



Speech at the Opening Ceremony

Margaret Biggs, Executive Vice Chairperson
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Vice Premier Li Keqiang, Minister Zhou, Secretary General Li, Members of Council and Invited Guests,

This AGM is such a special occasion—the last meeting of the China Council’s Fourth Phase, taking place during the first year of the “12th Five-Year Plan”, and with the added pleasure of celebrating the 20th Anniversary of the China Council.

Imagine all that has happened over these past two decades in China, and the shifts in thinking about the relationship of environment and development. Not only in this country, but throughout the world. Yet all of our countries continue to struggle with the consequences of the global economic and financial crisis, and other problems that sometimes draw our attention away from the on-going needs of environmental sustainability.

Quite rightly, addressing the problems of environment and development requires strategies that put people first. The challenge in China and in the world is to identify and build upon the environmentally friendly values of people and society. This requires open and inclusive processes of development.

During this current phase of the China Council’s work we have witnessed progress on China’s efforts to become an environmentally friendly society. Indeed the China Council has had the great privilege of contributing directly to this effort.

This year’s AGM documentation is rich in reflection. We will be examining the results of the “11th Five-Year Plan” and how this learning is being carried forward into the new Plan. Some experts have described the “12th Five-Year Plan” as a breakthrough on environment and development, including its greater emphasis on social inclusion and development.

The “12th Five-Year Plan” recognizes that China’s economic and environmental transformations are interlocked. The outcomes of economic development and environmental protection are interdependent and mutually supportive.



It is useful therefore to understand how this new concept of “green transformation” can be applied in practical and concrete ways to benefit all of China’s people, and to improve China’s future development prospects. This is the main theme of our AGM this year.

The greening of development is also a task of global significance. China’s rapid growth has now placed it in a very important economic position in the world. China is also playing a significant role in international environmental affairs. China is a participant in the negotiations for a new global treaty on the control and reduction of mercury. At the Rio+20 Earth Summit next June, China can play an important role, sharing its knowledge and experience on Green Development.

Mr. Chairman, the China Council is now addressing Chinese priorities that are on the leading edge of environment and development thinking in the world. As various Council members have mentioned in recent years, the challenges are becoming more complex, the time horizons for finding good solutions shorter, and issues increasingly sensitive.

It has become very important therefore to define as clearly as possible the desired outcomes China is trying to achieve, and then to establish reliable measures of success. The example of the very specific mandatory targets for pollution reduction during the “11th Five-Year Plan”, and the new targets in the “12th Five-Year Plan” have been very helpful. Our “Low Carbon Industrialization Strategy” and our “Green Economy” Task Forces have proposed valuable roadmaps suggesting optimal pathways for the achievement of good environment and development outcomes.

This year’s AGM marks the return of a topic of great significance to China and its international partners— “Investment, Trade and Environment”. The Task Force dedicated to this topic has examined the need for consistently high standards, for not only domestic investment and Foreign Direct Investment (FDI) entering China, but also of Outward Direct Investment (ODI) from China. The Task Force has concluded that the greening of China’s international brand will be critical for future market access and competitiveness.

This is an example of work where the China Council has a great comparative advantage. The China Council was able to draw upon people from four continents to undertake this study. What has emerged from research is a picture of opportunity—for China and also for the countries where Chinese enterprises are investing. At the same time, the Task Force has determined ways in which China can establish more clearly its national and international “brand” as being environmentally responsible.

Related to this work has been a China Council special study on Green Supply Chains. The study team included members drawn from leading international businesses operating in China. They examined the progress China has made with Green Procurement by the various



levels of government, including cities. They have also examined the opportunities for bringing small and medium sized enterprises into green supply chains. With China's increased emphasis on stimulating domestic consumption, green certification of products and supply chains can help to create pathways for sustainable consumption.

All the studies I have highlighted draw environmental matters into the mainstream of China's economic decision making. As a Council we need to ensure that our recommendations this year clearly demonstrate how this approach can be made operational through strengthened policies that can be implemented quickly from the national to the local level.

The China Council has recognized through its past and current experience that the tasks of environment and development are long-term in nature. Green transformation will be a subject of increasing significance for years, perhaps decades, to come. The large Chinese investment in science and technology innovation has already begun to show its value for environmentally friendly applications. This raises the question of whether there is a need for a medium-term or long-term plan for green transformation. We should consider this possibility in our discussions this week.

A topic of on-going concern for many Council members has been the distribution of the benefits and costs of development. Certainly we recognize the seriousness of this topic to the Government of China. We also recognize the multiple ways equity concerns are being addressed, including the very significant progress and ongoing work on poverty reduction.

This year we have initiated a task force to examine Green Development in Western China, placing emphasis on a roadmap for a Green Economy in this important region—the new front line for industrial and urban change. We hope this new task force will be able to make solid suggestions related to meeting the goals of the “12th Five-Year Plan”.

The China Council also has initiated a careful examination of how to cost-effectively meet the pollution and emission targets of the “12th Five-Year Plan”, including the new ones related to nitrogen and greenhouse gases. We did this five years ago at the start of the “11th Five-Year Plan”, with useful results. We are expecting even more from the new Task Force, since we also want to examine the longer-term needs that might extend into the period of the “13th Five-Year Plan”.

Mr. Chairman, on behalf of all international China Council members and others who work with us, I want to express our appreciation for the commitment of China to environment and development. Over this past five years of Phase IV of the China Council we have watched a new way of thinking and acting emerge.

We recognize the progress China has made on environment and development. However, the shift in approach has not yet fully delivered on the desired environmental outcomes. The



environmental protection situation in China is still described as “grave”. The critical period for change still lies ahead.

Some of the most important progress has been in the attitudes, systems, and capacity that have been developed to tackle environmental challenges and to realize opportunities. The rapid acceptance and shift towards low carbon economy, and towards circular economy, have been very encouraging. We can hope that green transformation will provide the broader framework for the work still to be done.

I suggest that during these days together, we focus on some key systemic challenges that affect environmental outcomes. Here are three points directly relevant to our theme of green transformation of China’s economic development.

First, the progress on creating fiscal arrangements, pricing and market incentives suitable for a green transformation appears to be still quite limited. What then, are the highest priority policy shifts that can be recommended to overcome this systemic hurdle?

Second, there is still considerable debate about the role of innovation relative to other more incremental approaches. This is particularly important for investment in new infrastructure and within industrial sectors; and certainly in shifting from a traditional coal-based energy economy. We have numerous recommendations from this year’s task forces on such a topic. Can we develop one or two powerful recommendations that capture innovation policy needs in a holistic way?

Finally, I wished to make a general point related to inclusiveness in environment and development problem solving. Whether it is a matter of considering gender issues in China’s green economy, poverty and environment, or the role of local people in addressing pollution impacts, inclusiveness is key. It is an express priority for China. And we should be able to recommend robust mechanisms, perhaps based on successful policies elsewhere.

Vice Premier Li, it is our privilege to work with you on this journey towards an Ecological Civilization. We hope that once again the China Council will be able to provide China with suggestions that will prove to be of both immediate and lasting value.

We wish you the very best success in meeting the ambitious targets you have set for this first year of the “12th Five-Year Plan”.

And, finally, I would like to thank all those who have contributed to this year’s work. By all accounts it has been one of our most productive years. Now let us continue by making this a very successful meeting.

Thank you.