

CCICED 2021 Highlights Thursday, 9 September 2021

Open Forums

From Biodiversity to Climate Change: Gathering New Impetus of Global Green Value Chains: This session, organized by the World Resources Institute (WRI) and the Foreign Environmental and Cooperation Center, Ministry of Ecology and Environment, was moderated by Zhai Guiying, who emphasized that China is strategically important to greening global value chains (VCs).

Elizabeth Maruma Mrema, Executive Secretary of the Convention on Biological Diversity (CBD), said ecosystem-based adaptation is key to increasing resilience and reducing vulnerability of both people and ecosystems facing climate change.

Liu Shijin, CCICED Chinese Chief Advisor, emphasized the importance of green value chains (GVCs) and called for consideration of green digitalization.

Manish Bapna, Natural Resources Defense Council, called soft commodities the leading driver of tropical deforestation worldwide, emphasizing that GVCs are safer and more profitable than traditional VCs and can help ensure that VCs are legal.

Aniruddha Dasgupta, WRI, underscored that conserving the world's forests is central to addressing both biodiversity loss and climate change. He said China is at the heart of the world's VCs and is thus in a position to steer the world toward greener livelihoods.

In the first session, participants discussed Challenges and Opportunities for Synergies of Global GVCs, Climate Change and Biodiversity Agendas. Erik Berglof, Asian Infrastructure Investment Bank (AIIB), moderated, noting that firms are pressured by shareholders, stakeholders, and regulators to be drivers of efficiency and VC decarbonization, so are attracted to locating in countries offering green infrastructure.

Craig Hanson, WRI, noted that five "soft commodities"--soy, beef, palm, timber, and paper/pulp--dominate ecosystem loss, saying GVCs require changing demand, supply, and infrastructure. He called for companies, associations, institutions, and countries to implement "no conversion" policies, trade agreements, and market signals that encourage legal and sustainable soft commodities with financing and technical assistance for farmers.

David Cooper, Deputy Executive Secretary of the CBD, emphasized China's capacity, as the world's biggest economy, to encourage progressive production policies in countries that are mega-producers of soft commodities, build an alliance of mega-diverse countries, and move the world to more responsible production and consumption.

Naoko Ishii, Former CEO, Global Environment Facility, cited hidden environmental costs, such as rainforest conversion, in Japanese value chains. She encouraged China's leadership for solving this and called for identifying values of natural capital for adequate pricing.

Jin Wencheng, Ministry of Agriculture and Rural Affairs, noted China's increasing biodiversity in agriculture but said carbon emissions now also come from mechanization, calling for: tradable credits for agriculture sector emissions abatement

and biodiversity conservation; mechanisms to monetize agriculture's carbon sink potential; and transition of agrarian civilization toward harmony between man and nature.

Balázs Horváth, UN Development Programme (UNDP), noted ongoing revamping of VCs in food, manufacturing, services, and other sectors. He cited China's potential pivotal role in building a new normal compatible with health, human systems, more equality, and environmental protection, including through: expanding its regulatory framework, investment policies for developing countries using nature-based solutions; correctly pricing carbon externalities; designing restorative VCs that factor in reusability; and cross-country collaboration for transparency.

Wang Xuehong, UN Framework Convention on Climate Change (UNFCCC) Secretariat, said increased policy coherence between biodiversity and climate change will achieve a win-win solution.

Chen Ming, Deputy Chinese Co-Leader of the Special Policy Study on Global Green Value Chains, moderated the second session, on practice and innovation of global GVCs.

Kathleen McLaughlin, Walmart Inc., outlined her company's work to accelerate progress on climate and nature, noting it aspires to become a regenerative company that takes a circular approach to materials while advancing prosperity and equity.

Xie Zhaoxu, China Quality Certification Centre, highlighted the Centre's work to certify companies and validate the full lifecycle of products.

Marjorie Yang, Chair, Esquel Group, noted that data in the textile industry is scattered and unsystematic and highlighted the potential for digital technology to reduce barriers to transparency.

Wu Duilin, Dongguan Municipal Bureau of Ecology and Environment, outlined his city's work on pilot projects on GVCs and shared lessons for successful implementation.

Chen Ying, China Chamber of Commerce, called for a Chinese government agency to lead research on sustainable value chains and said sustainable choices should be made by industry instead of being left to consumers.

Diana Yao, BMW Group, recommended: downstream partner contributions to their upstream suppliers' carbon abatement; maximizing the circular economy by minimizing use of materials; science-based and quantifiable sustainability targets, tools to forecast future targets, and monitoring and regular disclosures of progress in implementation; more accessible and less expensive green power for production; and incentives for new technologies, including carbon-free steel-making and carbon abatement technologies.

Fang Li, WRI China, moderated the session on GVC in Conserving Global Biodiversity and Curbing Climate Change.

Hideki Minamikawa, Japan Environmental Sanitation Center, urged: strengthening local resilience through nature-based solutions; creating new commons for diverse stakeholder participation in resource management; and constructing business models for giving high value to natural capital.

Sébastien Paquot, European Union Delegation to China, urged embedding pollution pricing into the price of everything consumed and called for CBD COP15 to deliver \$100 billion in financing for biodiversity.

Ye Yanfei, China Banking Regulatory Commission, called for: specific, unambiguous environmental rules for the

agriculture sector, including elimination of pesticides and fertilizers; officially recognized certifying bodies; positive incentives for pursuing green certification; and low interest rates for green projects.

Giovanni Ruta, World Bank, called for pricing the use of nature, repurposing subsidies unfavorable to conservation, improving green cash flow by de-risking private investment, formulating rules on disclosing risks, and technical assistance for the corporate sector.

Noting calls for global minimum standards for green products, Zhang Jianping, Chinese Academy of International Trade and Economic Cooperation, Ministry of Commerce, suggested this is infeasible due to complexity and said many developing countries could be disadvantaged.

Liu Qiang, Children's Investment Fund Foundation, called for benchmarking against international best practices and noted different targets for biodiversity and climate change.

Moderator Fang Li emphasized that the GVC will be a systematic transformation that links supply and demand.

Managing River Areas in Times of Climate Change:

This forum was co-moderated by Joyce Ma, The Nature Conservancy, and Hans Mommaas, PBL Netherlands Environmental Assessment Agency.

Fernando Miralles-Wilhelm, The Nature Conservancy, called for scenario planning that combines climate and socioeconomic pathways and said properly managed human intervention could curb water scarcity in river basins.

Ahmed Saeed, Asian Development Bank (ADB) noted key thematic areas of ADB's engagement on this issue, including on: improved water management; biodiversity restoration and conservation; agricultural non-point source pollution control; integrated flood risk and disaster management; data and digital solutions; and private sector investment.

Li Xiaojiang, China Academy of Urban Planning and Design, described the evolution of management of the Yangtze river. Citing problems such as eutrophication, water scarcity and environmental degradation, he highlighted efforts to reverse negative trends including by revitalizing industrialized waterfronts and creating artificial shorelines.

Jan Hendrik Dronkers, Dutch Ministry of Infrastructure and Water Management, praised heightened attention to climate change adaptation, said we must work with and not against nature, and called for multi-level collaboration. Hans Mommaas said rivers are "the blood vessels of ecosystems and entire civilizations" and underscored the importance of integrated approaches, governance, and knowledge and good-practice sharing. Henk Ovink, Netherlands Special Envoy on Water, elaborated the advantages of nature-based solutions for increased resiliency, biodiversity and health. Su Jilan, Second Institute of Oceanography, addressed the importance of river health for marine ecosystems, focusing on estuaries as critical habitats for the early life of fish.

Describing China as "the water tower of Asia," Howard Bamsey, Global Water Partnership, cited river management as central to the achievement of all SDGs and ecological civilization, stressing the need to include river specialists in the climate change community. Li Yuanyuan, Ministry of Water Resources, highlighted the importance of: integrating river management with socioeconomic and ecological protection; longer timescales for planning; and a balanced approach combining natural and human aspects.

Zafar Makhmudov, Regional Environmental Centre for Central Asia, spoke about the Centre's work on transboundary river systems, noting the use of information platforms to enhance climate change knowledge, decision-making and coordination.

The Dayu team, 2021 winner under the Program of Summer Institute for China's Green Innovators, Tsinghua University, presented on natural flood management and underscored the role of youth, on-the-ground work with local communities, and comprehensive spatial planning.

Scott Vaughan, International Chief Advisor of CCICED, highlighted: the importance of scenarios given changes and uncertainty; current innovative work on nature-based solutions; and river basins as strong foundations for policy integration.

Plenary

Huang Runqiu, CCICED Chinese Executive Vice Chair, moderated the closing plenary. Achim Steiner, UNDP, noted the discussions had identified five goals: collectively scaling up ambition through Chinese leadership; accelerating progress toward green energy, lifestyles and business, propelled by digitalization; aligning investments with the Paris goals, the post-2020 Framework, and the SDGs, including eliminating coal investments; pursuing equity, particularly gender equity; and mobilizing resources for nature-based solutions.

Kristin Halvorsen, Director, CICERO Center for International Climate Research, highlighted a proposal that China include a total CO2 emissions cap in its updated nationally determined contribution (NDC) under the UNFCCC and recommended adding a carbon tax and eliminating all subsidies for activities driving climate change and destruction of nature.

Erik Solheim, WRI, said going green no longer pits the economy against the environment. He highlighted China's halt in foreign coal investing, urging abandonment of all foreign coal investments. He said China and other countries and regions can create a green ecological civilization.

Marco Lambertini, WWF, called for a global goal aimed at becoming nature-positive by 2030, noting that green investing and developing zero-deforestation supply chains are already embracing nature-positive goals.

Kate Hampton, Children's Investment Fund Foundation, supported Chinese leadership on: setting the global path for fulfilling the Paris goals; channeling public investment into green infrastructure; sharing expertise with countries along the BRI for coal phase-out and green technology phase-in; supporting green COVID-19 recovery; contributing to the Paris rulebook and the post-2020 and 2030 agendas; and pursuing carbon neutrality, including through a carbon market, circular economy, and carbon border taxes.

Emphasizing that China can drive down the costs of technologies and implementing them at scale, Andrew Steer, Bezos Earth Fund, said there should be no trade-off between a healthy economy and smart action on climate and nature.

Jennifer Morris, The Nature Conservancy, called it essential for China and the United States to jointly address the existential threats of biodiversity loss and climate change. Stephen Heintz, Rockefeller Brothers Fund, underscored that the relationship between China and the United States is the single most important bilateral relationship of this century, and said global peace and progress depends on the two countries' ability to manage differences while cooperating on matters of common interest.

Liu Shijin called for consensus on new drivers of green development, said the green transition should be holistic and forward looking, and called for developing new alternatives before breaking old patterns. Scott Vaughan underscored the importance of public awareness and education and said it is essential to communicate why actions matter using clear, accessible and concrete language.

CCICED Chair Han Zheng, Vice Premier of the State Council, reiterated the Chinese Government's commitment to building an ecological civilization that facilitates harmonious coexistence of humankind and nature and said China will continue working to implement a new development paradigm.

Huang Runqiu called for continued collaboration to make CCICED a leading science-based advisory platform. He closed the meeting at 9:12 pm (UTC+8).