

China Case Study

Analysis of National Strategies for Sustainable Development

This document is one of 19 country case studies that form the knowledge base for a synthesis report entitled "National Strategies for Sustainable Development: Challenges, Approaches, and Innovations Based on a 19-country Analysis." The synthesis report and country case studies are available electronically at:

<http://www.iisd.org/measure/capacity/sdsip.asp>
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Notice to Reader

Information in the country case studies was obtained primarily from publicly available sources (e.g., Internet and literature sources) and, where possible, was supplemented through interviews with government officials. The information was up-to-date as of May 2004. Every effort was made to ensure that official national sustainable development focal point contacts had the opportunity to provide feedback on the research, but such contacts were not successful in all cases. **This case study is in an unedited, working paper format.**

These case studies are made publicly available to add to the national sustainable development strategy knowledge base. The project's research partners accept responsibility for any inaccuracies or omissions. The views expressed in this working paper do not necessarily represent the views of the funding partners.

The research partners welcome your comments on this country case study. Please e-mail comments to Darren Swanson at dswanson@iisd.ca.

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1 Introduction

China, (People's Republic of China), is situated in Eastern Asia, bounded by the Pacific in the east. The third largest country in the world, next to Canada and Russia, it has an area of 9.6 million square kilometres, or one-fifteenth of the world's land mass.

In the 19th and early 20th centuries, China was beset by civil unrest, major famines, military defeats, and foreign occupation. After World War II, a new state was established by the communist party, headed by MAO Zedong. While ensuring China's sovereignty, strict controls over everyday life was composed. After 1978, his successor DENG Xiaoping gradually introduced market-oriented reforms and decentralized economic decision-making. China today is characterized by an enormous economic output and economic controls continue to relax while political control remain tight.

Economy

In late 1978 the Chinese leadership began moving the economy from a lethargic, Soviet-style centrally planned economy to a more market-oriented system. Whereas the system operates within a political framework of strict Communist control, the economic influence of non-state organizations and individual citizens has been steadily increasing. The result has been a quadrupling of GDP since 1978. In 2003, with its 1.3 billion people but a GDP of just \$5,000 per capita, China stood as the second-largest economy in the world after the US (measured on a purchasing power parity basis). In 2002 the GDP real growth rate accounted for 8%. Agriculture and industry have posted major gains, especially in coastal areas near Hong Kong and opposite Taiwan, where foreign investment has helped spur output of both domestic and export goods.

The government is recently struggling to collect revenues from provinces, businesses, and individuals; to reduce corruption and other economic crimes; and to keep afloat the large state-owned enterprises, many of which are shielded from competition by subsidies and had been losing the ability to pay full wages and pensions. (CIA 2003)

Over the recent years, in particular, China has increased spending in environmental protection. Between 1998-2002, environmental spending amounted to 580 billion yuan (US\$ 70.0756 billion), or 1.29% of the GDP in that period and equal to 180% of the total spending in environmental preservation during 1950-1997. (Liu Jiang 2004)

China's economy has undergone extensive transformation. The characteristic feature of the governmental strategy has been to create separate channels or development outside the state sector, operating under different rules and conditions in order to increase the scope or market focus while maintaining central planning. This process which has been named "out of plan" has become increasingly apparent and it is foreseen that its ability to push China's development is coming to an end. Structural problems are increasing and cause under-utilization of labour and protected slowdown in real economic growth.(OECD 2003a)

China became the world's largest recipient of foreign direct investment (FDI) for the first time in 2002, but the country had began reaccepting foreign investment only recently. In terms of FDI per capita, China still ranks relatively low. (OECD 2003)

Society

China still is named a communist state which was established in 1949. The Chinese Communist Party or CCP (HU Jintao, General Secretary of the Central Committee) has the full political power. Only eight registered small parties exist controlled by CCP. Almost no substantial political opposition is working, although the government has identified the Falungong sect and the China Democracy Party as potential rivals.

The legal system is a complex compilation of custom and statute, largely criminal law. Only a rudimentary civil code has been in effect since 1 January 1987. Recently continuing efforts are being made to improve civil, administrative, criminal, and commercial law.

The rapid economic growth has primary taken place in the costal regions of the country and the fertile parts near the large rivers. As a result the gaps have been grown between the affluent coastal regions and the poor inland areas. It created major discrepancies between different social groups, which has lead to a floating population of at least 100 Mio. seasonal workers searching the country for work.

In total approx. 1.3 billion people are living in China (July 2003 est.). The population growth rate accounts for 0.6% (2003 est.), while life expectancy at birth accounts for 72.22 years on average. The population growth is remarkable: approx. 17 Mio. new citizen/year. Even the one child policy of the Chinese government can not stop that development. The total literacy rate is 86%.

The national language is Chinese, but different ethnic groups speak their own minority languages. China is officially an atheist country. (CIA 2003)

Environment

China is the world's fourth-largest country. The country's surface area is 9,596,960 sq km, with a coastline of 14,500 km. The climate is extremely diverse; tropical in the south to sub-arctic in north. The country's topography consists mostly of mountains, high plateaus, deserts in west; plains, deltas, and hills in east. In China the world largest natural resources are hosted.

The most critical issues concerning the environment is the high air pollution (greenhouse gases, sulphur dioxide particulates) due to reliance on coal as energy source, dangerous water shortages, particularly in the north; a high water pollution from untreated wastes. It is estimated that China has lost one-fifth of agricultural land since 1949 to soil erosion, economic development and desertification. (CIA 2003)

China has passed two decades of rapid economic growth, urbanization, and industrialization which has caused a steady deterioration of the environment. The concentration of both air and water pollutants are among the highest in the world, causing damage to human health and lost agricultural productivity. Soil erosion, deforestation, damage to wetlands and grasslands have resulted in deterioration of

China's ecosystems and pose a threat to future sustainability. China has already taken some steps to reduce pollution and deforestation. A system of pollution control programmes and institutional networks for environmental management is now in place at national and local levels. As part of the 1998 government reorganization, the State Environmental Protection Agency (SEPA), was upgraded to full ministerial rank and coverage expanded to include environmental issues. For better urban and industrial pollution control, China has focused increasingly on greater use of economic incentives, financial analysis, increasing use of public information campaigns and on river basin management highly assisted by OECD. (OECD 2004)

Table 1: China's profile by selected indicators

Indicator	Value
Human Development Index (and ranking)	104th (value 0.721) (medium human development)
Environmental Sustainability Index	129th
CO2 Emission	2,5 metric tons per capita
GDP and GDP per capita (PPP, 2002 est.)	\$5.989 trillion (2002 est.), \$4,700 (2002)

Source: CIA 2003, WDID 2004, Yale 2002

The study is mainly based on the analysis of governmental reports. Some references are made to UN and OECD reviews and other secondary sources.

2 Content of the National Sustainable Development strategy

A first draft of *China's Agenda 21* ("White Paper on China's Population, Environment, and Development in the 21st Century") was completed in April 1993 not long after the United Nations Conference on the Environment and Development (UNCED) held in Rio de Janeiro where the Rio Declaration and Agenda 21 was adopted. At the same time the Administrative Centre for China's Agenda 21 was established jointly by the State Planning Commission and the State Science and Technology Commission to deal with routine management matters of China's Agenda 21. Financial assistance and other help were received from the United Nations Development Programme (UNDP). The formulation and implementation of China's Agenda 21 has become an official program for co-operation between the Chinese Government and UNDP. (China 1994)

Strategy content

China's Agenda 21 clarifies China's sustainable development strategies and policies. Its 20 chapters can be divided into four major sections:

1. Overall strategies for sustainable development;
2. Aspects of the sustainable development of society;
3. Sustainable development of the economy;
4. Protection of resources and the environment;

Each chapter has been organised into two sections: introduction and programme areas. The introduction clarifies the objectives and significance of each programme area and the role each plays in overall sustainable development; each particular programme area is then sub-divided into three subsections: basis for action and key problems in the first, the objectives for solving these problems in the second and proposed actions for implementation in the last.

By following the goals of the Agenda 21 the Chinese government clearly states that it must do this at the same time as it is improving economic conditions and structures, enhancing their effectiveness and maintaining an annual average GNP growth rate of between 8 and 9%. Specific objectives for national economic and development by the year 2000 presented in the 10 year plan were set up, e.g. steady increase in food and cotton production (500 million tonnes by the year 2000), output of raw coal should reach 1.4 billion tonnes and electrical generating capacity should be increased to 1.3 billion megawatt hours (MWH), efforts should be made to conserve energy at an annual average saving rate in excess of 3%.

A Priority Program for China's Agenda 21 is directly derived from China's Agenda 21. It is meant to serve to transform China's Agenda 21, a strategic framework, to a phased, operational program of priority projects in order to combine pressing issues to be solved, capacity building, key technologies and demonstration projects for China's sustainable development. It states that a) special attention is given to environmentally sound technologies and demonstration projects in agricultural, industrial and energy development which will lay a foundation to change the traditional development model. Furthermore, b) priority is given to important projects on environmental pollution control and conservation and sustainable utilisation of natural resources by c) giving social development program and d) capacity building projects a high priority. Nine priority areas and sixty-two projects are recently contained in the actual Priority Programme: (China 1994 (follow up 2003))

Box 1: *The Priority Program for China's Agenda 21*

The Priority Program for China's Agenda 21, an international cooperation program to advance China's Agenda 21, was launched in 1994 comprising at that time 128 projects in nine priority areas. One special feature for China to implement the strategy of sustainable development is to conduct pilot and demonstration programs on a local level. In 1997 16 provinces and municipalities (including Beijing and Hubei) were selected as pilot local Agenda areas to built local capacities for the national sustainable development strategy. In these pilot areas local agendas were formulated to initiate sustainable development adapted to local conditions. By the end of 2001, 25 provinces, municipalities and autonomous regions as well as many localities had set up special offices for implementing their individual Local Agenda 21 programs.

The 9 priority areas are as follows:

- Capacity Building for Sustainable Development;
- Sustainable Agriculture;
- Cleaner Production and Environmental Protection Industry;
- Clear Energy and Transportation;
- Conservation and Sustainable Utilisation of Natural Resource;
- Environmental Pollution Control;

- Combating Poverty and Regional Development;
- Population, Health and Human Settlements;
- Global Change and Biodiversity Conservation

Since the Priority Programme was launched first at the First International High Level Round Table Conference in July 1994, many international organisations have supported and participated in its projects: the United Nations agencies, the World Bank, the Asian Development Bank, foreign governments and firms. International support has been provided for 36% of these projects, such as the sustainable development of Mountain-River-Lake in Jiangxi province and cleaner production in Benxi city. Another 33% of the priority projects are under negotiation.

Source: www.acca21.org.cn, China 1994 (follow up 2003)

Co-ordination with other strategies or planning process

To implement the national SD strategy government authorities under the State Council are recently engaged to formulate various sectoral Agenda 21s and plans of action, which were suited to their own sectors, e.g. the Ministry of Forestry formulated the Forestry Action Plan for China's Agenda 21 which deals with sustainable development in forestry. The State Oceanic Administration drafted China's Ocean Agenda 21, China's National Environment Protection Agency formulated China's Agenda 21 for Environmental Protection, the Ministry of Water Resources drafted China's Agenda 21 on Water Resources, etc. Other government authorities have also formulated programmes of action according to their specific conditions and in line with the country's Ninth Five -Year Plan. In order to implement the Agenda 21 in the Ninth Five-Year Plan and the Long-Term Objectives for the Year 2010 relating to environment protection, China formulated: (UN 2002)

- the *Program for Controlling the Total Amount of Main Pollutants*, which states that, in order to meet the environmental goals set in the Five-Year Plan, strict regulations should be made for control of 12 main pollutants;
- the *China Trans-Century Green Project*, which is specifically targeted on areas with critical pollution problems, river basins, and some fundamental environmental problems, and particularly focuses on the water pollution of three rivers (Huaihe River, Haihe River, and Liaohe River), three lakes (Taihu Lake, Dianchi Lake, and Chaohu Lake), and acid rain in southwest, central, southern, and eastern China, as well as on air pollution in 20 key cities;
- the actual *Five-Year Plan and the Long-Term Objectives for the Year 2010 on Land and Water Conservation* attaches great importance to the land and water conservation projects of the seven largest river valleys. In 33 key areas, land and water conservation projects of national level should be established to halt increasing land erosion, and efforts should be made to preserve an additional 650 thousand square kilometres of land by curbing soil erosion, by the year 2010. (China 2002)

Box 2: Main constraints faced by the sustainable development strategy (Based on the national report on sustainable development)

Despite China's achievements in social economic development, it is still a developing country. China's economic structure is not yet fully rationalised, and its economic development has not shaken

off the model of extensive economic growth. China's socialist market economic system has some imperfections.

China faces huge population pressure. China has a large population, and the quality of its human resources is still relatively low, which not only imposes huge pressure upon its supply of resources and on the environment, but also a heavy burden on the education, employment and social security systems.

China faces a severe resource shortage. China is short of important resources, such as land, water and petroleum, and its per capita resource base is far lower than the world average. At the same time, energy, water resources, and some key mineral resources are distributed in an uneven manner across China, which aggravates regional and structural contradictions between supply and demand.

Agricultural development is still relatively backward. The conflict between ever-reducing agricultural arable land with an ever-increasing population is becoming more and more acute. Some regions are plagued by poverty.

There exists imbalances in the economic development between regions and the level of urbanisation is low. The gap in economic development and standards of living between the city and the countryside is still wide.

Environmental pollution and ecological destruction is still severe. In some cities, air pollution has had a negative influence on residents' health. In some regions, the water shortage is severe and the safety of residents' drinking water has been compromised. Desertification of land and grassland is expanding at an astonishing speed in some regions.

Source: China 2002

3 Country profile: Institutional and procedural aspects

3.1 *Development and Institutional Aspects*

On 25 March 1994, the State Council of China approved *China's Agenda 21: White Paper on China's Population, Environment and Development in the 21st Century* (China 1994 (follow up 2003)). It was conceived as a guiding document for medium- and long-term socio-economic development planning for all levels of government. In the process of formulating China's Agenda 21, financial assistance and other help were received from the United Nations Development Programme (UNDP). The formulation and implementation of China's Agenda 21 has become an official programme for co-operation between the Chinese Government and UNDP. China's Agenda 21, approved by Chinese Government, is meant to function as a guide document for drawing up medium and long-term plans for economic and social development. Its goals and contents were embodied in the Ninth Five-Year Plans and the Plan for 2010. (China 1994 (follow up 2003))

Box 3: Capacity Building for Local Agendas 21 in China

Capacity Building for Local Agendas 21 in China represents the third and final phase of the ongoing project Capacity 21 support to the Agenda 21 process of UNDP. This phase aimed at integrating China's Agenda 21 into its economic and social development plans at sub-national and local levels and building organisational, planning and financial capacities for Local Agenda 21 implementation in order to ensure China's rapid transition to a more sustainable development path. The program carries out the Agenda 21 process in three demonstration provinces (Hebei, Shanxi, and Sichuan) and three municipalities (Changzhou, Chizhou, and Tongchuan), while facilitating the creation of financial, technical, regulatory, and management mechanisms for Agenda 21 implementation. It also expanded the pilots including ten additional pilots which are within the programme network. The programme is designed to leverage UNDP inputs to strengthen China's own capacity to implement China's Agenda 21 at local level.

Source: <http://www.undp.org/capacity21/asia/china.html>

In parallel with approving China's Agenda 21 the Administrative Centre for China's Agenda 21 (ACCA21) was established to promote the implementation of China's Agenda 21 and sustainable development in China. The ACCA21 carries out following duties in order to meet the requirement by the Chinese government.

- Management for the daily administration for implementing China's Agenda 21;
- Carrying out project evaluation for national science and technology program on population, medicine, environment protection, resources and social development;
- Carrying out administration for sustainable communities and local Agenda 21;
- Carrying out management for projects of national marine program;
- Research on China sustainability strategies and life science policies provided to the Ministry of Science and Technology.

Under ACCA21, 8 divisions were formed by approval of the Ministry of Science and Technology, e.g.

- Resources & Environment Division
(science and technology projects of resources, environment protection, and other domestic projects that are related to China's Agenda 21)
- Local Agenda 21 Division
(implementing local agenda 21, managing sustainable communities and sustainable cities)
- Strategy Research Division
(policy study on sustainable development, policy research on key issues of international response to environment and development, publicity and public awareness)
- Centre for Environmentally Sound Technology Transfer (CESTT)
(providing technical assistance to small and medium industries on environmentally friendly technologies, technology assessment, feasibility

studies, and building for information systems on technology transfer, priority programme for international cooperation)

The central government has decentralized much decision-making power to provinces and regions in terms of investment project approval, local fiscal budgets and personnel matters. Therefore, there is a division of rights and responsibilities between the central and local governments in the Agenda 21 programmes. The central government takes charge of nationwide issues related to sustainable development, while it also supervises the action of local governments by means of administering local projects regarding sustainable development. Local governments take responsibility for drafting their own Local Agenda 21 programs, and formulating related frameworks of actions according to local situations and specific environmental problems. (Liu Yi 2002)

Over the last decade, China has been integrating environmental, social, and economic factors in developing its legislation on the environment and development. It has formulated many economic laws and regulations in accordance with the evolving economic and social situation, reflecting, to some extent, the principles and requirements of sustainable development. China has established six environmental laws, eight resources management laws, more than thirty administrative regulations, and three hundred and sixty environmental standards. Further laws have been established on education, health, culture and social security. Further improvements and adjustments are considered necessary, e.g. the strengthening of local legislation. By the year 2002, the basis for a system of legislation governing sustainable development should be in place. (UN 2002).

In July of 1996, the State Council held the Fourth National Conference on Environmental Protection in order to promote the implementation of a sustainable development strategy. Subsequently, the Decision of the State Council on issues related to environmental protection was drafted, and specific sectoral five-year national plans for China's environment protection are ratified to establish a relatively complete environmental management and related law systems in line with the socialist market economy. By the year 2010, the legal implementation of the strategy of sustainable development is planned to be finally fulfilled. One of the priority area programs aims to establish and improve the legal system for the protection of China's environment and resources in order to safeguard the smooth enforcement of China's sustainable development strategy.

Box 4: *The National Tenth Five-Year Plan for Environmental Protection*

The State Council approved the National Tenth Five-Year Plan for Environmental Protection on 26 December 2001, requesting the local governments and the various departments to strengthen environmental protection in close relation with the economic restructuring; to raise funds for environmental protection through multi-channel in connection with the expansion of the domestic demands, and to establish a mechanism of environmental protection with the government playing the dominant role, with market promotion and with public participation.

(Source: <http://www.zhb.gov.cn>)

The Environmental Protection Law of China clearly stipulates that “environmental protection plans made by the State must be integrated into the plans of the national economy and social development. Policies, economic measures and techniques beneficial to environmental protection must be implemented in order to ensure the coordination of environmental protection with economic construction and social development”. The law also stipulates in detail how governments and units at all levels must integrate environmental protection into the national economic and social development plans. (UNEP 2004)

3.2 *Participation Aspects*

The mandate of the Administrative Centre for China's Agenda 21 is to facilitate the implementation of China's Agenda 21 and sustainable development strategy. ACCA21 is affiliated with the Chinese Ministry of Science and Technology and the State Development Planning Commission. The Centre acts as the main focal point for sustainable development initiatives in China. ACCA21 advises the Chinese government on sustainable development strategies, policies and programs and participates in international sustainable development activities on its behalf. The Centre also serves as a clearinghouse for sustainable development projects in China.

Since 1997, the Central Committee of the Chinese Communist Party, the top decision-making body in China, convenes a round-table meeting each year on population, resource and environment issues to push sustainable development. (Liu Jiang 2004). Administrative decision making is highly centralized and almost closed to public participation. Recently a slight change can be recognized mainly at local level.

While the government is still the major player in allocating social public resources within the contemporary institutional structure in China, it has realized that sustainable development may not be achieved without the participation of civil society and NGOs. Non governmental bodies are taking over part of the past governmental function. But NGOs are required to register under a government department and are supervised by the latter, and hence, are only partly independent in their work. Among them are a number of important contributors to sustainable development, e.g. the Chinese Sustainable Development Association and the Chinese Association of Environmental Sciences. At present real NGOs, e.g. Friend of Nature, Green Homeland are growing, mainly engaged in environmental and natural resource protection. The human and financial resources of both groups are different. Also their participation in the planning process differ much. The semi-NGOs, supervised by governmental organizations are really taking part in the SD formulating process, but

their possibilities to criticize the official national policy is limited. The latter one are mainly engaged in implementing the SDS from the grass roots and concentrate their activities in education and propaganda. In China, some environmental groups use the media as a close partner or confederate in disseminating the ideas of sustainable development. (Liu Yi 2002)

3.3 *Monitoring Aspects*

One of the routine tasks of ACCA21 is to draft regularly a national sustainable development report and related action guidelines which are the basic framework for implementing and monitoring sustainable development at state level.

Within the priority program a project was launched to implement an indicator based SD monitoring system in 1996. The project aimed at setting up indicators which reflect and measure China's general situation regarding sustainable development in terms of nationwide economy, society, resources and environment in order to give the government and the public a clear understanding of the actual situation. It was also expected that this project will serve as a basis for the development of comprehensive regulatory mechanisms that will strengthen the pace and effectiveness of China's movement toward sustainable development. (UNEP 1996) So far a comprehensive indicator system to monitor sustainable development at national level is not in place. Ongoing work in China is taking place at national as well as provincial and local levels. At national level initial efforts in using indicators have led to identification of priority issues, e.g. continuation of development, efficiency of economic development, agricultural development, population control, poverty alleviation and social welfare improvement, science and technology improvement, enhancing urban infrastructure, sustainable use of natural resources and environmental protection and pollution control. According to above priority issues, the key indicators of sustainable development currently used in China are reviewed in the light of technical requirements and data availability.

3.4 *Implementation of the Sustainable Development strategy and related specific initiatives*

Currently, the State Planning Commission and the State Science and Technology Commission, which are led by the State Council, are charged with responsibility for the management of China's sustainable development, that is, for the implementation and administration of China's Agenda 21. Other governmental agencies and departments are responsible for various aspects of the work.

The Priority Program is embodied in a set of projects that respond to the country's pressing developmental needs within the framework of sustainable development. Related to the Priority Program a number of initiative and projects have started at national and local level. Since the first version of the Priority Programme was launched at the First International High Level Round Table Conference in July 1994, many international organisations have supported and participated in its projects: the United Nations agencies, the World Bank, the Asian Development Bank, foreign governments and firms. International support has been provided for 36% of these projects, other 33% are under negotiation. The current version of the Priority Program

contains 128 projects, 63 unchanged from the original, 19 revised and 46 added.(China 1994 (follow up 2003))

Tab 1: Selected Sustainable Development Initiatives

Initiative	Outline
<p><i>Environmental Management Co-operation Program</i> (2001-)</p>	<p>The Environmental Management Co-operation Program (EMCP) is one of the most prominent projects funded by the European Commission in the environment field in China and is designed to help increase the impact of the Administrative Centre for China's Agenda 21 (ACCA 21) and other institutions on the development of environmental planning and management in China in order to increase the awareness on Sustainable Development. The general objective of the programme is to develop and to improve environmental management in China and to strengthen the national capacities in this field through increased contacts and exchanges between China and the European Union, with the ultimate objective of promoting sustainable development. EMCP total budget is 18.9 millions Euros</p> <p>(EU contribution amounts to 13 Millions Euros and the Chinese contribution to 5.9 Millions Euros).</p> <p>(Source: http://www.delchn.cec.eu.int/en/Co-operation/enviroment_management.htm)</p>
<p><i>Sustainable land use in China</i> (2001-)</p>	<p>In 2001 a project to promote the sustainable land use in China was jointly launched by the Ministry of Land and Resources (MLR), the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) and the United Nations Development Program (UNDP).</p> <p>The five-year project, with total input of US\$6 million, is the first cooperation project between UNDP and the MLR. Under the project, ten pilot areas will be selected from 200 state-level land consolidation and reclamation demonstration zones, which have been set up nationwide with 1.2 billion Yuan (US \$ 0.1448 billion) of government funding. The ten pilot areas, representing different geological and socio-economic features, will showcase the results of the experiments on implementing new policies, promoting public participation in law enforcement, protecting farmer's interests and the surrounding environment.</p> <p>(Source: www.china.org.cn)</p>
<p>Communication to UNCCC (2001-)</p>	<p>This project will enable China to fulfil its commitments under the United Nations Framework Convention on Climate Change (UNFCCC) to communicate to the Conference of Parties to the Convention: a) a national inventory of emissions and sinks of greenhouse gases, b) a general description of steps taken or envisaged by China to implement the Convention and c) any other information China considers relevant and suitable for inclusion in its Communication. In addition the project will enable China to strengthen and expand its activities for increasing public and political awareness and action related to climate change. The project is founded by UNDP/GEF with US\$3,500,000</p> <p>(Source: http://www.ccchina.gov.cn)</p>
<p><i>EU-China Liaoning Integrated</i></p>	<p>The EU-China Liaoning Integrated Environmental Program</p>

<p><i>Environmental Programme</i> (1999-2004)</p>	<p>constitutes a concrete initiative to connect environmental planning with the efforts deployed by the Liaoning province, in order to tackle the many issues it faces in a context of overall economic transformation. The program aims to serve as an example for nationwide implementation of sustainable development. Liaoning Province in the North-East of China covers an area larger than Greece with a population of 42,4 Mio.</p> <p>(Source: http://www.eu-liep.org)</p>
<p><i>Ecological protection program at river cradle</i> (2004-)</p>	<p>China is expected to launch a new program starting in 2004 to improve the deteriorating ecological situation in the areas cradling the Yangtze River, Yellow River and the Lancang-Mekong River, which flows to the South China Sea through Vietnam. The program was nailed down following a recent meeting convening Chinese central government officials, as well as water, environment and forestry experts for schemes to protect and develop ecological resources in the riverhead areas. The cradle land, located in the hinterland of the Qinghai-Tibet Plateau at an average altitude of 4,000 meters above sea level, covers an area of 363,000 sq km in the southern part of north western Qinghai province, which is home to 16 counties and Tanggula township under three Tibetan autonomous prefectures. A natural zone for resources protection, which was set up in 2000 at a joint effort of the Chinese Academy of Sciences (CAS) and the Qinghai provincial government, was developed in early 2003 into a national preservation zone covering 152,300 sq km, nearly half the cradle areas. The new program to take effect next year will focus efforts on grass growth by grazing limitation, wetland protection, cloud seeding, and energy development in areas inhabited by grazers.</p> <p>(Source: http://www.sdinfo.net.cn)</p>

3.5 Country summary of national SD strategy

Table 2: Summary of China's National Sustainable Development Strategy

Criteria/Aspects	Outline
Content of SDS	
Typology	Cross-sectoral and sector planning with a strong focus on economy
Content	The national Agenda 21 serves as guideline and clarifies China's sustainable development strategies and policies. Based on that a Priority Program was developed naming priority areas and selected priority projects.
Linkages with other strategies and planning processes	The national Agenda 21 is highly integrated into the Five-Year Planning process of China's economy, less into sectoral plans and within the overall national environmental planning.
Development Aspects	
Legal basis, state of process Institutions, responsible agencies	No legal basis for national SD strategy defined, but general framework developed on basis of action program and implementation of Agenda 21 in priority areas, Environmental Protection Law of China in place, but doesn't serve as a clear legal basis for the Agenda 21
Decisions and negotiation	

External Support	<p>Responsibilities divided among Ministries and governmental committees, such as the State Planning Commission and the State Science and Technology Commission in cooperation with the Administrative Centre for China's Agenda 21 (ACCA21)</p> <p>Centralized governmental decision making, but process of decentralisation of decision-making power to provinces and regions is ongoing</p> <p>Low availability of actual information about how the priority projects are developed</p> <p>Massive external support by UNDP</p>
<i>Participation</i>	
Coordination	Coordinated by ACCA21 as an overall platform
Intergovernmental actors	Necessity of a consultation process of NGOs has started to be recognized, consultation meetings organized by ACCA21, weak environmental movement, modest role of media for public awareness-raising
Civil society, NGOs actors	
<i>Monitoring, Reporting and Adaptation Aspects</i>	
Responsibilities & Mechanisms	Plans for constant monitoring and update of long-term and mid-term planning, but not fully installed yet. Central role of government,
Compliance mechanisms	No compliance mechanism in place
Learning and Adaptation	Regularly update of the Priority Program based on experiences with former version, priority activities to generate learning and commitment
Application of Strategic Environmental Assessment	Environmental Impact assessment legally required
	Attempts to introduce an Environmental Audit System, but limited to selected areas
<i>Implementation of SDS</i>	
Responsibility and Coordination	Responsibility rests with the State Planning Commission, additionally with the ACCA21, Implementation of local measures is delegated to local governments
Financing and capacity	
Communication	<p>Funding by international donor community and financial capacity of China's government</p> <p>Mainly via the media, growing web based SD information available</p>
Specific SD Initiatives	<p>Strong focus on promoting sustainability by capacity building, several initiatives and projects following the Priority Program Areas</p> <p>Ambitious measures for integrative, preventive measures to reduce GHG emission</p>

4 Supporting information

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