## Hot Topics

# ■ Gov't selects pilot carbon reduction locations

The National Development and Reform Commission (NDRC), China's top economic planning body, said on August 18 that it has selected a series of pilot carbon cities as a way of addressing the nation's carbon emissions issues.

"Setting up carbon exchange centers is the way we must go (in the future)," Xie Zhenhua, vice chairman of the commission added.

The NDRC has selected five provinces, Guangdong, Hubei, Liaoning, Shaanxi and Yunnan, as well as eight cities, including Tianjin, Chongqing, Hangzhou, Xiamen, Shenzhen, Guiyang, Nanchang and Baoding, as the first batch of areas to develop green economies. Each area is required to draft its own plan to reduce carbon emissions and develop a green economy for the nation's 12th Five Year Plan (2011-2015).

"We will utilize the pilot cities and set up our own standards and evaluation system in reducing carbon emissions in order to have a bigger say for China and other developing countries, in the making of international rules," according to Xie.

"China is an active and responsible country in dealing with climate change," Xie added.

The country pledged to reduce its 2005 carbon intensity rate - the amount of carbon dioxide produced per unit of GDP - by 40 to 45 percent before the end of 2020.

China has mostly relied on administrative measures to realize its 20 percent energy intensity reduction target between 2006 and 2010. To that end, the country's top 1,000 energy consumers have signed contracts with the central government to improve their energy efficiency.

But the country is planning to utilize more market-based means and will begin domestic carbon trading programs during the 12th Five-Year Plan to help meet its 2020 carbon intensity target.

The commission has also established a panel on climate change, consisting of more than 30 experts, to hone its international negotiating strategy for addressing climate change issues, according to Xie. (Source: China Daily)

#### **■** China mulls environmental tax

The Ministry of Finance (MOF), State Administration of Taxation (SAT) and Ministry of Environmental Protection (MEP) will propose to the State Council, China's cabinet, a plan for levying an environmental tax in four pilot provinces.

A research conference on environmental tax in West China's Yinchuan City has revealed that levying environmental taxes yields significant results, and four provinces - Hubei, Hunan, Jiangxi and Gansu - will become pilot zones.

Wang Hui, a lecturer with the law school at Shanghai Maritime University, told the newspaper that the MOF, SAT and MEP began researching environmental taxes in 2007, but the actual environmental problems are always more complicated than theoretical assumptions.

"For example, the extent of the damage caused by some pollutants actually depends on the emissions amount, location, environmental media, and even the location of the pollution sources," Wang said.

Wang Jinnan, an official with the MEP, said deciding who will approve the pollutant discharge amounts is still the most arduous problem in implementing the taxes.

"It is still a question whether the

environmental protection department or tax administration will confirm it, and for environmental taxes, it would be better to experiment on one or two provinces first," Wang said.

According to the environmental tax enforcement schedule by the China Council for International Co-operation on Environment and Development, China will improve environment-related taxes such as a resource tax, consumption tax and vehicle and vessel tax in the first three to five years, then begin collecting an environmental tax in the next two to four years, and finally expand the scale of the environmental tax in three to four years. (Source: the First Financial Daily)

# ■ China shows strong resolve to develop clean energy

China had shown its commitment to developing clean energy through its strong support for an international alternative energy program, the head of the program's China office said on July 28.

The program, known as the International Thermonuclear Experimental Reactor or ITER, aims to emulate the power of the sun to provide limitless clean energy, Luo Delong told Xinhua during a telephone interview.

"China's active participation in the international nuclear fusion project reflects the country's determination to promote the development of clean energy," Luo said.

"It is also in line with China's long-term energy strategy," Luo said.

In a bid to solve the energy shortage and maintain sustainable development, China is working to develop fossil energy and fission energy while vigorously seeking alternative energy sources, according to Luo.

Now it seemed ITER might be a reliable answer to the problem of energy in the long run, he said.

"I can give you an example: after ITER nuclear fusion, the deuterium extracted from one liter of sea water can produce as much energy as that of 300 liters of gasoline," and fusion energy had huge potential, "because it uses the inexhaustible sea water as material," he said.

Moreover, the ITER process won't produce greenhouse gases or cause any pollutants such as high-radiation uranium

waste, which made it an ideal energy source for both environmental protection and security, Luo said.

China had devoted a lot of effort and funds to the project, he said.

Luo said China had made great efforts in helping establish the organization and the country would inject about 10 billion yuan (1.4 billion dollars) to the project, about 10 percent of its total cost.

China would also undertake nearly 10 percent of the project, producing various components and transporting them to Cadarache, southern France, where the ITER's reactor units would be constructed, he said.

It is the second largest international science and engineering project behind the International Space Station, and is also the biggest international science and technology cooperation in which China has taken part so far. (Source: Xinhua)

### ■ 10-year plan for clean energy

China plans to spend about 5 trillion yuan (US\$738 billion) in the next decade developing cleaner energy to cut emissions and reduce reliance on coal, a government official said.

Plans to develop cleaner energy from 2011 to 2020 have been submitted to the State Council for approval, Jiang Bing, head of the National Energy Administration's planning and development department, told a media briefing in Beijing on July 20.

The cleaner energy guidelines included the exploration of new energy and renewable energy such as nuclear, wind and solar power and geothermal energy as well as unconventional gas. Upgrades of conventional energy such as clean coal and the smart grid will also be included, Jiang said.

"The world's major economies have all released clean energy policies to facilitate economic recovery and race to control the commanding point in the future world economic landscape," Jiang said. "China must take this opportunity to develop our own cleaner energy business, create new economic growth point and vie for a favorable position in the global competition."

The National Energy Administration also disclosed its energy plan for the next five

years, which focuses on tighter measures to cut energy consumption, higher efficiency of traditional energy, acceleration of clean energy development and improvements of the energy transmission network.

Under the five-year plan, non-fossil energy is targeted to make 11 percent of total energy consumption by 2015. Of this, natural gas usage could increase to 260 billion cubic meters, with hydropower capacity at 250 million kilowatts, nuclear power at 39 million kilowatts and biomass energy at 110 billion tons of standard coal.

China pledged last year to cut carbon dioxide intensity - carbon dioxide emissions per unit of GDP - by 40 to 45 percent by 2020, compared with 2005 levels. Also by 2020, non-fossil energy was aimed to account for 15 percent of the total energy consumption. Nuclear power capacity is planned at more than 75 million kilowatts and hydropower at more than 300 million kilowatts. Biomass energy is expected to reach 240 billion tons of standard coal.

Zhou Xi'an, an official from NEA, told the briefing that energy supply and demand kept growing steadily in the first half of this year and would remain stable for the second half. (Source: Xinhua)

■ Vice Premier stresses environmental improvement in W China Chinese Vice Premier Hui Liangyu on July 12 urged concrete measures be taken to protect the ecological environment while building to improve living conditions as part of the country's campaign to develop its vast western regions.

Hui made his remarks at the opening ceremony of the achievements exhibition displaying the western regions' environmental protection and construction accomplishments during the "West Development" campaign.

The Chinese government launched the "West Development" campaign ten years ago as part of a program to narrow the gap between the country's coastal eastern region and the underdeveloped west.

Statistics indicate that forest coverage has increased in the west from 10.32 percent to 17.05 percent over the past decade thanks to west regions' efforts in natural forests preservation, forestry restoration and reducing the impact of desertification.

Hui called on local governments in the western regions to more effectively implement the central government's policies and decisions at the recent work meeting on West Development held on July 5 and 6.

The western regions should also do its share to maintain the country's ecological security, Hui said. (Source: Xinhua)

#### CCICED Activities

## ■ The Third Joint Meeting of Chief Advisors and the Secretariat of CCICED holds in Beijing

The Third Joint Meeting of Chief Advisors and the Secretariat of CCICED was held in Beijing during July 9-10, 2010. CCICED Secretary General Zhu Guangyao attended the meeting. The meeting was co-chaired by Mr. Shen Guofang, CCICED Chinese Advisor, academician of Chinese Academy of Engineering and Dr. Hanson, the international Chief Advisor. Mr. Ren Yong and Ms. Fang Li, Assistant Secretary Generals of CCICED, members of Chief Advisors' Supporting Group, representatives of CCICED donors, Secretariat and its

**International Supporting Office attended the meeting.** 

Work progress of CCICED for the first 6 months of 2010 was reviewed at the meeting. Research progress and draft study reports of the following were also briefed and discussed at the meeting: Task Force on Service and Ecosystem Management Strategy and Task Force on Ecosystem Issues and Policy Options Addressing the Sustainable Development of China's Seas as well as two special policy studies (Report on Ecological Footprint in China 2010 and **Developing Policies for Soil Environmental** Protection in China).

Arrangement and preparation for CCICED 2010 Annual General Meeting were also discussed at the meeting, including

the drafting of Issues Paper, Policy Recommendations, preparation for progress on the of China's environment and development and **Policy** of **CCICED** influences Recommendations. It is required that the preparation of relevant documents should, with "Ecosystem Management and Green Development" as the theme of CCICED 2010 AGM and based on key topics as well as difficulties of international ecosystem management, pay close attention to new tasks and challenges confronting the Chinese Government. Specific and forward-looking policy recommendations should be developed accordingly.

### ■ CCICED holds the seminar on Developing Policies for Soil Environmental Protection in China

CCICED seminar on "Developing Policies for Soil Environmental Protection in China" was held in Beijing on July 16, 2010. 20 participants including Dr. Hanson, CCICED international Chief Advisor, Ms. Fang Li, Assistant Secretary General of CCICED and Deputy Director General of Foreign Economic Cooperation Office of Ministry of Environmental Protection, Chinese and international experts of the project, Chief Advisors' Supporting Group and the CCICED Secretariat attended the meeting.

"Developing **Policies** for Soil Environmental Protection in China" is one of special policy studies carried out by CCICED in 2010. It aims at analyzing and identifying current status, cause and existing problems of soil pollution in China, learning experience of developed lessons and countries and putting forward mid- and long-term policy recommendations for strengthening soil environmental protection and prevention and control of pollution in China.

Mr. Zhang Shanling, Director Division of Soils, Department of Nature and Conservation, **Ministry Environmental Protection, introduced the** status of soil environmental protection in China at the meeting. Mr. Li Fasheng, Chinese Co-chair of the study team and Director of Soil Institute, Chinese Research Academy of **Environmental** reported on the first draft and experts from Netherlands and Canada covered international experience in soil environmental protection.

The meeting fully affirmed the primary achievements of the team and required further crystallizing macro and comprehensive policy recommendations and improvement of the study report based on the discussions of the meeting and existing draft report. The final report is to be submitted to CCICED by the end of September of 2010.

# ■ CCICED Seminar on Report on Ecological Footprint in China 2010 holds in Beijing

CCICED seminar on Report Ecological Footprint in China 2010 was held in Beijing on July 15. Mr. Shen Guofang, Chinese Chief Advisor CCICED academician of Chinese Academy Engineering and Dr. Hanson, international Chief Advisor, Ms. Fang Li, Assistant Secretary General of CCICED and Deputy Director General of Foreign Economic Cooperation of Ministry Office **Environmental Protection, Li Lin, Vice Chief** Representative of WWF Beijing Office as well as others attended the meeting.

Report on Ecological Footprint in China 2010 is a joint research project of CCICED and WWF with specific research conducted by Global Footprint Network and Institute of Geographic Sciences and Natural Resources Research, Chinese Academy of Sciences. The first publication of Report on Ecological Footprint in China was in 2008. Report on Ecological Footprint in China 2010 will renew the data of the 2008 report and add relevant contents such as urban ecological footprint, water footprint and regional ecological footprint.

The meeting had in-depth discussion on the draft study report, and further required the report to improve its quality and international perspective in terms of sciectific research point of view and to imporve its readability in terms of writing. The conclusion part of the report should put forward relevant policy recommendations based on analysis and research findings of ecological footprint.

Another two seminars, one in August and one in September will be held to further seek comments and revise the report. The final report is to be submitted to CCICED 2010 AGM.

# ■ CCICED holds inception meeting of China Environment and Development Outlook Program

The inception meeting of CCICED China **Environment** and **Development** Outlook Program was held in Beijing during July 13-14, 2010. Mr. Zhu Guangyao, Secretary General of CCICED addressed the meeting. Mr. Shen Guofang, CCICED Chinese Chief Advisor and academician of Chinese Academy of Engineering and Dr. Hanson. international Chief attended the meeting. Ms. Fang Li, Assistant Secretary General of CCICED and Deputy Director General of Foreign Economic of Cooperation Office Ministry **Environmental Protection chaired** meeting. More than 40 people including Mr. Xia Guang, Director General of Policy Research Center for Environment and Economy and Chinese Chair of the Program, Ms. Marion Cheatle, international Chair of the Program and Deputy Director General of UNEP Division of Early Warning and Assessment, experts and scholars of Chinese and international institutes as well as representatives of CCICED donors attended the meeting.

The establishment of the **Environment and Development Outlook** Program was approved by CCICED Bureau Meeting in 2008. The main tasks of the Program are to give full play of the role as a high-profile international policy advisory body, to carry out comprehensive review of China's policies on environment and development, to project the future of China's environment and development and to provide a reference Chinese to decision-makers and experts at home and abroad.

The meeting had in-depth discussions and exchanges on the research outline and relevant components, and further identified the objectives, tasks and responsibilities. With global background and international perspective, **China** Environment Development Outlook will employ internationally popular study methodology to conduct scenario analysis and prediction, focusing on academic and independent nature, and put forward macro, projecting and early-warning policy recommendations decision-makers of the Government at all levels.

### ■ CCICED holds the seminar on Policies for Environmentally Sustainable Use of China's Water

seminar on **Policies Environmentally Sustainable Use of China's** Water of CCICED was held in Beijing on July 8, 2010. The meeting was chaired by Ms. Fang Li, Assistant Secretary General of CCICED and Deputy Director General of Foreign Economic Cooperation Office of Ministry of Environmental Protection. Mr. Shen Guofang, CCICED Chinese Chief Advisor and academician of Academy of Engineering, Dr. Hanson. CCICED international Chief attended the meeting and Mr. Ren Yong, **Assistant Secretary General of CCICED and** Deputy Director General of Department of Human Resources. **Ministry** of **Environmental Protection** and other representatives attended the meeting.

The meeting listened to the progress of the special background research headed by Mr. Wang Hao, CCICED Member, Director of Water Resources Institute, China Institute for Water Resources and Hydropower Research and academician of Chinese Academy of Engineering. International experiences in this field was introduced. The meeting had a heated discussion on the first draft of the report.

Policies for Environmentally Sustainable Use of China's Water is a special background study of CCICED, which supports the theme of CCICED 2010 Annual General Meeting—"Ecological System Management and Green Development". This policy study aims to analyze and identify existing problems in water ecological system service functions in China, learning from international experience to put forward relevant policy recommendations.

Based on comments and suggestions of the meeting, the study team will revise the first draft of the report. Another work meeting is to be held in the middle of September to improve and finalize the report. Final report will be submited to CCICED by the end of September.

































