Li Keqiang Emphasizes Narrowing Gap between Rural and Urban Areas

Vice Premier of the State Council Li Keqiang hosted a symposium on regional reform and development in Jiujiang City, Jiangxi Province on Dec. 28, 2012.

Li said that the way out to sustainable and healthy development of China’s economy lies in the transformation of economic development pattern and adjustment of the industrial structure. The biggest restructuring is to expand domestic demand. Potential is big in East China to drive domestic demand and the room to expand consumption in central and western China is even bigger. Riverside areas are the strategic points of the move. We need to take a step-by-step approach by making coastal areas prosperous in the first place and then accelerating the development in areas along the rivers. It conforms to the basic rule of economic development.

Li noted that the goal of development is to make the people better-off and the country stronger. However, the biggest gap in development is between the rural and urban areas and among different regions. This will also be the toughest issue in the modernization process. Over 600 million farmers earn less than 1/3 of the 600 million urban dwellers. And the average GDP per capita in East China exceeds USD8000 while the lowest in central and western China is only a little more than USD1000. The gap is huge. To narrow the gap between the rural and urban areas, we shall push forward urbanization and develop modern agriculture to realize the integrated development of the rural and urban areas. To narrow the regional gap, we shall concentrate on the development of the central and western China. Central China and the Yangtze River basin are the very places where we can make a breakthrough. Just like playing Chinese chess, the player must make plans for the central area while occupying edges.

To fully implement the guidelines and decisions adopted by the 18th National Congress of the CPC and the Central Economic Work Meeting, we must focus on reform and development in line with the requirement of Scientific Outlook on Development, Li continued. First, we will expand domestic consumption in the process of opening wider to the outside world. This means we need to further open up both inside and out to the world. The potential of domestic opening up is huge. If we pursue development behind closed doors, we might enter a dead alley. Only by opening up can we grow the economy and benefit from it. Central and western regions must promote development by opening up and drive reform through opening up. Second, we will advance market-based institutional reform. The force of market cannot be replaced by administration. Economic region is by no means administrative region. The role of government must be changed by eradicating limits of all kinds, breaking through irrational administrative barriers and market segmentation. We will nurture and establish a big, united market where all elements flow in accordance with the rule of market and leave more room for the society in a bid to enhance the impetus and vitality
of development. Places in the Yangtze River basin may initiate pilot programs if conditions permit. Third, we will establish market economy ruled by law. Market economy, in the final analysis, is law-based economy. Market-oriented reform is also reform of legal system. We will promote equal rights, equal opportunity and equal rules, create a level playing field and provide the masses with more opportunities for employment and start-ups. While promoting regional development, we must keep to scientific principles, seek practical results and avoid formalism. This process will have to be supported by systems and guaranteed by laws. (Sources: www.gov.cn)

- Li Keqiang Talks about Air Pollution Control: We Must Make a Difference

Recently, central and eastern China has been haunted by lingering haze. Vice Premier of the State Council Li Keqiang stressed that we must make a difference in controlling air pollution while talking about this issue in the morning of Jan. 15.

Li said that in the process we have released the monitoring data of PM2.5 to the public faithfully and promptly. This problem is accumulated over a long period of time and addressing this problem will take a long process. However, we must make a difference. We will step up environmental law enforcement and other environmental work on the one hand and alert the public to protect themselves on the other. Over this issue, we must raise the awareness of all the citizens and encourage public participation. (Sources: www.cnr.cn)

- The State Council Forwards the Action Plan on Green Building

On Jan. 1, 2013, the State Council forwarded the Action Plan on Green Building jointly issued by NDRC and the Ministry of Housing and Urban-Rural Development and required to implement it conscientiously.

The main objectives of the action plan include enforcing mandatory energy saving standard on new buildings in urban areas and constructing 1 billion sq. m. green buildings in the 12th Five-Year Plan period. By the end of 2015, 20% of the new buildings in urban areas will meet the standard of green building. Energy saving reconstruction of the existing buildings will also be carried out. In the 12th Five-Year Plan period, heat metering and energy-saving retrofit program will cover 400 million sq. m. residential buildings in North China where heating is supplied. Energy saving reconstruction will take place in areas where it is hot in summer and cold in winter and this program will cover 50 million sq. m. residential buildings and 120 million sq. m. public buildings and office buildings for public agencies. Energy saving demonstration of ramshackle buildings in rural areas will include 400,000 buildings. By the end of 2020, residential buildings worth of renovation in the heating supply areas of North China will be retrofitted to save energy.

The action plan identifies the following key tasks. Work shall be done to guarantee the energy saving of new buildings and energy saving reconstruction of existing buildings. Renovation of over 400 million sq. m. residential buildings will be completed in the 12th Five-Year Plan period and regions with favorable conditions are encouraged to beat the target. Renovation of 60 million sq. m. public buildings and 60 million sq. m. official buildings for public agencies will also be completed. Pilot programs will be launched for energy-saving retrofit of residential areas in areas where it is hot in summer and cold in winter or hot in summer and warm in winter. And the pilot program will complete the renovation of 50 million sq. m. in the 12th Five-Year Plan period.

Extensive application of renewable energy in buildings is encouraged. The Ministry of Finance and Ministry of Housing and Urban-Rural Development will study and decide on areas suitable for renewable energy buildings. Demonstration of renewable energy buildings will be launched to enable contiguous extension of the green building. By the end of 2015, newly added
renewable energy buildings will cover 2.5 billion sq. m. Consumption of renewable energy in buildings will account for over 10% of total energy consumption of buildings in the demonstration areas.

Urban heating system will be retrofitted and energy performance management of public buildings will be strengthened. Efforts will be made to accelerate R&D and promotion of technologies for green building and develop green building materials. Stricter rules for demolition will be set and reuse of construction waste will be encouraged.

Policy incentives will be strengthened. Financial supporting measures will be studied. Financial award will be presented to buildings that meet with two-star or above evaluation standard for green buildings. The Ministry of Finance and the State Administration of Taxation will study and develop preferential taxation policies to encourage developers to construct green buildings and guide consumers to buy green properties. Financial services for green buildings will be improved and favorable lending rate will be granted to consumers buying green properties. The Ministry of Land and Resources will work out land transfer policies that promote development of green buildings. And the Ministry of Housing shall formulate incentive polices to encourage land transfer in favor of green building and the Ministry of Urban-Rural Development will make incentive polices on plot ratio and identify the proportion of green buildings to the total land for construction while setting conditions on land bid invitation, auction and listing. (Sources: www.gov.cn)

**Minister Zhou Shengxian gives a speech at National Conference on Environmental Protection**

The National Conference on Environmental Protection was held in Beijing on January 24, 2013. MEP Minister Zhou Shengxian attended the meeting and gave a speech.

Minister Zhou Shengxian pointed out that the 18th National Congress of CPC put the development of ecological civilization at the same strategic importance as economic, political, cultural and social development, take it as one of five arrangements for pursuing the cause of socialism with Chinese characteristics, and achieves another key innovation in the concept and practice of CPC for governing and rejuvenating the country. Environmental protection is the main platform for development of ecological civilization and is the main line, big arena and focus for building a beautiful China. Active exploration of new path to environmental protection is a realistic path towards the development of ecological civilization.

MEP Minister Zhou Shengxian reviewed the progress of environmental protection work in 2012. He pointed out that environmental protection institutions across the country firmly carry out the decisions and arrangements of the central government on environmental protection and all major activities have made active progress over the past year.

First, conscientiously carried out the spirit of the 7th National Conference on Environmental Protection. In the past year, all provinces (autonomous regions, municipalities) actively implemented the spirit and all work arrangements of the 7th National Conference on Environmental Protection. A total of 28 provinces (autonomous regions, municipalities) held provincial meeting on environmental protection. 26 provinces (autonomous regions, municipalities) have released the document on further strengthening environmental protection in the name of provincial Party Committee or government.

Second, achieved the annual target of total pollution reduction of major pollutants in an all round way. Primary estimate shows that there was over 2% reduction of the total discharge of the four major pollutants in 2012 compared with that of 2011, achieved the annual reduction target. (Sources: China Environment News)
Beijing-Tianjin-Hebei Province and 74 Cities to Start Monitoring according to the New Air Quality Standard

Altogether 74 cities including Beijing-Tianjin-Hebei Province, the Yangtze River Delta, the Pearl River Delta, municipalities and provincial capitals, started monitoring air quality by the new standard upon Jan. 1, 2013. Monitoring items for release include six pollutants, namely SO$_2$, NO$_2$, PM$_{10}$, O$_3$, CO and PM$_{2.5}$ and AQI. Among the six pollutants, O$_3$ information includes one-hour concentration and 8-hour moving average concentration of all monitoring sites. Released data of other pollutants include one-hour average and the respective air quality index, 24-hour average and the respective air quality index of each monitoring site. As to the timing of release, real-time level and air quality index of pollutants of each monitoring site will be released on hourly basis so that the public can learn the air quality in time. The content of information intends to provide guidance on public health and give a reference to facilitate people’s daily life arrangement. The information will be released through various channels including the websites of EPBs, Chinese twittering, mobile phones and television. (Sources: China Environment News)

MEP requires early warning and monitoring of heavy pollution weathers and ensuring public health

MEP issued a circular on January 15, 2013 calling for all provinces, autonomous regions and municipalities to make earnest effort in air quality monitoring and early warning of heavy pollution, strengthen prevention and control of air pollution, try hard to mitigate the impact of air pollution and safeguard public health.

1) All provinces, autonomous regions and municipalities shall strengthen air quality monitoring and ensure smooth operation of the monitoring devices. Local environmental protection departments shall establish an on-duty system for monitoring air quality in special meteorological conditions. Local environmental monitoring agencies at all levels shall carry out strict management of monitoring quality, and strengthen the maintenance and inspection of monitoring equipment to ensure their smooth operation. Cities having enforced the new ambient air quality standard shall monitor the six indicators according to the new standard. The cities not implementing the new standard shall carry out successful real-time monitoring of the three pollution indicators including sulfur dioxides, nitrogen dioxides and PM$_{10}$ and get prepared for stage II and III implementation of the new standard. Provinces, autonomous regions and municipalities where conditions permit are encouraged to enforce the new standard ahead of schedule.

2) All provinces, autonomous regions and municipalities shall strengthen inter-department consultations and release air quality monitoring data in time. Environmental protection departments at all levels shall enhance the communications and cooperate with relevant departments including the meteorological department; analyze and judge the pollution trends and make public in time of the air quality data of the affected regions through media such as broadcasting, television, internet and newspaper, in order to ensure public access to the environment information.

3) All provinces, autonomous regions and municipalities shall carry out the emergency response plan for heavy pollution weather to substantially mitigate the impact of the pollution. Based on the pollution level, they shall establish an emergency response mechanism and launch the preparedness plan in time. They should encourage companies, public institutions and the public to participate in emissions reduction campaigns in order to mitigate the adverse impact of the pollution on public health.

4) All provinces, autonomous regions and municipalities shall highlight the prevention and control of PM$_{2.5}$. Based on the total...
amount control of sulfur dioxides and nitrogen oxides of key industries such as thermal power, iron and steel, and cement industries, they shall highlight the control of industrial smoke and dust, flying dust from construction sites, VOCs and vehicle emissions. They shall introduce the toughest emission cap system for air pollutants and a system to counterbalance the pollutant load of new projects. Key regions such as Beijing-Tianjin-Hebei region, Yangtze River Delta, and Pearl River Delta should establish a sound regional cooperation mechanism for joint prevention and control of air pollution.

5) All provinces, autonomous regions and municipalities shall strengthen leadership and identify responsibilities. Environmental protection departments at all levels shall pay close attention to the air quality monitoring and early warning in heavy pollution weather, carry out strict accountability system, strengthen supervision and inspection and ensure smooth monitoring, early warning and control of air pollution under weather vulnerable to heavy pollution. (Source: www.people.com.cn)

### CCICED Activities

#### The Meeting of China — Canada Steering Committee of CCICED Program held in Beijing

The Meeting of the China — Canada Steering Committee of CCICED Program was held in Beijing on January 22, 2013. The meeting was co-chaired by Mr. Kang Bingjian, Director of Department of International Cooperation of Ministry of Commerce and Counselor Jodi, Director of Development Division of Canadian Embassy in China. Representatives from CCICED Secretariat and its International Supporting Office attended the meeting.

The meeting firstly listened to the briefings on the work progress of CCICED in 2012. The participants all agreed that as a unique high-level policy advisory body, CCICED has put forward many valuable policy recommendations to the Chinese Government. In 2012, CCICED achieved smooth transition from Phase IV to Phase V, established and officially started all activities of CCICED Phase V. CCICED activities have continuously obtained active progress.

The meeting reviewed and approved in principle the 2013 Work Plan of China-Canada CCICED Program. The meeting hoped that on the bases of successful operation over the past 20 years, CCICED will actively push forward the strategic plan for long-term development and reform and innovation, and will focus on expanding and strengthening the cooperation with its partners and donors, improve the quality of policy researches, extending CCICED policy recommendations and strengthening publicity at home and abroad to increase the influence of CCICED in the future.

The participants expressed appreciations for the great contributions and strong support of CIDA to the establishment and development of CCICED over the past 20 years. They all hoped and especially welcomed continuous attention and support of CIDA to the activities and development of CCICED.

### CCICED Policy Studies

#### CCICED Task Force on Environmental Protection and Social Development Holds the 2nd Joint Meeting

CCICED Task Force on Environmental Protection and Social Development held the 2nd joint meeting in Xi’an of Shaanxi Province on Jan. 7-9, 2013. The international
Chief Advisor Dr. Hanson was invited to the meeting. The meeting was jointly chaired by Mr. Fan Bi, the Chinese Co-chair, Deputy Director General of Department of General Affairs, Research Office of the State Council and international Co-chair, Ms. Elizabeth Dowdeswell, President of Council of Canadian Academies and former Executive Director of UNEP. 22 people participated in the meeting including the Chinese and international members of the TF, supporting experts and representatives of CCICED Secretariat.

The outcomes of the meeting were as follows:

I. Discussed the sub-reports under the research project

The meeting discussed seven sub-reports including *Theoretical Study on the Relationship between Environmental Protection and Social Development*, *Review on the Theories and Practices on Environmental Protection and Social Development in China and Globally*, *Promotion of Corporate Social Responsibility for Environmental Protection*, *Improvement of the Government Public Service System*, *Guiding and supporting public Participation in Environmental Protection in the whole society*, *Improving Human Settlement and Reducing Poverty in the Process of Urbanization* and *Acquiring a Green and Modern Lifestyle*. Participants exchanged their viewpoints and identified what to do in the next stage.

II. Workshop on Innovative Urban Development Mode was held jointly with Xixian New Area

Taking Xixian New Area as an example, the Chinese and international experts had in-depth dialogue and discussions over a set of issues concerning the new path to urbanization. Executive Deputy Director of Management Committee of Xixian New Area, Wang Jun gave a keynote speech on *A Few Essentials on New Path to Urbanization*. Jan Bakkes, senior expert from Netherlands Environmental Assessment Agency presented on *Global Experience on Urbanization*. Sun Guojun, Deputy Director General of Department of General Affairs, Research Office of the State Council and Guo Lishi, Deputy Director from the same department also spoke over China’s urbanization and improvement of government public service system in combination of the development of Xixian New Area. The participants gave advices to Xixian New Area on the innovative urban development and harmonization between environmental protection and social development in the process of building a modern city.

III. A field trip to Xixian New Area

A site visit was organized to the Planning Hall of Xixian New Area, the integral treatment program of Weihe River and Changling Afforestation Program located in Qinhan New City to learn more of the practice of local governments on preserving culture, improving environment and handling relationship between man and nature.

The meeting decided that a study tour to the Netherlands will be arranged this April to further the study on environmental protection and social development and held the 3rd joint meeting of the Task Force.