It was two years ago that the first meeting of the working group of the second phase of CCICED was held in the August 1997. In the past two years, in accordance with the requirements of the Council on each working group to focus on policy and project demonstration, the work in PCWG has made progress due to the endeavour of experts both at home and abroad.

The first meeting of PCWG discussed and worked out a working plan for a new PCWG, which includes the following contents:
1. Select a pilot city to carry out a study on the plan of harmonious development of energy and environment;
2. The study on water pollution prevention and treatment of Pearl River in Guangdong Province;
3. The study on policy options and demonstrations for CO2 emission mitigation in China;
4. Study on policy and demonstration of inter-provincial transmission and regionally comprehensive prevention and treatment for acid deposit.

With the support of Guangdong Provincial Environmental Protection Bureau and Shanghai Environmental Protection Bureau, “the study on water pollution prevention and treatment of Pearl River in Guangdong Province” and “the study on policy and demonstration of inter-provincial transmission and regionally comprehensive prevention and treatment for acid subsidence” have started. Meanwhile, upon the discussion of the second and the third meetings of the working group, project proposals on CO2 emission and acid subsidence have been proposed and submitted to the Council for consideration. The annual meeting of the Council in 1998 approved the proposal for PCWG to conduct the study on policy option and demonstration for CO2 emission mitigation. Prof. Qu Geping met Dutch members during the annual meeting and determined the core contents of the project together with Dr. Toni Schneider. It was agreed that the project should focus on the review of the effectiveness of past and present policies on the control of CO2 emission mitigation. These policies in the past two decades have functioned well in facilitating economic development, adjusting industrial structure, improving energy structure, as well as enhancing energy efficiency. The project can, on the one side, introduce the great efforts China has made in CO2 emission mitigation to the international community, on the other side, be helpful for the further exploration of the option of sustainable development for the harmonious development of society, energy utilisation as well as environmental protection. The project got a warm response from the Dutch side and was expressed that the Dutch side would actively raise fund to support the study project. During the past one year, the proposal of CO2 project has been drafted under the coordination and organisation of Dr. Schneider. By using “Policy Option for CO2 Emission Mitigation in China” as the title, the study comprises five sub-project as follows:

1) Methods for CO2 emission and CO2 emission mitigation calculation;
2) Evaluation of past policy impacts on CO2 emission mitigation;
3) Study on the option of sustainable development strategies for energy and environment;
4) Study on Shanghai energy and environment harmonious development plan;
5) Design study for a national demonstration project for CO2 mitigation.

It is also determined that the demonstration project proposed in subproject 5 will be taken as the extension of the project and the Dutch government will further help to raise funds to support the demonstration project. Dr. Schneider has made a great effort for the financial support from Dutch government to the project and its early start. Chinese experts also contributed a lot for the potential success of this study that will be of significance for China’s environment and development in the 21st century.

In view of the fact that the financial resource is from the Dutch government while the contents are concerned with Chinese issues, it is assumed that the title, contents and expected results of the study should be completely accepted by both Chinese and Dutch sides. In line with this point, the basic standing position of Chinese government with regard to the engagement of actions on global climate change is manifested in the background part of the project proposal. The purpose of the study project is to review the effectiveness of the past work and policies and to strengthen the technical capacity of China of involving in the activities of party counties of UNFCCC through the exploration and research of energy and environmental strategies for sustainable development in China. It is also anticipated that the project will lay a foundation for the design and construction of the demonstration project for CO2 mitigation, which will be the follow-up of the current project.

As for the contents of the project, subproject one will focus on the methodology research for CO2 emission and mitigation; the effectiveness of the enforcement of past policies on CO2 emission mitigation amount will be estimated in quantity upon the outcomes of subproject one. Study on the option of sustainable development strategies for energy and environment will provide references for the decision making of the implementation of sustainable development. It will also give a technical support in aspects of energy and environment for the planned Clean Production Law. While, the study on Shanghai energy and environment harmonious development plan will be a regional case study to support the design of the national demonstration project for CO2 mitigation.

The current project proposal is based on the intensive discussion and revision of Chinese and Dutch experts. Further adjustments on words, activities, outputs and milestones of the subprojects will be made upon the further exchange of views between Dutch and Chinese experts in line with the prerequisite of that the overall framework stays unchanged. The final project document will be submitted to the Council in both English and Chinese.

In the past year, other tasks are also undertaken in the PCWG under the direction of the Council and the secretariat. Experts from RIVM, the Netherlands, prepared a so-called Guidelines document based on an evaluation of four case studies (Guangzhou,
Chongqing, Suzhou and Zibo), carried out by teams of Chinese, Dutch and US experts. This document includes a generic approach how to carry out integrated environmental assessments in the big urban areas in China. This report was discussed in a workshop in Suzhou, in November 1998. It was decided there to incorporate some figures on real impacts of environmental pollution and to add an annex containing an application of the approach to a real situation. The EPB of Suzhou offered to provide this information. The final reports will be presented in the Council meeting.

In view of the status of the PCWG in the past two years, it is assumed that the orientation of our work is in line with the requirements of the Council. Yet in general, our work is still in the beginning stage and there is a lot of work to do for our group. It is our hope that specific suggestions and recommendations will be proposed by the group during the formulation process of the 10th Five Year Plan with attentions focusing on priority issues and considerations. It is anticipated that these recommendations will be helpful for the decision making process of the relevant government agencies.