Report on the Project Group of Integration Economic Planning and Environmental Conservation

1996-09-26

Mr. Chairman, Council Members, Ladies and Gentlemen.

Mr. Chen is unable to attend the meeting because of other important commitments and has asked me to make a brief report on the plan of the Project Group on Integration of Economic Planning and Environmental Conservation on his behalf.

There are six points I'd like to cover today.

1. Background

Mr. Martin Lees, member of the Council, suggested in September 1994, that while China is carrying out research on integration of economic planning and environmental conservation, the Council should entrust its Secretariat with the task to elicit opinions from others and set up a project group on the topic when the time was ripe. As a matter of fact, more and more attention is being given to the strategy of using economic policy to improve the environment when mapping out environmental protection policies. At present, the realization of environmental objectives requires appropriate governmental direction, ensuring that environmental objectives become part of economic planning, and guaranteeing sound implementation of economic and environmental plans by way of comprehensive economic policies. The Decisions on a Number of Issues concerning Environmental Protection recently promulgated by the State Council puts forward explicit requirements on comprehensive policy making for the environment and economy. According to it, consideration should be given to economic, social and environmental benefits, as well as to environmental impact assessment, in the process of developing policy on important economic and social issues, such as regional, urban and industrial development, or adjustment of industries and productivity structure. All of these activities indicate that condition for establishing such a project group are optimal.

2. Objectives

Together with other Working Groups, the Project Group is to submit to the Council its general plan, conduct research tasks approved by the Council, organize its projects, report progress, hand in summary report and recommendations for the Council to discuss, and promote international assistance for China's environmental protection undertakings.

The project group is to investigate and research how to improve the interaction between economic planning and comprehensive policy-making in environmental protection. The group will also assist environmental organizations to influence policy-making by other departments, so that they will adopt supplementary and protective measures for the environment in their policy-making processes. As a non-governmental organization under the Council, the council, the group will follow the Council's overall direction and will try its best to provide constructive recommendations to the Chinese government.

3. Scope and Methodology

A. Identification of objectives and scope

Research will be based on the Decision on a Number of Issues concerning Environmental Protection issued by the State Council, and will focus mainly on the environmental impact analysis of policies concerning regional and urban development, and major industries and their productivity plans.
B. Framework and methodology

With its target of comprehensive policy making for economic planning and environmental protection, the group is to attach equal importance to both the general and specific situations, to global, national and regional perspectives, and to assessment and monitoring. It will prioritize development models, establish environmental impact index system for economic planning and models for economic and environmental development, and facilitate multi-disciplinary cooperation. Indexation quantification and model making will be the main methodologies.

4. About the Research

There are three major considerations:

A. The theoretical framework, and the analytical model for comprehensive policy making and systematic research for policy evaluation involves three research topics:

1. Theory and practice of integrating environmental protection considerations into the process of economic policy making;
2. Research on demonstration methods and analysis of risk models for environmental impact on economic planning and policies;
3. Research on evaluation index system and analytical model of environmental impact for economic instruments.

B. Research into the evaluation system for environmental impact, recommendations on the implementation of an evaluation system, and recommendations concerning comprehensive policy making for development policies in the country's east and west parts;

Similar recommendations for urban development;

Recommendations for development policies in the development areas.

C. Research on comprehensive policy making for industrial development and industrial productivity plans leads to four suggested topics:

1. Recommendations on environmental impact analytical models, policy implementation evaluation systems and comprehensive policy making for achieving grain production objectives;
2. Similar recommendations for automobile development;
3. Similar recommendations for raw coal production and its utilization;
4. Similar recommendations for paper industry development.

5. Cooperation with Others

Because of its comprehensive nature, the project group should specially emphasize its connection with other Working Groups, as well as with various ministries, local governments and environmental protection bureaus. It will also cooperate with the Canadian secretariat.

6. Results and Arrangements

The output of the group will include interim reports and a final report. Apart from the main body, the final report will consist of ten sub-reports as follows:

1. Coordination and operation of economic planning and environmental strategies both at home and abroad, and the theoretical framework of setting up comprehensive policy making mechanism in China;
2. Methodology and analytical model of environmental impact for economic planning and policies;
3. Evaluation analysis of implementation of economic means;
4. Policy analysis model and recommendations for East and West China development;
5. Policy analysis model, result analysis and recommendation of urban development in China;
(6) Policy analysis model, result analysis and recommendation for China's development areas; (7) Policy analysis model, result analysis and recommendation for China's grain production;

(8) Recommendations on China's automobile development;

(9) Policy analysis model, result analysis and comprehensive recommendations on China's raw coal development, and

(10) Policy analysis of China's paper industry development.

We are planning our work in four stages covering a corresponding number of years from October 1996 to October 2000. The project needs a total of 5 million yuan, with 1.5 million yuan a year for the first two years, and 1 million yuan a year for the last two years.

Thank you.

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