6 The greening of development? China in an era of global climate (in)action

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This chapter positions China in the green financing space and discusses how it fits into the wider global context. It examines trends and the trajectory of China's climate finance to developing countries, at a moment of shrinking interest by traditional donors in both climate action and development. It explores the implications of China's growing engagement in relative terms, for recipient countries, for traditional donors such as Sweden, and for the wider system of (green) development financing more broadly.

Introduction

Drastic changes in the global political landscape since the beginning of 2025—namely the accession of a much more unilateralist and isolationist United States (US) presidential administration—have led to a more fractured and potentially restrictive environment for climate action and development financing. Climate action and development are intimately linked: low-income countries are among the most vulnerable and exposed to immediate and long-term climate change-related risks, with much lower economic and institutional capacity for adaptation. At the same time, developing countries also have the least historic responsibility for greenhouse gas (GHG) emissions and therefore global warming itself. Advanced, industrialized countries, meanwhile, have an outsized historic responsibility for emissions; they have acknowledged their duty to help others mitigate and adapt to climate change through the principle of "common but differentiated responsibilities." This principle was enshrined at the 1992 Rio Earth Summit and has remained a core principle of the United Nations Framework Convention on Climate Change (UNFCCC). It underpins the international climate regime and associated frameworks, including the 2015 Paris Accord. Developed countries have to this end agreed and pledged to mobilize climate-related development finance ("climate finance" hereafter). They have over the years generally fallen short of their promises and commitments. However, by the end of 2024, there had been meaningful political progress, with higher financial pledges for the coming years agreed upon in the UNFCCC and other international forums. Such climate finance to emerging and developing countries had also reached record levels.

Much of this progress, however, is now under threat. In some key cases, the progress has already been reversed. In the weeks following the election of President Donald J. Trump, the US pulled out of the Paris Agreement (for the second time), ceased its funding of the UNFCCC, and abrogated its climate financing programs, to include the US International Climate Finance Plan. The US was until then the single largest donor in international development, and in 2024 was the top contributor to global climate-related development finance. While inconstancy has been a predictable feature of US politics, its turn against both climate and development action is likely to persist through, if not beyond, 2028. The wider turn in US foreign policy has also affected the priorities of other OECD countries, which largely overlap with the category of developed states that have formal climate financing obligations within the UNFCCC framework. At a time of growing geoeconomic and geopolitical tensions, as well as US global withdrawal, many advanced economies are engaging in significant fiscal reprioritization towards domestic industrial, security, and defense expenditures. Even if they have not explicitly reversed their stated positions on the importance of global climate action, development aid, or multilateralism, these new priorities are crowding out prior commitments. In this context, questions emerge about the future of climate-related development financing. Concretely, there is a question of whether other donors can help fill what remains a significant gap—with many eyes on the main alternate donor: China.

By 2010, China had already become the world's second largest economy and, since 2017, has been the world's largest bilateral creditor. Rhetorically and politically, China continues to maintain focus on climate action, multilateralism, and energy transition, as confirmed in Xi Jinping's remarks at the UN Climate Summit in 2025. Domestically, China has been a significant outlier in terms of the scale of its climate investments; it alone accounted for 69% of all such financing in emerging and developing countries between 2018 and 2022 (CIP, 2024). Targets for peaking carbon emissions and achieving net zero by 2060 were enshrined in its 14th five-year plan (2020–2025) and recently reconfirmed in a November 2025 State Council White Paper (PRC State Council, 2025). There are expectations that China has the capacity to fill in some of the gaps left by traditional donors. There are also growing voices, particularly from the Global South, that China *should* assume more responsibilities for climate financing, given that it is the world's largest greenhouse gas emitter. Commitments to climate financing would also be consistent with China's efforts and ambitions to be an international leader in global development. However, the relative decline of Western powers and relative ascension of China in the climate financing space also raises questions about climate-related development more generally, and what implications there will be both for recipient countries and traditional donors.

This chapter explores China as a non-traditional donor in the climate finance space and what potential implications this has for climate-related development at large. As it lays out, China is already a significant player, despite having no formal obligations within the UNFCCC framework. Data availability remains a challenge, but even conservative estimates show that China has been providing climate finance at a scale that is commensurate with that of developed countries. Going forward, China's relative role will also likely increase as traditional donors make a more parochial turn inwards. Its development financing has become more "green" over the past decade, and Chinese commitments to higher sustainability standards for overseas financing bode well for the climate action agenda. China has also been channeling more of its climate-related development financing into multilateral development banks in recent years, and there is potential for China to buttress traditional developmental institutions and fill gaps left by the US and other OECD countries.

These trends are significant, but their implications are also more limited than at face value. Domestic trends clearly position China as a leader in the space of climate action more broadly. However, as it relates to climate-related development financing, there is still a way to go. Limitations include China's own continued insistence that it is a "developing country" and its resistance to assuming any formal climate financing obligations. The scale of its financing has also been declining in recent years, and there are no signs that China seeks to assume the scale of responsibilities for climate-related development on behalf of or in place of developed countries and traditional donors. Moreover, the multilateralization of China's climate-related development finance—while positive—is also a result of China itself having reached limits in what it feels it can effectively achieve bilaterally; it has turned away from previous large-scale, infrastructure-heavy commercial projects towards smaller -scale projects with a more diversified set of stakeholders and risk-holders. In this sense, China is increasingly outsourcing rather than promoting its own climate-related developmental agenda.

To explore these dynamics, the chapter begins by overviewing the global context of climate finance, before turning to China's emergence in this space over the past decade. This second section outlines China's basic political position on the issue and voluntary commitments and contributions it has made to the cause. It also discusses differences between China's climate financing and that of traditional donors, while noting that the two have begun to converge in recent years. A third section discusses some of the wider trends that are likely to persist before concluding with some political takeaways of these trends, or implications of its relative rise for the global political and developmental architecture that underpins it all.

Climate finance: the global context

Climate finance refers to resources deployed by public or private sources towards local, national, or transnational climate-related projects. The vast majority of this is deployed through domestic resources and takes place in advanced economies as well as in China. For example, in China—which accounted for approximately 42% of the global total of climate investments in 2022—98% of financing was from domestic sources (CPI, 2024). However, other parts of the world, in particular least developed countries or low-income countries, are the most vulnerable and exposed to the effects of climate change, while also being the least responsible for causing climate change. This chapter hereafter refers to "climate finance" in terms of a narrower subset of flows of climate financing from countries of the Global North to those of the Global South. These flows are particularly important as part of the wider developmental compact, but also underpin principles of the international climate governance regime. Indeed, Article 9 of the Paris Accord obligates certain developed countries (Annex II under the UNFCCC) to financially assist developing countries in their efforts to mitigate and adapt to climate change, that is, to mobilize climate finance to meet developing countries' needs. However, there remains no standard definition of "climate finance," with governments utilizing different methodologies for counting their contributions.

Designations of countries as being "developed" or "developing" are often controversial, not least when it comes to formal obligations or special benefits within international regimes. This has been the case for China in the World Trade Organization, where it has only recently given up the status and privileges of a developing country. The UNFCCC, for instance, is a setting where such designations have consequences for a given state: "developed" (Annex II) countries have formal obligations to "developing" (non-Annex I) countries to help them mitigate and adapt to climate change. In 2009, Annex II countries pledged to operationalize their obligations by mobilizing USD 100 billion of "new and additional" climate finance—that is, additional to existing development finance—by 2020. Dedicated multilateral funds to channel these climate finance flows have included the Global Environment Facility, the Green Climate Fund, the Fund for Responding to Loss and Damage, the Adaptation Fund, the Least Developed Countries Fund, and the Special Climate Change Fund. However, developed countries' progress in meeting their commitments to developing countries has been patchy at best. Although OECD announced that they had finally met the USD 100 billion target by 2022, critics claim that this achievement was partly based on an accounting ruse, since much of these funds were recalculated from already existing development finance (Mitchell & Wickstead, 2024). Nevertheless, it represented progress, which was furthered also by additional commitments by the US towards climate finance, bilateral public support of which reached a peak of over USD 11 billion in 2024 (WRI, 2024). Also in 2024, at the 29th annual Conference of the Parties (COP29), a new collective quantitative goal was agreed upon. This included a new agreement by developed countries to contribute USD 300 billion by 2035 as part of a wider USD 1.5 trillion per year climate financing mobilization goal. This still undershoots the higher assessments by the UN and other parties that developing countries in fact need USD 6 trillion to meet their climate goals by 2030. However, 2024 nevertheless represented a peak in both the political will and in the concrete actions taken by developed countries to honor their commitments to developing countries' climate mitigation and adaptation.

However, this progress was made under a climate-friendly and internationalist US Presidential administration. And within an even more politically fractured and fiscally constrained geopolitical environment—to include heightened security priorities within the EU and other OECD states—there are justifiable concerns that even the countries that have maintained rhetorical commitment to climate action and development are likely to cut budgets further and prioritize other domestic or foreign policy issues. In other words, climate finance may not be able to sustain what momentum has been recently built.

It is in this context that China's footprint in global climate financing takes on additional significance, mirroring of course wider discussions on China's global development financing. The following section explores China's evolving position in its role in climate finance, trends in its climate finance flows, and the changing nature and modalities of the finance that it provides. Notably, as it relates to precision and rigor of the underlying data, Chinese development finance and assistance has long been marked by lack of coordination among a wide diversity of public and private actors—from official agencies, public and commercial banks, to state-owned and private corporations. But in the climate financing space, inconsistent methodologies and definitions, uneven reporting standards, and data availability have been perennial issues even among Annex II countries. In the case of China, which has no formal climate finance obligations or reporting requirements, these issues even more so prevent clear and rigorous understanding of precise flows.

China and climate financing

China is counted as a non-Annex II country with no formal climate financing obligations under the UNFCCC framework (Liu et al., 2024). China received this designation in 1992, based on its relatively low historical emissions, and controversially retains this status despite having grown to be the world's second largest economy. Since that time, China's greenhouse gas emissions have also grown exponentially. By 2006, China was already the world's single largest emitter; estimates are that its cumulative historical emissions have now surpassed that of the European Union (EU) countries collectively. Nevertheless, and despite external pressure, China has been keen to maintain its developing country status within the UNFCCC framework and stresses that any of its contributions towards climate finance are voluntary rather than obligatory. It has declined to contribute to dedicated multilateral climate funds, such as the Green Climate Fund. Indeed, as a non-Annex II country, China was even officially eligible to receive multilateral climate financing funds from the Green Climate Fund. However, China did stress that it was not going to compete with its developing country counterparts for funding.

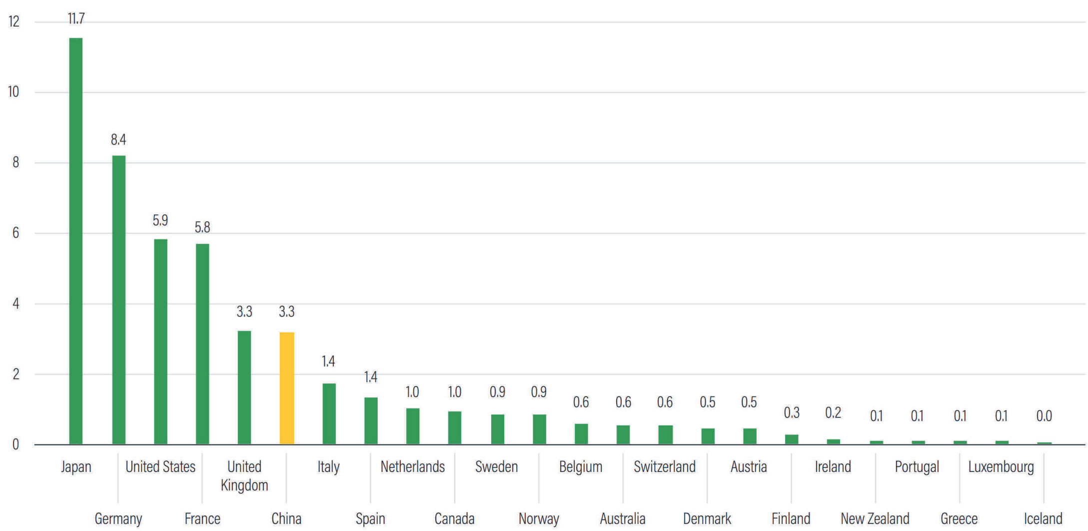
China's negotiating position has instead been to place greater focus on the responsibility as well as the failures of developed (Annex II) states to meet their commitments. China has supported the position of developing countries on major issues such as the "Loss and Damage Fund" agreed upon at the 28th Conference of the Parties (COP28) of the UNFCCC, and the new collective quantitative goal of USD 300 billion of finance from developed countries—political agreements that re-emphasize and recommit developed countries to addressing their historic responsibilities. While China has resisted the idea of having formal climate financing obligations, it has made voluntary contributions to the cause since at least the beginning of the 2010s.

In 2011, China announced that during the 12th five-year plan period it would place greater emphasis on South–South cooperation on climate change, to include capacity building, training, technical assistance programs, and other forms of support for developing countries in the area of climate mitigation and adaptation (PRC Government, 2011). In 2014, China made a much more politically significant move to establish a South–South Climate Cooperation Fund of CNY 20 billion (approximately USD 3.1 billion). At the time, this was the largest single climate financing pledge to the developing countries by any country. However, China engaged in very little follow-up; one analysis estimates only a fraction—only about CNY 1.2 billion (USD 170 million)—of the original amount was ever delivered through this fund, due to inter-ministerial coordination problems which slowed disbursement (Tsang et al., 2023). This fund represents only a small proportion of China's engagement in climate financing more broadly, which includes a range of developmental financing provided by public and private bodies within China. But uncertainties around the fund and its lackluster performance point also to a few of the wider issues around coordination as well as information around Chinese activities in this space.

Indeed, it is likely that Chinese actors themselves do not have a comprehensive picture of how much climate finance has been provided over the years. Like in many other countries, there is no consistent definition of climate-related development finance across governance institutions in China. This is also compounded by the general patchiness of data around China's overseas development finance, as other chapters have mentioned. There is low data availability of how much of China's pledges towards climate finance have materialized, which compounds the problem. In this regard, third -party and independent analysis has been instrumental in understanding China's actual climate finance contributions. China again does not have any reporting requirements for its overseas climate finance, but recent independent analysis finds that its contributions to the cause have in fact been substantial.

Applying OECD standard methodology to Chinese overseas finance and development aid flow, the World Resources Institute finds that China's contributions averaged around USD 4.5 billion per year in contributions between 2015–2021, or nearly USD 45 billion in total; this puts China as the fifth largest contributor globally, behind only Japan, Germany, the US, and France (Figure 1). This equates to about 6.1% of the total climate finance provided to developing countries in this period.

Figure 1. Annual average climate finance from Annex II countries and China for 2013–2018 (USD, billion)



Notes: Due to a lack of country-level climate finance data after 2018, and a lack of data on country-level climate-related export credits and mobilized private finance, we use 2013–18 as the basis for comparison and only consider bilateral public and multilateral public climate finance. Because the Organisation for Economic Co-operation and Development methodology looks at the face value of committed funds, the relative concessionality of the finance is not considered in this ranking.

Source: Liu, et al., 2024

The calculation by the World Resources Institute utilizes the OECD methodologies for climate financing accounting, which counts countries' public and private finance, bilateral and multilateral, which offers a level of comparability across different actors. The methodology notably counts flows of climate-related finance regardless of financing terms and therefore captures a wider spectrum than pure official development assistance (ODA) or other development-type assistance. Similar but slightly differing methodologies for counting climate finance by the Center for Global Development finds China has provided around USD 3.8 billion per year on average, between 2013–2021, placing China still within the top ten of climate financiers (Cichoka & Mitchell, 2024). These numbers, of several billion USD per year, align in broad brushstrokes with a figure provided by China itself in 2024, of CNY 177 billion (approximately USD 24.5 billion) since 2016 (PRC State Council, 2024).

Discrepancies can be explained by issues of data availability, transparency, and different counting methodologies which mark climate finance analysis more broadly, as discussed previously. In the Chinese case, there are no formal and uniform definitions for climate finance even across different government agencies. In the case of external estimates, lack of or poor -quality data on Chinese private financing also suggests that many of the flows are not counted by the World Resources Institute or Center for Global Development, which err on the side of conservative estimates. Overseas lending and flows enabled, for instance, by Sinosure (China Export & Credit Insurance Corporation), China Development Bank (CDB), and EXIM (The Export-Import Bank of China) are not well understood, despite them being significant enablers of overseas renewable energy projects. China has also established several overseas investment funds since 2013 in sectors relevant to climate change. Commitments to these funds number around USD 140 billion. However, because detailed breakdowns of the allocations are scarce or unavailable, these are often also not counted in estimates. This again means altogether that Chinese climate finance numbers are very likely underestimated. Nevertheless, a clear consensus is that China's contributions amount to several billion USD per year over the past decade. According to some calculations of "fair share," which tie historical emissions with income, this in fact marks China as a more responsive/responsible donor than the US has been over the same period (Beyon & Wickstead, 2024).

Divergence and convergence with traditional donors

The above covered China's climate finance at "face value" aggregate amounts—that is, not considering the quality of finance, or including the degree of concessionality. This follows OECD accounting standards, which do not disaggregate by types of finance. However, concessional finance is particularly important in the context of development. It matters because, besides being vulnerable to climate change, developing countries often have the lowest financial capacity. And three-fifths of low-income countries are at risk of or already have some form of debt distress (World Bank, 2024). To relieve already high debt burdens, developing countries require more concessional finance, or financing with lower-than-market interest rates. Besides loans, grants, equity investments, insurance, and co-financing are also important instruments to not exacerbate the economic and developmental challenges developing countries face.

However, most Chinese contributions to climate finance are not as concessional as those from developed countries. Analysis from the Center for Global Development finds that only about 3% of China's bilateral climate-related finance has been in the form of grants—the rest as loans. When grant-equivalence of other forms of financing is considered, this figure rises to 22% of face value numbers. Slightly less than one quarter of China's climate-related finance would actually qualify as ODA under OECD rules, in other words. This does represent a higher proportion of grant-equivalence than in China's non–climate -related development finance. For OECD countries, climate finance is three-quarters from ODA budgets, according to what they report to the UNFCCC (Cichoka & Mitchell, 2024). Another difference is that while developed countries rarely use export credits for climate finance, these in fact accounted for about a quarter of China's climate finance. Export credits facilitate China's own trade and export-related goals, and China's export credits were primarily driven by the large-scale infrastructure projects it implemented in developing countries. While these have developmental benefits, they can also exacerbate debt burdens for these target countries. In this respect, it has a more controversial position within climate financing conversations.

Debt burdens on developing countries is an issue for which China has received significant international attention and criticism. However, it is also relevant to multilateral development banks (MDBs), who are among the largest contributors to international climate finance. Between 2019 and 2023, 67% of total climate finance from MDBs to low- and middle-income countries were in the form of investment loans. Grant-based MDB climate financing, which was only 10% (USD 6.08 billion) of MDB funding in 2022, has been further reduced rather than increasing; in 2023 to just 6.7% (USD 4.98 billion) (Alayza et al., 2024).

With that said, however, a key trend is that China's role within multilateral finance has also been growing, also as a proportion of its overall climate financing. Indeed, China's MDB contributions have grown from around USD 1.2 billion in 2017 to nearly USD 4 billion in 2022. These include contributions to MDBs traditionally dominated by OECD countries. This means also that there is growing convergence between China and traditional donors, in terms of institutional channels as well as governance standards. Moreover, while China's "alternative" multilateral institutions, such as the AIIB and NDB, have often been considered as institutions implicitly oriented against Western developmental agendas, these are now relatively well integrated into multilateral climate finance architecture. Besides these banks' own publication of their climate financing statistics, their figures are also represented in the Joint Report on Multilateral Development Banks' Climate Finance—an annual collaboration of MDBs to improve international reporting, transparency, and a more unified methodology to track climate finance. Most recently, in 2025, a China–UN Global South–South Development Facility was established, with USD 10 million in budgetary support to support "green and resilient development," among other issues (UN, 2025).

While multilateralism is a growing feature of Chinese climate financing, there are also many more bilateral, minilateral, or regional formats that are tied to China's own diplomatic overtures to specific countries and groups of countries. As of 2025, for example, China had signed 55 Memorandum of Understandings (MoUs) with 43 developing countries (BRIGC, 2025). In various cooperation forums, climate cooperation is also an explicit part of the dialogue agenda. This includes, for example, in the China–Arab States Cooperation Forum (CASCF), the Forum on China–Africa Cooperation (FOCAC), the China–Community of Latin American and Caribbean States Forum (China–CELAC Forum), China–ASEAN dialogues, the SCO, China–Pacific Island dialogues, and many others. These are also connected to much wider, global-led initiatives led by China that also include the Global Development Initiative (GDI), which also have climate change as a pillar of cooperation (Zhou & Zha, 2023).

Trends and trajectory of Chinese climate finance

The above captured elements of China's position on climate finance, aggregate amounts, as well as modalities of Chinese financing. The pressing question, however, is what the future entails in the current geopolitical and developmental financing environment. While there are hopes, as well as concerns, that China will fill a gap, it is worth noting that in terms of aggregate amounts, data shows that from 2019 onwards, China's climate finance contributions have in fact been trending downwards. Prior to 2025, this trend was the reverse of that of other top donors, whose climate finance was trending upwards. For example, one analysis of Chinese climate finance finds that between 2017–2019, Chinese climate financing through public channels outstripped that of the US—in some cases nearly three to one; however, in 2021, the US reversed this picture. These trends can be directly correlated with the political cycles in the US; data from 2025 onwards is likely to show a precipitous decline in US spending. Moreover, the overall level of Chinese investments abroad also shrank in 2020 and 2021, due to the COVID-19 pandemic and domestic economic pressures within China.

These fluctuations may not necessarily represent long-term trends. However, they do reflect wider trends in development financing. These trends also reflect new principles at play in China's development financing. Namely, there has been a shift towards "small and beautiful" projects compared to previous orthodoxy that mainly emphasized large infrastructure projects. Reduction of scale reflects greater caution Chinese overseas actors are displaying with respect to granting concessional resources due to aforementioned pressures, but also greater focus on quality of projects and ensuring financial return. The FOCAC 2024 Beijing Action Plan has clarified that this shift applies specifically to development assistance projects as well, following the "small and beautiful" principle, with an emphasis on smaller-scale developmental assistance that supports local communities and livelihoods (CIDCA, 2025). About a third of recent Chinese climate projects have also provided non-financial support such as capacity building, training, technical cooperation, and in-kind donations (Cichoka & Mitchell, 2024). However, in some fora, Chinese financial pledges are, for instance, rebounding, for example to the Forum on China–Africa Cooperation in 2024 (Wu, 2024).

However, while aggregate amounts of climate finance have perhaps been decreasing, Chinese overseas investments are in general getting greener and more climate friendly. This is a wider trend in China's developmental finance which does seem irreversible. For example, much of China's overseas economic engagement with developing countries has come under the umbrella framework of the Belt and Road Initiative (BRI). China has since 2017 onwards made growing promises to make the BRI more climate and environmentally friendly. Green Investment Principles for the BRI were developed in 2017, with a growing number of Chinese stakeholders as signatories. But overall environmental, social, and governance safeguards have been accelerating since this period in response to growing local demands, government guidance, and international scrutiny. In fact, by 2021, nearly 60% of China's grant- and loan-financed infrastructure project portfolio in low- and middle-income countries had strong de jure environmental, social, and governance safeguards (Parks et al., 2023).

Moreover, the overseas commercial activities of China are highly significant for climate action, with implications for access to clean energy as well as to broader economic development for developing countries. In 2021, Xi Jinping also promised that China would not make any new overseas investments in coal-fired power plants. China has upheld that promise, although pre-planned coal projects still added 8 gigawatts (GW) between 2022–2023, with another 9 GW planned or in construction. The overall composition of Chinese overseas energy finance, according to China's Global Power Database, shows that Chinese foreign direct investment composition has been progressively shifting to green energy. Fossil fuel projects still represent more than half of the overall stock of Chinese overseas energy investments. However, by 2024, China's energy -related overseas engagement was the greenest yet, in terms of dollar amounts—which reached USD 11.8 billion of nearly USD 40 billion that year—as well as in proportional terms, at about 30% of its total energy engagements abroad. In 2024, China announced new regulations for both mandatory (for indexed companies) and voluntary sustainability information disclosures; these processes are setting the stage for more climate-related disclosures.

In 2024, Chinese companies committed USD 58 billion to building overseas manufacturing for new energy products. This represents how China's own economy is changing: 10% of its GDP was in these industries in 2024, and new energy has driven a quarter of its economic growth. While investments in clean energy technology are in part a result of market demand, they are also a result of geopolitical and geoeconomic pressures. Growing restrictions on Chinese clean energy technologies in OECD states means China is cultivating and capitalizing on alternative export markets. In some cases, this is also about circumventing trade barriers, for instance to avoid tariffs.

However, this also creates opportunities for other states who are also serving as alternative investment destinations where more manufacturing and value-add is actually captured, compared to simply importing Chinese clean energy technologies or finished products.

Wider implications and conclusion

China's footprint in climate financing is particularly important for maintaining progress in mitigating and addressing climate change at the global level. China undoubtedly helps fill gaps in climate financing and will remain a key player in this space. This is even more so the case now, with the US's withdrawal from the international aid system, including climate finance. These developments do bring to the fore important questions for OECD countries—including Sweden—about the political implications of China's more prominent role as a donor.The battle for influence in developing countries is much wider than simply the amount of climate financing that either China or traditional donors provide. But climate finance is an arena in which the geopolitical competition is playing out.

China's minilateral, regional, and bilateral forms of climate cooperation can be understood as extensions of a larger Chinese strategy to extend its global influence and have much broader-scale impacts on geopolitical competition between China and the West. Only a few years ago, Western states made a political point to provide counter offers to developing states to counter Chinese influence. Various initiatives in this regard included the G7's Partnership for Global Infrastructure and Investment, which aimed to mobilize funding for "climate-resilient infrastructure," as well as renewable energy projects. The EU's Global Gateway initiative, designed to be "mutually reinforcing" together with the Partnership for Global Infrastructure and Investment, has also expressed a commitment to infrastructure consistent with net-zero targets. Implicit competition with China, at least for a few short years, did seem to stimulate a "race to the top"—both in terms of the financing available and in terms of the environmental standards to which development projects were held.

As explored in Karl Hallding's chapter, there are important implications for economic security in addition to development that need to be considered. However, it is important to consider that trends in Chinese climate finance suggest that China is not ipso facto working at cross-purposes with the global development and climate finance agenda. With China's phasing out of new coal projects overseas, stricter internal and external compliance with ESG standards, as well as growing movement towards OECD-DAC guidelines, China's overseas footprint is improving in qualitative if not quantitative terms. As mentioned, a greater proportion of China's climate financing over recent years has also been channeled through multilateral institutions, to include traditional multilateral development banks. A continued trend in this direction will be particularly significant given the US, traditionally the largest donor to multilateral development banks, has pulled out of most if not all its commitments in this sphere. Hence, under current conditions, it is unclear—for those interested in furthering global public goods—whether "countering" is the right language and approach to China when it comes to climate action.

This convergence of China providing more climate finance through multilateral institutions is positive, but there is clearly room for progress in Chinese climate financing. Debt burdens in developing countries are presently unsustainable, and more concessional loans and grants are necessary within climate finance. Moreover, Chinese projects are often not linked to recipient countries' wider developmental and national climate strategies. However, the recent shift towards the "small and beautiful" concept can represent much more grounded and targeted types of developmental programs, locally focused on adaptation and resilience, in addition to the large-scale infrastructure and energy projects that China is known for.

As of yet, China's footprint in this arena does not seem to be fundamentally transformative, either in the climate development sector nor for the wider global order. Its insistence on maintaining developing country status within the UNFCCC framework, and on having no formal obligations for climate finance, mean that China is not quite ready to demonstrate global leadership in relation to climate finance. Recently declining amounts of climate finance also suggest that China will by no means serve as a replacement for flows from the Global North. That being said, trends do suggest that China should be engaged with and encouraged as a non-traditional donor and increasingly important actor in this space. Among the lower -hanging fruits for cooperation between China and traditional donors like Sweden is, for example, greater data transparency. More regularized and transparent reporting will support a more global framework for understanding as well as managing these flows, as well as for accountability. Cooperation and coordination between traditional donors and China will be particularly important, also, to jointly improve the frameworks, practices, and the common political will to continue to address climate change, including on behalf of the most globally vulnerable.

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