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Guiding Opinions on Promoting Investment and Financing to Address Climate Change

Departments (bureaus), Development and Reform Commissions of all provinces, autonomous regions, and municipalities directly under the Central Government, Ecological Environment Bureau and Development and Reform Commission of Xinjiang Production and Construction Corps; Shanghai Headquarters of the People's Bank of China, branches, business management departments, and central sub-branches of provincial capitals (capitals), All sub-provincial city central branches; all banking and insurance regulatory bureaus; all securities regulatory bureaus; all policy banks, large banks, and joint-stock banks:

In order to fully implement a series of major decisions and deployments of the Party Central Committee and the State Council on actively responding to climate change, better play the supporting role of investment

and financing in response to climate change, promote the implementation of the national independent contribution goal, and help green and low-carbon development To promote the role, the following opinions are hereby made.

1. General requirements

(1) Guiding ideology

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implement the spirit of the 19th National Congress of the Communist Party of China and the Second, Third and Fourth Plenary Sessions of the 19th Central Committee, thoroughly implement Xi Jinping Thought on Ecological Civilization and the spirit of the National Conference on Ecological Environment Protection, and adhere to new developments Philosophy, coordinate the promotion of the “five in one” overall layout and coordinate the promotion of the “four comprehensive” strategic layout, and unswervingly implement the national strategy to actively respond to climate change. Guided by the achievement of national independent contribution goals and low-carbon development goals, supported by the policy and standard system, and model innovation and local practices as the path, we will vigorously promote the development of climate change investment and financing (hereinafter referred to as climate investment and financing), guide and leverage More social funds will enter the field of addressing climate change, further stimulating potential, opening up markets, and promoting the formation of energy structures, industrial structures, production methods and lifestyles that mitigate and adapt to climate change.

(2) Basic principles

Adhere to the goal to lead. Closely follow the national independent contribution goal and low-carbon development goal, and promote investment and financing activities to better serve the goals, policies and actions of reducing carbon emission intensity, peaking carbon emissions, increasing the proportion of non-fossil energy, and increasing forest reserves.

Adhere to market orientation. Give full play to the decisive role of the market in climate investment and financing, better play the guiding role of the government, and effectively play the role of financial institutions and enterprises as innovative subjects in terms of models, mechanisms, and financial tools.

Adhere to classified policies. Fully consider local actual conditions and implement differentiated climate investment and financing development paths and models. Actively create a policy environment conducive to the development of climate investment and financing, and promote the formation of replicable and extendable advanced experience and best practices in climate investment and financing.

Persist in open cooperation. Promote development through openness and collaboration through cooperation, promote the active integration of climate investment and financing into the “Belt and Road” construction, actively participate in the formulation and revision of international standards for climate investment and financing, and promote the application of Chinese standards in overseas investment and construction.

(3) Main objectives

By 2022, a policy environment conducive to the development of climate investment and financing will be created, the construction of climate investment and financing related standards will be advanced in an orderly manner, local pilots for climate investment and financing have been launched and initial results have been achieved, professional research institutions for climate investment and financing will continue to grow, and foreign cooperation will be deepened. Funds, talents, technology and other element resources have initially gathered in the field of climate investment and financing.

By 2025, promote the coordinated and efficient advancement of climate change policies and policies in investment, finance, industry, energy and environment, etc., and gradually improve climate investment and financing policies and standard systems, basically forming local pilots, comprehensive demonstrations, and project development for climate investment and financing The systematic layout of institutional response and extensive participation has led to the construction of an internationally influential climate investment and financing cooperation platform, and the scale of funds invested in the field of climate change has increased significantly.

(4) Definition and scope of support

Climate investment and financing refers to guiding and promoting more investment and financing activities in the field of climate change in order to achieve national independent contribution goals and low-carbon development goals. It is an important part of green finance. The scope of support includes both mitigation and adaptation.

1. Mitigating climate change. Including adjusting the industrial structure and actively developing strategic emerging industries; optimizing the energy structure and vigorously developing non-fossil energy; carrying out pilot demonstrations of carbon capture, utilization and storage; controlling greenhouse gas emissions from non-energy activities such as industry, agriculture, and waste treatment; increasing Forests, grasslands and other carbon sinks.

2. Adapt to climate change. Including improving the adaptability in key areas such as agriculture, water resources, forestry and ecosystems, oceans, meteorology, disaster prevention, mitigation and relief; strengthening the building of basic adaptability, speeding up infrastructure construction, and improving scientific and technological capabilities.

2. Accelerate the establishment of a climate investment and financing policy system

(1) Strengthen environmental and economic policy guidance

Promote the formation of an environmental and economic policy framework system that actively responds to climate change, and give full play to the guiding role of environmental economic policies in responding to climate change. Accelerate the establishment of a national climate investment and financing project database, and explore high-quality low-carbon projects. Promote the establishment of a docking platform between the demand side and the supply side of low-carbon project funds, and strengthen the integration of production in the low-carbon field. Research and formulate product and service requirements standard guidelines that meet the requirements of low-carbon development, promote low-carbon procurement and consumption, and continuously cultivate the market and expand demand.

(2) Strengthen financial policy support

Improve financial regulatory policies, promote the development of financial markets, and support and encourage various financial institutions to develop climate-friendly green financial products. Encourage financial institutions to provide effective financial support for major climate projects based on their own functional positioning, development strategy, risk appetite and other factors, under the premise of controllable risks and sustainable business. Support qualified climate-friendly companies to finance and refinance through the capital market. Encourage the promotion of small and micro enterprises and the public to participate in climate change actions through market-oriented methods. Effectively prevent and resolve climate investment and financing risks.

(3) Strengthen coordination of various policies

Clarify the responsibilities and powers of the competent departments, improve the departmental coordination mechanism, and incorporate climate change factors into the formulation of macroeconomic and industry sector industrial policies to form policy synergy. Accelerate the promotion of a systematic response between climate investment and financing-related policies and the realization of the country's mid- and long-term strategic goals and nationally determined contributions to address climate change and low-carbon development, and strengthen policy coordination and cooperation between climate investment and financing and green finance.

3. Gradually improve the climate investment and financing standard system

(1) Coordinate and promote the construction of standard system

Give full play to the expected guiding and constraining role of standards in climate investment and financing activities, and accelerate the construction of a climate investment and financing standard system that is demand-led, innovation-driven, coordinated, and pragmatic. Climate investment and financing standards and green finance standards should be coordinated to facilitate the use and promotion of standards. Promote the internationalization of climate investment and financing standards.

(2) Formulate climate project standards

Taking the benefit of climate change as the measurement index, linking with the existing relevant technical standard system and the "Green Industry Guidance Catalog (2019 Edition)", research and explore ways to support the climate through the formulation of technical standards for climate projects and the release of key climate project catalogs Project investment and financing. Promote the establishment of a third-party certification system defined by climate projects, and encourage third-party certification of related financial products and services.

(3) Improve climate information disclosure standards

Accelerate the formulation of information disclosure standards for climate investment and financing projects, entities, and funds, and promote the establishment of a climate information disclosure system that includes corporate public commitments, information disclosure according to law, and extensive social supervision. Clarify the policy boundaries of climate investment and financing, promote research on climate investment and financing statistical indicators, encourage the establishment of a climate investment and financing statistical monitoring platform, and centrally manage and use relevant information.

(4) Establish climate performance evaluation standards

Encourage credit rating agencies to incorporate environmental, social, and governance factors into rating methods to guide capital flow to sustainable development areas such as climate change. Encourage scientific evaluation and social supervision of the performance of financial institutions, enterprises and regions in response to climate change.

4. Encourage and guide private investment and foreign capital to enter the field of climate investment and financing

(1) Stimulate the motivation and vitality of social capital

Strengthen the guiding mechanism and model design for leveraging market funds to invest in the climate field, support effective mobilization and leveraging of social capital in various forms in climate investment and financing, and encourage "political and bank responsibility", "political bank insurance", "bank loan + risk" We will guarantee the compensation fund, "tax financing" and other cooperation models, establish mechanisms for loss sharing, risk compensation, and guarantee credit enhancement in accordance with the law, and standardize and promote government-private capital cooperation (PPP) projects.

(2) Give full play to the incentive and restrictive role of the carbon emission trading mechanism

Steadily promote the establishment of a carbon emission trading market mechanism, continuously improve the accounting confirmation and measurement of carbon assets, establish a sound carbon emission trading market risk management mechanism, gradually expand the scope of trading entities, and increase investment institutions and individuals that comply with trading rules to participate in carbon emissions in a timely manner Rights trading. Under the premise of controllable risks, support institutions and capital to actively develop financial products and services related to carbon emission rights, and orderly explore and operate carbon futures and other derivative products and businesses. Explore the establishment of a market-based carbon financial investment fund that uses carbon emission reduction as the quantification standard for project benefits. Encourage enterprises and institutions to fully consider the impact of future market carbon prices in their investment activities.

(3) Introducing international funds and foreign investors

Further strengthen practical cooperation with international financial institutions and foreign-funded enterprises in the field of climate investment and financing, and actively learn from international good practices and financial innovations. Support the cross-border transfer of qualified domestic green financial assets, support the continuous enrichment of RMB green financial products and transactions in the offshore market, and continue to promote the facilitation of climate investment and financing. Support my country's financial institutions and enterprises to conduct climate financing overseas, actively explore credit enhancement for overseas financing through sovereign guarantees, and support the establishment of RMB green overseas investment and loan funds. Support and guide qualified foreign institutional investors to participate in climate investment and financing activities in China, encourage foreign institutions to issue green financial bonds in

China, encourage foreign investors to invest more in domestic RMB green financial assets, and encourage the use of RMB as relevant activities Cross-border settlement currency.

5. Guiding and supporting local practices in climate investment and financing

(1) Launching local pilot projects for climate investment and financing

In accordance with the deployment of the State Council on regional financial reforms, actively support regional pilot projects for green finance. Select places with strong willingness to implement, better basic conditions, leading role and typical characteristics, and carry out climate investment and financing pilot projects focusing on investment policy guidance and strengthening financial support.

(2) Create a favorable local policy environment

Encourage local governments to strengthen financial investment support and continuously improve supporting policies for climate investment and financing. Support local governments to formulate investment negative lists to suppress high-carbon investment, innovate incentive and restraint mechanisms to promote corporate emission reductions, play the role of expected guidance and constraining promotion of carbon emission standards, guide local governments to reserve climate projects, and further improve the linkage mechanism of funding arrangements. Use multiple channels of financing to provide good conditions to promote the development of low-carbon industries.

(3) Encourage local development of model and tool innovation

Encourage local governments to explore differentiated investment and financing models, organizational forms, service methods, and management system innovations focusing on the goals and key tasks of addressing climate change and combining local conditions. Encourage banking financial institutions and insurance companies to set up special branches (departments), or make climate investment and financing an important part of green branches (departments). Encourage localities to establish regional climate investment and financing industry promotion centers. Support local and international financial institutions and foreign-funded institutions to carry out climate investment and financing cooperation.

6. Deepen international cooperation in climate investment and financing

Actively promote bilateral and multilateral practical cooperation in climate investment and financing, and carry out third-party market cooperation in key countries and regions. Encourage financial institutions to support the low-carbon construction of the "Belt and Road" and "South-South Cooperation", and promote the implementation of climate mitigation and adaptation projects abroad. Regulate the investment and financing activities of financial institutions and enterprises overseas, promote their active fulfillment of social responsibilities, and effectively prevent and resolve climate risks. Actively carry out research and international cooperation on climate investment and financing standards, and promote the application of Chinese standards in overseas investment and construction.

Seven, strengthen organization and implementation

Relevant departments in all regions should attach great importance to climate investment and financing, strengthen communication and coordination, and form a joint force. The Ministry of Ecology and Environment has established a work coordination mechanism with the Development and Reform Commission, the People's Bank of China, the China Banking Regulatory Commission, the China Securities Regulatory Commission and other departments to closely cooperate and coordinate the promotion of climate investment and financing. Relevant departments shall clarify the division of labor based on their responsibilities, and further refine the target tasks and policy measures to ensure that the tasks identified in this opinion are implemented in a timely manner and effective.

Ministry of Ecology and Environment
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China Banking and Insurance Regulatory Commission
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(This piece is public)