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FRANÇAISE

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AFD AND

# The Fight Against Climate Change in China



Almost **100%**  
of AFD projects in China  
benefit the environment

More than **€1.5 billion**  
committed since 2004 for the  
climate

**40**  
projects supported

In the framework of a mission initially devoted exclusively to the fight against climate change, AFD has been supporting China for more than 15 years in its transition to sustainable, low-carbon and resilient development.

We have been rolling out the most innovative expertise for the setting-up of projects to reduce and adapt to climate change.

# OUR ACTION IN China

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## *Limiting the carbon footprint of cities*

China is facing rapid urbanism which leads to a sharp rise in the energy footprint of cities. AFD is supporting the modernization of the urban heating sector, working alongside several cities on the **rehabilitation and expansion of heat networks**. We prioritize innovative technical solutions enabling significant energy savings: in Zibo, residual industrial heat is being recovered to feed the city's heat network; in Jinan, we are supporting a project to reuse the heat generated during water purification.

As the building sector also represents a considerable source of energy saving, we have supported a **thermal rehabilitation programme** for 25 public buildings, managed by the municipality of Wuhan.

2

## *Promoting the development of innovative clean energies*

AFD is also supporting the Chinese policy aimed at diversifying the energy mix in favor of lower-carbon energy sources. From the outset of our action in China, we have supported the roll-out of renewable energies, more particularly in the hydro-electric, wind turbine and biogas sectors.

At present, we are focusing on under-developed niche activities in China, for which there is a considerable level of French expertise, by prioritizing in particular solutions for the **integration of intermittent renewable energy in networks, smart grids, efficient supply networks, renewable energy and energy storage**.

As an example, in Yichun in Heilongjiang province, AFD is supporting the replacement of small, obsolete and polluting coal plants by a **co-generation biomass plant**, which will recycle the region's forest residue. In Shaoyang, we are assisting the city with the implementation of **energy recovery from food waste**.

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## *Promoting carbon storage*

In order to promote carbon storage, we are supporting several projects to safeguard protected areas, in addition to reforestation programs. In Yunnan, AFD, in collaboration with the French Facility for Global Environment (FFEM), contributed to a **rural carbon sequestration project**, which combines reforestation, the installation of biogasifiers for villagers and the development of a carbon sequestration method for bamboo.

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## *Strengthening the resilience of ecosystems and protecting water resources*

Ecosystems which are healthy and capable of development facilitate adaptation to climate change. AFD is supporting four projects in China to **restore wet zones of major ecological importance**. The Changyuan River restoration project in Qixian relies on nature-based solutions to restore essential ecological heritage and increase the capacity of local ecosystems to adapt to climate change. In Anhui province, we are supporting a project to safeguard forest biodiversity in the heart of the Dabieshan Massif, where the restoration of ecosystem services will help to reduce the vulnerability of local communities.

In order to protect increasingly precious water resources, AFD is funding **several sustainable water management projects** using energy-efficient technologies and ensuring cutting-edge treatment, particularly in regions facing high levels of water stress. In Baishan, Jilin, we are thus providing aid for a water supply and sanitation project, which will enable a reduction in loss and reuse wastewater to bolster the water resources of the Changbai Massif.

Lastly, to strengthen the resilience of cities and limit the growing threat of floods linked to climate change, AFD is funding a pilot **'sponge city' project** in Mianyang, Sichuan, which aims to improve water management through the building of sponge infrastructures.

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## *Implicating the financial sector for climate*

In order to direct capital towards investments adapted to low-carbon transitions, we are active in the transformation in financial stakeholders' practices.

In 2007, AFD launched a **partnership with three major Chinese banks**, to support their growth in the green finance sector: 90 energy-efficiency and renewable energy projects have been funded, and more than 9,000 bankers have been trained in climate-related issues. In 2020, we supported the **creation of the Shandong Green Development Fund**, a pilot project and first provincial 'climate' fund in China, devoted to the funding of 'green' amenities.

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## *Participating in the French-Chinese dialogue on climate*

A dialogue with the Chinese authorities has been engaged, focusing specifically on energy transition and the implementation of a national greenhouse gas emission contract. These discussions take place through partnerships or via support for works carried out by organizations such as the International Energy Agency (IEA). Furthermore, AFD is pursuing its dialogue with the academic community, think tanks, banks and regulatory bodies on the management of climate funding risks.