WORK REPORT OF THE WORKING GROUP ON TRANSPORTATION

1. BACKGROUND

1.1 There is a common rule of economic development for most of the countries in the world which says that transportation always plays a primary promotional role for economic growth during the first stage of development. All developed countries have, in line with the above rule, experienced a period of massive transport action development in order to support economic development.

1.2 Along with the transition from a command economy into a market one, China's economy developed rapidly, causing a steep increase in passenger and freight transport demand. The rate of industrial growth can, however, only be maintained if basic services are continuously expanded. This applies especially to the transport sector. In addition, we must notice that China is a typical continental country, where the distribution of resources and the development of regional economies are unbalanced. Also, there are many ethnic minorities, most of which are living in the fringe areas of the country. These special situations gives transport a particularly important function in China's economic development. Although there have been a great number of large-scale projects in recent years, such as underground systems in some cities, urban ring roads, motorways, upgrading and electrification of major railway lines, construction r expansion of airports and harbor facilities and so forth, it is obvious that the present condition of the national transport system is unable to meet the needs of modern economic development.

1.3 However, the required development of the transport sector generates a series of environmental problems. While the construction of additional highways, railways, airports and harbors will occupy farmland and many other land resources, the pollution of air and water as well as noise pollution will become more serious. In some urban areas, population density is two or three times that of U. S. and European cities. The expected corresponding increase in the number of motorized vehicles will be an additional factor affecting air quality. In order to coordinate the development of the transport sector on one hand, and environmental protection on the other, the China Council for International Cooperation on Environment and Development (CCICED) decided to establish a Transport Working Group (TWG) to act as a policy advisory body.

2. THE HISTORY OF TWG

2.1 In May of 1997, the Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC) and the German Ministry of Economic Cooperation and Development (BMZ) arranged the 15th conference of the Chinese-German council on policy development and cooperation. On this occasion, the "Cooperation Items of China National environmental Protection Agency (NEPA)" were confirmed, and the German government agreed to provide 1.0 million Deutschmarks, over a period of three years, to finance the program.

2.2 At the first meeting of the second phase of CCICED from 3 to 5 October 1997, it was decided to set up the Transport Working Group mentioned above. Its primary task was to submit policy proposals, based on appropriate fact-finding activities, on how to balance the requirements of transport development and environmental protection.
2.3 On 24 February, 1998, the preparatory meeting on the establishment of TWG was held in Beijing. This was attended by Mr. Baron, the designated chairman of international group of advisers, the head of the Beijing GTZ office (GTZ being the executive agent of BMZ), and a number of Chinese experts. The participants exchanged, in detail, their views concerning transport-sector priorities, organization of TWG's activities, assignment of funds, budgeting, and the first-year working plan.

2.4 By June, 1998, nine Chinese and international experts had taken office. The Chinese group consists of six experts in transport and environment. Its chairman is Mr. Wang Yangzu of NEPA/SEPA, which provides for a closer relationship between TWG and the government. The international group is made up of four experts from Germany and Switzerland. TWG also established a secretariat within the China Research Academy on Environmental Sciences (CRAES).

3. WORKING PLAN

3.1 The first plenary session of TWG was held in Beijing from 12 to 16 July 1998. While at the preparatory meeting on 24 February, 1998, Mr. Baron had suggested that all six relevant transport modes be treated within the three-year funding period, the Chinese experts voiced their reservations and proposed only the following three subjects be dealt with:

First year (1998. 2 to 1998. 9): Sustainable transport development strategies,

Second year (1998. 10 to 1999. 9): Urban transport and environment, and

Third year (1999. 10 to 2000. 9): integrated transport planning with an emphasis on highway transport.

This proposal was accepted by all TWG members.

3.2 It was also agreed that, during the duration of the program, there will be two seminars:


The purpose of the seminars is to collect a maximum of information and suggestions as regards the subjects dealt with, and to provide TWG with facts and figures to further investigate into the central issues. The seminars will be attended by all TWG members as well as a number of senior Chinese experts and managers familiar with the issues at hand and the regional situation.

3.3 TWG plans to hold two plenary meeting each year. They will be organized in such a way that substantiated recommendations can be submitted, in good time, to the CCICED meetings.

3.4 It was agreed upon that an international study tour for the Chinese members of TWG and two to three invited guests should take place in 1999, preferably in May. The tour
will cover a number of places in Germany, Denmark and Switzerland with alterations possible. The third plenary TWG session will take place in Frankfurt (Germany) immediately following the study tour.

4. UP-TO-DATE ACTIVITIES OF TWG

4.1 As soon as TWG was officially installed, representatives of the State Planning Commission, the Railway Ministry, the Ministry of Communications, the China Research Academy on Environmental Sciences, and of Tsinghua University were commissioned to prepare altogether six discussion papers on a variety of issues. These were presented at TWG's first plenary session which was attended by nine international and local experts. Mr. Xie Zhenhua, minister of the State Environmental Protection agency (SEPA), Mr. Zhang Kunmin, Secretary General of CCICED, and Ms. Sabine Mueller, representative of GTZ, were also present.

4.2 At the above meeting, in a lively exchange of views, the following consensus was reached:

· Strengthen the macro-economic approach to transport planning, including environmental issues.

· Avoid making environmental protection the key issue of transport development, but regard this as but one element (albeit an important one) of an integrated planning approach.

· Keep in mind that there are other important influencing factors, such as technical innovations to improve energy efficiency, intelligent transport management, social effects, promoting the use of non-motorized vehicles. (The latter is closely linked to urban planning concepts.)

· Strengthen international cooperation.

5. TWG ACTIVITIES IN THE FIELD OF URBAN TRANSPORT AND ENVIRONMENT

5.1 At the July plenary session, it was agreed that seven Chinese cities (Beijing, Shanghai, Chongqing, Guangzhou, Dalian, Shenzhen and Guiyang) would be pilot cases. The outlines of a questionnaire were discussed. It was also decided that a number of Chinese TWG members should visit the above cities in order to explain TWG's approach.

5.2 As stated earlier, the urban transport seminar will take place after the CCICED meeting in November, 1998. Representatives of the selected cities will report on the current situation, existing problems and proposed measures to alleviate them. The international experts, Mr. Baron, Mr. Petersen and Mr. Braendli, will give an overview over the situation in Germany and Switzerland. Three working sub-groups will be installed in the fields of urban transport, transport management, and environmental protection.

6. THE ASSIGNMENT OF BMZ FUNDS AND BUDGETING
6.1 The German government will, over a period of three years, support TWG with a amount of one million Deutschmarks (DM), of which 15% are earmarked to cover GTZ overhead costs. Of the remaining 850,000 DM, 300,000 DM has been attributed to the Chinese section of TWG. The 300,000 DM amount has been budgeted as follows:

10,000 DM - studies on Chinese transport and environment sustainable development strategy
80,000 DM - Studies on the urban transport and environment
40,000 DM - Studies on the highway transport and environment
20,000 DM - The seminar in 1998
30,000 DM - Seminars in 1999 and 2000 at 15,000 DM
60,000 DM - The six plenary meetings at 10,000 DM each
60,000 DM - Study tour

The above budget will be controlled by GTZ Beijing.

7. PLANNED ACTIVITIES IN 1999

7.1 In early 1999, the seminar on "Urban Transport" will take place in Beijing, following the Second Plenary Session of TWG. At the seminar, the reports of seven selected cities will be discussed and the outline of proposal transport and environment will be discussed at the Second plenary session of TWG. Probably in May 1999 the Chinese members of the TWG, plus 2 or 3 other high-ranking experts, will be on a study tour in Europe (Germany, The Netherlands, Switzerland). The Third Plenary Session of WGT will take place thereafter in combination with the study tour in Frankfurt/Main. Among other items, this will serve to discuss and launch the Study Program on "The Proposal of Urban Transport and Environment". At the end of 1999 the TWG will have their Fourth Plenary Session and "The Highway Transport and Environment" will be discussed at the meeting.