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China's 14th five-year plan: an ambiguous start on the road to carbon neutrality

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On March 11th, China's National People's Congress (NPC) adopted the outline of its 14th five-year plan (2021-2025) for economic and social development, the first since the (surprise) announcement of its commitment to reach carbon neutrality before 2060 by Xi Jinping last September. This outline only skims the surface of the plan, which has yet to be fully fledged at the sectoral and province levels, and sends mixed messages about China's efforts to curb its climate emissions in the near term.

China represents 26% of global emissions; in the fight against global climate change, as is true with so many other topics, China is the global game-maker. China has yet to submit an update to its 2015 climate pledge,[1](#) in line with

the timeline set by the Paris Agreement. However, the commitment made by President Xi Jinping at the 75th UN General Assembly that China aimed to reach carbon neutrality before 2060² raised hopes that China was serious about climate change mitigation, irrespective of where the US was headed. Observers are all the more following closely what China might decide for its updated Nationally Determined Contribution (NDC) that the UNFCCC Secretariat released only a few days ago a [damning report](#) on the state of global commitments to date to curb emissions.

The report explained that the updated or enhanced pledges of 75 countries (including the EU) together representing 30% of global emissions amount to a less than 1% cut in global CO₂ emissions on 2010 levels by 2030, when the IPCC Special Report on 1.5°C calls for a 45% decrease. While this is only a report on commitments received by end of 2020, and there is still time for the remaining countries to follow suit before COP26 in November in Glasgow, it aims to become a wake-up call for countries to do better. It is partially working: Japan, South Korea and New Zealand already committed to resubmit new and improved commitments to 2030, after [pledging to reach carbon neutrality by 2050](#). Following the EU's substantial increase in its second NDC committing to at least 55% reduction on 1990 levels by 2030, the pressure is on for the new Biden Administration, and China. The content of China's 14th Five-Year Plan is a key indicator of the country's efforts to curb climate change.

What are China's five-year plans?

Since 1953, the Chinese government sets itself major social and economic development objectives in a five-year policy planning cycle. The five-year plan is the backbone of all of China's sectoral, provincial and municipal policy, covering topics ranging from trade, defence and the environment. This year, during the two annual sessions of the National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) taking place on March 4-11, [political elites reviewed the draft plan before adopting it on the sessions' final day](#). This adoption is only a milestone in a longer and complex process: the overarching plan, or 'outline', has been prepared for over two years, and through 2021 a more detailed set of sectoral and provincial five year plans will be developed based on the outline, including details on implementation, monitoring and evaluation. These include a plan on tackling climate change and peaking by 2030, overseen by the Ministry of Ecology and the Environment (MEE), and a plan for energy and electricity development drafted by the National Energy Administration (NEA) and the National Development and Reform Council (NDRC).

What does the 14th Five-year-plan mean for climate?

The 148 pages of the 14th five-year plan include a section on "new progress of ecological civilisation", which is one of the six overarching economic and social development goals, including climate & energy targets. The headline targets relating to energy intensity, carbon intensity, share of non-fossil fuels, and forest coverage have important implications for China's emissions in the near term, and the latest targets do not represent a substantial acceleration in mitigation efforts.

Target	13th FYP Target	14 th FYP Target
Energy Intensity	-15% from 2016-2020	-13.5% from 2021-2025
Carbon Intensity	-18% from 2016-2020	-18% from 2021-2025
Share of non-fossil fuels	15% in 2020	Around 20% in 2025

Forest coverage	23.04% in 2020	24.1% in 2025
GDP growth	On average 6.5% annually from 2016-2020.	No five-year target, only annual target. 2021 aims for at least 6%.

As this plan falls short of setting an absolute emissions cap for the period, China's emissions will hinge on how much its economy actually grows. Analysis from the Centre for Research on Energy and Clean Air (CREA) shows that depending on GDP growth assumptions (hovering around 5-6% per year), China could meet its aforementioned targets while its overall [CO2 emissions increase by 1-1,7%](#).

However, [Chinese experts' review](#) shows that this plan departs from its predecessors in several important ways:

- It does not feature an explicit GDP growth target for the period. The 13th plan aimed for a 6,5% average annual growth from 2016-2020, but the 14th plan, only aims for 'at least 6%' in 2021. This is partly due to macroeconomic uncertainties surrounding COVID-19 recovery.
- It refers to China's longer-term climate goals and introduces the idea of a "CO2 emissions cap", without actually setting one (but as mentioned above, this could be done in a subsequent specific plan on climate).
- It gives an increased importance to accountability regarding environmental targets: among the 20 key socio-economic indicators for the period, only eight are listed as "binding" (instead of "illustrative"); six of those relate to environment, climate and energy.³

Some key targets (cutting China's carbon intensity by over 65% from the 2005 level and increasing the share of non-fossil fuels to around 25%) [had already been announced at the Climate Ambition summit last December](#), and already represent an increase compared those included in the Chinese NDC, meaning China could already easily enhance its existing NDC. China can do better,⁴ and a key opportunity to do so will be the "peaking roadmaps" developed by key sectors and provinces, with MEE preparing an overall carbon peaking plan for the State Council, the country's highest administrative body.

In his latest public endorsement of China's commitment to carbon neutrality, Xi Jinping reminded other countries that "China always honors its commitments", which could be interpreted as a subtle shade thrown at developed countries for not meeting theirs, be it with regards to finance or emission reductions. China, on the contrary, did in fact exceed the CO2 intensity targets of its previous two five-year plans.⁵ As China prepares to host the Ministerial on Climate Action (MOCA) on March 23,⁶ Canada and the EU may raise questions about how this plan and its subsequent roadmaps will put China on the road to net zero before 2060.

¹ <https://www4.unfccc.int/sites/NDCStaging/pages/Party.aspx?party=CHN>

² Xi Jinping speech at the 75th UN General Assembly session (Sept. 23rd, 2020) : http://www.xinhuanet.com/english/2020-09/23/c_139388686.htm

³ Four relate to climate and energy: "Reduction in energy consumption per unit of GDP(%)"; "Reduction of CO2 emissions per unit of GDP (%)"; "Forest coverage rate (%)"; and "Comprehensive energy production capacity". The two remaining indicators relate to air and water quality. "share of surface water at or better than class III"

⁴ <https://www.efchina.org/Reports-en/report-lceg-20201210-en>

⁵ https://www.carbonbrief.org/qa-what-does-chinas-14th-five-year-plan-mean-for-climate-change?utm_campaign=Carbon%20Brief%20Weekly%20Briefing&utm_content=20210312&utm_medium=email&utm_source=Revue%20newsletter

6 The MoCA consists of yearly meetings with ministers from Canada, China and the European Union, a set-up designed to advance climate discussions during the Trump administration.