Every five years China releases its blueprint for social and economic development and gives the world a preview of what’s to come. This year, on the heels of President Xi Jinping’s commitment to make China carbon neutral by 2060 and with the UN’s Conference of the Parties (COP 26) quickly approaching, expectations were particularly high that China’s 14th Five-Year Plan — covering 2021-2025 — would accelerate and detail near-term climate commitments and action.

Unfortunately, those expectations were not met. In fact, while modestly increasing its non-fossil fuel energy consumption goals from 15 percent in its 13th Five-Year-Plan to 20 percent over the next five years, carbon intensity reduction targets remained flat at 18 percent and the target to reduce energy use per unit of GDP actually dropped from 15 percent to 13.5 percent.

China’s Five-Year Plan Targets

Targets	**The 14th Five-Year Plan**	**The 13th Five-Year Plan**
GDP growth target	None for 2021-2025 6% for 2021	6.5%
Carbon intensity reduction	18%	18% as target, 17.5% as achieved in 20219
Reduce energy use per unit of GDP	13.5%	15%
Share of non-fossil fuel energy consumption	20%	15% as target, 15.3%as achieved in 2019

As researchers, advocates and policymakers digest this plan – and await more specific sectoral and local plans – there are three specific questions that remain unanswered and merit further consideration:

1. *How will China meet its commitment to peak carbon emissions before 2030 and achieve carbon neutrality by 2060?*
Unfortunately, even with the release of the 14th Five-Year Plan, the path for China to achieve its new 2030 and mid-century climate goals remains unclear. The plan also left experts who have called for a more accelerated carbon-peaking timeline disappointed — and questions remain about how regions in China more dependent on fossil-fuel-powered energy and industries will make the necessary

transition. Attention now shifts to the forthcoming sector and provincial-specific five-year-plans, set to be released later this year, and the carbon-peaking action plan being developed by China's Ministry of Ecology and Environment.

Even with the shortcomings of this plan, there are several positive developments out of China. Some cities like Wuhan, Shenzhen and Kunming, are already nearing peak carbon emissions. Additionally, a recent proposal from a member of the Standing Committee of the National People's Congress is being considered that would: 1) Establish a cap for carbon emissions during the 14th Five-Year-Plan period; 2) Formulate an action plan for carbon emission peaking and launch by September 2021; 3) Promote local governments and key sectors' leadership; and 4) Provide sufficient financial support for carbon-emission-peaking actions.

2. *How will China continue to make the transition from coal to renewable energy?*
During the 13th Five-Year-Plan period, China appeared to make some progress toward reducing its dependence on coal. Installed capacity for non-fossil fuel energy increased from 35 percent in 2015 to 40.8 percent in 2019 and non-fossil energy powered electricity jumped from 27 percent in 2015 to 30.4 percent in 2019. On the consumption side, coal use declined from 64 percent in 2015 to 57.7 percent in 2019.

Despite these encouraging developments, China continued to approve a number of new coal power plants last year raising questions about its commitment to clean energy and phasing out coal. In fact, according to recent research China put 38.4 gigawatts of new coal-fired power capacity into operation in 2020, more than three times what was built elsewhere around the world. Unsurprisingly, several provinces, including Zhejiang, Anhui and Shandong, failed to meet China's 13th Five-Year-Plan coal consumption reduction targets – and overall coal consumption targets were not set under the 14th Five-Year Plan.

For China to achieve its larger goals, more guidance will be needed from the central government on how different regions, especially those heavily reliant on coal, can make the transition and increase the investment in wind, solar and storage.

3. *What role will green investment and subnational action play?*
Also missing from the 14th Five-Year-Plan were further green investment targets. Experts have pointed out that to meet its near-term targets of 25 percent non-fossil fuel consumption by 2025 and 30 percent by 2030, China will need to add around 100 gigawatts of solar and wind power generation capacity in the next

decade. Fortunately, there are 16 provinces planning to add 108 gigawatts of renewable installed capacity in the next five years. Additionally, China’s 2021 Report of the Work of Government has called for the acceleration of the emission trading and energy consumption trading mechanism and dual control system of total energy consumption and energy intensity (Shuangkong). Moving forward, how provinces and state-owned enterprises interpret and implement measures to achieve these targets will be critical.

In terms of further details and direction from the national government, another key moment will come with the submission of nationally determined contributions (NDCs) – which countries will release in the weeks ahead – followed by COP26, scheduled in November. And much of the attention is on China, it’s clear the rest of the world’s biggest emitters, including the United States and India, still have a long way to go as well. What’s clear in all of this is that the work of subnationals – cities, states, regions and provinces — will be key to making these goals a reality.