

Research on Development Status and Countermeasures of Carbon Sequestration Finance in Chinese Cigarette Manufacturing Industry

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Objectives: The purpose of this study is to put forward countermeasures for the development of carbon sequestration finance in China's tobacco industry. This paper mainly adopts the methods of literature review, induction and deduction, and data analysis to analyze the operating mechanism of Carbon sink finance in China and the current situation of carbon sink finance in China's tobacco industry. Carbon sinks the financial results of the study is the Chinese tobacco industry is carbon sequestration project development and high transaction costs low profits, the carbon trading market is not active carbon sink tobacco industry financial development, insurance products for carbon sinks such problems as insufficient financial support carbon sink financial development, China's carbon emissions need detailed and clear as soon as possible the tobacco manufacturing enterprises quota, carbon sequestration project cost reduce tobacco manufacturing industry, Improve the participation of market subjects including tobacco manufacturing enterprises in carbon sink trading market, construct the tobacco industry carbon sink industry chain, improve the corresponding carbon sink mechanism, and attract private capital to join the tobacco industry carbon sink financial project.

Key words: carbon sink; carbon sink trade; cigarette manufacturing industry; carbon financial

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INTRODUCTION

On September 22, 2020, the Chinese government proposed that China's carbon dioxide emissions will reach the peak before 2030, and strive to achieve carbon neutrality by 2060. The Measures for the Administration of Carbon Emission Trading (For Trial Implementation) was deliberated and adopted at the Ministerial meeting of the Ministry of Ecology and Environment on December 25, 2020, and will come into force on February 1, 2021. To achieve

the goal of "carbon peak and carbon neutral" in China, it is necessary to regulate carbon sink trading, which needs the support of carbon sink finance. The development of carbon sequestration finance in tobacco industry is an important part of China's carbon sequestration finance system.

In order to achieve the goal of "carbon peak and carbon neutral" proposed by China, the carbon emissions of cigarette manufacturing enterprises should be significantly reduced. Therefore, the digital transformation of Cigarette manufacturing enterprises in China should be carried out, and the digital

transformation needs a lot of capital. These funds only rely on cigarette manufacturing enterprises themselves are often difficult to solve. Carbon sequestration finance can accelerate the digital transformation of Chinese cigarette manufacturing enterprises. Therefore, it is particularly necessary and important to develop carbon sink finance in China's cigarette manufacturing industry. In addition, tobacco cultivation also has a certain adsorption capacity of carbon dioxide, so it is necessary to maintain a certain scale of tobacco cultivation to supply cigarette manufacturing industry.

Literature review

The current research on carbon sink mainly focuses on forestry carbon sink, so there are many discussions on forestry carbon sink finance. Huang Lingyun studied the evolution of forestry finance at home and abroad in the past 30 years, and believed that by the beginning of the 21st century, forestry carbon sequestration project had become one of the international research hotspots and forestry financial products such as CDM, REDD and PES came into being¹. After 2010, forestry finance on collective forest rights reform has become one of the focuses of research, including forest insurance, forest rights mortgage loan and related forestry finance and financial innovation. Charnley believe that low carbon price, high cost of market access, financing difficulties, and uncertainty in market access of market subjects limit the participation of forest owners in the carbon sink market². Huang Zaisheng proposed that BOT and TOT financing modes should be incorporated into the financing mechanism of forestry carbon sequestration³. Aglietta believe that investors can adopt a carbon-based monetary instrument for investment activities, which is equivalent to the central bank purchasing carbon emission reduction services at a politically recognized reasonable price⁴. Deng Huifang proposed three financing channels for forest carbon sink projects, including forest carbon sink mortgage loan, forest carbon sink bond and forest carbon sink lottery⁵. Kimura eta believe that public financing is relatively tight, while private financing invests more in other projects with high returns,

resulting in relatively difficult low-carbon financing⁶. NGTH evaluated three fixed income instruments, namely local currency denominated (LCY) corporate bonds, asset-backed bonds and green finance bonds, and found that they could mobilize large-scale private financing⁷. Polzin proposed that in order to accelerate the commercialization of clean technologies, financial and potential technical, institutional, political, economic, and institutional barriers affecting finance need to be addressed⁸. Li Dong proposed the timely launch of carbon financial derivatives to enrich the levels of the carbon trading market⁹. Sun Mingjun proposed the establishment of a carbon bank to replace the carbon sequestration system and deal with carbon sinks in the same way that financial institutions deal with capital¹⁰. Wang Hua proposed that financing for common forest carbon sequestration can be carried out through direct government investment, financial financing, enterprise financing or financial institution financing¹¹. Zhang Weiwei proposed that banks and other financial institutions should actively carry out innovations in carbon sequestration financial instruments, such as increasing carbon sequestration income mortgage loans, creating carbon sequestration mortgage securitization products, and improving the liquidity of carbon sequestration assets¹². Hu Yuan put forward that residents and enterprises can be encouraged to effectively transform their savings and financing capacity into investment capacity, and fully rely on carbon sequestration afforestation projects to promote the sustainable development of local economy¹³. Zhang Yan proposed that financial institutions should be encouraged to launch forestry carbon sink fund, forestry carbon sink right pledge loan, carbon sink bond, carbon sink futures trading, carbon sink financial derivatives and financial innovation, so as to make Hainan a gathering place of international forestry carbon sink finance¹⁴. In addition, Wu Jiaxin proposed in-depth study of agricultural carbon finance, timely launch of carbon emission derivative trading, focusing on how to use diversified financial instruments to promote agricultural production, use agricultural carbon financial market to form new economic growth points and provide rural employment opportunities¹⁵.

By the known about carbon finance, some scholars put forward the financial innovation carbon sink, some patterns of carbon finance, such as carbon

sequestration right of pledge loans, issuance of carbon sink bonds, build carbon stock index and so on has carried on the preliminary discussion, however, how to combine the concrete industry use the carbon sink financial models, as well as and the carbon sink of financial innovation, this paper is not comprehensive. Based on the current situation of carbon sequestration finance in China, this paper analyzes the current situation of carbon sequestration finance in China's tobacco industry and puts forward corresponding countermeasures.

The meaning of carbon sink trading and carbon sink finance

Meaning of carbon sink. In the process of human development and progress, the emission of carbon dioxide is also increasing, and the resulting greenhouse effect will make the average temperature of the earth rise. Studies show that if the global temperature rise exceeds 1.5°C-2°C, it may lead to natural disasters such as continuous high temperature in many places, frequent mountain fires, increased pest and disease, rising sea level, flood and food shortage, which will harm the balance of natural ecosystems and human survival. To this end, in October 2018, the United Nations Intergovernmental Panel on Climate Change (IPCC) issued a report, calling on countries to take joint actions to keep the global temperature rise within 1.5°C. To reduce carbon dioxide emissions, we should control "carbon sources", which are the sources of greenhouse gases such as carbon dioxide that are released into the atmosphere. At the same time, increase the earth's own capacity to absorb carbon dioxide, known as the "carbon sink." According to the United Nations Framework Convention on Climate Change, "carbon sink" is defined as follows: it refers to the process, activity or mechanism of reducing the concentration of greenhouse gases in the atmosphere by absorbing carbon dioxide in the atmosphere through afforestation, vegetation restoration and other measures. The carbon sink can be divided into forestry carbon sink, cultivated land carbon sink, grassland carbon sink, soil carbon sink and Marine carbon sink according to the same carbon absorption and

sequestration carrier. Forestry carbon sequestration is the most important and effective one. Statistics show that although forest area only accounts for 1/3 of the total land area, the carbon storage of forest vegetation area accounts for almost 50% of the total land carbon pool.

Implications of carbon sink trading. In view of the importance of carbon sinks to human survival and the nature of their own scarcity, carbon sinks have value. Carbon sinks are tradable because of the uneven development across the world and the total amount of carbon dioxide emissions cannot increase after reaching a certain peak in the future. When the trading conditions such as trading platform and trading mechanism are available, carbon sink trading has the possibility of actual trading. Therefore, carbon sink trading is a virtual transaction created based on the provisions of the United Nations Framework Convention on Climate Change and the Kyoto Protocol on the allocation of carbon dioxide emission quotas among countries. It is a trade in which countries sell surplus carbon quotas to countries in need by reducing emissions or absorbing carbon dioxide, in order to offset their emissions cuts. Under normal circumstances, developed countries can invest in afforestation in developing countries to increase carbon sinks, offset carbon emissions, and thus reduce the total carbon emissions of developed countries. This is an effective way to realize forest ecological value compensation through market mechanism. In fact, carbon sink trading not only exists between countries, but also between different regions and different subjects in a country with the establishment of carbon sink trading platform. With relatively perfect trading products and trading mechanism, carbon sink trading is relatively independent of its basic relationship. The total amount of carbon emission trading quota can be allocated to relevant market players from the national level. For enterprises that actually exceed the quota, they can buy the quota in the carbon emission trading market. Companies that save their quotas can sell them in the carbon trading market. Is still not form a unified international carbon trading market, more prominent with the Clean Development Mechanism (CDM,), the Eu's carbon emissions trading system(ETS)and China Certified Emission Reduction (CCER).Generally speaking, there are two main ways of carbon sink trading. One

is trading. After the project is issued with emission reduction, it will be formally traded and delivered on the carbon exchange. The second is pre-sale. After the project is registered, the buyer and the seller can sign a subscription agreement and pay the advance payment. After that, the owner will deliver the certified emission reduction to the buyer whenever the project is issued with emission reduction. There are three main types of forest carbon sequestration projects in China :One is forest carbon sequestration projects under CDM; Two is forest carbon sequestration projects under CCER, including Beijing Certified Emission Reduction Trade (BCER), Fujian Certified Emission Reduction Project (FFCER) and Provincial Forest GSP Certified Emission Reduction Project (PHCER);Three is other resource projects, including forestry Voluntary Carbon Emission Reduction Standard (VCS) project, non-provincial forestry PHCER project, Guizhou Single Plant Carbon Sink Poverty Alleviation Project, etc.

Implications of carbon sink finance. As the current carbon sink trading market is underdeveloped and imperfect, and carbon sink project construction cycle is long and investment risk is high, market subjects are not keen to invest in it. However, the realization of emission reduction targets and the development of green economy need a lot of financial support, and the support of carbon sink finance is urgently needed. Innovative carbon sequestration financial products can guide capital allocation to the carbon sequestration industry and solve its financing bottleneck. Therefore, carbon sequestration finance can be understood as financing behavior to support carbon sequestration trading and promote the development of carbon sequestration projects. Carbon sequestration finance is the derivative of carbon sequestration trading, and the derivative of carbon sequestration finance will be traded in the carbon exchange market. Besides the traditional financing function, carbon sink finance also supports the development of physical carbon sink projects, which belongs to the

category of green finance. The profit model of carbon sink finance is diversified, and profits can be made from loan interest, future options, carbon sink projects and carbon sink transactions. The development and prosperity of carbon sink trading cannot be separated from the support of carbon sink finance. In a sense, the products traded in carbon sinks are mainly financial products. Carbon sink finance needs to expand with the help of carbon sink trading market. In the early stage of carbon sequestration trading, the development of carbon sequestration finance cannot do without the support of the government.

Development status of Carbon sequestration finance in China

Up to now, 24 carbon trading systems have been established in the world, and 22 countries and regions are considering or actively developing carbon trading systems. The first CDM project started in China was the Huiteng Xile Wind Farm development project in Inner Mongolia in 2002, which was successfully registered with the United Nations CDM Executive Board (EB) in 2005. As of January 31, 2020, registered projects in China are expected to generate 596,115,179 tonnes of certified co2 equivalent emissions, accounting for 59.2% of the global total. The development of China's carbon sequestration projects cannot be separated from the support of carbon sequestration finance.

First, the establishment of carbon emission pilot trading system provides a platform for carbon sink finance. In 2011, Pilot programs were established in Shenzhen, Beijing, Shanghai, Tianjin, Guangdong, Hubei and Chongqing, and spot trading of carbon quota was initially started. In 2016, carbon sink financial derivatives trading began to develop. In 2017, China's unified carbon market was officially launched. In 2020, the number of pilot carbon sink trading regions in China will increase to 9. Sichuan province and Fujian Province have established pilot carbon emission trading systems. In 2021, China set up carbon sink registration and trading centers in Wuhan and Shanghai respectively. China's carbon emission trading market officially launched online trading on July 16, 2021. The trading volume on the first day was 4.104 million tons, with a turnover of 210, 2301 million yuan, and the average transaction price was 51.23 yuan per ton. At present, spot trading plays a dominant role in the carbon sink trading

market, and the main products of China's carbon sink finance pilot market are CCER-based project emission reduction and carbon emission quota trading.

Secondly, the establishment of the Green Carbon Sink Foundation promotes the development of carbon sink finance. China green carbon fund approved by the State Council in 2010 was registered, then set up a carbon sink in Heilongjiang province special fund special fund, Guangyuan carbon sink, carbon fund in Wenzhou, Zhejiang carbon fund Yinzhou special, such as carbon sinks funds for including government, market main body, the social public, agency provides financial support to participate in the carbon sink project.

Thirdly, financial institutions are directly involved in carbon sink finance. At present, there are two main ways for financial institutions to participate in carbon sequestration finance: one is to connect green finance bonds with carbon sequestration projects. In January 2016, Industrial Bank of China issued the first green financial bond of a domestic financial institution in the inter-bank market. The funds raised are mainly for low-carbon economy, circular economy and ecological economy, and are used

for green finance bond support projects in the fields of industrial energy conservation, pollution prevention and control, clean transportation, clean energy and resource recycling. The second is to promote the development of carbon finance through asset securitization. China Securities Regulatory

Commission actively supports and encourages projects related to green environmental protection industry, and proposes to finance development through asset securitization. For cash inflows included in the central financial subsidies for renewable energy power generation, energy conservation and emission reduction technology innovation, clean energy use, new energy vehicles and supporting facilities construction, green energy-saving buildings in areas such as project cash flow from standard issued by the central government in accordance with the unified state policy subsidies part, can be incorporated into the fundamental asset securitization. China Securities Regulatory Commission (CSRC) issued the Regulatory Q&A on Asset Securitization in May 2016 to further provide policy guidance for the asset securitization business of green environmental protection industry, covering government purchase services, PPP projects, single trust earnings rights, financing lease creditor's rights, etc.

Table 1 China's Main carbon sink lending data sheet for July and August 2021					
PERIOD	LOAN UNIT	FINANCIAL INSTITUTION	LOAN AMOUNT	ASSURE MEANS	SINK PROJECT
In July 2021	Zhejiang Chunhui Environmental Protection Energy Co., LTD	Agricultural Bank of China Zhejiang Branch	10 million yuan	CEA mortgage	environmental protection projects
In July 2021	Lanxi GCL environmental Protection Thermal Power Co., LTD	Jinhua Bank	10 million yuan	CEA pledge	electric power project
In July 2021	An environmental protection energy company in Zhejiang Province	Xing Ye Bank Hangzhou Branch	10 million yuan	CEA pledge	energy project
In July 2021	Shandong Xuguo Energy Co. LTD	Ri Zhao Bank	30 million yuan	pledge of carbon emission rights	energy project
In July 2021	A forest farm in Anji	Anji Rural Commercial Bank Bao Fu Branch	370000 yuan	Bamboo forest carbon sink pledge	bamboo project
In August	Hubei Sanning	Agricultural Bank of	10 million	pledge of	environmental

2021	Chemical Co. LTD	China hubei Branch	yuan	carbon emission rights	protection project
In August 2021	Tianjin Dagu Chemical Co. LTD	Icbc Tianjin Branch	10 million yuan	CEA mortgage	environmental protection project
In August 2021	Datang Group corporation belongs to qitaihe power plant	Multiple financial institutions	40 million yuan	Loans secured by carbon emission rights	energy project
In August 2021	A thermal power co. LTD in Weihai city	Rizhao Bank Weihai Branch	9.9 million yuan	CEA pledge	energy project
In August 2021	Fujian Huadian Yong'an Power Generation Co. LTD	Sanming Branch of Xing Ye Bank	10 million yuan	CEA pledge	energy project
In August 2021	A power generation limited liability company in Hebei province.	Zhong Xin Bank Shijiazhuang Branch	20 million yuan	CEA pledge	energy project
In August 2021	Longyou Wangnong Organic Fertilizer Co., LTD	Wenzhou Bank Longyou Branch	2 million yuan	Carbon enhanced credit" loans	Agricultural project

Note.
CEA:Carbon emission quota.

Fourthly, the model of carbon sink right mortgage or pledge loan has been explored and formed. In the first half of 2021, China invested 6.79 trillion yuan and 2.58 trillion yuan in direct and indirect carbon reduction projects. In July and August 2021, about 160 million yuan of loans were mortgaged or pledged with carbon sink rights (Table 1).

Fifth, the model of "insurance + carbon sink loan" has been initially formed. Is common because of forestry carbon sequestration projects issued the implementation cycle is long, the ecology value difficult problems, such as insurer joint societal generate equity trading center, channel created "forestry carbon sink pledge + long-term carbon sink financing + forestry insurance" green new financial model, the pledge of forest insurance and the carbon sink, carbon sink financing to carry on the organic fusion, the carbon emission rights into economic value, It provides a new way to realize the value of ecological products.

Development characteristics of Cigarette manufacturing industry in China

China has more than 300 million smokers and a huge tobacco manufacturing industry. In 2020, China will produce about 2.3 trillion cigarettes, and the profit and tax revenue of China's tobacco industry will reach 12,037 trillion yuan,

accounting for 1.184% of GDP. China's cigarette manufacturing industry has three significant characteristics: first, the modernization of process manufacturing is the main feature of the overall tobacco production process. Continuous production for a long time is required in the specific production process, and the corresponding factory needs to carry out effective process processing of the overall raw materials, which has been modernized. The modernization of process manufacturing enables raw materials through various physical reactions and chemical reactions to meet customer needs. The production process of overall inspection is highly complex and has high precision control. Second, we need to make production and management more intelligent. In the final analysis, the improvement of intelligent production and management level of Chinese tobacco enterprises is digital transformation. Digital transformation is an all-round systematic work. The first is the internationalization of production. Through internationalization, lean production can be realized, but more importantly, carbon emission can be reduced. The second is the digitization of management, which needs to be value-benefit oriented, data-driven, platform based and mechanism guaranteed to establish a digital management system to reduce costs and improve efficiency through digital management. Third,

scientific decision-making. The digital transformation of tobacco enterprises makes the analysis of enterprise production and operation, market situation and customer management more quantitative and accurate, thus reducing the risk of decision-making and improving the scientific decision-making.

Current situation of carbon sequestration finance development in Cigarette manufacturing industry in China

Although the transformation and upgrading of China's cigarette manufacturing industry needs the support of carbon sink finance, the current development status of China's cigarette manufacturing industry carbon sink finance is not optimistic.

One is that carbon sink project development and transaction costs are high and returns are low. On the one hand, from design to transaction, they usually have to go through eight processes including design, approval and registration. Multiple processes lead to a long development cycle and increase corresponding costs. Project implementation and management, on the other hand, the high cost, project of carbon sequestration of monitoring in each certified takes about 10 to 200000 yuan, the pre-production project design document (PDD), to carry out the carbon sink verification (DOE) about 1.5 million yuan, the intermediary institution to evaluate the transaction price of fees as high as 40% of evaluating price, but the carbon sink market price is not high, In 2020, the average carbon sink transaction price of Beijing Environment Exchange and Guangzhou Carbon Emission Exchange is 47.61 yuan/ton and 37.78 yuan/ton respectively. The high cost and low return of carbon sink project development and transaction make financial institutions less willing to invest, and carbon sink financing mainly relies on government promotion and financial guarantee. Although most of China's tobacco manufacturing enterprises are state-owned enterprises, carbon sequestration finance needs their own property mortgage and lacks the guarantee of government finance, so it develops slowly.

The second is the inactive carbon sink trading market restricts the development of carbon sink

finance. China's Measures for the Administration of Carbon Emission Trading (Trial Implementation) clearly stipulates that the products traded in the carbon emission trading market are carbon emission quotas, and the Ministry of Ecology and Environment may add other products to the market in accordance with relevant state regulations. Due to the carbon trading market products is single, mainly carbon enterprise directly buy carbon sink to carbon production enterprises, to offset carbon emissions targets, and by buying carbon sinks, generally will not be sold, the lack of effective secondary market transactions, make carbon sink more reflects the goods in the market rather than securities attribute. This makes the carbon sink market inactive and difficult to attract large amounts of capital. Since the carbon emission index of each large tobacco manufacturing enterprise has not been fully quantified in China, the enthusiasm of tobacco manufacturing enterprises to create carbon sink trading products is not high, thus affecting the development of carbon sink finance.

The third is the insufficient support of insurance products to carbon sink finance restricts the development of carbon sink finance. As is known to all, the carbon sequestration project of tobacco manufacturing enterprises is faced with many risks, such as the risk of technological research and development failure, the risk of blocked digital transformation, the risk of national policy influence, etc. If all these risks are borne by enterprises, they will greatly increase the operating costs of enterprises, and insurance institutions need to participate in resolving risks. Only with the participation of carbon sink insurance can the worries of carbon sink finance be removed. However, China lacks sufficient legal provisions and policy support for carbon sink insurance, and it is difficult to guarantee the organic integration of the insurance industry with carbon sink projects and carbon sink finance only by relying on the social responsibility and market behavior of insurance companies.

Countermeasures for the development of China cigarette manufacturing industry carbon sink finance

Combined with the overall situation of carbon sink finance development in China and the actual situation of carbon sink finance development in tobacco manufacturing industry, in order to achieve the goal of "carbon peak and carbon neutral" proposed by China, the following countermeasures are proposed.

One is to refine and clarify the carbon emission quota of tobacco manufacturing enterprises as soon as possible. Currently, tobacco manufacturers in China do not know their current carbon emission quotas or targets to be reached by 2030. The lack of carbon emission quota makes tobacco manufacturing enterprises have low enthusiasm to promote carbon sequestration finance and create carbon sequestration financial products, thus affecting the development of carbon sequestration finance in tobacco manufacturing industry and the upgrading of digitization process of tobacco manufacturing enterprises.

The second is to reduce the cost of all carbon sequestration projects, including those for tobacco manufacturers. In the early stage of the carbon sink market, government support and regulation should be strengthened. For example, the carbon sink project link can be simplified, the evaluation fee standard of intermediaries can be standardized, and the carbon sink right pledge loan process should be optimized. Under normal circumstances, financial institutions have 7 basic loan links, which can be simplified into 4 links of "pre-lending survey, carbon sink income assessment, loan review, and loan placement". The carbon sink income assessment is mainly based on the amount of carbon sequestration and future carbon Foreign exchange income and production and operation income, etc. At the same time, the interest rate of carbon sequestration financial loan will be lowered, and support for carbon sequestration projects of tobacco manufacturing enterprises will be increased.

The third is to activate the carbon sink trading market. In order to change the current single product situation in the carbon sink trading market,

it is necessary to vigorously cultivate carbon sink-related financial derivatives, such as funds and wealth management products, bonds, etc. These financial derivatives can not only diversify and transfer transaction risks, but also stabilize carbon sink prices, To improve the participation of market subjects including tobacco manufacturing enterprises in carbon sink trading market, so as to activate the carbon sink trading market. In fact, tobacco manufacturing enterprises have strong strength, and the development of carbon sink finance in tobacco manufacturing industry can also effectively promote the prosperity of carbon sink trading market.

The fourth is to improve the carbon sink insurance system. As a financial product of risk sharing, insurance can effectively solve the risk problems faced by carbon sink finance in tobacco manufacturing industry. Therefore, the corresponding insurance system should be improved, insurance companies should be urged to expand the scope of factoring, actively explore new insurance products, and carbon sink financial projects in tobacco manufacturing industry should be included in insurance. Further promote the integration of insurance companies and financial institutions, and form carbon sink financial portfolio products to share risks and benefits.

The fifth is to build the tobacco industry carbon sink industry chain. Although the ecological value and green value of the carbon sink industry are significant, the short-term economic value is not high, resulting in low enthusiasm for market participants to participate, financial institutions are not willing to support the carbon sink industry, and the role of carbon sink finance is insufficient. To change this status quo, it is necessary to build a green ecological industry chain based on carbon sink projects and increase the level of revenue from carbon sink projects. The tobacco industry can form an industrial chain with the tobacco leaf planting industry, so that financial institutions can evaluate the industry chain as a whole, so as to increase the financing capacity of carbon sink enterprises and enhance the function of carbon sink finance.

Sixth, improve the related carbon sink mechanism. The mechanisms related to carbon sinks mainly include ecological product value realization mechanism, promotion of market-oriented carbon emission rights trading mechanism, promotion of industrial green transformation mechanism, and establishment of a green development policy system. The improvement of the above mechanisms can greatly enhance the value of carbon sink projects in the tobacco industry and increase the attractiveness of financial support for carbon sink in the tobacco industry.

Seventh, private capital can be absorbed into the tobacco industry carbon sequestration financial project. In order to develop the tobacco industry carbon sequestration finance project, the qualified tobacco enterprises can take PPP, BOT, private equity and other ways to attract private capital to participate in it, so as to open up more carbon sequestration finance channels and alleviate the problem of insufficient funds for the development of tobacco enterprises.

CONCLUSION

Carbon sink projects, carbon sink trading, and carbon sink finance constitute my country's carbon sink industry network. Carbon sink trading uses carbon sink projects as the carrier, the carbon sink market is dominated by carbon sink financial products, and carbon sink projects need the support of carbon sink finance. Carbon sequestration finance in tobacco industry is one of the key areas to be developed urgently in China. It can not only promote the digital transformation process of tobacco enterprises, but also effectively promote the development of carbon sequestration finance in China, and ensure the realization of "carbon peak and carbon neutrality" in China.

Conflicts of Interest Disclosure Statement

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