

CCICED 2012 Work Report

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As a high-level policy advisory institution in the field of environment and development, the China Council for International Cooperation on Environment and Development (CCICED or the Council) has received considerable attention and strong support from the Chinese Government over the past two decades. Senior Chinese leaders have attended CCICED Annual General Meetings (AGMs) and met with International Members 45 times. Premier Wen Jiabao has taken part in CCICED AGMs for 15 consecutive years since 1998, and has spoken highly of CCICED. He said: **“The strong vitality of CCICED lies in its focus on an eternal theme - sustainable development. CCICED is a platform, its importance not only reflected by the environmental cooperation between China and other countries, but also by China’s influence on environment and development globally. CCICED will continue and become better and better.”** In his opening speech at the CCICED 2011 AGM, Vice Premier Li Keqiang also spoke highly of CCICED activities and expressed his expectations for CCICED Phase V. He said: **“CCICED has been engaged in China’s environment and development over a long period of time, and has carried out a great number of fruitful activities. Many policy recommendations by CCICED have been adopted by the Chinese Government and have achieved positive results, which has contributed to China’s sustainable development. I hope that the new phase of CCICED will continue to take full advantage of the wisdom and vision of its experts, actively introduce advanced ideas and international practices, carry out in-depth studies on key issues based on China’s current and future needs in environment and development, and make its contribution to China’s transformative development.”**

In 2012, the global economy was still reflecting the impact of the financial crisis and was fragile and sensitive, which slowed momentum in global sustainable development. Although the United Nations Conference on Sustainable Development was a significant development in enhancing people’s understanding of environment and development issues, sustainable development still lacks strong commitment and cooperative action from the international community. The environment and development process is facing unprecedented challenges. Under the background of a

global economic slowdown, China's economic growth is facing continuous decline, and its "maintaining a steady growth" strategy has increased pressure on environmental protection. Facing this complex and grave situation, the Chinese Government has coordinated its plans for tackling environmental issues both at home and abroad, actively taking part in international cooperation and governance in environment and development, firmly promoting the development of ecological civilization as a national strategy, and actively facilitating the green transformation of its economic development mode. Based on the new situation, tasks, and requirements that China faces, the Government has taken a series of strategic measures. In particular, environmental protection has been strategically embodied in development, and embodied development environmental protection and China has actively explored a new path to environmental protection that is low in cost, high in benefits, low in emissions and sustainable in development.

CCICED entered its Phase V in 2012, and has conducted its work based on the objectives, tasks and policy research directions identified in CCICED Phase V's mandate. Under the strong leadership of the Bureau and with the support of Chinese and international partners, CCICED has successfully completed its work this year and has met expected objectives. Some areas of progress in 2012 are the following:

I. The Success of CCICED Rio + 20 Side Event highlighting the role of CCICED as a high-level international platform for dialogue on environment and development policy.

CCICED held a Side Event at the United National Conference on Sustainable Development (Rio + 20) in Rio de Janeiro, Brazil on June 21, 2012 with the theme "Rio + 20, CCICED at 20". Mr. Wen Jiabao, Member of the Standing Committee of the CCCPC Political Bureau and Premier of the State Council, chaired the meeting and exchanged his views with participants on relevant issues related to sustainable development in China and the world.

The CCICED Rio + 20 Side Event was CCICED's first overseas event and its success is reflected in the following six aspects:

1. CCICED Rio + 20 Side Event was the only high-level Chinese interactive side event attended by a State Leader during the United Nations Conference on Sustainable Development. The attendance of Premier Wen and the warm and candid discussion between Premier Wen and international participants demonstrated the strong support on the part of the Chinese Government and Premier Wen Jiabao for CCICED. It further demonstrated the important role and significance of CCICED as a

unique high-level international policy platform for dialogue on China's environment and development.

2. The side event attracted considerable attention from Chinese and international stakeholders. The participants in the side event were of senior rank and from a wide range of areas. The Chinese participants included 13 ministry leaders from the Ministry of Environmental Protection, Ministry of Foreign Affairs, NDRC, Ministry of Finance, Ministry of Agriculture, Ministry of Commerce and the Research Office of the State Council. International participants included heads of such international institutions and organizations as UNEP, WWF, World Business Council for Sustainable Development and ADB, as well as 12 ministry-level officials from Germany, Italy, Denmark, the Netherlands, Australia, Sweden, Japan and the United States. A total of 16 Chinese and international Council Members attended the meeting.

3. The Side Event covered a wide range of topics, including significant challenges facing China, understanding of the world situation, matters related to China in its external relationships, and the value of CCICED and possibilities for applying this model of international cooperation elsewhere. Some international participants commented that, through his answers and statements, Premier Wen Jiabao demonstrated his personal as well as the Chinese government's commitment to enhancing the relationship between environment and development and China's commitment to sustainable development. The recognition of the commitment and achievements made by China at the Rio + 20 side event may be seen as a turning point and demonstrated that China can be a source for new ideas, technology and experience in environment and development.

4. The appreciation and full affirmation given by Premier Wen Jiabao to CCICED have greatly strengthened the confidence of Council Members, donors and partners and their willingness to support the long-term development of CCICED.

5. The Side Event received active media attention. CCTV evening news aired a 3-minute program on the meeting. All major newspapers and network media in China reprinted in full the speech by Premier Wen Jiabao.

6. CCICED used in this case a large international conference as a platform for sharing CCICED experience and achievements over the Council's past 20 years, as well as for expanding the understanding of international communities about CCICED and for further enhancing CCICED influence internationally.

II. Implementation of CCICED Phase V activities

In 2012, all activities planned for the first year of CCICED Phase V were launched effectively and made substantial progress thanks to the strong support of the Chinese Government, active promotion of Ministry of Environmental Protection and close cooperation of CCICED's major donors and partners. They included the following:

(I) Nomination of the Members for CCICED Phase V

Twenty years of evolution and growth has enhanced CCICED's role as a high-level mechanism for dialogue and cooperation on environment and development policies between China and the international community, engaging the highest level of government and exerting considerable influence on policies on environment and development. Its achievements are inseparable from the prominent role played by Chinese and international Members. As one of the important activities of the new phase of CCICED, the nomination and appointment of the Council's membership have been completed after consultation with many stakeholders. There are 57 Members in CCICED Phase V, 32 Chinese Members and 25 International Members.

The Council's Phase V membership comprises approximately 50% new Members. In comparison to that of Phase IV, Phase V membership has the following three major characteristics: First, diversification in areas of expertise was accomplished by including members with backgrounds in such areas as energy, resources, environment, ecology, society, economy, finance, law, macro policy, regional development, and academia. Second, a balance was struck between regions and countries by including representatives from major developed countries and economies, developing countries, emerging economies, international organizations and institutions, as well as NGOs and enterprises. Third, an age balance was achieved by including younger Members.

(II) Completion of the draft Charter for CCICED Phase V and supplementary provisions

The draft Charter for CCICED Phase V and its supplementary provisions has been compiled and improved after communication and consultation with major donors and partners of CCICED and after internal procedures were completed on the Chinese side, to prepare for its review and adoption at the first AGM of CCICED Phase V in December 2012.

The CCICED Phase V Charter has two major characteristics. First, it inherits the objectives, tasks, organizational structure and operational mechanisms identified for

Phase IV. Second, it makes necessary changes and improvements based on the changing domestic and international situation and includes more attention to the interaction and implications of environment and development issues both in China and globally; provides for policy recommendations to the Chinese Government that focus on more active participation in global environment and development processes; further enhances the organization and management of policy research projects in order to strengthen the influence and relevance of CCICED policy recommendations; includes a provision for conducting policy demonstration projects to improve the workability and feasibility of policy recommendations; expands activities to publicize the findings of CCICED to Chinese and international stakeholders through various channels and methods; and strengthens capacity building of the Chief Advisors and their supporting group as well as the Secretariat and improves the overall management and operation of CCICED.

(III) Identification of priority areas for policy research in CCICED Phase V

Policy research and policy recommendations to the Chinese Government on environment and development are basic activities and the core mandate of CCICED. Understanding its position and historic mission, CCICED's new phase will identify guidelines, objectives and tasks for policy studies; place China's economic and social development stage in the context of current conditions as well as past experience; give priority to the "12th Five-Year Plan" while looking forward to the "13th Five-Year Plan"; aim at the achievement of a comprehensive *Xiaokang* society by 2020; focus on the development of ecological civilization and achievement of a resource-saving and environment-friendly society; carry out studies on difficult and key environment and development issues at the macro, medium and micro levels; and put forward far-sighted, strategic, and feasible policy recommendations to the Chinese Government. In the next five years, CCICED will concentrate on topics such as regional balance and green development, environmental and social issues in the process of green transformation, management and policy innovation for green development and China's role in global green development as priority areas for policy research. Its work will not only serve China's green transformation and social progress, but also contribute to global sustainable development.

(IV) Fund raising for CCICED Phase V has obtained expected achievement

Through various forms of communication and consultations over the past year, CCICED Phase V has secured financial and intellectual support from a wide range of Chinese and international stakeholders. In order for CCICED to play an even more

significant role, the Chinese government has doubled its financial support to Phase V compared to its Phase IV contribution. Some major donors have also increased their financial support to CCICED. To date, approximately \$24 million in operational funds are in place.

It should be noted that CCICED's cooperation framework has gradually changed from development assistance to bilateral environmental cooperation. Major donors to CCICED, including Canada, Sweden and Germany have confirmed that they have shifted their CCICED support programs from bilateral development aid to bilateral environmental cooperation. This has put CCICED's long-term development on a more solid foundation.

III. Relevant Policy Research

In 2012, CCICED launched a series of policy research projects focused on the theme of Regional Balance and Green Development, in preparation for the 2012 AGM and the preparation of policy recommendations for the Chinese government.

1. Completing policy research on schedule

The CCICED has completed the following two task forces and three special policy research projects in 2012; their research findings will be presented to the 2012 AGM:

(1) Task Force on Policy Mechanism Towards Environmental Targets for "12th Five-Year Plan" (2011-2012)

(2) Task Force on Strategy and Policies on Environment and Development in Western China (2011-2012)

(3) Environmental Strategy and Measures for Transformation of Development Mode in Eastern China (2012)

(4) Regional Air Quality Integrated Control System Research (2012)

(5) China's Marine Environmental Management Mechanism Based on the Case Study of the Oil Spill Incident in the Bohai Sea (2012).

Meanwhile, the following two new task forces were established following approval by the Council's 2011 Bureau Meeting and AGM. They will report their findings at the 2013 AGM.

(1) Environmental Protection and Social Development (2012-2013)

(2) Consumption and Green Development (2012-2013)

2. Important role of Council Members and donors in policy research

Four Chinese and International Council Members have served as co-chairs of research projects, contributing considerable time, energy and wisdom through direction involvement in and coordination of research, field trips, information exchanges and workshops leading to high quality reports. The financial and expertise contribution from CCICED donors and partners to the research has played an important supporting role.

3. Strategic ‘Salon’ held in success

CCICED Strategic ‘Salon’ is an innovation for policy research in Phase V. It aims to establish a new platform to provide new instruments and explore new pathways for enhancing the study of major issues. A group of senior experts will be gathered for brainstorming on research topics from a multidisciplinary perspective and through a combination of theory and practice. They will focus on current difficult and key issues in the field of environment and development in order to make the Council’s policy recommendations more forward-looking and strategic. According to the Council’s 2012 work plan and with careful arrangement, the first CCICED Strategic ‘Salon’ was held in October. The meeting attracted a number of renowned Chinese experts and scholars in economics, sociology and environment, whose information, analysis, views and suggestions will serve an active role in enriching and expanding the Council’s policy research. The ‘Salon’ has also helped extend CCICED’s influence in related fields in China. It will continue as a ‘branded’ institutionalized activity and will inject new vitality into the Council’s policy research.

IV. Operation and Management of the Council

Over the past year the Council has made a number of improvements in its operation and management that have contributed to its successful implementation of its work.

1. Chief Advisors and the Supporting Experts Group

CCICED Phase V will continue to use the established work mechanism engaging the Chief Advisors and their supporting expert group, for, among other duties, providing direct support to the Council’s policy research. To strengthen the functions

of the Chief Advisors in Phase V, an assistant to the Chinese Chief Advisor has been appointed, and an international expert and a domestic expert have been added to the supporting expert group.

The work mechanism for Chief Advisors has worked well in the course of the year. They have played a more prominent role in advising the Secretary General on policy research, which has been instrumental in securing the smooth progress of the Council's work. Their main activities include the followings:

(1) Strengthening guidance on policy research

The Chief Advisors provided comprehensive advice to the Secretary General on Task Forces and other policy research projects and provided advice, guidance and assistance to the policy research teams. Various mechanisms ensure effective communication between Chief Advisors and the TFs. The newly revised "*Work Mechanism for CCICED Chief Advisors*" specifies detailed tasks for the Chief Advisors. They include drafting the project concept paper, examining and approving work programs, and reviewing mid-term research findings and final reports, all of which will help improve the quality of research reports.

(2) Cooperating with the Secretariat to carry out various tasks

Joint Meetings of CCICED Secretariat and Chief Advisors were held five times in 2012 and the Chinese Chief Advisor and the supporting experts group held regular monthly work meetings. These meetings ensured close cooperation and consultation between the Chief Advisors and the Secretariat and effective operation of various tasks.

(3) The Chinese and International Chief Advisors attended the Council Rio+20 Side Event and supported the preparation of relevant documents.

(4) Drafting documents for AGM

The Chief Advisors support team has completed their tasks as planned, including the draft of *Policy Recommendations of 2012 AGM, Issues Paper, Progress on Environment and Development Policies* and *Report on CCICED Policy Recommendations Impact*. Their efforts will contribute significantly to the success of the 2012 AGM.

(5) Studying and identifying directions and priority areas for policy research during CCICED Phase V

With careful study and extensive consultations both at home and abroad, the support team and International Chief Advisor have drafted a framework for the directions and priority areas for policy research during Phase V, and set the objectives and tasks for the next stage. This document will lay a solid foundation for policy research over the next few years.

2. CCICED Secretariat and its International Support Office

The year 2012 is a transitional year for the Council. The Secretariat and its International Support Office have faced a variety of complex tasks. Thanks to the leadership of the Executive Vice Chairperson and the Secretary General, the cooperation of Chief Advisors and their supporting experts group, the Secretariat has completed all its tasks successfully.

(1) Management of policy research projects.

To strengthen management of policy research projects, the Secretariat has prepared the *Measures related to the Management of CCICED Research Projects* as a supplement to the Charter of CCICED Phase V to regulate the implementation and operation of various types of policy research projects. Meanwhile, the Secretariat and its International Support Office have strengthened the guidance and coordination on the establishment and operation of task forces and special policy studies, providing comprehensive support and assistance to project teams. In the course of the implementation of the four task forces and three special policy research projects in operation in 2012, the Secretariat organized and attended over 40 related meetings and activities, which have ensured smooth operation of all the research projects.

(2) Organizing and preparing the CCICED Rio+20 Side Event.

To organize and prepare the CCICED Rio+20 Side Event was a complex challenge and test for the Secretariat. First, the delegates were high-level officials. Arranging their participation required close coordination and confirmation beforehand and attention to exacting requirements on the form, content and outcomes of the meeting. Second, the meeting venue was in Rio de Janeiro. The less-than-ideal accommodation and working conditions presented great difficulties and uncertainty in the preparation work. Third, there were limited manpower and funding resources, which demanded careful planning. In spite of these difficulties and adverse conditions, the Secretariat staff worked steadily and conscientiously, and, with the active support from all parties, and particularly with the significant contribution GIZ of Germany, the side event was a great success, attracting significant attention from domestic and international

audiences. In the end, the Council accumulated rich experience that can be applied when holding similar activities and the Secretariat has strengthened its capacity.

(3) Preparing for CCICED Phase V.

Preparing the launch of CCICED Phase V was one of the key tasks for the Secretariat in 2012. The Secretariat completed a variety of tasks as scheduled, such as nominating Chinese and International Council Members and submitting the list of candidates for approval, drafting the Charter for CCICED Phase V and supplementary Annexes, obtaining input on the direction and priority areas for policy research, and putting in place operating funds for the new phase of the Council.

(4) Strengthening contact and communications with Chinese and International Council Members and partners.

A total of 10 issues of newsletters in electronic form were distributed to disseminate information about the Council over the course of the year. The Secretariat listened to and adopted suggestions from its partners to further improve the work of the Council. It also has invited Council Members and partners to participate in Council activities and provided services to them.

(5) Secretariat capacity building.

The Secretariat applied more stringent requirements to its work, strived to apply better overall management skills, and sought to improve its performance through various courses and training programs at home and abroad. In the meantime, it further standardized fund management procedures to ensure the smooth operation of policy research and other activities.

V. Dissemination of the Achievements of CCICED

The Council's activities and achievements have been disseminated in different formats and through a variety of channels to expand CCICED's influence. The effort has had positive results.

1. Active outreach overseas.

Taking advantage of major international events related to environment and development activities, CCICED actively strengthened its communications and expanded its outreach overseas in 2012. Apart from holding the CCICED Rio+20 Side Event and Exhibition, the Council also joined with WWF to hold a side event at the 5th Ministerial Conference of the Forum on China-Africa Cooperation in Beijing. The

Council was also invited to the Regional Workshop on Green Economy held in Mozambique and several other countries' and organizations' side events during Rio+20. By sharing its achievements with the international community, the Council has attracted wider international attention.

2. China's mainstream media gave special coverage to the CCICED Rio + 20 Side Event. The Council's AGM was broadcasted live online. Newspapers, magazines and other forms of media have been utilized to promote the Council's policy research achievements and policy recommendations.

3. Printing and distributing publications.

The Council has compiled and distributed more than 10,000 copies of its publications including the *Proceedings of the 2011 AGM*, *Annual Policy Report 2011*, *Work Report of CCICED 2011* and *CCICED at 20: Activities, Impacts and Future Opportunities*.

4. Improving the Council's website in Chinese and English

The Council's website underwent comprehensive revision in both Chinese and English, including design of the website and of its various pages, their contents, and links. The website is now more informative with timely updates and convenient search tools and is easier to navigate. Its access rate has increased by 25% compared with the same period last year.

Appendix:

China Council for International Cooperation on Environment and Development (CCICED)

Phase V (2012-2016)

Report on Funding: 2011-2012

Introduction

Phase V of the China Council for International Cooperation on Environment and Development (CCICED) will be inaugurated at the December 2012 Annual General Meeting. However, due to the timing of the AGM and the availability of financial data, this report on funding covers the period from 1 October 2011 to 30 September 2012, and thus encompasses the final months of Phase IV as well as the initial months of Phase V.

Phase V contributions

The Council's operation and activities for Phase V are supported financially by the Government of China and a wide range of international donors. Details of donors' contributions or commitments as of September 30, 2012, appear in Table 1. Contributions were made in a number of currencies. The US\$ equivalent amounts shown were calculated using rounded exchange rates valid on 30 September 2012. The real US\$ value of a contribution will vary depending on when it was made available and when it was used over time to meet Council expenses.

Core Funding and Dedicated Funding

As in earlier Phases of the Council's work, funding can be categorized as Core Funding and Dedicated Funding. Generally, Core Funding can be deployed flexibly to finance the full range of the Council's operations, including the Annual General Meetings, Task Forces/Special Policy Studies, Roundtable Meetings, Chief Advisor Group, and the Secretariat, and thus helps ensure that the Council can respond in an unrestricted and prompt manner to changing priorities and circumstances. Dedicated Funds are funds that are provided to the Council for a specific purpose, usually to support the work of a particular Task Force, Special Policy Study, or pilot project. These Dedicated Funds are concentrated on policy studies and help ensure that high-priority policy research activities have access to sufficient resources.

Management of funds

Most funds are administered by the Council Secretariat (SERI) in Beijing or by the Secretariat International Support Office (SISO) situated at Simon Fraser University in Canada. During the initial months of Phase V, SISO managed the contributions to the Council on the part of CIDA, AusAID, and Energy Foundation, as well as funds provided by the Secretariat from Norway's and Sweden's contributions that are allocated to meet the international costs of specific task forces. In a few instances, donors manage their contributions through their own offices.

During 2011/12, the Secretariat and SISO have continued to apply standard Guidelines on the use and management of funds used to meet international costs related to task forces. These Guidelines establish standards and limits for reimbursable costs, which were based in turn on the regulations and other conditions set by major donors on the use of their funds, and are designed to ensure consistency across all task forces. In addition, a number of procedures and contract and other templates are used to facilitate task force financial management.

Expenditures 1 October 2011 – 30 September 2012

Table 2 displays expenditures from 1 October 2011 to 30 September 2012 by donor. Some of these expenses were paid during the final months of Phase IV. Consequently the table shows actual amounts expended, regardless of whether they covered Phase IV or Phase V costs or were paid from donors' Phase IV or Phase V contributions. Expenditures for this period totalled US\$ 5,007,571. A number of other costs related to this period were processed through donor financial systems either before or after the October 2011 – September 2012 period and were included in last year's data or will appear in the 2012-2013 figures.

TABLE 1				
CCICED PHASE V – DONOR CONTRIBUTIONS / COMMITMENTS AS OF SEPTEMBER 2012				
	Donor	Amount in original currency	Approximate value in US\$ at 30 Sept 2012 rates (see Note 1)	Details
1.	China	CNY 40,000,000	6,350,000	
2.	Canada	CAD 7,290,000	7,290,000	
3.	Norway	NOK 25,000,000	4,300,000	
4.	Sweden	SEK 10,000,000	1,500,000	Fund for 2012-2013. Fund for 2014-2016 to be confirmed later.
5.	Germany	EUR 274,134	358,205	For year 2012. Fund for 2013-2016 to be determined later.
6.	Australia	AUD 1,500,000	1,530,000	
7.	Italy	EUR 500,000	650,000	
8.	The Netherlands	EUR 500,000	650,000	
9.	US EDF	USD 650,000	650,000	
10.	Shell (China) Limited	USD 600,000	600,000	
11.	UNDP	USD 40,000	40,000	
12.	Energy Foundation	USD 200,000	200,000	Fund for 2012. Fund for 2013-2016 to be determined later.
13.	University of Hong Kong	HKD 1,500,000	200,000	Fund for 2012. Fund for 2013-2016 to be determined later.
	TOTAL (USD\$)		24,318,205	
<p>Note 1: the value in US\$ of a contribution will vary depending on when it was made available and when it was used over time to meet Council expenses. To provide notional amounts based on a consistent exchange rate, rounded rates valid on 30 Sept. 2012 were used.</p>				

Table 2

Expenditures: CCICED Phase IV: October 2011 - September 2012 (US dollars)

Category	China	Canada	Australia	Norway	Sweden	HKU	Germany	Italy	Netherlands	SHELL	EDF	UNDP	EF	Total
1. Task Forces / Special Studies														
Innovation														0
Low-Carbon Economy		(120,055)	(30,569)		104,032									-46,592
Green Development		(126,902)	2,755	285,551										161,404
Low Carbon Industrialization	30,220	62,879	(11,521)	119,213	49,505									250,296
Investment and Trade		(136,871)	(23,040)	173,802	56,998									70,889
China E&D Outlook	32,260	(134,769)		141,823	128,000									167,314
Special Study: China's Marine Environment		11,454											6,337	17,791
Western China Env.and Devt.	64,520	359,309	18,724											442,553
12th Five-Year Plan	38,710	124,656	11,044	129,029			27,499							330,938
Mercury Pollution		87,102	10,235		84,093									181,430
Green Consumption		4,525												4,525
Other policy background reports														0
Sustainable consumption	74,680						34,128							108,808
Social development	86,180											40,000		126,180
Special Study: Regional Air Quality	76,640						199,439			32,258				308,337
Special Study: Bohai Oil Spil	64,520									24,194	150,000			238,714
Special Study: Eastern China	48,390					200,000								248,390
Pilot project preparation	43,550													43,550
CCICED Strategic Salon	13,470													13,470
Subtotal	573,140	131,329	(22,372)	849,418	422,628	200,000	261,066	-	-	56,452	150,000	40,000	6,337	2,667,997
2. Council AGM	80,645	228,903	138,999	124,952	103,775									677,274
3. Rio Side event	48,387	(10,858)			37,097		97,138		48,387	41,936	50,000			312,087
4. Secretariat operations (SERI)	290,322							96,774						387,096
5. Chief Advisor Group	161,290	312,814												474,104
6. SISO Administration / Training		489,013												489,013
Total expenditures	1,153,784	1,151,200	116,627	974,370	563,500	200,000	358,204	96,774	48,387	98,388	200,000	40,000	6,337	5,007,571