

## **CHINA COUNTRY CONSULTATIONS**

**STAKEHOLDER GROUP (S): SEPARATE CONSULTATIONS WERE HELD WITH: (A) GOVERNMENT STAKEHOLDERS AND (B) CIVIL SOCIETY STAKEHOLDERS**

**Location of consultation:**

- A. Ministry of Finance, Beijing, China, March 11, 9:30am-11:30am
- B. World Bank Office, Beijing, March 11, 2:30pm-5:00pm

**Participants (please use attendance sheet shown below and include with this report):**  
See attachments.

**World Bank Participants and Role:**

- 1. Ms. Kathy Sierra, Vice President for Sustainable Development
- 2. Mr. John Roome, Sector Director for Sustainable Development, East Asia and Pacific (EAP) Region,
- 3. Mr. Klaus Roland, Country Director, China, Mongolia and Korea,
- 4. Ms. Elaine Sun, Operations Manager, China, Mongolia and Korea
- 5. Ms. Michele de Nevers, Senior Manager of the Environment Department
- 6. Ms. Magda Lovei, Sector Manager, Agriculture/Environment & Forestry, Sustainable Development Department, EAP
- 7. Mr. Carter Brandon, Sector Coordinator, Agriculture/Environment & Forestry, World Bank Office, Beijing
- 8. Mr. Robert Bisset, Sr Communications Officer, Sustainable Development
- 9. Ms. Chen Tianshu, Chief Interpreter
- 10. Ms. Wenyan Dong, Operations Analyst, Sustainable Development Department, China and Mongolia Program

**How did the process fit into ongoing country dialogue (if relevant; for international meetings, please explain how it fit into the topic of that meeting)?**

The consultations fit well into discussions we are having with counterparts and civil society on the key themes of China's 12<sup>th</sup> Five-Year Plan, 2011-2016, which is now under preparation. We are drafting sector notes for the 5YP, as well as discussing key areas of World Bank engagement.

**What were the key issues/themes raised by participants?**

The Government of China (GOC) attaches great importance to environmental protection issues, and environmental priorities are high in China's economic development strategy. In coordination with many domestic policies that are under implementation, from pollution control to water resources management and forestry, the government is also very keen to work with international partners including the World Bank in this area. GOC places high importance on the new strategy that the World Bank is preparing and has great interest in it.

As China is now in the stage of rapid industrialization and urbanization, development is its first priority. We think this new World Bank Group Environment Strategy should also put development as its top priority. For China the right approach is to study and resolve environmental issues in the context of development. We don't think it is appropriate to solely discuss the issue of environment regardless of its development context.

## Summary of the China Consultations

**NOTE:** There were two separate consultations in China; the first with 22 government counterparts from 10 Ministries, and the second, with approximately 14 civil society representatives from research institutes, universities, and NGOs. The reporting back on the two consultations is merged in the matrix below. The first consultation is entered on the line for [Government](#), and the second consultation is entered on the line for [Representatives from Civil Society](#).

Respondent Type	Consultation Response <sup>1</sup>	Preliminary World Bank Group Response
<b>1. The World Bank Group is a relatively small source of finance for major economic transformation in developing countries. What should the role of the Bank be in helping developing countries to address the challenges and opportunities they face in achieving environmentally sustainable development?</b>		
<a href="#">[Government]</a>	<ul style="list-style-type: none"> <li>● As China is now in the stage of rapid industrialization and urbanization, development is its first priority. We think this new World Bank Group Environment Strategy should also have development as its top priority. For China the right approach is to study and resolve environmental issues during in the process of development. We don't think it is appropriate to solely discuss the issue of environment separate from development. Therefore the theme or the title of such a strategy should read something like "Environmental Strategy for Sustainable Development" or "Green Development Strategy".</li> <li>● In paragraph A8, it says "...environment did not feature among the top five challenges that developing countries thought that they faced...". This is not accurate, at least for China, because environment has long been listed as a binding indicator and target in China's social and economic development program.</li> <li>● Another suggestion is to incorporate energy efficiency into this overall environment strategy, because energy efficiency is a critical element for achieving sustainable development and climate change mitigation.</li> <li>● The concept of Green Growth promoted by OECD really covers a much broader area than environmental strategy. It does not only focus on environmental issues but also economic issues. The World Bank should explore and perhaps adopt this OECD concept.</li> </ul>	<i>The consultations were used to listen to stakeholder opinions, not provide responses. World Bank responses during the consultations were for clarity only and are not recorded here.</i>

<sup>1</sup> Summary of main points raised. All participants and stakeholders are invited to send more detailed comments via the website. Please provide your name, title and organization if you would like your comments to be posted on the external consultations website.

## Summary of the China Consultations

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<p>[Representatives from Civil Society]</p>	<ul style="list-style-type: none"> <li>● This strategy is for the WB Group, not for any specific country. The World Bank is working in a lot of developing countries, so when you are formulating such a strategy, it is appropriate to take a differentiated approach. When this strategy is done, will the WB further formulate any country specific or regional strategies? Different countries and different regions have different priorities.</li> <li>● We hope that the Bank could set up a standard on how to measure the quality of life. We feel supportive of UNEP's concept of sustainable consumption. During the climate negotiations, one issue that the developed countries deliberately try to avoid is that of consumption – i.e., the need to change their current way of living with high consumption and high emissions. They are setting a bad example to developing countries. World Bank could come up with an independent view on a more sustainable life style to guide developing countries and to persuade developed countries to change their ways.</li> <li>● We do not agree with the statement in the concept note that environmental issues are not a priority in developing countries. It says that developing countries pay more attention to their own national growth and infrastructure development, but that is not the case.</li> <li>● We also do not think that rapid urbanization in developing countries is the major cause of environmental concerns -- as stated in the concept note. On the contrary, we think of urbanization as a way to alleviate the contradiction between mankind and nature. The efficiency of natural resources consumption (e.g. land) is higher with urbanization, and the pressure on the environment is reduced. The strategy should help developing countries transform from their traditional way of industrialization and urbanization to a new approach.</li> <li>● There is a lot of room for the World Bank to help introduce international experience to developing countries by paying attention to the hot issues and needs in those countries. Our past experience with work done by the WB and many other international organizations shows that they did not fully reflect the real needs of developing countries -- they often stay at a macro level, which makes findings difficult to implement. If the new Environmental Strategy is too broad in coverage, it will be of little help to national policy formulation and or to industry or sector upgrading. That would be a missed opportunity.</li> </ul>	

## Summary of the China Consultations

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[Private sector]		
[Media]		
<b>2. The World Bank Group has worked to become a country/client driven organization. What should be the balance in the Bank's Groups role between addressing country/client specific priorities and the global public goods agenda ?</b>		
[Government]	<ul style="list-style-type: none"> <li>● We hope that in its Environment Strategy, the World Bank takes into consideration the country context as well as different stages of development that different countries are in. Sustainable development may have different meanings in different countries. Any new initiatives or new actions taken by the WB, such as for climate change, should not neglect its traditional role of poverty reduction, and they should help to narrow down the gap between developed countries and developing countries. Climate change issues should be addressed under the overall framework of sustainable development.</li> <li>● In para 20 of the concept note, it mentioned innovative financing approaches and partnership. Regarding climate financing, currently, UNFCCC and Kyoto Protocol are still the main channels for financing towards climate change issues.</li> <li>● There are many common issues among developing countries. We would like to work together with the World Bank to find an effective means to promote knowledge sharing and South-South cooperation.</li> <li>● On how to respond to climate change, we think mitigation and adaptation are equally important. For developing countries, adaptation is even more urgent. In recent years, we have seen frequent extreme weather events which have had major negative impacts on developing countries. Climate information and knowledge sharing is a very important area related to the provision of climate services, information sharing, technology transfer, and institutional development. We now see a huge gap between developed and developing world. Recently the World Meteorological Organization has also been working on this issue, i.e., on a global climate services network to promote information sharing to adapt to climate changes. We hope that climate services and</li> </ul>	

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	<p>information sharing could be incorporated in the new strategy as well.</p> <ul style="list-style-type: none"> <li>● In our effort to explore new approaches and new paths, it is very important to make sure that environmental protection can be used as a tool to prioritize economic development. We hope in this regard, the WB could play the role of a knowledge bank to help us explore new paths and to set up a new system.</li> <li>● China is now facing unprecedented challenges which are reflected in its lagging environmental infrastructure for addressing air, water, and soil pollution. We hope that the Bank could make use of its financial advantages to help China to develop its environmental infrastructure, including the control of total pollution load, water pollution control, soil and solid waste control.</li> <li>● On capacity building, we hope the Bank could help us improve environmental management and use of environmental technology through training, so that our staff can become more capable to deal with environmental challenges.</li> </ul>	
[Legislature]		
[Representatives from Civil Society]	<ul style="list-style-type: none"> <li>● WB could help to set up differentiated environmental targets or objectives for both developing and developed countries in not only a static but also progressive way in order to monitor their progress.</li> <li>● On the relationship between environment and economic development, it would be ideal for the World Bank to come up with some measurable indicators. The current concept of “green GDP” is difficult to implement in China in part because it is difficult to collect statistical data on “environmental losses”.</li> <li>● The new strategy should reflect the most recent international developments in the area of the environment. It should cover, for example, the rise of emerging economies in the world and their impact on environment; climate change and energy; the impact of financial crisis to environment; and lessons learned in terms of debt monitoring and control.</li> <li>● The World Bank should play a role in collecting information on latest studies and research to guide the developing countries in their national planning.</li> <li>● Climate change should be part of this environmental strategy. It should not be a strategy on climate change. Climate change is an important topic, but it</li> </ul>	



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	<p>should not be the essential part of this environmental strategy. We still need to put enough attention to other development and environmental challenges we are facing. The World Bank could use all of its available financing tools to help maintain this balance.</p> <ul style="list-style-type: none"> <li>● The term “post Kyoto” is very sensitive, and we suggest that you use the term “post-2012” instead.</li> <li>● Mainstreaming environmental concerns should be integral to the WB environmental strategy.</li> </ul>	
[Private sector]		
[Media]		
<b>3. What should be the role of IFC and MIGA be in helping private sector stakeholders to achieve higher levels of performance in pursuing environmental sustainability?</b>		
[Government]		
[Representatives from Civil Society]	<ul style="list-style-type: none"> <li>● Many Chinese companies are interested in doing South-South cooperation. For example, in rural China, there are quite a number of techniques that can be of use for other countries, such as bio-gas, solar heaters, and solar cookers. Chinese companies are willing to cooperate with other countries but they do not know where to go. They do not know the available channels. It is also difficult for them to mobilize financing. We hope the Bank could help in this area.</li> </ul>	
[Private sector]		
[Media]		
<b>4. How can the WBG put in place a systematic approach to assess environmental sustainability in sector portfolios?</b>		
[Government]	<ul style="list-style-type: none"> <li>● As far as Agriculture is concerned, it is important to improve agriculture production, as well as rural income, rural livelihoods, and rural quality of life. On the basis of that, we should make sure to minimize the damages or negative impact of agriculture on natural resources. We also need to ensure the safety</li> </ul>	

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	<p>of our agricultural products.</p> <ul style="list-style-type: none"> <li>● Due to a lot of input and investment over past years, China has accumulated rich experience in the development of clean technologies. We strongly support the Bank's idea to promote knowledge sharing and South-South cooperation. Chinese technology is sometimes very relevant to South-east Asian countries, including resource efficient technologies. China also has some TA programs to promote SS cooperation. We hope the Bank can help to facilitate the transfer of technology from China to other poorer countries, or, to promote technical cooperation between China and other countries.</li> <li>● Urbanization is a very important process and also key to environmental protection. Therefore, it is important for us to explore new approaches to urbanization, such as the ECO2 concepts promoted by the World Bank.</li> <li>● High emphasis should be given to energy efficiency and other climate change related issues that are closely related to environment.</li> <li>● Environmental investments should also help to improve rural livelihoods, living standards, and health conditions. In China there are still 700-800 million people living in the countryside. The environment they are living in, the kind of infrastructure available to them, and poor drinking water issues are all interrelated to rural poverty.</li> <li>● The World Bank and its Environment Strategy should be a platform to introduce international experiences, technology, management skills and good practices. The World Bank could also pilot some of these ideas in China. Based on such efforts, pilot models for environmental sustainability could be copied in other countries.</li> <li>● Regarding innovative financing and partnerships, the government of China also hopes to work on innovation. The WB has done many projects in many places in China. In most cases, Bank projects get approved through administrative procedures and the Bank works directly with local authorities. We, the line ministries, are in a very passive position. As a result, many World Bank experiences are not properly disseminated country-wide. We are thinking of whether it is possible to think of a new model. Under the leadership of NDRC and MOF, we could select one sector and organize a whole series of projects in that particular sector focusing on specific issues. Or we could focus on one city</li> </ul>	



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	<p>so that we could set up a mechanism to disseminate experiences.</p> <ul style="list-style-type: none"> <li>● We hope the World Bank includes some analysis in this Strategy on trade and climate change issues. There have been growing links between trade and climate change. As China is a major trading country, we hope you could help us adjust our export structure and better coordinate environment and trade. We are now seeing a negative trend: some developed countries are using climate change to force developing countries to undertake some mandatory emission reduction target or carbon tariffs. This goes against the common but differentiated principle. China's position is very clear and we are against this linking climate change and trade. Some international organizations have made some analysis on this and we hope the World Bank could also play a role in sharing knowledge. The World Bank published last December a report titled "Reconciling Climate Change and Trade Policy" which presents some discussions on carbon finance. We think this report is quite inspiring, and hope the Bank can continue to play a positive role and to do more work on climate change and trade.</li> </ul>	
[Representatives from Civil Society]	<ul style="list-style-type: none"> <li>● In 2005 the World Bank issued a working paper called "Waste Management in China-Issues and Recommendations". With the growing environmental challenges China is facing now, we hope the Bank could continue monitoring this area. In addition to this, we hope the World Bank can play a leading role in researching such areas as: analyzing the relationship between the volume growth of city waste and the cost of public health; the impact of the increase of solid waste on climate change; and policies and procedures to promote public participation in selecting technologies and investments.</li> <li>● Technology assessment has become more and more important, and has been raised in many different occasions. Not all climate change technologies are socially sound, environmentally friendly and economically feasible. The World Bank should take a leading role in doing a comprehensive climate change technical analysis on the social impact, environmental impact and economic impact of climate-related technologies.</li> <li>● South-south cooperation could help China disseminate its successful</li> </ul>	

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	<p>experience to other developing countries. For example, China's national action plan on climate change mitigation and adaptation has been very rarely disseminated, even among developed countries. China could also learn a lot from other countries in such areas as low carbon economy, low carbon technology, low carbon management, circular economy, etc.</p> <ul style="list-style-type: none"> <li>● The Bank could help to further promote public participation (including civil society and NGOs) by building up mechanisms and procedures to carry out such participation. This should be done not only at the early project design decision making stage but also during project implementation.</li> <li>● Many localities and municipalities show great interest in developing low carbon cities. However, they find it difficult to get a point of entry. While many are aware of the general concepts of low carbon industry, low carbon buildings, low carbon transport, low carbon infrastructure, they do not have access to many specific successful experiences or knowledge of specific policies used in some developed countries. We hope the Bank can help with capacity building and promote knowledge sharing in this regard.</li> <li>● Capacity building is urgently needed in the area of how to measure, report and collect statistics on GHG emission – i.e., MRV.</li> <li>● Another role that the WB can play is to leverage different resources. We know currently the carbon market is very inactive. Under this situation, we hope the Bank could come in and buy some emission reduction credits in order to re-energize the carbon market.</li> <li>● We hope to see a stronger presence of the WB in some of the international environmental issues, such as setting up a mechanism to facilitate financing and technology transfer.</li> </ul>	
[Private sector]		
[Media]		
<b>5. How should short term and long term trade-offs between development and environmental sustainability be balanced?</b>		
[Government]		

## Summary of the China Consultations

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[Representatives from Civil Society]		
[Private sector]		
[Media]		
<b>6. What are the top three challenges and the top three opportunities to achieving environmentally sustainable development? ( in your country, region, sector)</b>		
[Government]		
[Representatives from Civil Society]		
[Private sector]		
[Media]		
<b>7. Any other issues?</b>		
[Government]		
[Representatives from Civil Society]		
[Private sector]		
[Media]		

## Annex – List of Participants

<b>Consultation with Government Agencies Beijing, March 11, 9:30am-12:00pm</b>		
<b>Name (Last, First)</b>	<b>Job Title</b>	<b>Organization</b>
CHEN Shixin	Deputy Director-General	International Dept., Ministry of Finance
LI Rui	Deputy Director	IFI Division III, Int'l Dept., Ministry of Finance
YANG Weifeng	Senior Staff	IFI Division III, Int'l Dept., Ministry of Finance
WU Fan	Senior Staff	IFI Division III, Int'l Dept., Ministry of Finance
SHANG Baoxi	Senior Staff	Regulation and Policy Dept., Ministry of Foreign Affairs
LI Liyan	Deputy Director	Climate Dept., National Development and Reform Commission
XIE Ji	Deputy Director-General	Dept. of Resources Conservation and Environment Protection, NDRC
CAI Zhihua	Senior Staff	Dept. of Resources Conservation and Environment Protection, NDRC
XU Jun	Director	Division of Resources and Environment, Dept. of Social Development, Ministry of Science and Technology
ZHANG Jieqing	Director	Int'l Division, Int'l Dept., Ministry of Environmental Protection
XIE Yongming	Director	Project Division I, Office of Foreign Economics, Ministry of Environmental Protection
YU Hai	Associate Research Fellow	Policy and Research Center, Ministry of Environmental Protection
HAN Aixing	Deputy Director-General	Dept. of Science and Technology, Ministry of Construction
TONG Guichan	Deputy Director	Int'l Division, Dept. of Science and Technology, Ministry of Construction



## Annex – List of Participants

CHEN Qu	Director of Project Office	Energy Conservation Project Office, Dept. of Science and Technology, Ministry of Construction
WANG Weiqin	Deputy Director	Int'l Dept., Ministry of Agriculture
CHEN Zhiyang	Deputy Director	Int'l Dept., Ministry of Commerce
ZHU Ye	Senior Staff	Int'l Dept., Ministry of Commerce
XIAO Jun	Senior Staff	Multi-Cooperation Division, Int'l Dept., State Administration of Forestry
XIE Chunhua	Senior Staff	Dept. of Science and Technology, State Administration of Forestry
CHAO Qingchen	Deputy Director-General	Dept. of Science and Technology and Climate Change, China Meteorological Administration
LV Yan	Senior Staff	Int'l Dept., China Meteorological Administration



## Annex – List of Participants

<b>Consultation with Academia and NGOs Beijing, March 11th, 2:30-5:00pm</b>		
<b>Name (Last, First)</b>	<b>Job Title</b>	<b>Organization</b>
XIA Guang	Director General	Policy Research Center for Environment and Economy
PAN Jiahua	Director General	Sustainable Dev Research Center, China Academy of Social Sciences (CASS)
REN Yong	Asst. Secretary General	International Cooperation on Environment & Development (CCICED)
LIU Jingling	Ass. Dean	School of Environment, Beijing Normal Univ.
WANG Hongchen	Ass. Dean	School of Environment & Natural Resources, Remin University
FENG Fei	Director General	Industrial Economy Research, DRC
GE Chazhong	Director	China Academy of Environmental Planning
WANG Jinan	Dep. Director General	China Academy of Environmental Planning
LI Bo	Director	Friends of Nature
WANG Yiqing	Ass. Director	Global Village of Beijing
LV Zhi	Director	Shan Shui Conservation Center
WANG Jingjing	Chief Administrator	Institute of Public & Environmental Affairs
CHEE Yoke Ling	Director, China	Third World Network (TWN)
QIAN Jingjing	Prog Manager, China	Natural Resources Defense Council (NRDC)