

Preface

The idea of undertaking a research project on the topic of a Kyoto Protocol mechanism in China came into my mind when I was pursuing my Master's degree in Environmental Law in 2006. After several years' studies on international and national environmental law and policy, I realized the seriousness of the phenomena of climate change and the indispensability of China's role in international climate change legal regime. The international community had been working together to combat climate change issues through the 1992 United Nations Framework Convention on Climate Change and its innovative 1997 Kyoto Protocol. The Clean Development Mechanism (CDM), one of the three financial mechanisms under the Kyoto Protocol open to developing and developed countries, was devised to assist in mitigation of global warming.

As a non-Annex I Party of the Kyoto Protocol, China is eligible to participate in CDM projects. However, for the reason that the CDM is an emerging market-based mechanism, its implementation involves many disputable legal issues. Although China has no limits on its carbon emissions during the first Kyoto period 2008–2012, its carbon emissions would soon emerge as one of the most urgent problems. Against this background, the CDM could bring a brand new development opportunity for China in that China was regarded as the largest potential market for CDM in the world. However, to develop this potential market into a real market, a lot of work needed to be done in the area, the most important work of which was to understand how to implement the CDM project under the international legal framework and domestic laws that the development of CDM projects would involve. Meanwhile, as the legal requirements of the CDM are extremely complex, technical and detailed, a large number of problems of implementing the CDM projects have been identified, and awaits solutions.

In addition, although an extensive literature has developed covering studies on economic, political, methodological, sustainable development and legal aspects of how the CDM has been implemented since 1997, there is a dearth of literature that seriously or thoroughly explores the legal issues surrounding the CDM in China in a systematic and comprehensive way.

Considering the efficiency of the financial tools and the growing importance of China's role in addressing climate change and the benefits the CDM could bring to China, it is of great significance to learn China's experience and lessons in developing CDM projects as well as addressing climate change issues through viable environmental laws and policies. Therefore, it makes practical and theoretical sense to conduct urgent research on the legal issues of the CDM and its implementation in China. For these reasons, I decided to conduct my Ph.D. studies on the topic of legal issues for implementing the CDM in China and spent over 3 years on completing the research in Australia. This book is an outcome of my Ph.D. research.

Since it was initiated, thousands of CDM projects have been in place worldwide for several years. Already today, China with its large carbon emissions potential and favourable investment environment has dominated the global carbon market through participating in CDM projects and has become the largest beneficiary. However, despite the significant benefits the CDM has brought to China, many barriers and problems are still encountered in the practical implementation of CDM projects. Moreover, as the first Kyoto period is set to expire in 2012, the climate legal regime and the CDM are likely to be changed. China, as a major emitter and developing country, will play a crucial role in combating global warming in the post-2012 period. Therefore, it will be under considerable pressure to reduce carbon emissions without undermining its economic development.

The central aim of this book is to discuss what China should do to make full use of the CDM to promote sustainable development and meet the challenge of climate change from a legal perspective. First, how the CDM contributes to sustainable development in China is explored on the basis of the current situation of CDM projects. Following this, the existing barriers and problems encountered in the practical implementation of CDM projects are identified, based on a field work study. Finally, how the CDM would contribute to assisting China in dealing with climate change beyond 2012 is analysed.

Based on this analysis, the thesis comes to a conclusion that the CDM has limitations in promoting sustainable development in China and thus should be regarded only as a complementary instrument in combating climate change. Legal strategies for improving the implementation of CDM projects under the legal framework in China are thus put forward and some proposals for China to meet the challenge of climate change in the post-2012 era are made.

In addition, I would like to thank the MOE (Ministry of Education in China) for supporting my research work. This book is the outcome of the MOE Project of Humanities and Social Sciences (Project No.11YJC820045).

It will afford me very great satisfaction if the publication of this book enables readers to appreciate fully the legal issues for implementing the Clean Development Mechanism in China.

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