

# City Enabling Environment on Environmental and Climate Governance (CEE-ECG) in China

## Executive Summary





## About the Urban-Act Project

The Integrated Urban Climate Action for Low-Carbon and Resilient Cities (Urban-Act) is a regional project funded by the International Climate Initiative (IKI) of the German Federal Ministry for Economic Affairs and Climate Action (BMWK) over the period April 2022 to December 2027. This regional project aims to support the transformation towards low-carbon and resilient urban development in Asia and the Pacific while contributing to countries' Nationally Determined Contributions (NDCs) and advancing the Sustainable Development Goals (SDGs). Urban-Act is implemented in five pilot countries (China, India, Indonesia, the Philippines, and Thailand). Regional partners of Urban-Act Project are the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the United Cities and Local Governments Asia-Pacific (UCLG ASPAC), the TU Dortmund and the University of Stuttgart, as well as national consortium partners in each of the five (5) partner countries.

## What is the CEE-ECG?

The City Enabling Environment on Environmental and Climate Governance (CEE-ECG) is an attempt to understand which “enablers” and “actors” underpin the transformation of 21<sup>st</sup>-century cities and thereby attenuate, drive, or shape challenges to implement climate action in cities today. The ‘enablers’ that the assessment examines are ‘core enablers’ – policies, law, institutions, governance systems, fiscal autonomy, and levels of public engagement that hamper or unleash urbanisation’s potential for climate action. It assesses the “de jure” – national legislation and policies – that allow local governments to benchmark themselves against the minimum standards required for cities and local governments to contribute significantly to global climate action efforts. This assessment uses a country perspective of analysis to deliver a significant contextual review of the function of local governments. However, a national-wide overview is needed because their performance depends mainly on the country’s nature. This document serves as both a benchmark and a guide for improving urban climate governance, ensuring that cities are better equipped to contribute to national and global climate goals at five Urban-Act pilot countries.

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## DISCLAIMERS

This CEE-ECG is a preliminary result used as the baseline for the Urban-Act project that highlights key areas of focus including legal and regulatory frameworks, governance and policy support, bureaucratic capacity, climate financing, and public participation. The final assessment will be finalised by the end of the Urban-Act project implementation, and it is open to receive/gather feedback from various stakeholders.



# Environmental and Climate Change Governance

China has developed a comprehensive approach to environmental and climate change governance, driven by both international commitments and domestic imperatives. The country's strategy involves setting ambitious targets for carbon emissions reduction, supported by national policies and regulations, such as the Five-Year Plans. The Chinese government has made significant strides in addressing climate change by prioritising sustainable development and low-carbon growth. However, the implementation of these policies is challenged by the vast scale of the country and the varying capacities of local governments, which often face resource constraints and conflicting priorities.

## Political Structure and Organisation

China's political structure is a hierarchical system, with the Chinese Communist Party (CCP) at its apex, guiding policy through the Central Committee and the National People's Congress (NPC). This framework extends across various levels of government, from central to local, with distinct roles for the party and administrative bodies. The CCP sets strategic objectives, while the central government, led by the State Council, translates these into actionable policies. A coordinated, cross-ministry approach is essential for managing climate change, with the National Leading Group on Climate Change Response playing a pivotal role in policy advice and implementation. The Ministry of Ecology and Environment's Climate Change Department is central to formulating and executing China's climate strategies, demonstrating the complex, multi-layered governance system at work.

## Local Government and Decentralisation System

China operates as the world's largest unitary state, with a decentralised administrative system that allows sub-national governments to implement national policies within their jurisdictions. The decentralisation process is structured across three primary tiers, encompassing provinces, prefectures, and counties. While local governments are tasked with executing climate policies set by the central government, they face significant challenges, such as limited resources and competing priorities, which can hinder the effective implementation of climate targets. Despite these challenges, the central government's oversight and evaluation mechanisms help maintain accountability and incentivise compliance at the local level.

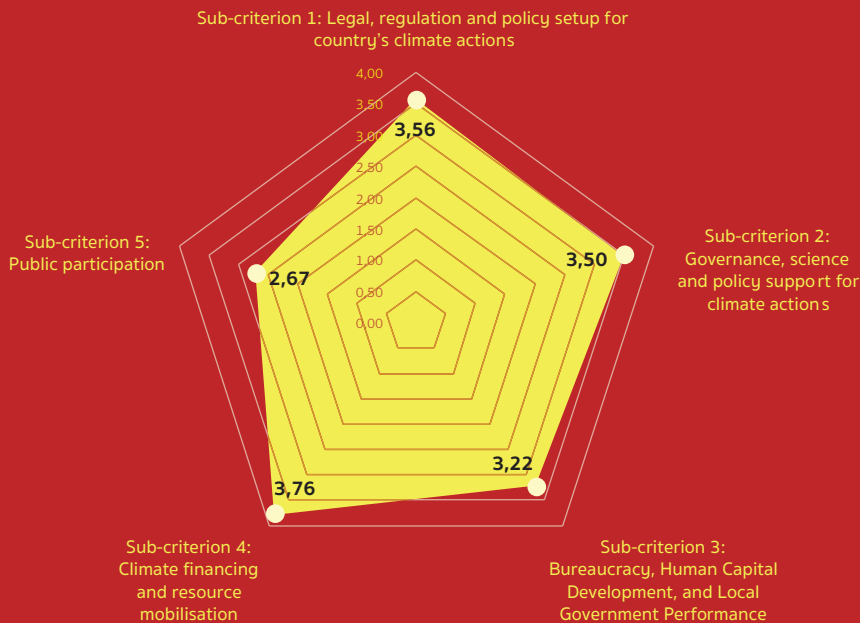
## Coordination Mechanism between State and Non-Governmental Actors

China's governance model involves a unitary hierarchy with a strong central government that coordinates various organisations, including state-owned enterprises and social institutions. The climate policy-making process in China is increasingly inclusive, involving experts, businesses, NGOs, and other stakeholders. The role of non-state actors has grown, with significant contributions from industry associations and expert groups. However, the influence of NGOs and individuals remains limited compared to other stakeholders. Environmental NGOs in China categorised as government-organised, grassroots, or international, vary in their influence and funding sources, yet they increasingly collaborate with government departments, contributing valuable insights and fostering greater civil society engagement in climate action.

# The Results of CEE-ECG in China

China's CEE-ECG Score by each sub-criterion. The radar chart has five spokes, each representing a different sub-criterion. The length of the spoke represents the scores for each sub-criterion. The longer the spoke, the higher the score. The overall score for China is represented by the average scores for the five sub-criteria. Based on the radar chart, China's overall score is 3.34 out of 4, with a score of 3.56 for sub-criterion 1, which pertains to the legal, regulatory, and policy framework for the country's climate actions, and with a score of 3.5 for sub-criterion 2, encompassing governance, science, and policy support for climate actions, and with a score for 3.22 for sub-criterion 3 on bureaucracy, human capital development, and local government performance. Additionally, China's performance in sub-criterion 4, related to climate financing and resource mobilisation, is the highest, with a score of 3.76. However, sub-criterion 5 (public participation) still falls within class 3, suggesting that China possesses a solid foundation for climate governance but offers room for improvement in certain areas.

CEE-ECG Score of China by Sub-Criteria



## Sub-criterion 1: Legal, regulation and policy setup for country's climate actions

China has made significant advancements in its legal and policy frameworks for climate action, ratifying the Paris Agreement in 2016 and integrating the Sendai Framework for Disaster Risk Reduction into its National Plan for Sustainable Development. The country has also been proactive in biodiversity conservation, exceeding expectations under the Convention on Biological Diversity. Additionally, China

has submitted its Nationally Determined Contributions (NDC) to the UNFCCC and prioritised climate change in its 14<sup>th</sup> Five-Year Plan. However, despite these efforts, there is still a lack of a national framework for the Measurement, Reporting, and Verification (MRV) of city-level climate actions, which poses a gap in fully integrating local governments into the national climate strategy.

<b>1.1</b> Ratified the Paris Agreement and integrated the Sendai Framework for Disaster Risk Reduction (SFDRR), and signatory and approver of the Convention on Biological Diversity.	<b>1.2</b> Submitted its to the United Nations Framework Convention on Climate Change (UNFCCC). Developed Nationally Appropriate Mitigation Actions (NAMA) reports and a National Adaptation Plan (NAP).	<b>1.3</b> Prioritised climate change in its national planning "Chapter 46: Respond to Global Climate Change," in its 14 <sup>th</sup> Five-Year Plan for Economic and Social Development.
<b>1.4</b> Steps have been taken to monitor and evaluate climate actions, but more robust evidence is needed. However, several reports and studies indicate the absence of a national regulation or framework for the Measurement, Reporting, and Verification (MRV) of city-level climate.	<b>1.5</b> It has fulfilled the indicator by crafting the Comprehensive Disaster Prevention and Reduction Plan, which acknowledges the challenges posed by global climate change and emphasises the roles of local governments.	<b>1.6</b> Providing the National Biodiversity Strategy and Action Plan (NBSAP) and reporting its progress to the Convention on Biological Diversity (CBD) secretariat. The Sixth National Report on Implementing the Convention on Biological Diversity highlights the connection.

## Sub-criterion 2: Governance, science and policy support for climate actions

China demonstrates strong governance and policy support for climate actions, evidenced by its annual climate reports and the establishment of the National Climate Change Strategy Research and International Cooperation Centre (NCSC). The country also supports local governments in developing research bodies to enhance regional climate policies. While China

has a moderately advanced system for digitalising climate information, the full integration of digital self-reporting systems across all government levels is still in its pilot phase. Additionally, China involves various stakeholders in climate policy, although the coordination between digital platforms and effective policy-making remains a work in progress.

### 2.1 - 2.2

China had guidelines for preparing Provincial Climate Adaptation Plans, clearly defining urban roles in climate change risk assessment.

### 2.10 - 2.13

The National Climate Change Programme, which mentions public participation in disaster and climate risk assessment, involving expert consultation, monitoring, and evaluation processes.



### 2.3 - 2.6

Moderately advanced system on national database. But there is no public-available system for locally centralised and digitalised database services on climate change information (including GHG inventory), adaptation, and mitigation.

### 2.7 - 2.9

China has establishment of the National Climate Change Strategy Research and International Cooperation Centre (NCSC).

## Sub-criterion 3: Bureaucracy, Human Capital Development, and Local Government Performance

China has established a central government agency, the Department of Climate Change under the Ministry of Ecology and Environment (MEE), to oversee climate actions. However, there is no national legislation enabling local governments to create dedicated climate bodies. The country also has a multi-stakeholder network for climate action, such as the National Pilot Work on Low-Carbon Provinces

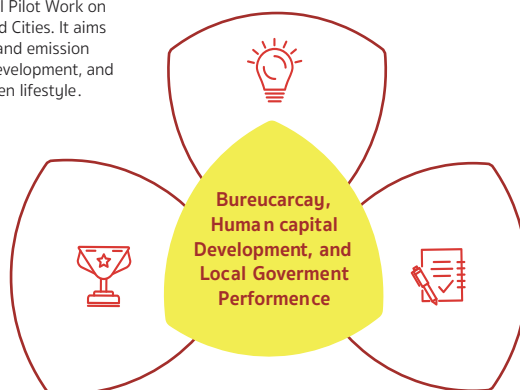
and Cities, but lacks a comprehensive framework to mobilise citizen participation. China's bureaucracy supports climate action through vertical coordination, yet the ad hoc nature of some mechanisms and the absence of a formal climate law present challenges. Furthermore, while digitalisation is encouraged, the actual integration of digital tools for environmental governance at the local level is still underdeveloped.

### 3.4 - 3.5

China host a multi-stakeholders network like the National Pilot Work on Low-Carbon Provinces and Cities. It aims to energy conservation and emission reduction, low carbon development, and promote low-carbon green lifestyle.

### 3.1 - 3.3

The department of climate change under the ministry of Ecology and Environment (MEE) has assisted local government in climate action.



### 3.6 - 3.8

China's climate governance faces challenges due to the lack of formalized coordination mechanisms, such as a climate law, and the insufficient integration of digital technologies at the subnational level, despite efforts to strengthen institutional structures and coordinate ministries through bodies like the NLGCCR.

Sub-criterion 4: Climate financing and resource mobilisation

China's national budget allocation for climate actions is detailed in its annual reports, and the country has mechanisms for private financing of climate initiatives. The National Climate Change Programme provides a framework for multi-year planning and research funding, while fiscal decentralisation and accountability mechanisms ensure that local

governments contribute to national goals. Although capacity-building programmes are in place, China has yet to implement budget tagging for tracking climate-specific expenditures, indicating room for improvement in financial transparency and resource mobilisation at the local level.

<p><b>4.1</b></p> <p>China's national budget allocation for climate actions is detailed in the National Government Annual Report on China's Policies and Actions to Address Climate Change.</p>	<p><b>4.2</b></p> <p>The national funding for local government to climate actions is implicitly outlined within the national strategy or action plan documents.</p>	<p><b>4.3</b></p> <p>China has established mechanisms for private financing of climate initiatives.</p>	<p><b>4.4</b></p> <p>Safety and incentive mechanisms for managing climate financing risks at the local level are being implemented.</p>
<p><b>4.5</b></p> <p>Provides a national framework that enables multi-year planning for local climate actions.</p>	<p><b>4.6</b></p> <p>China has set up a regulatory framework for fiscal decentralisation.</p>	<p><b>4.7</b></p> <p>Allocates research funding to advance these efforts.</p>	<p><b>4.8</b></p> <p>China has a national regulation that allows local governments to access various fiscal measures for climate actions in the "Opinions on Financial Support for Carbon Peak and Carbon Neutrality Work".</p>
<p><b>4.9</b></p> <p>Established mechanisms for local government units (LGUs) to report their resource utilisation and contributions to initiatives like NDCs and NAPs.</p>	<p><b>4.10</b></p> <p>Provided capacity-building programmes for local governments to conduct climate actions.</p>	<p><b>4.11</b></p> <p>Budget tagging for climate-specific revenue or spending is not currently used.</p>	

Sub-criterion 5: Public participation

China has launched national programmes like the "National Energy Conservation Promotion Week" to engage the public in climate action. However, the inclusion of gender perspectives and the recognition of vulnerable communities in climate strategies are not clearly articulated. China actively promotes

climate education and public awareness through the National Climate Change Programme but has yet to establish a publicly accessible database for climate adaptation and disaster risk mapping, which limits public engagement in these critical areas.



<p><b>5.1</b></p> <p>China's established a climate action for gaining public enganges to mobilise society for the broader cause of ecological civilisation, fostering a social atmosphere and participate in ecological environment protection.</p>	<p><b>5.2 &amp; 5.3</b></p> <p>Acknowledging the importance of a gender perspective (Indicator 5.2) and recognising the significance of vulnerable communities in climate action (Indicator 5.3), but these aspects remain unclear.</p>
<p><b>5.4</b></p> <p>Actively implementing a national programme for climate education and promoting public awareness education, training, and public awareness regarding.</p>	

## Recommended Actions



### **Enhance the role of local governments in climate action:**

While China has a strong central framework, local governments need more capacity to implement climate policies effectively. The central government should consider decentralising some decision-making process and providing more resources and training to local officials.



### **Formalise coordination mechanisms:**

The current ad hoc nature of coordination mechanisms like the NLGCCR can lead to inconsistencies and inefficiencies. Formalising these mechanisms and integrating climate goals into sectoral policymaking would ensure a more consistent and effective approach.



### **Improve e-governance and data integration:**

Despite efforts towards digitalisation, there is room for improvement in integrating e-governance and e-government systems for climate action. Developing a more comprehensive and user-friendly platform for data sharing and analysis would facilitate evidence-based decision-making.



### **Strengthen public participation:**

While China has made progress in engaging non-state actors, public participation needs to be accelerated. The government could receive more public input and feedback opportunities in climate policy development and implementation in the country.





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