1. The China Council is now 5 years old. In accordance with its mandate, it has made a series of recommendations on issues of environment and development - two sides of the same coin - to the Chinese government after its annual meetings. Some of these recommendations could be accepted, others were more difficult. They involve important changes in many aspects of the governance and economy of China. Yet with 5 years of experience, the Council is impressed by what has already been achieved in practical terms, by the approach the government has taken towards the environmental problems facing China, and by the vigour with which it is pursuing policies, often through pilot projects following case studies, to deal with them.

2. The good health of China is the good health of the world. After all one out of every five human beings is Chinese. The means by which China generates energy, the productivity of its agriculture, the pollution which accompanies its industrial development, the management of its water supplies, the protection of its rich diversity of animals and plants, in short the quality of its land, water and atmosphere, directly affect the whole Chinese economy and the well being of its people. With its development, they also affect the rest of the world and are of international concern. The Chinese government is well aware of its responsibilities in this respect. It is all the more credit to China that the Council, composed of leading Chinese and international experts, should exist and be a unique model of international cooperation.

3. While recognizing that much progress has been achieved, the Council endorses the view, expressed on various occasions by the Chinese leadership, that some environmental problems are getting worse, for example air and water pollution, especially in the cities, degradation of agricultural land, and damage to China's diversity of natural life. Further changes of attitude are required. Obvious areas are in transport policy, in particular over the role of cars, and in policy to reduce increasing dependence on pesticides and fertilizers.

4. The Council is served by 7 Working Groups which submitted reports on pollution control; monitoring and collection of data; environmental economics and pricing policies; energy strategy and technology; scientific research and training; trade and sustainable development; and protection of biodiversity. After debate and consideration of these reports, the Council submits the following recommendations to the Chinese government.

Pollution Control: The Council suggests
• the formulation of an Urban Water Conservation and Environmental Pollution Plan, covering all water issues including supply, saving, recycling and waste disposal;
• the formulation of a corresponding Urban Plan for energy, its supply, distribution, use and saving;
• the establishment of rural, inter-city and inter-provincial Commissions covering such environmental problems as acid rain in defined geographical areas (for example: watersheds, river basins and coastal zones);
• new means for preventing and disposing of industrial and toxic wastes;
• further development of the national plan for coping with such global problems as climate change.

Monitoring Data: The Council suggests

• the overhaul of current environmental monitoring systems and the connections between them, and linkage with corresponding international networks;
• the formulation of a comprehensive system of indicators of sustainable development, drawing on experience already gained elsewhere.

Environmental Economics: The Council suggests

• further efforts to determine the true cost of resources, including costs of production, depletion and environmental degradation with effects on prices;
• gradual extension of corresponding regulations, incentives and disincentives (here the Council greatly welcomes recent decisions of the State Council);
• pursuit of price reform through appropriate bodies in key Ministries taking account of the social and economic consequences of including environmental costs.

Energy Strategy: The Council suggests

• reduction of dependence on coal as a long term strategy;
• development of new technologies for its use, particularly beneficiation, gasification, desulphurization and liquefaction;
• increase in the role of natural gas, importing supplies as necessary;
• development of alternative energy sources, including agro-energy, biomass, wind and solar, with demonstration projects where appropriate;
• continuing emphasis on energy saving and efficiency through removal of artificial obstacles and adoption of best new methods;
• creation of a legislative framework for prices, taking account of environmental and social costs.

Scientific Research and Training: The Council suggests
new emphasis on the need for sustainable agriculture with regard to:
- reduction of loss of prime cropland to urban and industrial development, and enforcement of legislation against degradation;
- research on agro-biology with a view to reducing the need for chemical inputs;
- improvement of water use efficiency, and long term care of soils;
- increase of grassland productivity and self-sufficiency;
- new emphasis on cleaner production methods through:
  - new technologies and process, and cooperation with business at home and abroad;
  - introduction of and respect for tougher standards (for example ISO 14000);
  - focus on village and township enterprises in need of help.

Trade and Sustainable Development: The Council suggests

- integration of environmental factors into foreign trade policy, especially in relations with Asia Pacific Economic Cooperation and the World Trade Organization;
- strengthening of the eco-labelling program with a view not only to domestic consumption but the promotion of exports of environmentally friendly products;
- promotion of green foods through application of standards to reduce current agricultural dependence on chemical inputs;
- use of Activities Implemented Jointly under the Climate Convention to promote technical cooperation in all fields, advance energy efficiency and reduce emissions of carbon dioxide.

Protection of Biodiversity: The Council suggests

- new efforts to explain and demonstrate the vital importance of biodiversity within the Chinese economy and the Chinese way of life;
- improvement in monitoring and managing natural resources;
- establishment of new mechanisms for protecting natural resources, including fiscal means;
- better protection of forestry;
- above all more association of rural populations with conservation and restoration, so that they have a stake in it. Social and economic, as well as biological factors need to be taken more into account.

5. The Council lays special emphasis on the need to establish the environmental dimension in the public mind. This can only be achieved over time through a combination of education and persuasion from the top, and initiatives from local communities from the bottom. Popular participation at all levels is essential.

6. China has played an important role in international policy on the environment, and its weight is essential in giving effect to the increasing number of international
conventions and agreements on the subject. It has particular influence on other developing countries. Even if the industrial countries carry major responsibilities for helping to create such global problems as climate change, others are in many ways more vulnerable to the effects, especially those heavily dependent on current rainfall patterns. All countries need to respect the principles agreed at the Rio conference in 1992, and in particular should bring environmental considerations into the centres of decision making. All countries also need strictly to enforce existing and future environmental legislation.

7. Respect for the environment represents enormous opportunities for those who can leapfrog over the mistakes made by others. We are confident that China can take them.