No more coal abroad! Unpacking the drivers of China's green shift in overseas energy finance

Wang, Y.; Liu, C.; Sun, Y.

DOI
10.1016/j.erss.2024.103456

Publication date
2024

Document Version
Final published version

Published in
Energy Research and Social Science

Energy Research & Social Science 111 (2024) 103456

Contents lists available at ScienceDirect

Energy Research & Social Science

journal homepage: www.elsevier.com/locate/erss

Original research article

No more coal abroad! Unpacking the drivers of China's green shift in overseas energy finance

Ying Wang [a], Chuyu Liu [b], Yixian Sun [c,*]

[a] Leiden University, Netherlands
[b] University of Amsterdam, Netherlands
[c] University of Bath, United Kingdom

ARTICLE INFO

Keywords:
China
Coal
Overseas energy finance
Climate governance
Green development

ABSTRACT

Over the last decade, China's development finance for coal-fired power plants has been seen as a major barrier to clean energy transition in developing countries. In September 2021, Chinese President Xi Jinping announced that China would stop supporting new coal projects abroad. This pledge was made beyond the expectation of many observers as it seems to deviate from China's long-standing approach of non-interference in its overseas development programme. What explains this striking policy shift? Drawing upon the literature on two-level games and the political economy of China's overseas investment, we developed a novel analytical framework, which argues that China's new policy is the combined outcome of three mechanisms: issue linkages in intergovernmental bargaining, lobbying of transnational alliances, and influence of domestic interest groups seeking policy change. We used elite interviews, policy documents, and media reports to show the processes through which the changing market and political environments since 2017 led China's leadership to make the commitment to phase out overseas coal finance in 2021. Our study contributes to the burgeoning literature on China's influence on global energy transition by unpacking the complex policy-making processes of Chinese overseas investments and identifying different forces shaping the emerging sustainability governance system for China's global engagement.

1. Introduction

Since the mid-2000s, China has quickly become a major player in the global energy market as a primary financier of large infrastructure projects. Over the past decade, two of the leading Chinese policy banks – China Development Bank and the Export-Import Bank of China – have provided more overseas finance for power generation projects than the World Bank and other major multilateral development banks combined [1].[1] While China's role as the largest public finance provider in the global electricity sector may give Chinese financial institutions opportunities to promote energy transition in developing countries if their investments were directed to renewables (e.g., wind and solar), the majority of Chinese energy investments have been allocated to fossil fuels, particularly coal-fired power plants [3]. Between 1999 and 2020, coal-fired power plants accounted for 58 % of the current installed capacity funded by Chinese development institutions (including two leading Chinese policy banks, twenty China-led regional and development funds, Asian Infrastructure Investment Bank, and New Development Bank) and 52 % of the capacity in the pipeline, and in comparison only 12 % of the current capacity and 8 % of the pipeline capacity financed by Western-backed multilateral development banks are coal [2]. Meanwhile, in contrast to its strong domestic commitments to promoting low-carbon development and Western financiers' transitions towards green investment, Beijing remained hesitant to shift its overseas energy finance towards renewables for an extended period [4,5]. This trend persisted throughout the past decade, despite Beijing's own vision to green its Belt and Road Initiative (BRI) [6,7]. Consequently, China's overseas energy investments have often been seen as a major obstacle to low-carbon transition in the Global South.

In this context, Chinese President Xi Jinping announced at the UN General Assembly (UNGA) in September 2021 that 'China will not build new coal-fired power projects abroad' [8]. This pledge contrasts sharply

* Corresponding author at: Department of Social and Policy Sciences, University of Bath, Claverton Down, Bath BA2 7AY, United Kingdom.
E-mail address: ys2327@bath.ac.uk (Y. Sun).

[1] Other researchers have found that the power plant capacity supported by Chinese development institutions in 1999–2020 is smaller than the projects supported by all Western-backed MDBs combined, but it is clear that China has now become the the world's largest public finance provider in the power sector [2].

https://doi.org/10.1016/j.erss.2024.103456
Received 25 May 2023; Received in revised form 8 January 2024; Accepted 30 January 2024
Available online 16 February 2024
2214-6296/

with China's past practices in overseas development finance and has surprised many China observers and experts [9–11]. Notably, this pledge, made publicly by Xi himself in an international forum, is difficult to revise, as it exposes Beijing to international scrutiny, and backing down would generate significant reputational costs. While this pledge on overseas investments contrasts with the continuous development of domestic coal in China, it can be still seen as a commendable effort towards greening the BRI and can provide incentives for the phase-out of China's coal industry [12,13]. What has driven the Chinese government to make such a striking change in its policy on international investment and development cooperation? This paper examines the processes leading to this policy shift on overseas energy finance. We argue that understanding such a significant change in China's overseas strategy requires attention to dynamics at the domestic, transnational, and intergovernmental levels. Drawing upon the literature on international political economy and transnational governance, we develop an analytical framework that accounts for factors at different levels capable of influencing the Chinese government's interest in overseas energy finance. Our empirical study uses interviews with practitioners, policy documents, and media reports to trace the changes in China's policies and practices on overseas energy finance since 2017. We find that the ultimate policy change in September 2021 was a combined outcome of domestic pro-coal groups' shifting interest due to broader market trends, transnational lobbying by environmental NGOs, and Western governments' influence under the changing geopolitical environment.

By examining the critical case of overseas coal finance, our research makes several contributions to the literature on the political economy of China's global engagement, and China's influence on global energy transition in particular. First, we unpack the entanglements of international and domestic dynamics in influencing China's policy on overseas energy finance and therefore offer a more comprehensive analysis of China's decision to phase out overseas coal financing. Unlike recent studies on the same topic that downplay the important influence of Western governments or transnational advocacy groups [11,13], our approach provides insights into how international influences and domestic factors jointly shape Beijing's decision. Second, through an in-depth investigation of the processes underlying the policy change on China's overseas coal finance, our study explains Beijing's decision to end overseas coal projects as the outcome of dynamic political barganing, instead of simply listing factors that may drive policy change. Accordingly, our study sheds light on possible pathways to critical change in China's international policy and reveals possible strategies that different international and domestic actors can use to change the policies and practices of relevant Chinese actors [13–15]. Third, our research adds to the burgeoning literature on environmental governance of the BRI by identifying the conditions under which the Chinese government follows global norms to green its overseas engagement [6,16–18]. While our primary goal is to provide a holistic explanation for China's pledge to end support for overseas coal, our political economy framework based on two-level games is also helpful for future research on the formation and evolution of the governance system developed by Beijing to manage sustainability impacts of Chinese overseas activities [16,19].

We proceed as follows. In Section 2, we develop an analytical framework through the lens of two-level games in countries' foreign policy to derive three mechanisms through which different actors can influence China's policy on overseas engagement. We then explain our data and methodology in Section 3. We present our empirical findings in Section 4, where we show how the interplay between different mechanisms since 2017 shaped Xi's decision announced at the UNGA in 2021. We conclude in Section 5 by highlighting policy implications and directions for future research.

2. Analytical framework: two-level games shaping China's policy on overseas energy finance

Our research is problem-oriented with the primary purpose of explaining a puzzling change in China's overseas engagement policy, namely the decision in 2021 to end support for building coal power projects abroad. In other words, it is a single-outcome study seeking heuristic tools to understand mechanisms, actors, and chance factors for the case in question [20]. To explain the policy outcome, we will use "explaining-outcome process-tracing" without aiming at theory testing or theory building [21]. That said, we still need an analytical framework – building on theories of international relations and Chinese politics – to guide our empirical analysis. While we have no intention to develop a generalizable theory, our framework can be helpful to other studies on China's overseas engagement and we will discuss its generalizability in the conclusion. Below we introduce our framework.

Explaining policy change in non-democratic contexts like China is a challenging task due to the lack of transparency in relevant decision-making processes. Hence, we need a framework serving as a heuristic model to identify actors and mechanisms related to the policy process in question. We draw upon Robert Putnam's [22] conceptualization of international policymaking as 'two-level games' to develop a framework that disentangles international, transnational, and domestic dynamics influencing China's policy on overseas engagement. The central idea of Putnam is to view interstate bargaining as a type of two-level games: national leaders are playing at two distinct boards simultaneously. On one hand, the heads of state negotiate with each other (Level I); on the other hand, they also engage in negotiations with their respective domestic constituencies (Level II). As Putnam recognizes, his theory is a "metaphor" to model domestic-international interactions [22]. Put differently, Putnam's main purpose is not to propose a set of causal propositions that are deductively interlinked nor this conceptualization seeks to detail specific mechanisms of influence. Instead, as a metaphor, Putnam's approach shows how various types of domestic-international interactions can be viewed as the components of a single conceptual framework [23]. In this sense, our study also makes a theoretical contribution to further unpack the complex political economy of China's international development program, which qualitatively differs from those in Western or OECD countries [24–27]. Compared to the research emphasizing international influences, our framework advances understanding of domestic sources of Beijing's policy and how they interact with international influences.

The two-level games approach has two main advantages for our study. First, it allows us to disentangle mechanisms that pertain to three distinct types of domestic-international interactions. Building on the two-level game conceptualization, one can identify a range of domestic-international interactions in a country's decision-making of foreign policy. For the case of China, we highlight three types of interactions and illustrate them in Fig. 1. We contend that policy changes in China's overseas energy finance are shaped by interactions of these international and domestic forces across different levels. The first type of interaction occurs at the international level (Level I), and it refers to the intergovernmental bargaining between leaders of China and foreign countries. The second type of interaction exists between transnational non-governmental actors and Chinese non-state and subnational actors. The third type of interaction takes place at the domestic level (Level II), and it refers to intra-state bargaining between a variety of state and non-state actors within China. To understand Beijing's decision to phase out overseas coal finance, it is crucial to unpack these three types of interactions. As shown below, for each type, we identify a specific mechanism. We argue that the three mechanisms collectively shape China's policy on overseas energy finance.

Another advantage of this framework based on two-level games is to consider Beijing's pledge to end support for overseas coal as part of a long-term dynamic negotiation with various international and domestic actors. The existing literature has been unable to unpack foreign

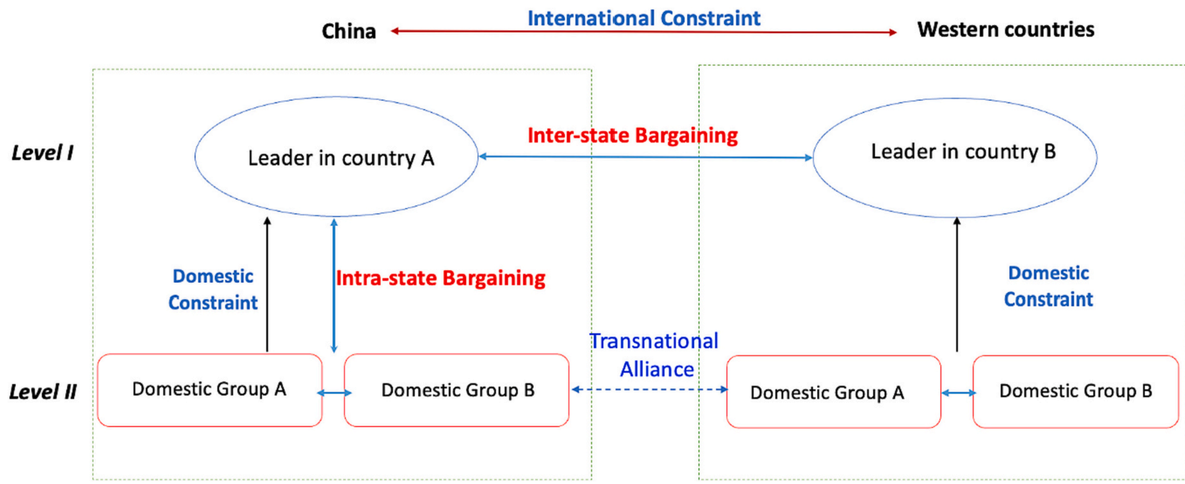

Fig. 1. Two-level games in China's international development policy making.

influences on China's decision about overseas engagement. However, as shown by many studies (see details in the rest of this section), Western countries and transnational activists have continuously put pressure on China to phase out overseas investments in coal. In this context, China's leadership needs to react to international influences. For example, under the Obama administration, Beijing turned down Washington's invitation to use an international working group to negotiate restrictions on export credit for coal [28]. As dynamics on international influences can change and interact with domestic factors, a two-level game approach is suitable to examine the processes leading to Beijing's decision in 2021.

2.1. Issue linkages in intergovernmental bargaining

Starting at the level of inter-state bargaining, the first mechanism able to influence China's overseas engagement policy is linkages between climate change and other issues. Past research has shown that like many developed countries, China's overseas development projects are often linked to some political goals [29,30]. Accordingly, the strategy of issue linkages is highly likely to be explored by foreign governments willing to push China to change policies on overseas investments. In international relations studies, 'issue linkage' is defined as 'the simultaneous discussion of two or more issues for joint settlement' [31]. Past research has pointed to many examples of strategic linkages between different issues, such as between environmental and human rights protection and trade, when powerful states want to pursue their agendas [32–34]. According to Putnam [15], the strategy of issue linkages used by Country A at Level I can potentially alter policy discussions at Level II in Country B if Country A's proposal aligns with the interest of key actors in Country B.

In the case of overseas energy finance, some Western countries, especially the US during the Obama administration, have been keen to promote globally the restriction of export finance for coal-fired power projects [5]. As a result of such pressure, many OECD countries' national development banks and multilateral development banks ended support for coal projects in the 2010s, leaving China, Japan and South Korea the only three public financiers of coal power plants in the developing world [11]. While this trend may have already put some pressure on China, over the past few years, the EU and the US under the new leadership of Biden are likely to make more efforts in persuading China to phase out overseas coal investment. In doing so, they may strategically explore the linkage between this climate change issue and other political and economic issues. While China has been reluctant to take a more proactive position on changing its policy on overseas energy finance [4,35], the outbreak of COVID-19 and the rise of anti-Beijing sentiment across the globe since 2020 may give Western powers more leverage to pressure China to phase out overseas investment in coal.

Furthermore, over the past fifteen years, China has shown a notable shift towards becoming a constructive player in global environmental and climate governance [36,37]. This trend has been especially salient during Xi's era, as demonstrated by the Chinese state's promotion of 'ecological civilization' and its increasingly proactive role in relevant multilateral processes [38]. More recently, the Chinese government has also begun to promote a green BRI through a range of high-level statements, policy guidance, and governance initiatives [18]. In this context, pressure from other states on climate action, such as greening China's overseas energy investment, may not generate strong objections from the Chinese leadership. Instead, under such pressure, Beijing may have incentives to link this issue with other urgent issues on its agenda. For China's top leaders, the interest in accepting issue linkages lies in their willingness to improve or rebuild relationships with the West given China's growing confrontation with the West on a range of issues including trade, intellectual property rights, human rights in Xinjiang, and the pro-democracy movement in Hong Kong [39].

Proposition 1. Issue linkages in inter-state bargaining serves as a mechanism to influence Beijing's policy when powerful countries (e.g., the US and the EU) are willing to push China to decarbonize its overseas investment and when the Chinese leadership is willing to enhance climate action in exchange of benefits on other issues.

2.2. Lobbying of transnational alliances

Shifting from intergovernmental to transnational levels, non-state actors outside of China, including businesses and non-governmental organizations, may still exert influence on Chinese policymakers through alliances with domestic actors. According to Moravcsik (1993, p.32), transnational alliances occur when groups in more than one country 'agree to cooperate or exchange political assets in order to prevail over other domestic groups or over government opposition.' Transnational alliances can influence policy outcomes in a country by changing the relative power of different interest groups at Level II. By forming these alliances, certain domestic actors are empowered by various forms of transnational support (e.g., information, expertise, finance) provided by foreign non-state groups. In fact, when countries have regulatory disagreements, actors in different countries with overlapping interests often develop transnational alliances seeking to transform domestic institutions and, in turn, global rules [40]. Consequently, foreign actors eager to shift China's policy on overseas coal finance should look for opportunities to engage with Chinese actors willing to cooperate on this issue to influence Beijing's regulations.

In the case of China's overseas engagement, the mechanism of the transnational alliance is particularly relevant to transnational environmental advocacy. Despite China's authoritarian context, transnational environmental groups have consistently played a significant role in influencing China's environmental policymaking through various strategies [41,42]. This is partly because environmental issues are considered less sensitive than issues like human rights in the eyes of the Chinese government. Over the last decade, Chinese policymakers have increasingly realized the necessity of strengthening environmental and climate governance to protect internal legitimacy and build an image of a responsible power internationally [43]. Therefore, despite the restricted political space, transnational NGOs can often build alliances with supportive government agencies, businesses, and civil society groups in China to raise public awareness, engage with policymakers, and improve the problem-solving capacity of Chinese businesses and NGOs [44,45].

Regarding China's overseas engagement, transnational environmental activists have provided vital information on the negative impacts of Chinese-backed projects in the Global South, empowered actors in host countries, and established useful networks with key policy entrepreneurs within the Chinese government. In China's recent move towards a Green BRI, transnational environmental activists have been actively involved in relevant consultations with the Chinese government by providing information and recommendations [44,46]. Through frequent interactions between transnational and Chinese actors, Chinese companies and regulatory agencies may become increasingly aware of cases of local resistance to coal projects in different developing countries and accordingly generate an interest in reducing coal finance in China's overseas investment portfolio to control such risks.

In these processes, transnational actors can follow three types of channels to influence China's policy: participation in formal fora and projects organized by the Chinese government, private and informal communication with governmental officials, and direct support for changes in business practices. First, the Chinese government has several institutions for consultations with international partners such as the China Council for International Cooperation on Environment and Development and the Belt and Road Green Development Coalition. Major international environmental NGOs, including the World Resource Institute (WRI), International Institute for Sustainable Development, ClientEarth, and World Wide Fund for Nature (WWF), have been frequent participants in conferences and research projects organized by these institutions [47]. Second, informal and private communication remains a popular, albeit often inconspicuous, way for transnational activists to make an impact on policy change in China [48]. Like the WRI, key positions in many transnational NGOs' China offices are often held by Chinese ex-government officials, and such personal ties help these organizations better understand the interests of relevant government agencies and design tailored engagement strategies. Third, transnational ENGOs can also directly work with Chinese businesses to support them in adopting higher standards in overseas investments. For example, Greenpeace has direct contact with key companies in the energy sector, conducting front-line research on policy and host-country demands [49].

Proposition 2. In the Chinese government's campaign on Green BRI, transnational actors can build alliances with Chinese state and non-state actors to influence Beijing's policy on overseas energy finance.

2.3. Influence of domestic interest groups seeking policy change

The final mechanism concentrates on domestic sources of policy change, specifically interest group bargaining within China at Level II. China has often justified its international development cooperation as a pursuit of South-South cooperation. However, the mainstream literature interprets China's overseas development program over the last 25 years, particularly its infrastructure finance in developing countries, as driven by the issue of domestic industrial overproduction and the opportunity to export technology [29,50]. China's ‘going out’ policy since the late 1990s resembles Japan's ‘go global’ strategy from the 1970s–1990s, aiming to alleviate domestic political-economic problems and maintain investment-led growth by externalizing their development approach [51]. Throughout this process, Beijing has increasingly shifted its foreign exchange reserves accumulated from trade surpluses abroad in the form of loans to Global South nations, making funding conditional on purchasing Chinese industrial inputs. It is important to note that the majority of loans provided by Chinese policy banks to developing governments carry relatively high-interest rates, close to market rates—a feature that distinguishes Chinese development finance from aid provided by developed countries [24]. Consequently, compared to Western countries, China's overseas development finance appears more commercially driven, and its lack of attention to social and environmental concerns has been a primary subject of criticism [52,53]. In the energy sector, research indicates that China's financial institutions and firms lacked incentives to transition investments towards clean energy, especially when demand for fossil fuels in recipient countries remained high [54,55].

Nevertheless, bargaining among different interest groups within China concerning overseas engagement is not static. Numerous studies have demonstrated that a complex network of domestic actors—including various central government agencies, state-owned enterprises, and local governments—participate in governing China's overseas engagement, and these actors often have different interests when supporting China's go-global strategy [16,27,56–58]. For example, when designing and approving a new project, policy banks focus on the project's financial risks; state-owned companies aim to secure profitable contracts from the project; and government agencies regulating overseas investments, including the Ministry of Commerce (MOFCOM) and National Development and Reform Commission (NDRC), must pay closer attention to the project's political impact. Furthermore, as actors gain new knowledge and experience through interactions with foreign actors, their interests and policy preferences may evolve. Recent literature reveals that as Chinese companies, industry associations, and government agencies gain more experience with investments abroad, they become more knowledgeable about various risks, especially economic ones, associated with Chinese projects in different host countries as well as international standards and best practices to control such risks [18,59,60]. Ultimately, such learning processes can lead to growing demand for regulatory changes to control the risks of Chinese-backed projects and build an image of China as a responsible investor.

As economic and political contexts change, some actors in China may develop an interest in managing the sustainability impacts of Chinese overseas activities. This is particularly likely as China's leadership has shown increasing willingness to promote green development in overseas engagement, as evidenced by Beijing's recent campaign on Green BRI [6]. China's shift towards greening its overseas engagement is far from mere rhetoric, as the government has established a series of new institutions and policies to reform the environmental governance of the BRI. In this process, different government agencies have adopted various strategies based on their interests [18]. For instance, the Ministry of Environmental Protection (becoming the Ministry of Ecology and Environment (MEE) in March 2018), which previously played a marginal role in the governance of China's overseas activities, has become a keen supporter of Green BRI and has developed a range of initiatives aimed at reducing environmental impacts of China's overseas engagement [60]. Simultaneously, China's financial regulators and policy banks have been increasingly interested in developing guidelines to support green finance [17].[2] By observing these trends, one can anticipate that some actors involved in China's overseas energy finance might be willing to demand more policy support for green investment and, as a result, seek to exert influence in the relevant intrastate bargaining at Level II.

Proposition 3. In China's complex governance system, powerful domestic actors interested in promoting green finance and investment in China's overseas engagement make influence on the relevant policy-making processes.

In summary, by taking into account dynamics at the intergovernmental, transnational, and domestic levels, the three mechanisms identified above advance our understanding of actors able to influence Beijing's policy and the processes through which they exert influence. These mechanisms are not mutually exclusive and are likely to interact with each other. In other words, any significant changes in China's overseas development program are unlikely to be driven solely by international pressure, transnational advocacy groups, or policy entrepreneurs within the country. For instance, transnational civil society groups can change dynamics in interest group bargaining within China by engaging with Chinese companies, banks and Chinese state agencies interested in bringing a policy change and these Chinese actors can then make proposals to the top leaders in the face of pressure from foreign governments. Consequently, we expect the final policy outcome to be driven by the combined forces of these mechanisms. Fig. 2 illustrates the process through which interactions of three mechanisms can lead to a policy change. To clarify, Fig. 2 is actor-based without specifying the motivations of different actors. In this respect, we follow a political economy approach widely used in the literature on China's overseas engagement and argue that both economic and political factors matter in shaping actors' interests and decisions [24,29,56]. To understand China's policy shift, we need to unpack this complex process and examine how different factors shape these mechanisms and their interactions, which led to the outcome of ending overseas coal finance.

3. Methodology

Our empirical study aims to test the presence and interactions of the three mechanisms proposed in our analytical framework. To do so, we adopted a qualitative approach to trace the process leading the Chinese government to announce the new policy in September 2021. Process tracing is a popular method in a single case to identify the mechanism leading to the observed outcome [64,65]. In our case, it helps us examine how different forces have influenced the Chinese leadership to make the decision of phasing out overseas coal finance. Our process tracing exercise is mainly supported by primary data gathered from semi-structured interviews with policy practitioners representing different types of stakeholders related to the issue and is complemented by secondary data including government documents, media reports, and the existing academic literature.

Our primary data consists of 22 key semi-structured interviews. The interviews were conducted through a combination of purposeful sampling and a snowballing approach. The sample interviews were set to satisfy a diverse range of stakeholders related to China's overseas coal financing, while the exact interviewees were chosen mainly based on a snowballing approach. They were conducted between March to June 2022 in Beijing with experts working for government-sponsored think tanks and research institutions (8), NGOs and media (9), and businesses (5, including 4 state-owned enterprises or funds). Appendix (Table A1) provides details of our interviews while keeping anonymity. More than half of the interviewees have worked for or with related Chinese governmental agencies on climate-related projects and our interviewees from the industry have all worked for China's overseas energy investments.

There are two major limitations of our sampling strategy: lack of perspectives from host country stakeholders mainly due to Covid-19 travel restrictions and lack of interviewees in the Chinese government due to the inability to conduct formal interviews with government officials in China. However, we believe such limitations would not introduce significant bias in our data as we have carefully selected interviewees from diverse backgrounds who can offer pertinent insights on recent developments in China's overseas energy investments. Our sample consists of practitioners who are actively involved in or have continuously observed China's overseas energy investments over the last decade. All interviewees from the industry have directly worked in overseas energy investments, and many of them have worked for Chinese State-owned Enterprises (SOEs) and had rich experiences in different host countries. Moreover, more than half of the interviewees from the think tanks and NGOs had worked in related Chinese governmental agencies or had worked directly with the Chinese government for climate-related projects.

Using the data described above, we took a three-step approach to conduct explaining-outcome process-tracing for our empirical analysis. First, we identified different phases in the whole policy process leading to the final outcome of interest (i.e., the pledge made in September 2021). In doing so, we reviewed major policy changes related to overseas coal finance and considered if a change marked a qualitative difference from previous policies. Second, once we had demarcated different phases, we looked for key actors driving the change in each phase and investigated their roles in the relevant policy process. Third, after key actors were identified, we considered how their interests were influenced by different forces against those mechanisms identified in our framework in order to identify the key forces driving the change in each phase.

4. Empirical findings: the processes leading to China's pledge at UNGA

China's decision to stop financing coal projects abroad has three noteworthy features. First, Xi Jinping made this pledge by himself in a high-level international forum, which means backing down from this commitment would incur significant reputational loss. Second, instead of asking Chinese companies to exit from coal on a case-by-case basis, Beijing decided to enforce a moratorium from the top, which shows the leadership's determination to make this change. Third, instead of promoting an incremental shift over time, this official announcement represents a sudden rupture from previous practices. In the meantime, one must recognize the ambiguous scope and timeframe for implementation of this policy, which may limit its ultimate contributions to global climate action (e.g., it remains unclear whether or not the pledge covers equipment and construction services provided by Chinese companies without accompanying Chinese finance, which support more overseas coal-fired generating capacity than projects with financial arrangements) [66].

The pledge nevertheless heralds a greener direction for China's overseas infrastructure investments. Below we trace the gradual

[2] Although the overall trend is that Chinese regulators and businesses have become more interested in supporting green investments, the policies and practices of different stakeholders are likely to vary. For instance, research has shown that different bureaus of NDRC had conflicting opinions on overseas coal projects and MOFCOM and two leading policy banks were pro-coal due to market incentives [61]. Similarly, companies' preferences also vary due to the entrenched interest of some industry actors in coal (especially the coal-fired power equipment manufacturing sector), so new coal projects continued to be built in countries like Indonesia [62,63].

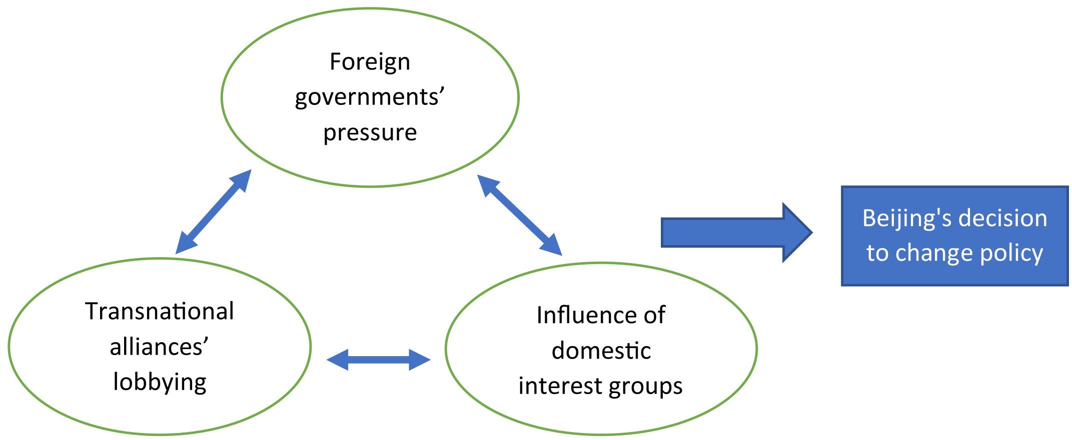

Fig. 2. Interactive mechanisms able to influence China's policy on overseas energy finance.

formation of this policy change and identify its driving forces. Overall, the development of this policy can be divided into three phases. The first phase can go back to 2017 and ended in early 2020. During this period, Chinese SOEs and financial institutions became less enthusiastic about financing overseas coal-fired plants due to the increasingly negative investment outlook. In the meantime, foreign governments and transnational environmental activists exert little influence on China's policy on overseas energy investment. The second phase is between early 2020 to early 2021 when China effectively halted overseas finance for coal. During this period, international actors gained prominence in shaping Beijing's attitude towards overseas coal finance, while the continued negative investment outlook and the impact of the COVID-19 pandemic led Chinese developers to suspend their investment outside of China. The third phase is from early 2021 to September 2021. This period marked China's transition from an internal moratorium over overseas coal finance to institutionalizing the decision through an official pledge. Pressure from Western governments played a more important role than domestic actors in facilitating this transition. Although China had already halted overseas coal financing, it is unlikely that Beijing would have made such a pledge without external pressure – a strong commitment too costly to reverse. Below we analyse in depth the dynamics in each phase.

4.1. Phase I (2017- early 2020): declining domestic interest in overseas coal investments

China's overseas investments in coal-fired plants began to change due to the shifting position of its domestic interest groups on development finance, as a result of global market fluctuations. The trend can be traced back to 2017. Since that year, China has experienced a continuous decline in overseas finance for coal-fired power projects. According to Boston University Global Development Policy Center's [67] China's Global Energy Finance Database, annual investments of two major Chinese policy banks in overseas coal projects peaked at $7.8 billion in 2016, then showed a declining trend, hitting the lowest levels in 2019 (none was recorded) and in 2020 ($214 million) (see Fig. 3). Interviewees working directly in the field confirmed that the last active period of their overseas coal investments was around 2016, and there had been a noticeable difference in the overseas coal power investment environment emerged since 2017.[3]

In fact, the expansion of Chinese overseas development finance for coal-fired power plants between the late 2000s and early 2010s was caused by both the demand of developing countries and the Chinese industry's overcapacity. In this period, many developing countries experienced significant expansion in coal power plants due to their rising energy demand and domestic policies that embraced the growth of coal-fired power [2,68,69]. Meanwhile, China faced a severe issue of excess production in its domestic market of coal-fired power plants, so investing in overseas markets with high demand for coal became opportunities to address the Chinese industry's overproduction [54,70].

However, since the mid-2010s, China increasingly encountered problems with its large-scale overseas investments in coal. According to a recent study, only one of the 52 overseas coal-fired power projects that China had announced to finance between the second half of 2014 and 2020 went into operation, while the majority were either shelved or cancelled, and the value of projects that were cancelled, mothballed, or shelved increased from $2 billion in 2015 to $22 billion and $25 billion in 2019 and 2020, respectively [71,72]. As a result, coal-fired power plants were no longer seen as safe investments able to quickly deliver stable and high returns. That said, in some developing economies such as Indonesia, new coal-fired power plants have continued to be built by Chinese companies to supply electricity in industrial parks often supported by Chinese capital [73]. But overall, Chinese banks became increasingly reluctant to finance coal projects due to the uncertain global demand for coal-fired energy and witnessing a series of investment setbacks because of escalating environmental and social risks overseas.[4] An investment manager in a Chinese SOE noted a shift in Chinese financial institutions' attitudes towards coal projects in 2017 as 'the (policy) banks required documents back and forth to prove the feasibility of investment'.[5]

Meanwhile, Chinese SOEs have begun to gradually transition from coal-fired power plants to more sustainable alternatives. This is likely due to a combination of China's policy support and growing market opportunities for renewables [58]. Broadly speaking, China's engagement in the global power sector has been dominated by engineering, procurement and construction (EPC) contracts, which involve different companies along the value chain of power construction. As an important group of these companies are large SOEs specialized in engineering, and construction (e.g., PowerChina and Gezhouba Group) and are able to supply different types of energy projects, the energy mix of their investments can be largely driven by host countries' preferences [54,68]. Hence, when the market environment changed in host countries, these companies would be willing to shift towards renewables – many of our interviewees explicitly indicated their enterprises have demonstrated an increased interest in renewable energy investments for some time and have recognized the ongoing shift from coal to renewables.[6] A notable

[3] Interviews 20 and 21.

[4] Interviews 7, 20 and 21.

[5] Interview 20.

[6] Interviews 19–22.

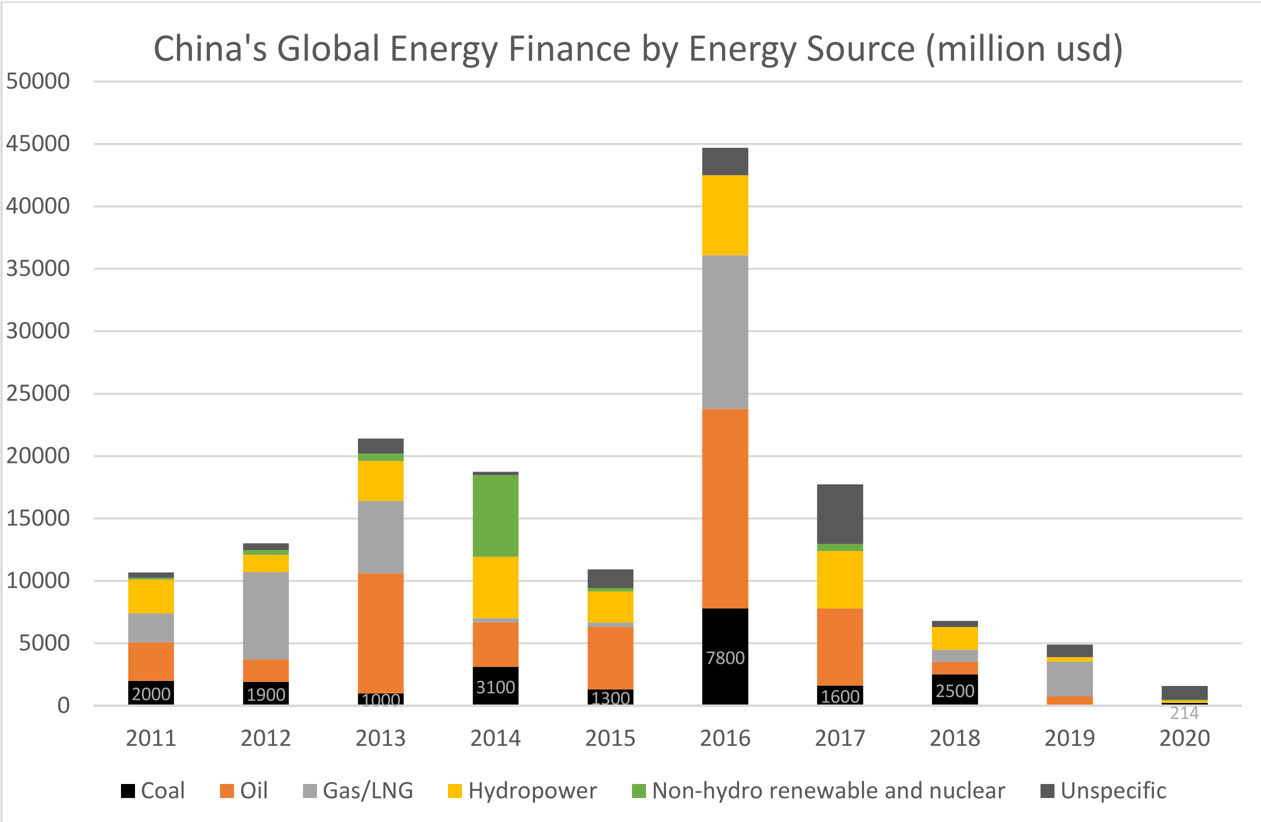

Fig. 3. Overseas coal finance by China Development Bank and Export-Import Bank of China
Source: https://www.bu.edu/cgef/#/all/EnergySource

example mentioned by several interviewees is a large energy SOE that abolished its fossil fuel energy department in 2017, moving its fossil fuel business, including overseas operations, under the renewable energy department, and adopting investment in renewable energy as a benchmark for management evaluation.[7] In the meantime, we must notice that some Chinese investors are power generators with a special interest in coal or coal-fired power equipment manufacturers, and therefore have persistently pushed supply for coal [54,74]. The lobbying of this pro-coal group is a main reason for Beijing's reluctance to end overseas coal finance.

As Chinese banks and companies became less enthusiastic about developing overseas coal-fired power plants, pro-sustainability government agencies began to find more opportunities to strengthen their power in China's system governing overseas economic activities. In particular, the role of the MEE was significantly extended. In 2017, the Ministry of Environmental Protection (the MEE's predecessor) led four ministries in publishing the 'Guidance on Promoting Green Belt and Road' – the first-ever high-level government document addressing the BRI's environmental impacts, stating China's commitment to promoting green development in its overseas investments [18]. Subsequently, the MEE also took the lead in establishing the BRI International Green Development Coalition (BRIGC), which was formally initiated in April 2019 – it is a transnational governance initiative aiming to promote international cooperation on green development and the integration of the Sustainable Development Goals in the BRI. Thus, the BRIGC has enhanced the MEE's role in providing policy advice and coordinating cross-ministerial efforts on greening BRI.

Transnational actors have also contributed to shaping China's Green BRI policy by engaging in platforms such as the BRIGC and the China Council for International Cooperation on Environment and Development (CCICED). Several international NGOs (INGOs) have participated in research projects related to Green BRI, such as 'Green BRI and 2030 Agenda for Sustainable Development' and attended a range of high-level meetings on Green BRI [75]. Nevertheless, their role is limited and constrained within the policy spaces allowed by the Chinese state, rather than adopting a more confrontational approach.[8]

With respect to dynamics at the intergovernmental level, the pro-coal rhetoric advocated by the Trump Administration during this period relieved the international pressure on China compared to the Obama era. Under Obama, the US was a global leader in advocating the phase-out of public financing for coal, resulting in OECD countries agreeing to the new 'Sector Understanding on Export Credits for Coal-Fired Electricity Generation Projects' in November 2015, which imposed partial restrictions on overseas public financing for coal [76]. The US also cooperated with China to issue the US-China Joint Statement in October 2015, in which China pledged to 'strictly control public investment flowing into projects with high pollution and carbon emissions both domestically and internationally' [77]. Although the statement did not directly impact China's policy, it served as a bargaining chip for the US in subsequent negotiations to pressure Japan and South Korea [28]. However, the Trump Administration later rolled back climate change initiatives implemented under Obama, from withdrawing from the Paris Agreement to introducing a series of pro-fossil fuel policies. The widening rift between the US and the EU in this period also hampered the development of a coordinated diplomatic strategy to put consistent pressure on China to reduce export credits supporting coal [28]. In the Trump era, several US-China dialogues were also suspended, such as the US-China Ten-Year Framework for

[7] Interview 20.

[8] Interview 12.

Cooperation on Energy and the Environment (2008–2017) and the US-China Climate Change Working Group established in 2013 [78]. Hence, the end of coal financing by Western development banks and export credit agencies in mid-2010s was unable to put strong pressure on China to follow suit.

In summary, this initial phase is marked by a declining interest in coal among Chinese companies and policy banks and a growing influence of pro-sustainability government agencies in the Chinese government. Meanwhile, international pressure from major Western governments has decreased due to the shift in US politics, which has diminished the momentum initiated by the Obama Administration. Transnational actors actively built policy alliances with pro-sustainability actors in China, but their influence remained limited. Hence, domestic interest groups at Level II and Western states at Level I in our two-level game framework act separately without much interaction.

4.2. Phase II (Early 2020 – Early 2021): freezing overseas coal finance

This phase experienced an effective suspension of China's public finance for overseas coal projects. Domestic interest groups became more reluctant to invest in coal-fired plants due to increasing cancellations and financial risks. The COVID-19 pandemic further diminished investment enthusiasm by reducing global electricity demand, including that for coal-fired electricity, evidenced by an expected 5 % decline in coal demand in 2020, the largest decrease in decades [79]. Meanwhile, both transnational NGOs and Western governments exerted a stronger influence on Beijing's stance towards overseas coal power financing in this phase.

As COVID-19 began to hit the whole world, Chinese policy banks began to de facto suspend their financing for overseas coal projects according to the data collected by Boston University Global Development Policy Center [67]. Since early 2020, China had effectively decided to discontinue overseas coal investments, although Beijing had yet to make a formal and irreversible commitment. The last publicly documented loan from Chinese policy banks to overseas coal projects was in February 2020, when the Export-Import Bank of China granted a EUR 193 million loan to the Belgrade city government for the construction of the Obrenovac-New Belgrade heating pipeline [80]. This project's Memorandum of Understanding was signed in 2017. No new loans have been recorded since then.

One of our interviewees in a Chinese SOE confirmed that, about a year before Xi's pledge, the information circulated within his company already indicated that 'no more overseas coal power plants would be financed, although no written policy existed'. The interviewee also suggested two reasons behind this decision – 'one is that the banks were concerned about future demand, and the other is that the financial risks were significant.'[9] The absence of new coal investments since February 2020 and our interview data together show that Chinese banks had already put coal-fired projects on hold for some time before Xi made a formal pledge.

Also in this phase, INGOs were more active in building advocacy networks with Chinese domestic pro-sustainability government agencies. Through workshops, conferences, meetings, and research outputs, INGOs communicated global standards and expectations on energy investment to the Chinese government, offering technical inputs when necessary. For instance, in December 2020, the Green Development Guidance for BRI Projects Baseline Study Report (the Report) was published, representing a collaborative effort between domestic and international think tanks and the MEE [81]. Several INGOs, including ClientEarth, WRI, and Environmental Defense Fund, directly participated in drafting the Report, where discussions about managing coal-fired energy investments took place. The Report provided a framework for classifying BRI projects and proposed a project list that divided projects into three categories (red, yellow, and green) based on their environmental impacts (BRIGC 2020). Coal projects were classified as 'red' due to their adverse climate effects. This classification of overseas coal projects signalled broad recognition from various government departments that coal-fired power projects were unfavourable. However, an expert involved in the project disclosed that they initially attempted to place overseas coal projects into an exclusion category, a step further than the 'red' list, but failed to do so.[10] This suggests that, at that time, the Chinese government still had reservations about a complete withdrawal from overseas coal finance. In addition to providing policy advice to the MEE, some INGOs, such as WRI, were able to offer direct policy recommendations to the Energy Department of the NDRC on coal power-related matters.[11] Representatives from the NDRC and the Ministry of Foreign Affairs also expressed support for the publication of the Baseline Study Report [82].

During this period, Western governments, especially the EU countries, have also gained more prominence in pressuring Beijing to end overseas coal finance. Under the framework of the European Green New Deal, which requires carbon neutrality goals to be integrated across all EU policy areas, and the commitment to become the first carbon-neutral continent by 2050, the EU demonstrated its determination to elevate the global climate agenda. The EU directly challenged China to halt the construction of new coal plants and end overseas coal financing during the Leader's Meeting of the EU-China Summit in September 2020 [83]. This shows that overseas coal investment became a critical climate issue between the EU and China.

As domestic factors and external pressures intertwined, in February 2021, the Chinese embassy in Bangladesh responded to the Bangladeshi Ministry of Finance, stating that 'the Chinese side shall no longer consider projects with high pollution and high energy consumption, such as coal mining and coal-fired power stations' – a response came after Bangladesh requested to replace five coal-fired power-related projects in the MoU for Chinese loans, which was signed in 2016 [84]. Although this statement was specific to Bangladesh, it marked for the first time an official message from the Chinese government related to the withdrawal from overseas coal investment. Several interviewees hinted that February 2021 was a milestone when China internally decided to withdraw from overseas coal financing, based on signals from policy banks and the response from the Chinese embassy in Bangladesh.[12] However, another practitioner indicated this was only an interim internal decision, which was even not circulated across ministries.[13]

In summary, early 2020 to early 2021 was a transitional period in which Chinese pro-coal actors ceased overseas coal financing, and pro-environment domestic and external actors gained more influence in driving Beijing towards making a formal decision on the issue. However, preference divergence persisted among domestic interest groups regarding a complete withdrawal from overseas coal investment. In this phase, Level I inter-state bargaining became increasingly important, with the influence of Western governments coming to full fruition in the next phase.

4.3. Phase III (Early 2021- September 2021): formalizing the coal-exit decision

In 2021, China finally institutionalized its decision to halt investment in coal projects abroad, through Xi's own announcement at the UNGA. This phase is characterized by synergies of the three mechanisms of influence identified in Section 2. In other words, the interplay between dynamics at Level I and II ultimately led to the pledge in September

[9] Interview 19.

[10] Interview 7.

[11] Interview 13.

[12] Interviews 16 and 17.

[13] Interview 13.

2021. For Xi, he leveraged the opportunity created by intergovernmental bargaining on climate change as a means to seek rapprochement with the West, particularly the US. As the overseas coal financing issue became useful for China to reduce geopolitical tensions, the relevant decision-making process was no longer confined to the domestic policy arena and international influence became more salient. With the top leader's intervention, domestic pro-coal interest groups in China who still harbouring concerns over a full-fledged withdrawal from overseas coal, were forced to concede.[14] As shown above, China had already halted overseas coal investment before 2021. However, our analysis suggests that it was the increasing international demand that pushed China to institutionalize a de facto moratorium into a formal pledge in 2021, without which China would always retain the flexibility to return to overseas coal investments.

Since late 2020, many intergovernmental discussions on climate issues had taken place between China and the West. The increasing salience of climate change in bilateral and multilateral fora was largely driven by the new US president Biden seeking to restore America's leadership on the issue [85,86]. Since the start of the Biden administration, the US climate envoy John Kerry and his Chinese counterpart, Xie Zhenhua, held 18 meetings before September 2021, with China's overseas coal financing explicitly discussed by Kerry and Xie during these negotiation sessions [87]. A seasoned practitioner with close ties to the US embassy in Beijing also confirmed that overseas coal financing was discussed during Kerry's visit to China in April.[15] In fact, the transition from Trump to Biden marked the return of the US as a primary player in global climate governance: in January 2021, the US re-joined the Paris Agreement and issued an executive order (E.O.14008) on 'Tackling the Climate Crisis at Home and Abroad' within the first week of the new presidency.[16] Most importantly, the Biden Administration has actively sought cooperation with China on climate change [88,89]. Accordingly, several observers expected that Biden's focus on climate would put more pressure on China to green the BRI including reducing investments in coal-fired power plants [90].

In response, the Chinese government positively reacted to signals from the US. In April 2021, Xie and Kerry issued a 'US-China Joint Statement Addressing the Climate Crisis' after Kerry's official visit to China. According to this joint statement, 'both countries intend to take appropriate actions to maximize international investment and finance in support of the transition from carbon-intensive fossil fuel-based energy to green, low-carbon, and renewable energy in developing countries' [91]. This paragraph signalled the possibility for China to change its policy on overseas energy investment. After Kerry's visit, Xi also agreed to participate in Biden's climate summit – a sign of China's willingness to restore cooperation with the US on the climate issue [92].

Moreover, the US's return to global climate governance accelerated Japan's progress in phasing out overseas finance for coal-fired power plants, which indirectly increased pressure on China. In April 2021, the US and Japan formed the US-Japan Climate Partnership, which includes a commitment to reduce high-carbon financing [93]. Additionally, with the Biden administration's proactive position on climate change and the UK hosting the G7 in 2021, the G7 regained its leading role in shaping the multilateral climate agenda, including the issue of ending public finance for coal, with Japan ultimately agreed to align with other G7 countries to stop investment in unabated coal power [94]. The long-awaited commitments by Japan and South Korea to pull out of public coal financing in the first half of 2021 left China as the only financier for overseas coal projects [95]. This served 'a huge step in generating pressure on China to take similar actions.'[17]

In addition to the US, the EU was also trying to ask China to take more action on climate change. As one interviewee noted, a series of dialogues between the EU and China 'set up expectations on what China needs to do on several climate issues and laid down the benchmarks'.[18] EU foreign affairs ministers unanimously called for a global phase-out of harmful fossil-fuel subsidies, including unabated coal in power generation, as part of its energy and climate foreign policies [96,97]. To cater to the EU's demand on climate action, Xi spoke to European leaders in April 2021 before participating in Biden's summit [92].

Another critical international factor that influenced the timing of China's decision was the UN Climate Change Conference in Glasgow (COP 26), scheduled in November 2021. Delayed for a year due to the COVID-19 pandemic, COP 26 had been anticipated to be a critical moment for international climate cooperation as states were supposed to update their nationally determined goals for the first time according to the Paris Agreement. As indicated by a NGO official working on climate diplomacy, given the international community's expectation, 'China had to put out something new for COP 26'.[19] In this context, a pledge on overseas investments was more like a 'low-hanging fruit' for the Chinese government compared to other potential new commitments, such as phasing out of domestic coal power, in terms of both scale and difficulty.[20] In fact, in 2022 new coal power permits reached the highest level since 2015, driven by China's concern over energy security and post-Covid-19 economic recovery, and new coal power plants may help China to alleviate manufacturing overcapacity, which was once absorbed in overseas markets [12,98]. The increase of coal power permits in 2022 shows that the domestic concern for coal exit is much more complicated, and the coal exit decision is much more challenging than the overseas coal exit [13]. Feeling mounting pressure, Chinese leaders seemed to have incentives to leverage climate action to revive cooperation with the developed world, especially the US and the EU, which have increasingly viewed China as a major threat to the rules-based international order [99]. Between 2018 and 2020, heightened competition and rising animosity between China and the West emerged over various issues, including human rights in Xinjiang, governance of Hong Kong, and US-China trade disputes. Such challenges were further exacerbated for the Chinese government because of the economic downturn caused by COVID-19. Hence, new dynamics at the intergovernmental level during the first half of 2021 significantly reshaped the balance of power among Chinese actors involved in overseas energy investments. Previously, Chinese industry groups who had benefited from overseas coal projects remained reluctant to agree on a full-fledged pull-out strategy and therefore preferred policy flexibility [69]. However, when the issue of overseas coal financing began to be considered in intergovernmental discussions along with other issues between Beijing and Western capitals in 2021, it became geopolitically useful for China's top leaders to intervene in this policy debate and force the relevant government agencies and industrial groups to support a ban.[21] Therefore, in this final phase, interstate bargaining had a strong influence on the institutionalization of China's overseas coal-exit decision. The interplay

[14] As of early 2021, government agencies like MEE and some companies were willing to support phase out coal in China's overseas development programme, but other key stakeholders including MOFCOM, NDRC, policy banks and some large SOEs remained hesitant to support a complete ban [11,62].

[15] Interview 17.

[16] See the full text of the E.O. 14,008 at https://downloads.regulations.gov/EPA-HQ-OPPT-2021-0202-0012/content.pdf.

[17] Interview 17.

[18] Interview 15.

[19] Interview 15.

[20] Interviews 8, 14 and 15.

[21] We acknowledge that our data cannot directly show what other issues were directly linked to overseas coal finance in the Chinese government's conversations with their Western counterparts. That said, the issue of overseas coal was consistently pressured by Western governments in their engagement on climate action with China and the timing of China's pledge after its geopolitical tensions with the US and other developed countries had increased suggest that the final decision has a strong political motivation beyond the issue of energy investment. We thank a reviewer for suggesting us to clarify this point.

between the pressure of Western governments and domestic interest group politics, as illustrated by our framework, has led to the pledge made by Xi Jinping in September 2021.

In summary, as suggested by our analytical framework shown in Fig. 2, Beijing's decision to end support for overseas coal is shaped by the combined influences of domestic interest groups, transnational actors, and Western governments that can be traced back to the mid-2010s. In this dynamic process, the changing market and policy environment in developing countries first led Chinese companies and banks to become less interested in overseas coal investments and this declining interest was then reinforced by a growing campaign to green China's overseas engagement led by an alliance between some transnational NGOs and Chinese state agencies. The outcome of such forces until early 2021 was a temporary halt of finance for overseas coal finance required by the Chinese government. Finally, intergovernmental bargaining between China and the US and the EU further pushed Chinese top leaders to make a formal pledge of stopping overseas coal finance as a low-hanging fruit to reduce tensions and revive cooperation with the West in September 2021. Our process tracing analysis shows the need to understand this major policy shift in China's overseas energy investment through the lens of dynamic interactions among actors across domestic and international levels. While our framework only aims to provide a heuristic tool for the case in question and does not seek to measure the relative importance of different forces, it can also present a useful approach to explaining drivers behind other policy changes in China, especially on its overseas engagement.

5. Conclusions

Given China's long-standing reluctance to alter its overseas investment policy, Xi's pledge to end support for overseas coal in September 2021 is a remarkable change with large implications for global energy transition. How to make sense of this important policy change? Drawing upon theories on two-level games in foreign policy-making and the political economy of China's overseas engagement, we develop an analytical framework to identify three mechanisms that can shape this policy change– issue linkages in intergovernmental bargaining, lobbying by transnational alliances, and influence of domestic interest groups pursuing policy change. Our empirical study uses data from interviews with practitioners and secondary sources to trace the whole policy process from the mid-2010s to China's announcement of the final decision. Our findings confirm that the dynamic interplay among these mechanisms at domestic, transnational, and international levels – as suggested by our framework – led Chinese top leaders to finally make a pledge in line with the international community's expectations. In the first phase (2017- early 2020), China exhibited a declining momentum in overseas coal financing, primarily driven by domestic interest groups due to a bleak economic and financial outlook of coal-fired projects in global markets. In the second phase (early 2020-early 2021), China internally froze its public financing for overseas coal projects, and domestic and international factors equally contributed to this change. However, concerns persisted within the Chinese government about making a definitive commitment to withdraw from overseas coal investment. Finally, the last phase (early 2021-September 2021) is characterized by interstate bargaining where pressure from the US and the EU played a dominant role in institutionalizing China's phase-out decision as a formal pledge, preventing the possibility of reversing the policy in the future. In this period, both the Chinese and Western governments were willing to use climate change to restore cooperation, so the international pressure and Beijing's foreign policy consideration finally overcame the remaining barriers in China's policy community, and transnational alliances also provided valuable information and advice to policymakers in Beijing.

By investigating a key policy shift, our research complements the growing literature on the political economy of China's overseas energy investment. Unlike previous studies focusing on the durable patterns of Chinese investment dominated by coal [54,68], we further unpack China's dynamic policy-making processes and identify specific mechanisms through which domestic politics, transnational alliances, and interstate bargaining interact in shaping China's policy. Our single-case study sheds light on China's changing influence on energy transition in the Global South by showing how different forces jointly drove a critical change towards greening China's overseas investment [35,55,100]. It also contributes to the recent debate on the environmental governance of China's BRI and demonstrates the mechanisms through which China has gradually engaged with global environmental and climate norms [18,19]. Compared to the existing literature [13,101], our two-level game approach considering dynamism at both domestic and international levels presents a more comprehensive account of policy change in China's authoritarian context. Although we had no intention to develop a generalizable framework for a larger population of cases, this analytical approach can be helpful to examining forces from various sources that may influence China's overseas engagement policy on other important issues such as biodiversity impacts of Chinese projects or provision of climate finance. Future research on such policies may use our framework to guide their analysis.

Our findings have several policy implications for the future governance of Chinese overseas (energy) investment. First, despite the entrenched interest of some domestic actors in high-carbon investment, a more sustainable pathway for China's global economic engagement is possible. Beijing's coal phase-out decision marks a watershed moment, representing a significant departure from the country's long-standing reluctance to enforce its own standards in foreign investment [102]. Second, transnational advocacy networks can play a valuable role in promoting green development in China's overseas engagement. Although Xi Jinping has tightened control over Chinese civil society in recent years, environmental sustainability remains a key domain in which transnational activists can cooperate with Chinese authorities [44]. Third, for international actors, strategic issue linkages can be an effective tactic to green China's overseas engagement, by rallying both non-state activists and foreign governments to encourage Beijing to adopt policies in line with international best practices.

As Xi's pledge marks the start of a new chapter in Chinese overseas investment, several important questions remain to be explored. First and foremost, it is crucial to examine how different Chinese government agencies, financial institutions, and companies implement the new policy to phase out investment in coal and potentially also other high-polluting industries [19]. Second, since we only investigate the policy-making processes in China, more attention should be given to the political economy of policy implementation in host countries, especially the question of how interest groups in host countries react to China's changing policy [69,100]. Ultimately, the ways in which various stakeholders – including both Chinese and host country actors – react to Beijing's top-down mandates will shape the trajectory of the energy transition on the ground.

CRediT authorship contribution statement

Ying Wang: Conceptualization, Investigation, Writing – original draft, Writing – review & editing, Data curation. **Chuyu Liu:** Conceptualization, Methodology, Writing – original draft, Writing – review & editing. **Yixian Sun:** Conceptualization, Investigation, Methodology, Project administration, Supervision, Validation, Writing – original draft, Writing – review & editing.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Data availability

The data that has been used is confidential.

Appendix A

Table A1
Interviews conducted by the authors.

No.	Category	Position	Nationality	Institution	Location	Date
1	Expert	Researcher on energy investment	Chinese	Major energy research institute at a Chinese University	Beijing	3/5/2022
2	Expert	Researcher on China's overseas energy investment	Chinese	Think tank affiliated with a ministry overseeing overseas investment	Beijing	3/15/2022
3	Expert	Researcher specialized in green BRI	Chinese	Major green finance research institute at a Chinese University	Beijing	3/23/2022
4	Expert	Researcher on China's development finance	Chinese	International relations department at a major Chinese University	Beijing	4/22/2022
5	Expert	Researcher on Chinese foreign investment	Chinese	Major Chinese think tank on international relations	Beijing	5/17/2022
6	Expert	Researcher on China's overseas energy investment	Chinese	Major international think tank based at a US university	Boston	5/18/2022
7	Expert	Researcher on green finance	Non-Chinese	Major Chinese think tank in green finance	Shanghai	6/9/2022
8	Expert	Researcher on energy finance	Non-Chinese	Major international think tank on international (US-China) relations	Washington D.C.	6/17/2022
9	Civil society	Project manager on overseas sustainable development	Chinese	Major Chinese environmental NGO	China	3/14/2022
10	Civil society	Director	Chinese	Chinese media focusing on environmental issues	Beijing	3/18/2022
11	Civil society	Director	Chinese	Chinese media focusing on China's overseas investment	Beijing	3/24/2022
12	Civil society	Project manager on green BRI	Chinese	International environmental NGO	Beijing	3/29/2022
13	Civil society	Project manager on climate policy	Chinese	International environmental NGO	Beijing	4/1/2022
14	Civil society	Project manager on China's energy finance	Non-Chinese	International NGO	Washington D.C.	4/24/2022
15	Civil society	Project manager on climate diplomacy	Non-Chinese	International environmental NGO	London	5/18/2022
16	Civil society	Project manager on green finance	Chinese	International environmental NGO	Beijing	5/23/2022
17	Civil society	Director on green finance	Non-Chinese	International environmental NGO	Beijing	5/25/2022
18	Business	Investment Manager	Chinese	Indonesia-based Chinese energy-investment company	Indonesia	4/6/2022
19	Business	Overseas Investment Manager	Chinese	Central SOE in the power sector	Beijing	4/10/2022
20	Business	Overseas Investment Director	Chinese	Central SOE in the power sector	Beijing	4/11/2022
21	Business	Overseas Investment Director	Chinese	Central SOE in the power sector	Beijing	4/13/2022
22	Business	Overseas Investment Manager	Chinese	Major state-owned fund focusing on overseas investment	Beijing	4/16/2022

References

[1] K.P. Gallagher, China's global energy finance: poised to lead, Energy Res. Soc. Sci. 35 (2018) 15–16, https://doi.org/10.1016/j.erss.2018.01.001.
[2] J.M.T. Sauer, L.D. Anadón, J. Kirchherr, J. Plummer Braeckman, V. Schulhof, Chinese and multilateral development finance in the power sector, Glob. Environ. Change 75 (2022) 102553, https://doi.org/10.1016/j.gloenvcha.2022.102553.
[3] Z. Li, K.P. Gallagher, D.L. Mauzerall, China's global power: estimating Chinese foreign direct investment in the electric power sector, Energy Policy 136 (2020) 111056, https://doi.org/10.1016/j.enpol.2019.111056.
[4] K.S. Gallagher, Q. Qi, Chinese overseas investment policy: implications for climate change, Glob. Policy (2021), https://doi.org/10.1111/1758-5899.12952.
[5] J.C. Liao, The club-based climate regime and OECD negotiations on restricting coal-fired power export finance, Glob. Policy 12 (2021) 40–50, https://doi.org/10.1111/1758-5899.12894.
[6] J. Coenen, S. Bager, P. Meyfroidt, J. Newig, E. Challies, Environmental governance of China's belt and road initiative, Environ. Policy Gov. 31 (2021) 3–17, https://doi.org/10.1002/eet.1901.
[7] T. Harlan, Green development or greenwashing? A political ecology perspective on China's green belt and road, Eurasian Geogr. Econ. 62 (2021) 202–226, https://doi.org/10.1080/15387216.2020.1795700.
[8] BBC, China pledges to stop building new coal energy plants abroad, BBC News (2021). https://www.bbc.com/news/world-asia-china-58647481 (accessed May 12, 2023).
[9] Al Jazeera, 'Game-Changer': China to Stop Funding Overseas Coal Projects, Al Jazeera. https://www.aljazeera.com/news/2021/9/22/xi-tells-un-china-will-not-build-coal-fired-power-plants-overseas, 2021. (Accessed 25 December 2023).
[10] Carbon Brief, China's Xi Pledges to End Funding for Overseas Coal Power Plants, Carbon Brief. https://www.carbonbrief.org/daily-brief/chinas-xi-pledges-to-end-funding-for-overseas-coal-power-plants/, 2021. (Accessed 25 December 2023).
[11] M.R. Davidson, X. Gao, J. Busby, C. Shearer, J. Eisenman, Hard to say goodbye: South Korea, Japan, and China as the last lenders for coal, Environ. Polit. 32 (2023) 1186–1207, https://doi.org/10.1080/09644016.2023.2211488.
[12] N. Manych, Staying In After Going Out? China's Coal Plant Expansion Domestically and Overseas, BU Glob. Dev. Policy Cent. https://www.bu.edu/gdp/2023/08/07/staying-in-after-going-out-chinas-coal-plant-expansion-domestically-and-overseas/, 2023.

[13] C. Nedopil, Lessons from China's overseas coal exit and domestic support, Science 379 (2023) 1084–1087, https://doi.org/10.1126/science.adf0126.
[14] X. Pu, Rebranding China: Contested Status Signaling in the Changing Global Order, Stanford University Press, Stanford, 2019.
[15] B. Yu, Bureaucratic deliberation and China's engagement with international ideas: a case study on China's adoption of carbon emissions trading, J. Contemp. China 0 (2021) 1–16, https://doi.org/10.1080/10670564.2021.1985831.
[16] T.N. Hale, C. Liu, J. Urpelainen, Belt and Road Decision-Making in China and Recipient Countries: How and to What Extent Does Sustainability Matter?, ISEP, BSG, and ClimateWorks Foundation, 2020.
[17] C. Nedopil, Green finance for soft power: an analysis of China's green policy signals and investments in the belt and road initiative, Environ. Policy Gov. 32 (2022) 85–97, https://doi.org/10.1002/eet.1965.
[18] Y. Sun, B. Yu, Greening China's belt and road initiative: from norm localization to norm subsidiarity? Glob. Environ. Polit. 23 (2023) 91–116, https://doi.org/10.1162/glep_a_00685.
[19] Y. Sun, J.I. Lewis, J. Urpelainen, Environmental governance of China's belt and road initiative, Environ. Polit. 32 (2023) 1109–1116, https://doi.org/10.1080/09644016.2023.2251372.
[20] J. Gerring, Single-outcome studies: a methodological primer, Int. Sociol. 21 (2006) 707–734, https://doi.org/10.1177/0268580906067837.
[21] D. Beach, R.B. Pedersen, Process-Tracing Methods: Foundations and Guidelines, Second edition, University of Michigan Press, Ann Arbor, 2019.
[22] R.D. Putnam, Diplomacy and domestic politics: the logic of two-level games, Int. Organ. 42 (1988) 427–460, https://doi.org/10.1017/S0020818300027697.
[23] J.W. Knopf, Beyond two-level games: domestic–international interaction in the intermediate-range nuclear forces negotiations, Int. Organ. 47 (1993) 599–628, https://doi.org/10.1017/S0020818300028113.
[24] M. Chen, Beyond donation: China's policy banks and the reshaping of development finance, Stud. Comp. Int. Dev. 55 (2020) 436–459, https://doi.org/10.1007/s12116-020-09310-9.
[25] M. Chen, State actors, market games: credit guarantees and the funding of China Development Bank, New Polit. Econ. 25 (2020) 453–468, https://doi.org/10.1080/13563467.2019.1613353.
[26] M. Dunford, Chinese and Development Assistance Committee (DAC) development cooperation and development finance: implications for the BRI and international governance, Eurasian Geogr. Econ. 61 (2020) 125–136, https://doi.org/10.1080/15387216.2020.1716821.
[27] B. Yu, Cognitive evolution and China's international development cooperation, Chin. J. Int. Polit. 14 (2021) 481–505, https://doi.org/10.1093/cjip/poab014.
[28] K. Hopewell, Clash of Powers: US-China Rivalry in Global Trade Governance, Cambridge University Press, Cambridge, United Kingdom; New York, NY, 2020.
[29] A. Dreher, A. Fuchs, B.C. Parks, A.M. Strange, M.J. Tierney, Banking on Beijing: The Aims and Impacts of China's Overseas Development Program, Cambridge University Press, Cambridge; New York, NY, 2022.
[30] Y. Sun, B. Yu, Mask Diplomacy? Understanding China's goals in delivering medical aid in the first wave of the COVID-19 pandemic, J. Curr. Chin. Aff. (2023) 18681026221139499. doi:https://doi.org/10.1177/18681026221139499.
[31] P. Poast, Issue linkage and international cooperation: an empirical investigation, Confl. Manag. Peace Sci. 30 (2013) 286–303, https://doi.org/10.1177/0738894213484030.
[32] E.M. Hafner-Burton, The power politics of regime complexity: human rights trade conditionality in Europe, Perspect. Polit. 7 (2009) 33–37, https://doi.org/10.1017/S1537592709090057.
[33] S. Jinnah, A. Lindsay, Diffusion through issue linkage: environmental norms in US trade agreements, Glob. Environ. Polit. 16 (2016) 41–61, https://doi.org/10.1162/GLEP_a_00365.
[34] L. Lechner, Good for some, bad for others: US investors and non-trade issues in preferential trade agreements, Rev. Int. Organ. 13 (2018) 163–187, https://doi.org/10.1007/s11558-018-9299-2.
[35] B. Kong, K.P. Gallagher, Inadequate demand and reluctant supply: the limits of Chinese official development finance for foreign renewable power, Energy Res. Soc. Sci. 71 (2021) 101838, https://doi.org/10.1016/j.erss.2020.101838.
[36] W. Shen, L. Xie, Can China lead in multilateral environmental negotiations? Internal politics, self-depiction, and China's contribution in climate change regime and Mekong governance, Eurasian Geogr. Econ. 59 (2018) 708–732, https://doi.org/10.1080/15387216.2019.1586557.
[37] J.J. Qi, P. Dauvergne, China's rising influence on climate governance: forging a path for the global South, Glob. Environ. Change 73 (2022) 102484, https://doi.org/10.1016/j.gloenvcha.2022.102484.
[38] M.H. Hansen, H. Li, R. Svarverud, Ecological civilization: interpreting the Chinese past, projecting the global future, Glob. Environ. Change 53 (2018) 195–203, https://doi.org/10.1016/j.gloenvcha.2018.09.014.
[39] R. Hass, How China Is Responding to Escalating Strategic Competition with the US, Brookings. https://www.brookings.edu/articles/how-china-is-responding-to-escalating-strategic-competition-with-the-us/, 2021.
[40] H. Farrell, A. Newman, The new politics of interdependence: cross-national layering in trans-Atlantic regulatory disputes, Comp. Polit. Stud. 48 (2015) 497–526, https://doi.org/10.1177/0010414014542330.
[41] S. Matsuzawa, Activating China: Local Actors, Foreign Influence, and State Response, Routledge, Abingdon, Oxon; New York, NY, 2019.
[42] D. Guttman, Y. Jing, O.R. Young (Eds.), Non-state Actors in China and Global Environmental Governance, Palgrave MacMillan, London, 2021.
[43] F. Teng, P. Wang, The evolution of climate governance in China: drivers, features, and effectiveness, Environ. Polit. 30 (2021) 141–161, https://doi.org/10.1080/09644016.2021.1985221.
[44] Y. Xia, Environmental advocacy in a globalising China: non-governmental organisation engagement with the green belt and road initiative, J. Contemp. Asia 0 (2023) 1–23, https://doi.org/10.1080/00472336.2023.2267062.
[45] Y. Sun, Certifying China: The Rise and Limits of Transnational Sustainability Governance in Emerging Economies, MIT Press, Cambridge, MA, USA, 2022, https://doi.org/10.7551/mitpress/14192.001.0001.
[46] X. Liu, M.M. Bennett, Going out and going green: NGOs in the environmental governance of Global China, Eurasian Geogr. Econ. 0 (2023) 1–26, https://doi.org/10.1080/15387216.2023.2279549.
[47] Q. Geng, K. Lo, China's green belt and road initiative: transnational environmental governance and causal pathways of orchestration, Environ. Polit. 0 (2022) 1–23, https://doi.org/10.1080/09644016.2022.2156176.
[48] J. Teets, The power of policy networks in authoritarian regimes: changing environmental policy in China, Governance 31 (2018) 125–141, https://doi.org/10.1111/gove.12280.
[49] Greenpeace, Discussions of experts: Risks and the future of China's overseas coal power Investment, Greenpeace China. https://www.greenpeace.org.cn/2019/11/01/%e5%a4%9a%e6%96%b9%e4%b8%93%e5%ae%b6%e5%85%b1%e5%90%8c%e6%8e%a2%e8%ae%a8%ef%bc%9a%e4%b8%ad%e5%9b%bd%e6%b5%b7%e5%a4%96%e7%85%a4%e7%94%b5%e6%8a%95%e8%b5%84%e7%9a%84%e9%a3%8e%e9%99%a9%e4%b8%8e%e6%9c%aa/, 2019. (Accessed 15 May 2023).
[50] N. Manych, F. Egli, N. Ohlendorf, T.S. Schmidt, B. Steffen, A. Stünzi, J.C. Steckel, Pushed to finance? Assessing technology export as a motivator for coal finance abroad, Environ. Res. Lett. 18 (2023) 084028, https://doi.org/10.1088/1748-9326/ace6c1.
[51] J.C. Liao, S.N. Katada, Institutions, ideation, and diffusion of Japan's and China's overseas infrastructure promotion policies, New Polit. Econ. 27 (2022) 944–957, https://doi.org/10.1080/13563467.2021.1961219.
[52] F. Ascensão, L. Fahrig, A.P. Clevenger, R.T. Corlett, J.A.G. Jaeger, W.F. Laurance, H.M. Pereira, Environmental challenges for the belt and road initiative, Nat. Sustain. 1 (2018) 206–209, https://doi.org/10.1038/s41893-018-0059-3.
[53] H. Yang, B.A. Simmons, R. Ray, C. Nolte, S. Gopal, Y. Ma, X. Ma, K.P. Gallagher, Risks to global biodiversity and indigenous lands from China's overseas development finance, Nat. Ecol. Evol. 5 (2021) 1520–1529, https://doi.org/10.1038/s41559-021-01541-w.
[54] B. Kong, K.P. Gallagher, The new coal champion of the world: the political economy of Chinese overseas development finance for coal-fired power plants, Energy Policy 155 (2021) 112334, https://doi.org/10.1016/j.enpol.2021.112334.
[55] R.R. Bhandary, K.S. Gallagher, A.M. Jaffe, Z. Myslikova, F. Zhang, M. Petrova, A. Barrionuevo, G. Fontaine, J.L. Fuentes, P. Karani, D. Martinez, L. Seitlheko, D. Staicu, N. Ullah, A. Yimere, Demanding development: the political economy of climate finance and overseas investments from China, Energy Res. Soc. Sci. 93 (2022) 102816, https://doi.org/10.1016/j.erss.2022.102816.
[56] L. Jones, J. Zeng, Understanding China's 'belt and road initiative': beyond 'grand strategy' to a state transformation analysis, Third World Q. 40 (2019) 1415–1439, https://doi.org/10.1080/01436597.2018.1559046.
[57] C. Springer, D. Shi, A. Kudrimoti, The political economy of coal: The case of China, in: M. Jakob, J.C. Steckel (Eds.), Polit. Econ. Coal, 1st ed, Routledge, London, 2022, pp. 117–135. https://www.taylorfrancis.com/chapters/oa-edit/10.4324/9781003044543-9/political-economy-coal-cecilia-springer-dinah-shi-aaditee-kudrimoti.
[58] P. Benoit, A. Clark, Making State-Owned Enterprises Work for Climate in China and Beyond, Inter Press Serv. https://www.ipsnews.net/2020/09/making-state-owned-enterprises-work-for-climate-in-china-and-beyond/, 2020. (Accessed 28 December 2023).
[59] H. Park, Global norm-maker as China's new brand? An analysis of the responsible cobalt initiative, Chin. J. Int. Polit. (2023) poad002, https://doi.org/10.1093/cjip/poad002.
[60] W. Gong, J.I. Lewis, The role of international engagement in greening China's belt and road initiative, Environ. Polit. 32 (2023) 1208–1230, https://doi.org/10.1080/09644016.2023.2223074.
[61] J. Jin, State-Fueled Energy: Data Comparison of Energy Development Finance from Export Credit Agencies in China and Japan, Ph.D. dissertation, Boston University, 2019, https://open.bu.edu/handle/2144/38789 (accessed December 26, 2023).
[62] D. Li, S. Li, Z. Bo, China's overseas energy investments after its no coal pledge, Caijing. https://www.mycaijing.com/article/detail/465423?source_id=43, 2022.
[63] A. Mori, Struggles for energy transition in the electricity system in Asian countries: A system complementarity perspective, in: China's Carbon-Energy Policy Asia's Energy Transit, Routledge, 2021.
[64] D. Collier, Understanding process tracing, PS Polit. Sci. Amp Polit. 44 (2011) 823–830, https://doi.org/10.1017/S1049096511001429.
[65] D. Beach, Process tracing methods in the social sciences, Oxf. Res. Encycl. Polit. (2017), https://doi.org/10.1093/acrefore/9780190228637.013.176.
[66] C.H. Springer, China's withdrawal from overseas coal in context, World Dev. Perspect. 25 (2022) 100397, https://doi.org/10.1016/j.wdp.2022.100397.
[67] Boston University Global Development Policy Center, China's Global Energy Finance Database. http://www.bu.edu/cgef, 2022.
[68] K.S. Gallagher, R. Bhandary, E. Narassimhan, Q.T. Nguyen, Banking on coal? Drivers of demand for Chinese overseas investments in coal in Bangladesh, India, Indonesia and Vietnam, Energy Res. Soc. Sci. 71 (2021) 101827, https://doi.org/10.1016/j.erss.2020.101827.

[69] M. Jakob, J.C. Steckel (Eds.), The Political Economy of Coal: Obstacles to Clean Energy Transitions, Routledge, London, 2022, https://doi.org/10.4324/9781003044543.
[70] Z. Li, K. Gallagher, X. Chen, J. Yuan, D.L. Mauzerall, Pushing out or pulling in? The determinants of Chinese energy finance in developing countries, Energy Res. Soc. Sci. 86 (2022) 102441, https://doi.org/10.1016/j.erss.2021.102441.
[71] C. Nedopil Wang, China's Investmentss in the Belt and Road Initiative (BRI) in 2020, Green BRI Center, International Institute of Green Finance (IIGF), Beijing, 2021.
[72] I. Suarez, X. Wang, 1-Year Later: China's Ban on Overseas Coal Power Projects and Its Global Climate Impacts, Centre for Research on Energy and Clean Air & People of Asia for Climate Solutions, China, Global, South East Asia. https://energyandcleanair.org/wp/wp-content/uploads/2022/09/ChinaBan-Report-FINAL_27Sept22.pdf, 2022.
[73] A. Tritto, China's belt and road initiative: from perceptions to realities in Indonesia's coal power sector, Energy Strategy Rev. 34 (2021) 100624, https://doi.org/10.1016/j.esr.2021.100624.
[74] A. Mori, How do incumbent companies' heterogeneous responses affect sustainability transitions? Insights from China's major incumbent power generators, Environ. Innov. Soc. Transit. 39 (2021) 55–72, https://doi.org/10.1016/j.eist.2021.02.003.
[75] CCICED, Green BRI and 2030 Agenda for Sustainable Development, CCICED, Beijing, 2020. http://en.cciced.net/POLICY/rr/prr/2020/202009/P020200917112334121711.pdf.
[76] OECD, Statement from Participants to the Arrangement on Officially Supported Export Credits, OECD, 2015. https://www.oecd.org/newsroom/statement-from-participants-to-the-arrangement-on-officially-supported-export-credits.htm (accessed May 15, 2023).
[77] The White House, U.S.-China Joint Presidential Statement on Climate Change, Whitehouse.Gov, 2015. https://obamawhitehouse.archives.gov/the-press-office/2015/09/25/us-china-joint-presidential-statement-climate-change (accessed May 15, 2023).
[78] A. Barnes, F. Dai, A. Luh, How the US and China could renew cooperation on climate change, Cent. Glob. Energy Policy (2020). https://www.energypolicy.columbia.edu/publications/how-us-and-china-could-renew-cooperation-climate-change/ (accessed May 15, 2023).
[79] IEA, Coal 2020, IEA, Paris. https://www.iea.org/reports/coal-2020, 2020.
[80] New Serbia Energy, Serbia: loan agreement for Obrenovac-new Belgrade heating pipeline approved | Serbia SEE, Energy Mining News, Serbia-Energyeu (2020). https://serbia-energy.eu/serbia-loan-agreement-for-obrenovac-new-belgrade-heating-pipeline-approved/ (accessed May 15, 2023).
[81] BRIGC, Green Development Guidance for BRI Projects Baseline Study Report, Beijing, 2020.
[82] MEE, The evant to release BRIGC policy research and launch BRIGC research institute took place in Beijing, Minist. Ecol. Environ. Peoples Repub. China (2020). https://www.mee.gov.cn/ywdt/hjywnews/202012/t20201201_810851.shtml (accessed May 15, 2023).
[83] European Commission, EU-China Leaders' Meeting: Upholding EU Values and Interests, Eur. Comm. - Eur. Comm.. https://ec.europa.eu/commission/presscorner/detail/pt/ip_20_1648, 2020.
[84] C. Shepherd, China Turns its Back on Bangladesh BRI Coal Projects, Financ. Times, 2021.
[85] J.R. Biden Jr., Why America Must Lead Again: Rescuing U.S. Foreign Policy After Trump, Foreign Aff. https://www.foreignaffairs.com/articles/united-states/2020-01-23/why-america-must-lead-again, 2020.
[86] D. South, S. Vangala, K. Hung, The Biden administration's approach to addressing climate change, Clim. Energy 37 (2021) 8–18, https://doi.org/10.1002/gas.22222.
[87] C. Buckley, L. Friedman, Climate Change Is 'Not a Geostrategic Weapon,' Kerry Tells Chinese Leaders, N. Y. Times. https://www.nytimes.com/2021/09/02/world/asia/climate-china-us-kerry.html, 2021 (accessed May 15, 2023).
[88] C. Buckley, The Rock Standing in the Way of China's Climate Ambitions: Coal, N. Y. Times. https://www.nytimes.com/2021/03/16/world/asia/china-coal-politics.html, 2021.
[89] S.L. Myers, C. Buckley, Seeking Cooperation on Climate, U.S. Faces Friction With China, N. Y. Times. https://www.nytimes.com/2021/04/15/world/asia/us-china-climate-john-kerry.html, 2021 (accessed May 8, 2023).
[90] Y.N. Lee, Biden's focus on climate change could turn up the pressure on China's mega infrastructure program, CNBC. https://www.cnbc.com/2021/01/14/climate-change-biden-could-up-pressure-on-chinas-belt-and-road-initiative.html, 2021. (Accessed 11 June 2021).
[91] US Department of State, U.S.-China Joint Statement Addressing the Climate Crisis, U. S. Dep. State. https://www.state.gov/u-s-china-joint-statement-addressing-the-climate-crisis/, 2021 (accessed May 8, 2023).
[92] G. Shih, Biden's climate summit shows rivalry with U.S. complicates China's green push, Wash. Post (2021). https://www.washingtonpost.com/world/asia_pacific/climate-summit-china-biden/2021/04/23/6e6ef800-a349-11eb-b314-2e993bd83e31_story.html (accessed May 8, 2023).
[93] The White House, U.S.-Japan Climate Partnership on Ambition, Decarbonization, and Clean Energy. https://www.whitehouse.gov/wp-content/uploads/2021/04/U.S.-Japan-Climate-Partnership.pdf, 2021 (accessed May 8, 2023).
[94] C. Farand, I. Gerretsen, G7 commits to end unabated coal finance in 2021 to "keep 1.5C within reach," Clim. Home News. https://www.climatechangenews.com/2021/05/21/g7-commits-end-unabated-coal-finance-2021-keep-1-5c-within-reach/, 2021 (accessed May 8, 2023).
[95] S. Liu, Y. Wang, Y. Wang, South Korea and Japan Will End Overseas Coal Financing. Will China Catch Up?. https://www.wri.org/insights/south-korea-and-japan-will-end-overseas-coal-financing-will-china-catch, 2021. (Accessed 8 May 2023).
[96] P. de Pous, S. Herz, How team EU-US can get the world to kick coal, E3G. https://www.e3g.org/news/how-team-eu-us-can-get-the-world-to-kick-coal/, 2021 (accessed May 8, 2023).
[97] Directorate-General for Climate Action, Foreign Affairs Council Backs EU's Ambitious Goal on Climate Action and Calls for Global Action to Limit the Damage of Climate Crisis, Eur. Comm. https://climate.ec.europa.eu/news-your-voice/news/foreign-affairs-council-backs-eus-ambitious-goal-climate-action-and-calls-global-action-limit-damage-2021-01-25_en, 2021.
[98] L. Myllyvirta, A. Yu, F. Champenois, X. Zhang, China permits two new coal power plants per week in 2022, Centre for Research on Energy and Clean Air & Global Energy Monitor (2023) 1–17. Briefing February 2023, https://energyandcleanair.org/wp-content/uploads/2023/02/CREA_GEM_China-permits-two-new-coal-power-plants-per-week-in-2022.pdf.
[99] N. O'Donnell, Secretary of State Antony Blinken on the Threat Posed by China. https://www.cbsnews.com/news/antony-blinken-60-minutes-2021-05-02/, 2021. (Accessed 8 May 2023).
[100] M. Jakob, C. Flachsland, J. Christoph Steckel, J. Urpelainen, Actors, objectives, context: a framework of the political economy of energy and climate policy applied to India, Indonesia, and Vietnam, Energy Res. Soc. Sci. 70 (2020) 101775, https://doi.org/10.1016/j.erss.2020.101775.
[101] M.R. Davidson, V.J. Karplus, J.I. Lewis, J. Nahm, A. Wang, Risks of decoupling from China on low-carbon technologies, Science 377 (2022) 1266–1269, https://doi.org/10.1126/science.abq5446.
[102] D. De Boer, C. Nedopil, D. Fang, Belt and road must align with Paris agreement – government guidance, China Dialogue (2022). https://chinadialogue.net/en/business/belt-and-road-must-align-paris-agreement-government/. (Accessed 26 May 2022).