

CCICED 2019 Highlights Monday, 3 June 2019

The 2019 Annual General Meeting (AGM) of the China Council for International Cooperation on Environment and Development (CCICED) entered its second day of discussions in Hangzhou, China.

In the morning, CCICED advisors introduced an issues paper and draft policy recommendations for feedback from delegates.

In the afternoon, delegates heard report-backs from the parallel open forums that took place the previous day, and continued discussing the draft policy recommendations.

AGM Opening Session

Li Ganjie, CCICED Executive Vice-Chair, Minister of Environment and Ecology (MEE), China, opened the session, thanking participants for their interest and support for China's ecological civilization efforts. He noted that this was the third time the CCICED AGM has been hosted outside of Beijing in its 28-year history, and that Hangzhou was chosen as the venue because of China's desire to share the good practices of Zhejiang province.

Yuan Jiajun, Governor of Zhejiang Province, China, emphasized the large impact that CCICED has on environment and development in China and globally. He noted three ways in which Zhejiang Province has promoted ecological civilization: finding ways to implement the idea that 'green is gold', particularly through the expansion of eco-tourism; aiming to have 80% of its cities qualify as clean air demonstration zones by 2020; and actively sharing experiences internationally and learning from international best practices through forums such as the CCICED.

Vidar Helgesen, CCICED Vice-Chair and Special Envoy to the High-level Panel on Building a Sustainable Ocean Economy, called on countries to raise their levels of ambition through their respective Nationally Determined Contributions (NDCs) to combat climate change, encouraged China to upgrade its green transition, phase out fossil fuels, and enhance green supply chains and procurement. He acknowledged the Belt and Road Initiative (BRI) as a global project with the potential to trigger green development on a massive scale.

Li presented China's recent efforts to build an ecological civilization, including: reorganizing the work of the provincial and local-level environmental bureaus across the country; enhancing environmental management and monitoring in coastal zones and watersheds; continuing to combat air pollution; and encouraging the private sector to help generate momentum for green development. He underscored that experience shows ecosystem protection is a force for propelling high-quality economic development, and vowed to continue the promotion of green sustainable development, enhancement of pollution controls, and effective preparations toward the fifteenth Conference of Parties to the Convention on Biological Diversity (CBD COP 15).

Erik Solheim, CCICED Vice-Chair and Advisor, World Resources Institute (WRI), highlighted China's achievements in deploying green technology, and said that China's good practices, particularly on cleaning of waterways and reforestation, are not well known but are worthy of sharing internationally. Solheim observed that China is greening its domestic practices more quickly than its practices in the context of BRI, and stressed the need for the latter to catch up. He also suggested that the BRI can serve to promote renewed global multilateralism, and he called on participants to support more trade, rather than less, to support environmental efforts.

Xie Zhenhua, CCICED Vice-Chair and China's Special Envoy on Climate Change, stressed that climate change is a global challenge from which no nation, city, or individual can isolate themselves, and that multilateralism and partnership are the only ways to address the issue. He called for changing traditional patterns of consumption and using climate change as an opportunity to develop circular economies. Xie also emphasized that there are still large gaps to be bridged between countries' current NDCs and the temperature targets of the Paris Agreement. He called for scaling up commitments on both climate change and biodiversity, and reiterated that China's support for multilateralism will be unwavering.

Zhou Jiangyong, Secretary of the Communist Party of China (CPC) Hangzhou Municipal Committee, introduced the city's ongoing efforts to become a model of integration with nature, based on traditional Chinese lifestyles and culture, as well as achievements in: improving the quality of water resources within the city domain; promoting a city-wide garbage classification system; phasing out high-polluting



L-R: **Zhou Jiangyong**, Secretary of the Communist Party of China, Hangzhou Municipal Committee; **Xie Zhenhua**, CCICED Vice-Chair and China's Special Envoy on Climate Change; **Vidar Helgesen**, CCICED Acting International Executive Vice-Chair; **Li Ganjie**, CCICED Executive Vice-Chair and Minister of Ecology and Environment; China; **Yuan Jiajun**, Governor, Zhejiang Province, China; and **Erik Solheim**, CCICED Vice-Chair and Senior Advisor, World Resources Institute



Marjorie Yang, Chair, Esquel Group

vehicles and heavy industries; creating nature trails within the city; encouraging bicycle sharing businesses; and improving air quality.

Plenary session I

Introduction of CCICED issues paper: Xie, CCICED Vice-Chair, chaired the session, first giving the floor to Scott Vaughan, CCICED Chief International Advisor and former CEO, International Institute for Sustainable Development, to introduce the CCICED issues paper. Vaughan highlighted some of China's achievements, including using big data and digital technology for environmental monitoring, implementing an 'ecological redline' policy that defines limits to environmental degradation, and preparing its national emissions trading scheme. He said that China's commitment to green development during a period of slow national economic growth is particularly important, given that a recent International Monetary Fund study anticipates 70% of the global economy faces a downturn, which has historically been associated with waning support for environmental protection due to misplaced concerns about competitiveness. The focus on high-quality economic development has been effective, he said, at bringing new urgency to the need to consider metrics of progress beyond GDP. Vaughan said that despite many exciting climate innovations, the world remains increasingly off-track for meeting the Paris Agreement targets, and stressed the role that China can play in reversing this trend through scaling up innovations and best practices.

Reflecting on the CCICED issues paper, he highlighted three main issues, namely that: prioritizing gender equality is both the 'right' and 'smart' thing to do; tackling complex sustainability challenges will require integrated approaches that can effectively align multiple priorities, for example, through promising strategies such as sustainable food systems, circular economy, and nature-based solutions; and how green procurement and 'debt for nature' swaps along the BRI could showcase China's action in the lead-up to CBD COP 15. Vaughan closed by noting that, as China and the world have changed, so too has the work of CCICED. He said that the world is keenly interested in learning from China, and stressed the need to continue building better mechanisms of information exchange to facilitate this.

Introduction of CCICED draft policy recommendations: Liu Shijin, CCICED Chinese Chief Advisor, briefed delegates on the CCICED draft policy recommendations, beginning with a call for consensus on the definition of green development as: a new pathway to high-quality development; a competitive force challenging traditional polluting industries; and a driving force for green consumption. He highlighted eight recommendations to:

- seize the historical opportunity to promote green consumption and drive green transformation;



Li Ganjie, CCICED Executive Vice-Chair and Minister of Ecology and Environment, China

- keep pace with the changes of the digital era while experimenting with new models of urbanization and regional development;
- establish a mid- to long-term eco-environmental protection strategy for the Yangtze River Economic Belt, including an ecological compensation scheme;
- enhance integrated management to address climate change;
- encourage major technological innovations and creative institutional designs in the field of environment;
- make biodiversity conservation a national strategy, thus providing a positive example internationally;
- promote marine sustainable development and step up China's contribution to global marine governance; and
- make the green development of the BRI an important vehicle for global ecological civilization and a green community with a shared future.

In illustrating these points, Liu emphasized the need for: campaigns to promote green consumption lifestyles; reshaping the relationship between rural and urban areas; curbing air pollution by controlling the use of coal; and introducing high-level strategies to conserve wildlife, establish ecological compensation systems, and ensure green BRI policies.

Discussion: Francesco La Camera, Director-General, International Renewable Energy Agency, said the world is going through an energy revolution, noting that market prices are transforming the energy sector. He explained, that, to meet the goals of the Paris Agreement, countries will have to transform their energy systems through the uptake of renewables. He concluded that the point is not to limit the use of fossil fuels, but rather to completely eliminate them in order to achieve the dramatic change that is needed.

On the recommendation for creative institutional design, Jonathan Pershing, William and Flora Hewlett Foundation, suggested to draw attention to the connection between land and oceans recognizing that most marine pollution comes from land. On marine management, he suggested that emphasis be placed on the integrated nature of marine issues and the need for better policies that reflect an integrated management approach. On the BRI, he noted that ports are very important structures that need greening and that this should be included as an objective of the BRI.

On the recommendation on climate action, Rodolfo Lacy, Organisation for Economic Co-operation and Development (OECD), noted that devising a long-term framework for action is necessary to ensure sustainability by 2050. He said that interagency coordination will be necessary to support this process. He suggested that a set of robust indicators be designed to measure environmental performance, and that these indicators should go beyond measuring CO₂.

Naoko Ishii, CEO, Global Environment Facility, expressed enthusiasm for green consumption's prominent role in the recommendations. She said that the concept of ecological civilization can provide a guiding vision for transforming



Vidar Helgesen, CCICED Vice-Chair and Special Envoy to the High-level Panel on Building a Sustainable Ocean Economy

consumption patterns, and recommended that the report extend this consideration to more substantively address food systems and agricultural commodity chains.

Andrew Steer, President and CEO, WRI, recommended that China play a leadership role in promoting deforestation-free commodity chains by pursuing deals with Europe and leading corporations. He also promoted the idea of establishing a structure to facilitate genuine, open dialogue between China and BRI countries regarding the contribution of China's investments to countries' NDCs, and suggested that international CCICED members could assist with this.

Marco Lambertini, Director-General, WWF, highlighted the strong demand footprint of China internationally, and how this could help drive zero-deforestation supply chains for the 'big five' commodities: beef, soy, palm oil, rubber, and pulp and paper. He suggested that the recommendation on sustainable consumption focus more strongly on preventing and halting plastic pollution and that the recommendation on biodiversity required further development, potentially from the inputs provided during this conference.

Stephan Sicars, UN Industrial Development Organization, underscored the importance of China in facilitating green development and sharing its own experience in BRI countries.

Michael McElroy, Harvard University, flagged existing problems with promoting renewable energy operations, including the curtailment of solar energy production in northern China, the potential for pollution impacts from the production and disposal of materials used in making batteries for electric vehicles; and the polluting nature of cement and steel production for BRI infrastructure projects. He called for collaborative research to tackle issues of climate change.

Nuritdin Inamov, Ministry of Natural Resources and Environment, Russian Federation, affirmed China's achievements in pollution abatement to date.

Bernice Lee, Executive Director, Hoffmann Centre, Chatham House, noted that trade and digital technologies hold promise for sustainable development. Regarding green consumption, she noted that for it to achieve grand scale transformation, it needs to be addressed in a more systematic manner and prioritization of sectors need to take place.

Amy Leung, Asian Development Bank, remarked that the promotion of ecological civilization needs to acknowledge the need for inclusive development that takes into account poverty and populations dependent on high-carbon industries. Hu Baolin, Honorary Dean, Tianjin University, and Deputy Director, Three Gorges Project Construction Committee of the State Council, noted that China needs to apply systems thinking, consider synergies and adopt holistic approaches in promoting ecological civilization. Li Lin, Director of Global Policy and Advocacy, WWF International, recommended that China: use its role in leading the nature-based solutions workstream of the forthcoming UN Climate Action Summit in September 2019 to align international efforts on climate change and nature protection; in its capacity as host of CBD COP 15,

raise the profile of green diplomacy and nature protection to the head of state level; and provide capacity building to BRI countries for conservation efforts, including for developing ecological redlines in their own countries.

Vidar Helgesen stressed that BRI cooperation must prioritize renewable energy and avoid new investments in coal. To support this, he recommended that the CCICED encourage the State-owned Assets Supervision and Administration Commission to include green criteria into its performance evaluations of state-owned enterprises. He also said that Sinosure, China's state-owned export credit insurance provider, could greatly support the greening of BRI by incorporating environmental and climate risk into its operations.

Nicholas Rosellini, UN Resident Coordinator in China, concluded the discussion session remarking on the importance of data availability and access to information for BRI; promotion of market-oriented carbon pricing to end subsidies; and setting of consistent social, economic, and environmental standards across BRI countries.

Plenary session II

Report on parallel open forums: Helgesen chaired this session, which first involved representatives from each of the previous day's six open forums summarizing their discussions.

Ren Yong, MEE, summarized the key messages from the forum on China's High-quality Economic Development and Green Transition during the 14th FYP, including that: environmental problems, being endogenous factors, will restrict high-quality development; pressure from industrial development will decrease during the 14th FYP period but overall pressure on resources will continue to increase; the best practices from China's war on pollution must be consolidated and codified in law; the importance of properly evaluating policy effectiveness; the imperative of considering gender in environmental protection; and learning from the shortcomings of previous FYPs.

Kate Hampton, CEO, Children's Investment Fund Foundation, reported on the forum on Post-Katowice Global Climate Governance, saying that participants suggested China's ambition on reducing air pollution could be a model of climate action for the world. She said the forum had called for an absolute cap on carbon emissions in the 14th FYP, and had expressed 'overwhelming' support for Chinese climate leadership internationally, noting its NDC, alignment with the 14th FYP, and commitment to a mid-century strategy based on deep decarbonization. Hampton also highlighted participants' calls for the BRI to fully align itself with the goals of the Paris Agreement by forgoing coal power and promoting rapid decarbonization in countries receiving investment.

Reporting on discussions of the Global Vision 2050 for Biodiversity Conservation, CCICED Member Art Hanson said that CBD COP 15 could be a transformative moment for the world towards protecting biodiversity and realizing the vision of harmony with nature. He also highlighted fresh approaches taking place on the ground in China, including, for example, China's ecological redline policy and its efforts to learn from indigenous communities that are highly dependent on natural systems.

Reporting on discussions of the blue economy and global ocean governance, Jan-Gunnar Winther, Norwegian Polar Institute, highlighted: 'ocean health for blue economy' as an overall framework for action; the relevance of oceans to all 17 SDGs, and their connection with land issues; science and knowledge as the foundation for interdisciplinary ocean management; the importance of avoiding long-term static management strategies for oceans, which are dynamic in nature; and ocean health as one of the three main global challenges, along with climate change and biodiversity loss.

Reporting on the BRI and green urbanization, Aban Marker Kabraji, International Union for Conservation of Nature (IUCN), noted that China's urbanization and renewable energy trajectory should be documented and studied, using robust methodologies, and the findings disseminated to other countries that can learn from China's experience. She observed that there

is a need for greater attention to green financing mechanisms and modalities, particularly in relation to obtaining funds for BRI projects, and that the process for receiving BRI investment should be open and accessible to all. She added that there is a need for guiding green investments with ecological impact assessment. Kabraji concluded that BRI projects should promote and enhance people-to-people bonds, gender equality, and other economic and social goods.

On global environment governance and best industry practice, Marjorie Yang, Esquel Group, reported the views of forum participants that sustainability is a competitive advantage, rather than a burden. She noted that, while international collaboration is critical, the rise of nationalism is 'getting in the way' of those who would engage in this battle for survival in the context of environmental degradation and climate change. She expressed concern that governments often only value the size of private-sector investments and the resultant tax income, but not necessarily the quality of investment. She put forward the group's proposals, including for: governments to adopt a green, balanced scorecard for rating and recognizing companies' efforts on environmental sustainability; adoption of true-cost accounting that can provide better sustainability metrics to guide companies on their journey; use of market mechanisms such as carbon trading; and engagement in cross-border alliances. She highlighted the power of multinational companies in influencing the production of commodities such as palm oil, noting that trade can have both good and bad environmental impacts, and that governance is needed to make trade a positive driver for the environment.

Discussion: Lacy highlighted the need for banks and other financial institutions to deliver trillions in funding for low-carbon and resilient operations, and to de-risk financial operations. He proposed conducting climate-risk assessments of China's investment projects in other countries, so as to disclose environmental and weather-related risks. He also noted the need for developing new taxonomies to standardize financial instruments, such as green bonds, which could support China's ambitious FYP and provide funds for climate, biodiversity, oceans, and health projects. He informed delegates that the last G7 environment ministers' meeting had discussed how to 're-set' the financial system to promote environmental investments and reduce harmful subsidies.

On BRI, La Camera noted the importance of China's role in transforming energy systems globally, because it is the world's main producer of solar power technology. He called for 'a solid no-carbon policy' as a basis for efforts to achieve the objectives of the Paris Agreement on climate, and for this to be reflected in the CCICED meeting summary.

Wang Tianyi, CCICED member, called for undertaking a Special Policy Study (SPS) on waste-free cities, noting that his organization plans to establish a research institute on this topic, and mentioning the value of public-private partnerships in waste management.

Lambertini welcomed the rich content and inputs to the open forums. He stressed that countries must embrace 'the right level of ambition' that matches the scale and urgency of the challenges, as well as taking appropriate action and adopting measurable targets. Observing that issues are discussed too much in isolation from each other, he recommended referring to 'nature' as a term that is well understood and that links biodiversity, natural places, and ecosystem services.

Eric Heitz, founder and CEO Emeritus, the Energy Foundation, drew attention to the examples of California and Europe, where the dual goals of economic growth and environmental quality have been successfully pursued. He expressed confidence that China can exceed these achievements on the pathway to both blue skies and a prosperous, low-carbon economy.

Plenary session III

Discussion of draft policy recommendations: Jonathan Pershing, William and Flora Hewlett Foundation, cautioned against the tendency to think in terms of bilateral or multilateral action, arguing that, increasingly, multiple actors are convening in plurilateral processes around a common point of interest, such as electric cars, fertilizers, and other manufactured products. He suggested that, instead of universal structures of governance, plurilateral structures should be the focus of our attention for coalition building.

Maria Krautzberger, President, German Federal Environment Agency, highlighted that the sound management of chemicals is essential for developing ecological civilization. She suggested that chemicals management could be reflected in the recommendations under the SPS on the Yangtze River Economic Belt, or as a cross-cutting issue. Krautzberger noted that public health is a cornerstone for environmental protection and suggested that this be picked up more prominently in the text. On green consumption and green transformation, she also suggested highlighting green procurement and drawing attention to the need to remove environmentally harmful subsidies.

Galit Cohen, Ministry of Environmental Protection, Israel, suggested that, in order to mainstream environmental protection into regional and national development strategies, emphasis should be given to aligning the institutional frameworks that manage natural resources. On strengthening the BRI, she suggested that there is a need to provide a platform for entrepreneurs in BRI countries, saying this will strengthen people-to-people ties and technological innovation.

Finn Pratt, Department of the Environment and Energy, Australia, suggested a focus on high-quality development as a means to ensure that environmental considerations are integrated into all public policies. He highlighted the importance of consulting and involving the private sector in policy development.

Lacy highlighted the new High Ambition Alliance for Chemical and Waste Management and the importance of monitoring new pollutants such as microplastics and nanomaterials. This is especially important, he said, in countries such as China that are at the forefront of new chemical production. He also stressed the need to redesign plastics to be less toxic and more recyclable, as was previously done for aluminum cans.

Peter White, World Business Council for Sustainable Development, noted that nature-based solutions can support both climate adaptation and mitigation while having an array of co-benefits. He said that 2020 presents an important opportunity for joining up efforts on climate change and protecting nature.

Åsa Romson, IVL Swedish Environmental Research Institute, said that chemicals were insufficiently addressed at the conference, despite their relevance to discussions. She also suggested that the CCICED documents give greater weight to nature-based solutions and express a greater sense of urgency for the action that is required.

Wang Xiaokang, President, China Industrial Energy Conservation and Clean Production Association, singled out the role of business as an area requiring greater attention. He said that all businesses face the challenges of accessing funding and technology, stressing that Chinese companies are still lagging behind their global competitors, in terms of the latter. Without better engagement of the businesses sector, he said, the requisite level of climate ambition will not be achieved.

Basile van Havre, Co-Chair, Open-Ended Working Group on the post-2020 biodiversity framework, suggested continuing to integrate international conventions into national policy frameworks.

Hampton praised the work of the BRI green development coalition, noting that it provides opportunities for capacity building through South-South cooperation. She suggested adding contact information into the draft recommendations to enable potential exchange of green solutions among BRI countries.

Zhou Wei, Ministry of Transport, China, suggested the text should differentiate targets for carbon emission in different fields, noting that, for example, transportation and construction require different standards. He recommended emphasizing green transportation as a means to control urban pollution.

Summarizing the discussions of the day, Steer, WRI, emphasized the importance of transparency in the BRI, highlighting its potential to be 'truly transformative' for world development. He encouraged adoption of programme-oriented financing in BRI countries, rather than a project-based approach. He recommended greater efforts toward capacity building, and engagement of both international and national partners.