Special Speech at the Opening Ceremony

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Distinguished Council Members, distinguished experts, Dear friends, ladies and gentlemen:

Good afternoon!

It's my great pleasure to meet all of you again to discuss environment and development issues. The theme of this Annual General Meeting is "Ecosystem Management and Green Development - Exploring the New Path for Environmental Protection in China", which is of great significance for further promoting sustainable economic and social development. I would like to take the opportunity to share my views on the topic of exploring the new path for environmental protection in China and striving for a higher level of ecological civilization.

Let us begin by reviewing China's environmental protection in the 11th-Five-Year Plan period, during which China's environmental protection made notable progress in different fields. One of them is the coordination and integration of environmental protection with economic development and livelihood improvement. We have kept up with changes, making innovations while dealing with inherited problems. The Chinese government has set up guiding principles and placed environmental protection in a strategic position, and put forward a series of new ideas such as developing an ecological civilization, promoting historical transformations, rehabilitation of rivers and lakes, treating environmental protection as an important livelihood issue, and exploring the new path for environmental protection in China. Reducing total emissions of sulfur dioxide and COD by 10% has been set as an obligatory indicator in economic and social development. Environmental protection has been regarded as an important measure to cope with the international financial crisis, to guarantee growth, to expand domestic demand and to adjust the economic structure. We have given pollution prevention and control and drinking water safety standards highest priority. We have promoted our work in an all-around way while making breakthroughs in key areas. Great efforts have been made to solving outstanding environmental problems, which have affected sustainable development and caused damage to people's health. With the guidance of the new ideas and new thinking, environmental protection tasks set in the 11th-Five-Year Plan have been accomplished in the course of exploring and practicing the new path for environmental protection. Prominent accomplishments are reflected in the following.

First, the emission reduction targets for major pollutants set in the 11th-Five-Year Plan have been met ahead of schedule. During 2006–2009, total emissions of COD and sulfur dioxide were reduced by 9.66% and 13.14% respectively. In the first half of this year, COD emission was reduced by 2.39% compared with the same period of last year. The emission reduction target of sulfur dioxide has been realized one year ahead of that set in the 11th-Five-Year Plan and that of COD has been realized half a year ahead.

Second, pollution prevention and control in key watersheds and regions are continuously improved. In terms of water pollution prevention and control in key watersheds, the idea of rehabilitating rivers and lakes has enjoyed popular support and the policy measure has achieved distinct results. In terms of air pollution prevention and control, a new mechanism of regional air pollution joint prevention and control has been established, which has played and will continue to play an important role in guaranteeing the environmental quality, as it did during the Beijing Olympics, the Shanghai Expo and the Guangzhou Asian Games. In terms of capacity building for pollution prevention and control, by the end of 2009, the ratio of fire- powered generators installed with desulfurization equipment had been increased from 12% in 2005 to 71%, and the urban sewage treatment rate had been raised to 72.3% from 52% in 2005.

Third, the comprehensive role of environmental protection in optimizing economic development is increasingly clear. Right economic policies are right environmental policies and vice versa. We have worked hard to provide good services for projects in the areas of livelihood improvement, infrastructure construction, eco-environmental protection and post-disaster reconstruction which meet environmental protection access conditions. We have also tightened the examination of projects that are high in pollution and energy consumption, and are resource dependent, as well as low-level duplicating construction projects to be started, stopped the production of small fire powered generators with a total capacity of 60.06 million kilowatts and phased out obsolete iron-making capacity of 81.72 million tons, steelmaking capacity of 60.38 million tons and cement production capacity of 214 million tons.

Fourth, new progress has been made in livelihood guarantee and improvement. Efforts have been focused on comprehensive treatment of heavy metal pollution. A number of heavy metal pollution and metal pollution incidents have been properly handled. The Plan on Comprehensive Prevention and Treatment of Heavy Metal Pollution (2010-2015) has been completed. More efforts have been made to guarantee drinking water safety, and the first environmental protection plan for drinking water source areas for cities in the whole country has been issued. Special campaigns have been launched on punishment and remediation of law-breaking enterprises for pollutant discharges, to protect people's health.

Fifth, rural environmental protection and ecological conservation have been strongly and effectively carried out. The policy of "promoting treatment by award" in rural environmental protection has been actively implemented. A special fund of 12 trillion yuan has been invested by the central government for a thorough implementation of a three-year "contiguous area remediation" demonstration project. Ecological conservation has been solidly promoted. By the end of 2009, 2541 nature reserves of different levels and types had been established in the whole country, accounting for 14.7% of the total land area. China's Biodiversity Conservation Strategy and Action Plan has been issued, which sets the overall target of biodiversity conservation in China for the next 20 years.

Sixth, environmental quality indicators are continuously improving. Compared with 2005, in 2009, the ratio of areas with water quality worse than Grade V in the nationally controlled sections of surface water was reduced by 5.5% from 26.1% to 20.6%; the ratio of sections with water quality better than Grade III in the nationally controlled sections of the seven large watersheds was increased by 16.1% from 41% to 57.1%; the ratio of key cities with more than 80% of good and excellent air quality rate increased by 26.2% from 69.4% to 95.6%. All the major environmental quality indicators met or exceeded their targets set in the 11th-Five-Year Plan ahead of schedule. In 2009, the average sulfur dioxide concentration in the atmosphere in key environmental protection cities was 24.6% lower and the average density of permanganate in nationally controlled sections of surface water was 29.2% lower.

Council Members and experts:

The fifth plenary meeting of the 17th session of the Communist Party of China (CPC) has just concluded. The Suggestions of the Central Committee of the CPC on Formulation of the 12th Five-Year-Plan on National Economic and Social Development, which was reviewed and passed at the meeting, stressed that the next five years was a period of important strategic opportunities, which we should firmly grasp and make good use of for China's development. With the theme of scientific development and expediting

transformation of the economic development mode, we shall endeavor to improve people's livelihood so as to lay the basis for an overall well-off society. Focusing on environmental protection in the 12th Five-Year-Plan period, the Suggestions for the first time point out that we shall make greater efforts to raise the level of ecological civilization and to accelerate the building of a resource saving and environmentally-friendly society. The Suggestions have set rules and made requirements in a number of aspects. For instance, we shall focus on outstanding environmental problems that harm people's health, such as unsafe drinking water and pollution of air and soil; strengthen pollutants emission reduction and treatment; and increase the types of pollutants under a total emission control policy so that emission will be reduced notably and the eco-environment quality will be improved markedly.

Developing ecological civilization is a strategy set in the context of China's scientific development, and the severe reality that China faces of the high cost of resource usage and environment damage inherent in rapid economic growth. Developing ecological civilization is an important component in building socialism with Chinese characteristics. It not only reflects the clear understanding and conscientious action of the Chinese government towards the relationship of environment and development, it is also a useful exploration and positive contribution to the world's sustainable development.

Harmonious coexistence between man and nature is the substantive characteristic of ecological civilization. Ecological civilization is the aggregation of material, spiritual and institutional achievements by human beings, when they use nature while at the same time protecting nature, improving and optimizing the relationship between man and nature, and ,maintaining a good eco-environment. The relationship between man and nature reflects the interaction and its subsequent results between human civilization and nature evolution - humanity's existence and development rely on nature, while progress in human civilization affects the structure, functions and evolution of nature. Conventional industrial civilization is based on conquering and transforming nature, which has resulted in a contradiction between man and nature. Ecological civilization requires the change from this contradiction to a friendly coexistence, achieving harmony between man and nature, and allowing both to develop. However, this harmony is not going back in time to an agricultural civilization. It is a higher level of harmony built on human development and achievements.

In the process of human development, we have achieved a better understanding of ecological civilization. Firstly, promoting ecological civilization is an effective way of relieving the increasing pressure of economic growth on resources and environment. Only by further saving resources and protecting the environment, can we effectively break this pattern. Secondly, promoting ecological civilization is desirable for the accelerated

transformation of the economic development mode. Environmental problems, in their essence, are problems caused by undesirable economic structures, economic growth modes and development paths. Environmental protection plays the role of guaranteeing, promoting and optimizing acceleration of economic development mode transformation because the bearing capacity of the environment is increasingly becoming the main restrictive factor in the scale and scope of economic development. Thirdly, promoting ecological civilization carries the benefit of improving people's livelihood. Environmental protection has a direct connection to people's quality of life and health as well as to the harmony and stability of the society. Fourthly, promoting ecological civilization will help us maintain our competitiveness in the post international financial crisis period. The world's economy is undergoing a new round of restructuring and innovative development. Only by using environmental protection to optimize economic development can we gain the initiative in the new round of international competition. In fact, promoting ecological civilization will allow us to keep pace with change, embracing new environmental advantages, expanding room for development and meeting people's new expectations. In summary, promoting ecological civilization is an important and urgent task at present.

Ecological civilization is the integration of ideas, actions, processes and results, which requires our firm belief in the ideas of ecological civilization, green and low carbon development and prioritizing environmental protection. It is imperative that actions be taken as soon as possible in favor of promoting ecological civilization. "One concrete action surpasses a dozen guidelines". The success of ecological civilization lies in perseverance, and its development will be a long and arduous process.

The main approach of developing ecological civilization is to actively explore the new path for environmental protection in China. Environmental protection is a major component for ecological civilization. Protecting the environment is to resolve the contradiction between man and nature; and improving the environment is to constantly raise the level of harmonious coexistence between man and nature. To promote ecological civilization, China's priority at present and in the near future is to vigorously explore a new path for environmental protection in China with low cost, optimal benefits, low emissions and sustainability.

consideration of environmental protection and economic development as a whole, and deploy integrated effort in these two areas at the same time. We shall change the conventional economic and social development mode that does not meet the requirements of green development.

——"Optimal benefits" means adhering to integration of environmental protection and economic and social development, and pursuing maximum environmental, economic and social benefit. Environmental protection is a cross-cutting theme for economic and social development, and therefore plays a decisive role in economic growth and social stability. We shall vigorously promote environmentally friendly green production and life styles, and realize integration of the environmental, economic and social benefits in the effective prevention of resource waste and environmental pollution.

——"Low emission" means adhering to the integration of pollution prevention and environment treatment, and minimizing the damage of social economic activities to the environment at low environment treatment cost. We shall enhance incentive mechanisms and restraint mechanisms for pollutant emission reduction. Mainstreaming environmental protection concepts into the national economic system and social organization system is an important line of defense to effectively prevent environmental pollution and over-consumption of resources as well as the key to easing the pressure on the cost of environmental treatment.

——"Sustainability" means adhering to the integration of environmental protection with long-term development and constantly promoting sustainable economic and social development through building a resource saving and environmentally friendly society. We shall optimize regional planning based on environmental capacity, optimize the industrial structure through environmental management and optimize the economic growth mode at lower environmental cost, and accelerate China's transformation of the economic development mode.

Exploring China's new path for environmental protection, we need to better understand new ideas and visions of environmental protection, grasp new opportunities and practices, establish new systems and mechanisms, and plan the future of environmental protection with new thinking. We shall need time to establish systems adaptable to China's new situation, including the macro strategic environmental protection system, the overall prevention and control system, sound and highly efficient environment treatment systems, sound environmental laws, regulations, policies and standards system, the overall environmental management systems and the social action systems with the participation of the public.

Council Members and experts:

The 12th-Five-Year Plan period is a time for China to make major achievements in environmental protection, and it also is a critical time for China to overcome daunting difficulties. We will complete and issue the 12th-Five-Year Plan on Environmental Protection as soon as possible, continue our vigorous exploration of the new path for environmental protection in China and endeavor to raise the level of ecological civilization. We will mainly focus on the following five tasks:

First, we shall strengthen pollutants emission control. We will put into place an emission reduction accountability system, intensify pollutants emission reduction and treatment, and increase the number of pollutants under total emission control including COD, ammonia nitrogen, sulfur dioxide and nitrogen oxides. We will intensify water pollution prevention and treatment in major river basins, allowing rivers and lakes to rehabilitate. We will effectively control urban air pollution, strictly control automobile exhaust emissions, and by taking a regional approach establish and improve a new mechanism of regional air pollution joint prevention and treatment.

Second, we shall strive to develop circular economy. We will develop clean energies and renewable energies, increase the utilization rate of energies and resources, gradually reduce carbon emission intensity in economic development and minimize pollutants emission. Based on the principle of "reduction, reuse and recycling", we will develop and promote advanced and feasible alternative technologies which will save energy and reduce pollution. We will strive to develop a green industry that will gradually become a new force in promoting China's economic growth.

Third, we shall work hard to solve the outstanding environmental problems that harm people's health. We will continue to strengthen the management of protected water source areas, regularly check enterprises and surrounding areas for hidden environmental risks, such as discharging pollutants like heavy metals, and carry out comprehensive remediation of chemical enterprises along rivers and lakes. We will effectively control urban noise pollution. We will provide stronger support for the "treatment by award" practice in rural areas, carry on with our rural clean projects and pursue "contiguous area remediation" work comprehensively.

Fourth, we shall effectively protect and restore the eco-environment. We will adhere to the principle of giving priority to protection, and relying on natural recovery, and reverse the trend of eco-environment deterioration from the source. We will implement key ecological recovery projects; strengthen protection and management of nature reserves, key ecological functioning zones and coastal zones so as to build a national ecological safety shield. We will conserve biodiversity and integrate effective protection of biological resources with their rational utilization.

Fifth, we shall establish and improve systems and mechanisms beneficial to environmental protection. We will further improve the environmental impact assessment system, set strict environmental access conditions, carry our strict law enforcement and supervision, and establish a sound accountability system for grave environmental incidents and pollution incidents. We will attach importance to market instruments, establish an eco-compensation system within a reasonable timeframe, actively promote resource pricing reform and environmental protection fee collection reform, modify resource taxes, impose environmental protection tax, and improve environmental economic policies, such as green taxes and green securities. We will establish a sound "polluters pay" system and set up a multiple environmental protection investment system.

Council Members and experts:

Over the years, CCICED, as a policy advisory body for the Chinese government, has proposed many policy recommendations. Up to now, a number of these recommendations have been adopted and implemented. CCICED has played an important and unique role in promoting China's sustainable development. Currently, targets and tasks for the 12th-Five-Year Plan period have already been identified, and new and higher requirements have been set for environmental protection. I hope that everyone here can speak out freely and have substantive discussion around the theme of the meeting and China's environmental protection in the 12th-Five-Year Plan period. By doing so, you will offer wise and practical advice and suggestions for exploring the new path for environmental protection in China and raise the level of ecological civilization.

"The impregnable pass is like iron, we have to take a step from the beginning to conquer it". We are inspired to accelerate the building of a resource saving and environmentally friendly society, and will endeavor to raise the level of ecological civilization. We will spare no effort in the journey to explore the new path for China's environmental protection, and to bring benefit to the people, to our country and to the whole world.

Thank you.