condemnation and may even amplify its discursive statecraft. A more sophisticated approach is required.

Indeed, Britain should turbo-charge its environmental policy by incorporating more decisively and comprehensively geo-economic and geostrategic elements. The Integrated Review made tackling climate change and biodiversity loss a priority for Global Britain and the country has a strong performance record.[29] To start with, HM Government ought to develop a new set of narratives to better align national security and countering climate change. When Boris Johnson, the Prime Minister, stated 'climate change *is* realpolitik' at the United Nations (UN) in September 2021, he was priming the country for this.[30] The national security community ought to be drawn closer to the response to climate change. Apart from the narrow confines of climate-induced migration, critical minerals supplies, and the environmental resilience of military facilities, it has remained apart. It is time for that to change.

As such, the UK should prepare to stop shielding climate cooperation from a more competitive form of relationship with the PRC, especially if the CCP claims special environmental privileges for the PRC – which may undermine domestic support in developed economies for CBDR once it has become a 'high income economy', further undermining the open international order. Pushing back against the PRC on climate change will need to be handled with subtlety and

[27] See, for example: Harry Cole and Natasha Clarke, 'RED REVOLT Boris Johnson will be hammered by Red Wall voters over cost of green revolution, furious Tory MPs say in WhatsApp tirad', *The Sun*, 10/08/2021, https://bit.ly/3l3N2Br (checked: 27/05/2022).
[28] 'Levelling up the United Kingdom', Department for Levelling up, Housing and Communities, 02/02/2022, https://bit.ly/3McY1Es (checked: 27/05/2022).
[29] *Ibid.*, p. 89.
[30] Boris Johnson, Speech: 'PM's remarks to UN climate roundtable', Prime Minister's Office, 10 Downing Street, 20/09/2022, https://bit.ly/3N8lfvp (checked: 27/05/2022).

skill. Here, Britain also needs to be true to itself: similarly to other industrialised nations, one of the reasons British emissions have declined so sharply since 1990, and Chinese emissions have risen, is because much manufacturing has been 'offshored' to countries such as the PRC, where environmental standards are often far lower. This has had implications for many British regions, even large cities, which were previously manufacturing powerhouses – one of the reasons 'levelling-up' has become so topical. Reversing this requires HM Government to commit to greater infrastructure investment, greater investment in research and development – particularly in the green technologies of tomorrow, such as green hydrogen – and new regulatory frameworks to make British manufacturing more competitive. In this regard, the UK could focus on aligning other free and open countries behind measures such as product standards which take into account carbon intensity, which may encourage the PRC to focus more on climate change and help greener British manufacturers to sell their goods.[31]

Finally, for much the same reason as it benefits the PRC, HM Government would do well to maintain British global leadership on climate change, which provides significant diplomatic and economic opportunities. Many Commonwealth countries, such as Sri Lanka and the Maldives, will need help dealing with rising sea levels and extreme weather events. If the UK does not provide the help and leadership, 'systemic competitors', such as the PRC, will. In the long term, this would result in decreased influence and fewer pathways to cooperation in other areas that are a strategic priority for Global Britain, such as openness, trade, and human rights.

Consequently, the UK ought to provide an integrated environmental 'counteroffer', particularly to populous developing economies, such as India, Indonesia and Nigeria, which are likely to release a great deal of greenhouse gas emissions in future if not assisted. Jeremy Fleming, Director of Government Communication Headquarters (GCHQ), has already stated that the 'need to make sure that our counteroffer – to states who haven't yet decided which way they should jump – is persuasive and coherent. Too often it's not.'[32] He is right. Britain's ability to strengthen its climate leadership will depend on having a politically and economically acceptable counteroffer to the CCP's approach to international development, as well as its positioning efforts to diminish the contributions made in tackling climate change by developed nations. In doing so, HM Government ought to beef up its diplomatic effort to underline how it is a

[31] See: William Young, 'When Climate and Trade Combine: British Policy Options', Council on Geostrategy, 27/05/2021, https://bit.ly/3M7iUAX (checked: 27/05/2022).
[32] Jeremy Fleming, Speech: 'Director GCHQ's speech on global security amid war in Ukraine', Government Communications Headquarters, https://bit.ly/3yNDumf (checked: 27/05/2022).

greener, and more concerned partner in green development and energy transition efforts, than the PRC.

Climate leadership is certainly a worthwhile strategic investment, but it requires financial resources. Renewable energy still requires more upfront capital than fossil fuel projects. For developing countries where financing is harder due to political and market risks, support is needed. Adaptation measures and restoration of the natural world, though incredibly valuable, require upfront investment which might not appear immediately worthwhile compared to infrastructure projects or other investments with faster returns. Here, the UK could utilise its central role in 'climate finance' to strengthen relations with the developing world. The emerging model of 'country platforms', which first saw the light of day in a private sector lead initiative with India and later emerged as a government to government arrangement with South Africa,[33] is a potentially valuable tool to address perceived climate injustice, make progress on climate mitigation and simultaneously progress national security goals, all whilst activating the support of a new domestic constituency in the UK. Furthermore this approach would enable more constructive discussions on climate with developed countries that struggle to show leadership on climate change but which are both challenged by the PRC's rise, like the US and Australia. Unlocking wider support for action on climate in these countries will also be a valuable win.

Policy recommendations

If better aligned with Britain's interests, CBDR remains a valuable overarching principle. However, the UK should be clear eyed about how the PRC is and may further utilise the principle, and should not be afraid to step beyond the confines of the United Nations Framework Convention on Climate Change (UNFCCC) to develop bilateral and plurilateral climate deals to provide a better and greener alternative to the PRC's approach. Here, gradual adjustments to HM Government's messaging and policy positions over the next ten years will serve to strengthen the UK's position – domestically and internationally – on climate change and minimise the risk of any cleavage or undermining of support. Therefore, HM Government should internalise learnings from the last five years and make a number of adjustments, first on changing Britain's own discourse; and secondly, to provide the means and policy to deliver it.

[33] Nicholas Kumleben, 'South Africa's Coal Deal Is a New Model for Climate Progress', *Foreign Policy*, 12/11/2021, https://bit.ly/3swq2yS (checked: 27/05/2022).

Changing British Discourse

1. Realise that there is not, and will not, be a single methodology which will become an accepted standard for calculating emissions historic or otherwise and that with the rapid, carbon-intensive rise of such a large country as the PRC, perceptions of fairness and justice will become more important, as will the UK's ability to defend the interests of domestic stakeholders, allies and potentially vulnerable Commonwealth countries.

2. Recognise that the PRC is pushing – and will likely in due course overstep – boundaries which some British domestic stakeholders consider to be part of the principles of basic fairness, irrespective of whether these are justified by the concept of CBDR.

3. Acknowledge that the PRC is deploying 'discursive statecraft' on climate change as a tool to encourage narratives of guilt for historical emissions, to assert special privileges, and divide developed and developing nations. This has accentuated domestic unease about the HM Government's multilateral approach. Although the PRC's own emissions record will undermine its ability to use this narrative in the years ahead, the lingering resentment in the UK and other developed nations is unlikely to disperse.

4. Listen to those in Britain who raise concerns about the extent to which the UK should accept responsibility for climate change. In the face of the PRC's emissions performance they have valid concerns rooted in the degree of responsibility they wish to take for the actions of their historic compatriots. Addressing these, and other, concerns, will likely require acknowledging others' significant contributions to cumulative emissions and an explanation of why the UK has decided to lead.

5. Accept that while the UK's climate leadership is widely appreciated, close allies and partners such as the US and Australia, struggle to show international leadership in this area (despite having reduced their own emissions in recent years). Through exploring the alignment of climate action and national security (both geostrategic and geoeconomic), HM Government has the opportunity to bring US and Australian stakeholders on board over climate change.

6. Adopt a more layered international approach. The limitations of international agreements on climate change demand that bilateral and

plurilateral agreements – including 'country platforms' – protecting national security and the climate are put in place. Developing the messaging around British climate leadership to incorporate this would enable a more credible narrative, aligned to national security concerns, to take root domestically and internationally.

Delivering on the narrative

7. Enlarge a flourishing domestic market for green products by steadily and thoughtfully tackling the policy decisions needed to reduce carbon emissions from transport, industry, residential and commercial buildings.

8. Recognise that the size of market for climate solutions or 'green products' internationally is so large that even though the PRC currently has a dominant position in some areas of the value chain – photovoltaics and rare earth processing for example – the door is open for a PRC+1 sourcing strategy which would help the UK and its allies diversify supply chain exposure to a systemic competitor. This strategy will initially need to be backed by public procurement guidelines, contracts for difference, international development budgets, state aid, export credit guarantees and partnership with like minded countries such as India.

9. Capitalise on 'country platforms': bilateral and plurilateral climate finance deals with countries such as South Africa, India, Indonesia, Vietnam, Colombia, Nigeria and others have the potential to align British climate and national interests. The alignment of international aid and foreign policy in the Foreign, Commonwealth and Development Office (FCDO) – as well as the continued efforts of those seconded to the COP26 team and the adoption of this by the G7 – places the UK in a strong position in the next five years to make significant progress here (see Appendix 2 on Just Energy Transition Partnerships).

10. Enthusiastically embrace product standards which account for greenhouse gas emissions and carefully construct a multilateral approach to carbon borders which will provide an avenue for managing the rise in tensions at the nexus of trade and climate by differentiating imports based on factors relating to carbon intensity and a trading partner's economy.[34] Building on the Board of Trade's 'Green Trade' report, the Department for

[34] See: William Young, 'When Climate and Trade Combine: British Policy Options', Council on Geostrategy, 27/05/2021, https://bit.ly/3M7iUAX (checked: 27/05/2022).

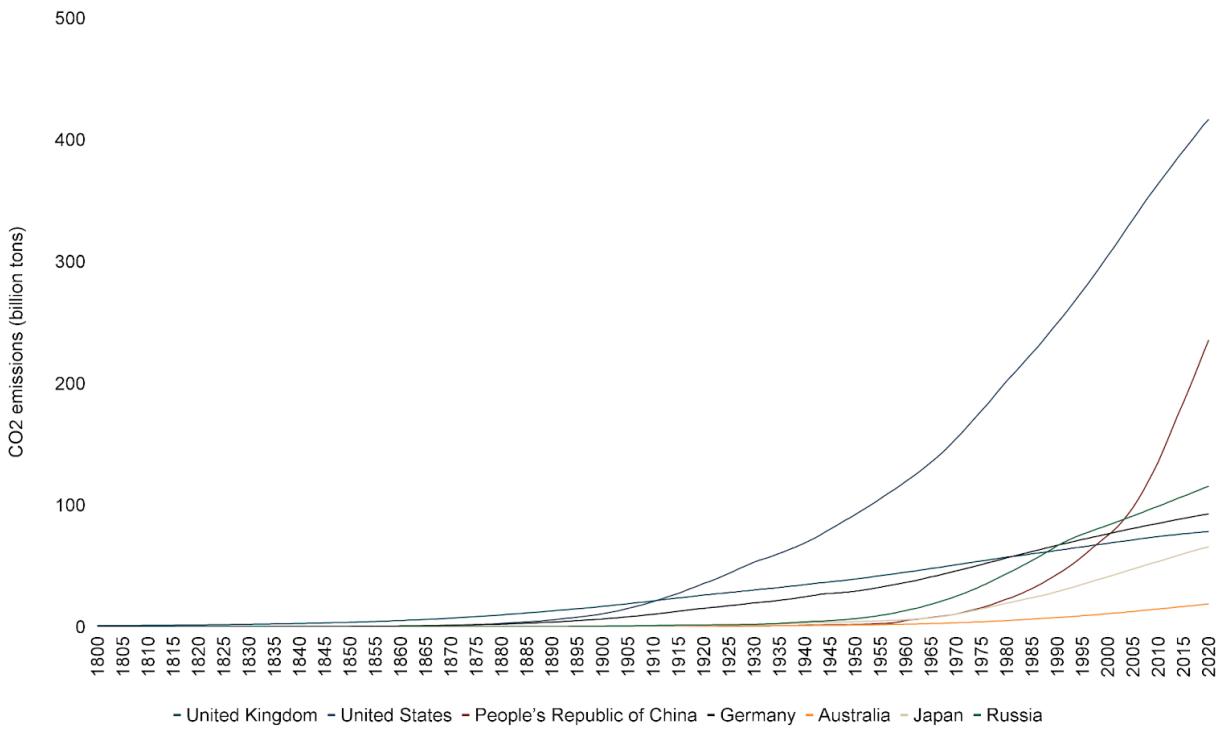
International Trade should work closely with the Department for Business Energy and Industrial Strategy and the FCDO to drive forward national and plurilateral work on industrial decarbonisation, carbon leakage and carbon borders.[35] This could be actively supported by the British Standard Industry's new 'Net Zero' Standards body, providing an instrument to address the carbon intensity of systemic competitors' exports.[36]

By making these adjustments to narratives on climate change and underlying capital and trade flows, developed free and open nations such as the UK will consolidate their efforts to show genuine climate leadership in the developed and developing world, and counter the PRC's efforts to drive a wedge between developed and developing nations by controlling the global narrative around climate responsibility.

[35] 'Board of Trade report: green trade', Department for International Trade, 21/07/2021, https://bit.ly/3w3F0Pd (checked: 27/05/2022).
[36] Michael Holder, 'Climate, business, and energy experts to helm new BSI net zero standards body', *Business Green*, 28/03/2022, https://bit.ly/3FBN3Wy (checked: 27/05/2022).

Appendix 1: Graphs

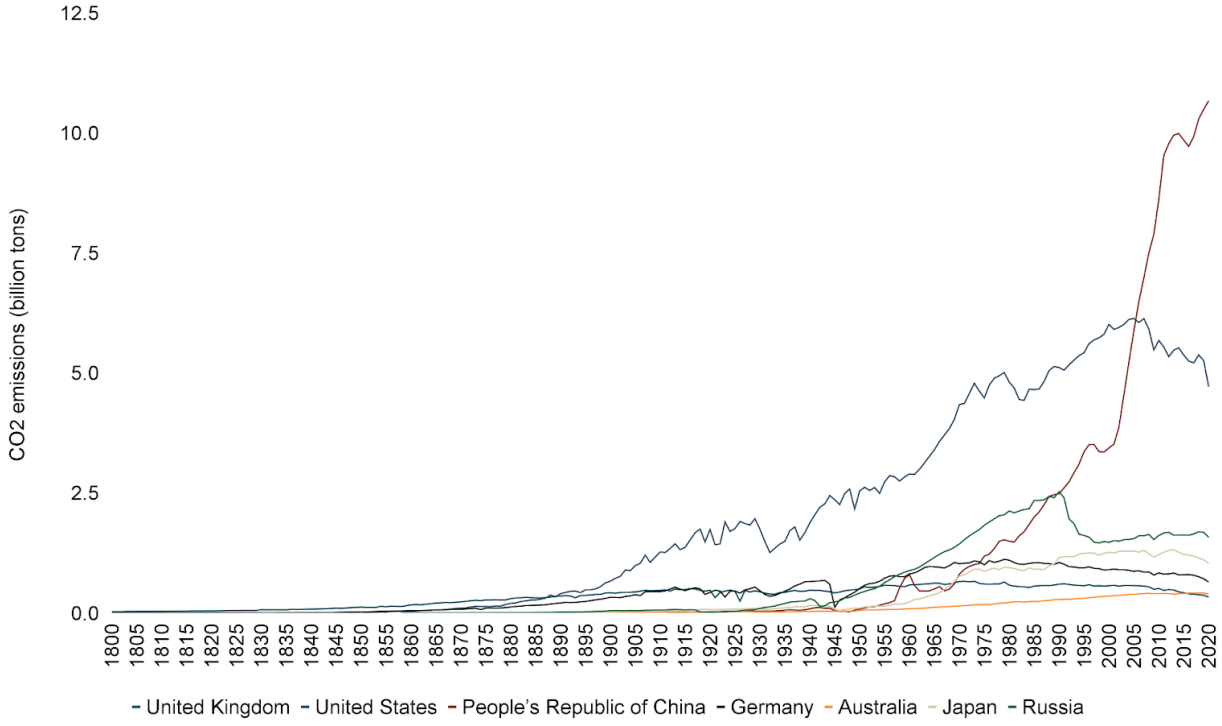
Chart 1: Cumulative emissions since 1800



Source: Our World in Data[37]

[37] 'Cumulative CO2 Emissions', *Our World in Data*, 09/02/2022, https://bit.ly/3m7lKL3 (checked: 27/05/2022). While data exists from 1750, 1800 was chosen to emphasise recent emissions.

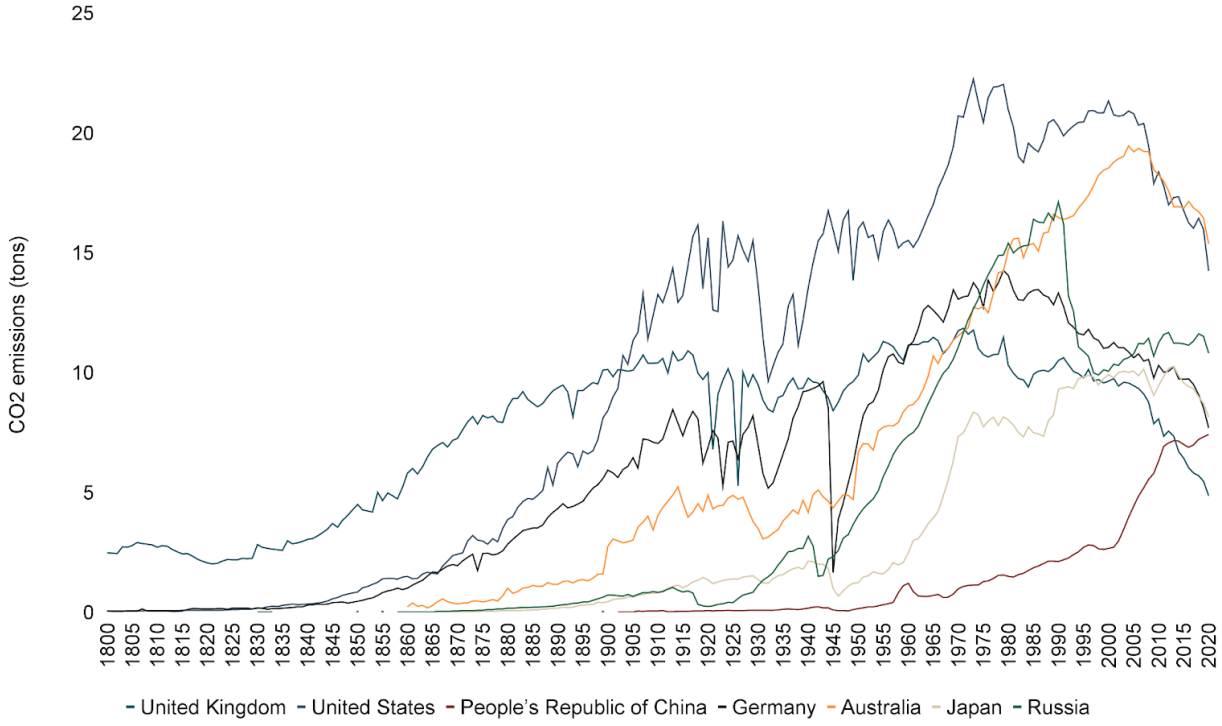
Chart 2: Annual emissions since 1800



Source: Our World in Data[38]

[38] 'Annual CO2 emissions', *Our World in Data*, 09/02/2022, https://bit.ly/3FBEknr (checked: 27/05/2022). While data exists from 1750, 1800 was chosen to emphasise recent emissions.

Chart 3: Emissions per capita since 1800



Source: Our World in Data[39]

[39] 'Per capita CO2 emissions', *Our World in Data*, 09/02/2022, https://bit.ly/3Mb1TG7 (checked: 27/05/2022). While data exists from 1750, 1800 was chosen to emphasise recent emissions.

Appendix 2: Just Energy Transition Partnerships

At COP26, a group of democracies launched a new Just Energy Transition Partnership with South Africa to support its decarbonisation efforts. Approximately £6.25 billion (US$8.5 billion) is being mobilised for the first phase of financing; a mixture of public and private finance through various mechanisms including grants, concessional loans, and investments and risk sharing instruments. It will support South Africa to move away from its dependence on coal towards cleaner sources of energy while reducing the impact such a transition will have on mining communities.

Helping developing countries to simultaneously decarbonise and upgrade their economies through a more direct, bilateral, or multilateral basis could well be a way to compete with the PRC's BRI. We recommend HM Government work with its allies to mobilise more finance and target support for developing nations of strategic importance. Candidates include nations such as Brazil, Chile, Colombia, Indonesia, India, Nigeria, the Democratic Republic of Congo, Kenya, and Vietnam.

Partnerships could help liberal democracies push back against the detrimental effects of ill-conceived loans issued by the PRC to economically vulnerable countries. They would also help facilitate more cooperation with strategic allies for security, economic, and environmental gains. Vietnam, for example, sits on a wealth of critical minerals and borders the South China Sea and the PRC itself. It is a state that the Council on Geostrategy believes warrants a closer relationship.[40]

It should be noted that the PRC is already seeking to provide a similar solution. Wang Yi, the Chinese Foreign Minister, promised at an address at the Symposium on the International Situation and China's Foreign Relations in 2021 'dedicated efforts toward more robust, green and balanced global development' including development financing, climate change, green development, and industrialisation. If the UK and its allies do not offer an alternative to this, it may cede leadership on climate change, and ground in the global economy.

[40] Bill Hayton and John Hemmings, 'Enhancing British-Vietnamese relations in a more competitive era', Council on Geostrategy, 27/10/2021, https://bit.ly/3a2m5vm (checked: 27/05/2022).

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