



Policy Instruments for Chinese Sustainable Future:
Environmental Policy Integration and
Strategic Environmental Assessment
for the Energy and Transport Sectors

An Action under the
European Union's Asia Pro Eco II Programme
Project No. 122184

CHINA-EPI-SEA Paper No. 30_EN

Final symposium: main messages

Andrea Ricci (ISIS), Olivia Bina (SEI) and Urda
Eichhorst (WI)

Wuppertal Institute, Wuppertal, 2009
Date: 30 June 2009

Project outline

Policy Instruments for a Chinese Sustainable Future focuses on the integration of the environment into transport and energy planning in China, both at the policy level and in terms of concrete measures for the two administrative levels of provinces and municipalities. The outcomes of this project will help to build transportation and energy systems that are environmentally sound and capable of achieving sustainable development in China. As part of the Asia Pro Eco II Programme the project contributes to the programme's main themes for China: energy savings, improved air quality and reduced emissions of greenhouse gases.

At the heart of this project are two closely related mechanisms that are central to EU efforts to promote sustainability: Environmental Policy Integration (EPI) and Strategic Environmental Assessment (SEA). The project targets the inadequate reflection on environmental policy objectives, the weakness of the environment as a cross-sectoral priority, and the need for technical/practical solutions that can lead to immediate improvements in the development of sectoral plans. The 30 months project consists of four work packages and multiple activities.

For further information please go to:

http://www.epi-in-china.com/project_information/summary.html

How to cite this CHINA-EPI-SEA Paper:

Ricci, A. Bina, O. and Eichhorst, U. (2009) *Final symposium: main Messages*, CHINA-EPI-SEA Paper No. 30_EN, Wuppertal Institute: Wuppertal.

Introduction

This short paper provides a summary account of the main arguments presented and discussed during the one day *Final Symposium* of the Project's *Policy Instruments for a Chinese Sustainable Future*, held at Beijing Yanshan Hotel, Haidian District, Beijing, on 16 June 2009, in collaboration with Renmin University.

Policy Instruments for Chinese Sustainable Future

Environmental Policy Integration and
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Photo credit: Olivia Bina



<http://www.epi-in-china.com>

16 June 2009

Beijing Yanshan Hotel
Haidian District, Beijing

**Final Symposium
Asia Pro Eco II project**

Speakers' presentations and relevant project reports can be downloaded from the website: <http://www.epi-in-china.com/>

In addition, a summary of the discussion by the Panel '*Meeting the challenge of environmental policy integration / governance*' is offered below.

This paper should be read in conjunction with CHINA-EPI-SEA Paper 27:

Transition from Plan Environmental Impact Assessment to Strategic Environmental Assessment: Recommendations of the Project "Policy Instruments for Chinese Sustainable Future".

Results of the Panel Discussion: 'Meeting the challenge of environmental policy integration / governance'

The morning session included a number of presentations that highlighted the strengths of current practice of plan environmental impact assessment (PEIA) in China, but also the many obstacles to the diffusion/systematic take up of PEIA/SEA, and to its effectiveness. During the afternoon session, speakers focused on the links between these obstacles and the context in which assessments are being carried out in China. The presentations and ensuing discussion explored the strengths and weaknesses of the Chinese government's capacity for environmental governance and policy integration (EPI).

Speakers:

- **Zhang Hui** (Appraisal Centre for Environment and Engineering, ACEE)
- **Li Tianwei** (Ministry of Environmental Protection, MEP)
- **Yao Yuan** (Sichuan Appraisal Centre for Environment and Engineering, SACEE)
- **Zhang Xiaofeng** (Chinese Academy of Transportation Science, CATS)
- **Holger Dalkmann** (Transport Research Laboratory, TRL)
- **Song Guojun** (Renmin University)
- **Olivia Bina** (Stockholm Environment Institute and Chinese University of Hong Kong)
- **Zeng Jiping** (Environmental Protection Bureau, Xichang)
- **Wu Jian** (Renmin University)
- **Ma Zhong** (Renmin University).

Main messages arising from the speakers' interventions

The key obstacles to PEIA and SEA identified during the morning session can be summarised thus:

- Strong central government rhetoric on environmental sustainability that however fails to persuade leadership at provincial and local levels;
- Environmental values remain secondary to the perceived priority of growth and weak overall participation in government decision making contributes to this imbalance;
- Limited awareness of the importance and role of environmental assessment by sectoral leaders;
- Limited capacity to carry out 'scientifically valid' and effective assessments;
- Fragmentation, within and between sectoral authorities;

- Imbalance between the quantity of environmental measures and their quality/effectiveness;
- Lack of communication between actors (environmental and sectoral);
- Lack of interdepartmental integration;
- Limited financial resources (for assessment-related tasks, but also for the implementation of many related measures);
- Persistently weak rule of law, especially for environmental law, and weak judiciary.

Overall this leads to promote:

- Increased political commitment across all levels of governance (from central to local government);
- Institutional and organisational reforms, with particular focus on:
 - o Environmental management system reform;
 - o Introducing clearer guidance on how to address inevitable conflicts between environment and development;
 - o Increasing accountability and responsibility of the administration and individual leaders;
 - o Promoting a culture of cooperation across administrations (both vertically and horizontally, or territorially and functionally - *tiao kuai*) by strengthening cooperation mechanisms and incentives;
 - o Introducing high ranking, independent commissions to comment and input to Plan Environmental Impact Assessments.

Panel discussion

Panel members:

- **Andrea Ricci** – Chair (Institute of Studies for the Integration of Systems, ISIS);
- **Fu Huahui** (China University of Political Sciences and Law);
- **Ma Zhong** (Renmin University);
- **Song Guojun** (Renmin University);
- **Olivia Bina** (Stockholm Environment Institute and Chinese University of Hong Kong).

During the panel discussion, the Chair invited speakers to identify **one** priority action to effectively promote the adoption of a systematic and effective SEA/EPI culture and practice. The following is a summary of the priorities suggested by the panel of experts (the order follows that of the interventions):

To make environmental performance indicators a vital criteria for the promotion of leaders

Career and promotion should be used as an incentive for good, outstanding environmental performance. The system of environmental performance evaluation should be reformed so as to commit leaders to give environmental protection issues the highest consideration.

The proposal is to introduce a 'one vote promotion system' whereby officials would have to perform well on the environmental indicators as a *conditio sine qua non* for their promotion to be successful.

This will require a revision of the current performance evaluation system by the Operations Department of the Communist Party of China. Until recently this evaluation procedure had a score system that gave less than 10 percent to environment and energy related criteria. This meant that officials scoring poorly on environmental performance, but well on the remaining 90 percent of the scores (including economic growth) could still be promoted.

Ultimately, good performance in environmental protection should become *the* benchmark for evaluating the Chinese Communist Party leaders.

To carry out an SEA of the 12th Five-Year Plan

SEA at the policy level should be urgently applied to the planning process of the new Five-Year Plans, which will set the agenda for development in all sectors, and through all governance levels (from the Centre to the localities). The SEAs should provide the National Development and Reform Commission (NDRC) with sufficient information for it to reject poor (elements of) plans, requiring that these be re-designed.

To establish a new Central committee / Leading Group whose mandate would be to ensure interdepartmental coordination of environmental protection

In order for the environmental management system to work better, there is a need for overall government administrative reform. A central leading group for environmental policy integration, of ministerial rank, independent of all ministries, under the auspices of the Central Committee of the Communist Party of China, should be set up.

This leading group should have the power to coordinate all other ministries for matters related to environmental protection, and ensure implementation of its decisions and recommendations. Its independence should be ensured also by providing it with all necessary institutional support and resources.

The powers and role of this leading group should be designed with an aim to avoid the repetition of past failures by the Environmental Committee of the State Council.

Issuing a directive from the State Council that confers departments the direct responsibility for Environmental Policy Integration measures and practices

The PRC has an abundance of 'leaders' but a shortage of leadership in support of environmental priorities. In order to re-orient government agencies and their leaders towards environmental priorities, it is suggested that the State Council or the Central Committee of the Communist Party of China issue a directive that gives all sectoral ministries full responsibility and accountability for respecting and implementing environmental policy.

Sectoral leaders' accountability for EPI should become part of the culture and evaluation practices as suggested by other members of the panel.

Some questions raised by the audience:

- What about the lack of a long-term perspective? How can these proposals be implemented given current short-term thinking by Government?
- How to reconcile the creation of a new leading group with the current tendency to trim the administrative structure of the Chinese government?
- Would it make sense to link the promotion of PEIA/SEA to the environmental auditing of government?

Overall, experts agreed that a long-term view was necessary, but conceded that such a change will require some time. There was some discussion on whether commitment to environmental protection should and could be forced or if change rather needs to be promoted through positive encouragement and incentives in order to be sustainable. Until now, leaders have benefited from promoting development, at any cost. It is this driving force that needs to be changed if environmental policy integration is to become systematic, and effective.