

China Council for International Cooperation on Environment and Development Annual General Meeting 2018

The 2018 Annual General Meeting (AGM) of the China Council for International Cooperation on Environment and Development (CCICED) commenced on Thursday with a closed meeting of the Council's Executive Committee. In the afternoon, a roundtable discussion on "Low-Carbon and Circular Economy for Green Development" took place. Convening in Beijing, China, under the theme "Innovation for a Green Era," the meeting will continue until Saturday.

Roundtable on Low-Carbon and Circular Economy for Green Development

The circular economy – an economic model that goes beyond recycling to incorporation of the entire ecosystem and the whole supply chain – is globally recognized as playing a key role in the low-carbon economy and green development. An ecological economic system that incorporates these concepts is also seen as essential for promoting China's ecological civilization.

CCICED's opening roundtable on this theme was co-chaired by CCICED Vice Chairpersons Achim Steiner, Administrator, UN Development Programme (UNDP), and Vidar Helgesen, Special Envoy to the High-level Panel on Building a Sustainable Ocean Economy, Norway.

Opening Session

Offering introductory remarks, Steiner noted that the roundtable's theme reflects "what we would like to happen." Highlighting a growing recognition that "the laws of gravity of development of the 20th century are no longer relevant, or need to be re-calibrated," he said that numerous Asian nations are at the forefront of reinventing their economies, including through concepts such as the sufficiency economy, gross national happiness, and ecological civilization. He underscored that although the policy solutions, technology, and public awareness are all available, key actors remain unable or unwilling to act to achieve green development. Pointing to the findings of the recent Intergovernmental Panel on Climate Change (IPCC) Special Report on 1.5°C (SR15), and noting that only



L-R: CCICED Secretary-General **Zhao Yingmin**, Vice Minister, MEE, China; CCICED Executive Vice-Chair **Catherine McKenna**, Minister, Environment and Climate Change, Canada; CCICED Vice-Chair **Achim Steiner**, Administrator, UNDP; and CCICED Vice-Chair **Vidar Helgesen**, Special Envoy to the High-level Panel on Building a Sustainable Ocean Economy, Norway

12 years remain to achieve the 2030 Agenda for Sustainable Development (2030 Agenda), Steiner emphasized that “time is our greatest enemy.”

Continuing on this theme, Helgesen said the IPCC SR15 had received unprecedented attention, thereby functioning as “an alarm clock to the world.” He highlighted positive developments, including dramatic drops in the price of solar and wind energy; but also emphasized that the large-scale adoption of old technologies worldwide “is cause for alarm.” Noting that we are already seeing the effects of 1°C of global warming, he stressed the need for long-term and action-oriented policies, and for governments to provide the right market signals. While highlighting positive developments in technology and economic restructuring in China, Helgesen also stressed the need to consider the impact of China’s investments abroad, including the Belt and Road Initiative (BRI). He called for “unlocking opportunities for the new economy, rather than locking in the misery of the old economy.”

Zhao Yingmin, Vice Minister, Ministry of Ecology and Environment (MEE), China, and CCICED Secretary General, highlighted the “great importance” that President Xi Jinping attaches to environmental and ecological protection to promote the green economy. He noted, *inter alia*, that:

- the 19th Party Congress had laid out a top-level design for the harmonious co-existence of humans and nature;
- the constitution had recently been amended to incorporate concepts such as ecological civilization and Beautiful China;
- institutional reforms had been undertaken to integrate governmental protection related to land, water and sea;
- efforts are being undertaken to promote society-wide participation; and
- China’s active fulfilment of commitments under the UN Framework Convention on Climate Change (UNFCCC), Convention on Biological Diversity (CBD), and marine protection treaties, in accordance with the principle of common but differentiated responsibilities.

Catherine McKenna, Minister, Environment and Climate Change, Canada, and CCICED Executive Vice Chairperson, highlighted the importance of bringing together the “trifecta” of climate, nature and oceans. Calling for a beautiful planet



CCICED Executive Vice-Chair **Catherine McKenna**, Minister, Environment and Climate Change, Canada



Hideki Minamikawa, President, Japan Environmental Sanitation Center

as well as a Beautiful China, she stressed the need to “do a lot better” with regard to the circular economy, which she said could help meet climate change goals, the SDGs, and future resource needs. Underscoring that a plastic bag takes five seconds to make, five seconds to use, and five centuries to turn into micro-plastics, she highlighted Canada’s engagement in the Ocean Plastics Charter. She noted the need to engage businesses and consumers and to address the waste management challenges faced by many developing countries.

Challenges and Measures in Creating Innovative Governance Mechanisms

Opening this session, moderator Andrew Steer, CCICED Member, and President and CEO, World Resources Institute, reminded participants that the initial motivations behind the global push for circular economy include pollution and health issues, and limited landfill space.

Hideki Minamikawa, CCICED Member, and President, Japan Environmental Sanitation Center, highlighted measures taken by China since 2013 to improve air quality. Pointing to measures adopted by Japan to monitor marine flows of garbage following the 2011 tsunami, he underscored the importance of a waste supervision system and the need for proper coordination between central and local governments for effective environmental action.

Providing a private sector perspective, Wang Tianyi, CCICED Member, and Executive Director and General Manager, China Everbright International Ltd., said China’s private-public-partnership (PPP) model and state subsidization of garbage recycling and incineration projects to regenerate power could be promoted in other developing countries.

Inger Andersen, CCICED Member, and Director General, International Union for Conservation of Nature, acknowledged recent achievements in the international climate change negotiations, while noting much slower progress on the global biodiversity agenda. She encouraged urban and town planners to integrate biodiversity and nature preservation into city planning.



Peter Bakker, President, World Business Council for Sustainable Development

Mark Tercek, CCICED Member, and CEO, The Nature Conservancy, cautioned against treating environmental challenges related to air, water, agriculture and infrastructure as separate. Quoting former US President Dwight Eisenhower, he noted that problems sometimes need to be made bigger to allow the entire picture to be taken into account and addressed.

Amy S.P. Leung, Director General, Asian Development Bank's East Asia Region, said the potential for smart cities and the low carbon economy lies not only in technological change but also in creating incentives for behavioral change of the general public.

In the discussion, participants *inter alia*:

- called on more countries to plant bamboo and produce bamboo products for a low carbon economy;
- highlighted the role of innovation for ensuring future solutions;
- welcomed China's BRI as an innovative way for international collaboration; and
- using the example of China's air pollution control programme, expressed the importance of attaining the circular economy by integrating various existing laws and regulations.

The Role of the Business Community in Green Development

Opening this session, moderator Peter Bakker, President, World Business Council for Sustainable Development, noted various lessons can be learned from China about building sustainable cities, and reflected on political challenges to achieving green development in the business sector in Australia.

Félix Poza Peña, Chief Sustainability Officer, Inditex Group, said his multinational clothing company contributes to SDG achievement by taking into consideration customer rights, the welfare of communities, and environmental protection. He highlighted several SDG-related initiatives, including the "Life Garments" initiative, which promotes the use of sustainable and efficient energy sources by both Inditex and its suppliers.

Ling Wen, General Manager, China Energy Group, said his company is the largest power producer in the world. He highlighted efforts by the Group to achieve China's 20% renewable energy target by 2030 and decrease fossil energy to 80%, including by: using large wind farms; developing alternatives to silicon solar cells such as copper indium gallium selenide solar cells; and exploring ways to make conventional energy cleaner and more efficient.

Stephan Sicars, Director, Environment Branch, UN Industrial Development Organization (UNIDO), referred to the circular economy as a global issue not limited to industrialized countries. He noted that such an economy requires business models to evolve to focus on resource efficiency, which naturally uses less energy and is less polluting.

In the discussion, participants noted the need for metrics to determine the success of circular economy approaches, and queried how the IPCC SR15 had been received by the private sector.

Partnership Development for Low-Carbon and Circular Economy

Session moderator Dominic Waughray, CCICED Special Advisor, and Head, Centre for Global Public Goods, World Economic Forum, stressed the need for a "systems approach" to achieve a circular economy that engages both businesses and supply chains as well as governments and civil society.

Kathleen McLaughlin, CCICED Member, and Senior Vice President, Walmart, highlighted the potential of partnerships to accelerate progress, including through:

- the setting of goals and targets, as illustrated by Walmart's translation of the 2°C target into company-specific targets;
- capacity-building, as illustrated by Walmart's efforts to enhance the energy efficiency of its operations in China; and
- partnership, incentives and measurement, for instance by turning data into indexes that can be used by suppliers.

Stephan Contius, CCICED Special Advisor, and Commissioner for the 2030 Agenda for Sustainable Development, the Federal Ministry of the Environment, Nature Conservation and Nuclear Safety, Germany highlighted: the Resource Efficiency Dialogue established under the German G20 Presidency; continued work on these themes by the current



CCICED Special Advisor **Dominic Waughray**, Head, Centre for Global Public Goods, World Economic Forum



Liu Dashan, Chairman, China Energy Conservation and Environmental Protection Group

Argentinian and incoming Japanese G20 Presidency; and his country's support for the Partnership for Action on Green Economy (PAGE).

Galit Cohen, CCICED Special Advisor, and Deputy Director General for Policy and Planning, Ministry of Environmental Protection, Israel, underscored the role of consumption in achieving the circular economy. She highlighted Scotland's certification scheme for second-hand products as a good example of using certification to address perceived and actual barriers to the quality of circular economy products, and called for understanding whole value chains to avoid unintended consequences of sustainable consumption.

Liu Dashan, Chairman, China Energy Conservation and Environmental Protection Group, a state-owned enterprise, highlighted his company's efforts to: conserve energy; protect the environment, including through municipal waste treatment; and input into the policy-making process. He noted challenges related to the economic viability of technologies and hoped to work with like-minded partners.

Frank Shou, Head of Environmental Affairs for Asia Pacific and Japan, Apple, highlighted his company's efforts to incorporate renewable energy into its supply chain and to

"close the loop" to ensure a green supply chain. He said that waste can contain valuable components and underscored the need to work with local agencies and jurisdictions to identify how this can benefit the local environment.

Naoko Ishii, CEO and Chairperson, Global Environment Facility, identified "three gaps" that need to be closed to realize CCICED's potential as a platform for partnership: the knowledge/information gap; the gap between government and the business sector; and the gap between decision-making and communities.

During the discussion, participants noted the need for:

- partnerships between civil society and government in addressing global and local environmental issues;
- a common target to limit global warming to 1.5°C;
- businesses such as Apple to collaborate across sectors, rather than limiting themselves to collaboration within their supply chain;
- flexible policies to support low carbon initiatives in the private sector; and
- trust among nations to build lasting partnerships.

Closing Session

Providing closing remarks, Scott Vaughan, President and CEO, International Institute for Sustainable Development, highlighted a new publication, entitled "The Circular Economy – a Powerful Force for Climate Mitigation" by Sitra, the European Climate Foundation, the Ellen MacArthur Foundation and others, saying it makes the link between CO2 avoidance and the circular economy. He emphasized the need for common metrics that provide a basis for measuring the benefits of a circular approach. He said China's ban on the import of waste could form the topic of a future Special Policy Study.

In closing, Helgesen highlighted key take-aways from the discussion, including:

- PPPs as a driver for the circular economy;
- the need for investment in research and development;
- knowledge sharing as a tool in the government tool box; and
- the importance of partnerships that promote trust and the exchange of ideas.



Participants observing the roundtable discussion