

Australia China Environment Development Program

Chinese Partners Workshop

Summary

August 2007



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1. Introduction

The ACEDP is a five-year, \$25m Australian Government, AusAID initiative with the objective of supporting and improving policy development in China in the area of environmental protection and natural resources management. Initially the focus will be on water resources and river basin management. The ACEDP will facilitate engagement between Australian and Chinese Government agencies, institutions and individuals engaged in national environmental policy development and implementation, through high level policy dialogue, capacity building and collaboration on discreet activities.

Specific outcomes for ACEDP will be enduring partnerships between Australian and Chinese agencies involved in policy development on environment; strengthened policy development processes on environmental management; and the successful implementation of pilot activities utilising good environmental governance and practices.

Integral to the success of the ACEDP is an annual planning process to determine the strategic direction of the ACEDP work program. While AusAID and the Chinese Ministry of Commerce (MOFCOM) have oversight of the ACEDP, the Australian and Chinese Core Program Partners make up the decision making body for determining China's national policy priorities that will be addressed through discreet activities under the ACEDP. The Core Program Partners will be supported in their role by an Environment Advisory Team comprising Chinese and Australian experts who will independently assess activity proposals and ensure they are consistent with the ACEDP objectives.

Throughout the life of the program, which commenced in July 2007, the program will remain dynamic and flexible to respond to emerging environmental policy priorities, and provide a unique level of access and engagement between senior levels of Australian and Chinese Government officials.

Two national workshops in Canberra and Beijing in August 2007 discussed national environmental policy priorities and explored opportunities for cooperation and policy dialogue.

The Australian Partners workshop was held at the National Museum of Australia, Canberra on Tuesday 7th August 2007.

The Chinese Partners workshop was held at the Debao Hotel, Beijing on Friday 24th August 2007. The Agenda is attached in Appendix 1 and the list of people who attended the workshop is included in Appendix 2.

This **Chinese Partners Workshop Summary Report** has been prepared to provide Australian and Chinese Partners with a summary of the workshop proceedings and outcomes. The report will also form a background document for the Australia China High Level Joint Roundtable to be held on the 25th of September 2007.



The Summary report provides a synopsis of speaker presentations as well as findings from the environment policy priority brainstorming. It is envisaged that speaker presentations will be available on the ACEDP website once it is operational.

ACEDP would like to thank all participants and speakers for their involvement in the ACEDP – Chinese Partners Workshop.



2. Summary of workshop handout documentation

Participants and the ACEDP Chinese Partners Workshop were issued with the following Program background information.

1. ACEDP Information Booklet

This bilingual information booklet provides a brief outline of the ACEDP and provides a list of key Program contacts.

2. ACEDP – Chinese Partners Workshop Invitation Letter and Agenda

Invitation Letter provides the workshop goal and objectives as well as the workshop invitees. Agenda for the workshop includes the detailed arrangements and a list of guest speakers.

3. Australia and China Country Survey Papers

The Australian Country Survey paper provides an explanation of key lessons from the last decade of water reform in Australia and their potential relevance to China. The China Country Survey highlighted key elements of the China water resources and environment governance system, including the legislative framework, macro policy, administrative management systems and mechanisms.

These papers were prepared for both the Australian and China Partner workshop and used as outline documents to discuss national environmental policy priorities and opportunities for cooperation and policy dialogue between Australia and China. The papers provide program partners with background information to guide the formulation of the first annual plan and Program management processes.

4. ACEDP Organisation Chart

ACEDP Organisation Chart introduces the Program owners, Program management arrangement, monitoring & evaluation system, quality assurance agencies and the Program personnel.

5. Interim Proposal Concept Note

The Proposal Concept Note is a short application form for proposed activities/ initiatives. It is the initial document for appraisal by the Environment Advisory Team (EAT) and forms part of the ACEDP annual planning process. A revised Proposal Concept Note will be included in ACEDP Operations Manual due in Nov/Dec 2007.



6. Interim ACEDP Activity Selection Guidelines

The Interim ACEDP Activity Selection Guidelines identify the funding direction of the eligible activities / initiatives under the framework of ACEDP, the selection criteria, funding arrangements and monitoring & evaluation mechanism, etc. The Guidelines only apply for the first year of the program and they are likely to be modified for next year activities. A revised Guideline will be available in the ACEDP Operations Manual due in Nov/Dec 2007.

7. ACEDP EAT (Interim Core Member) - Term of Reference (TOR)

TORs for EAT inputs during the preparation of the First Annual Plan clarify the responsibility, profile and selection procedure of the EAT Interim Core Member. Subject to necessity, TORs may be revised next year.

8. Policy Challenges Facing Chinese Program partners

These 15 policy challenges were identified based on initial consultations with Chinese program partners during July and August 2007.

9. Potential Priority Areas for Policy Engagement of the Australian partners

Australian program partners identified 45 potential priority areas for policy engagement with China during the Australian Partners Workshop in Canberra on 7 August 2007.

10. Australian Partners Workshop Summary Report

The Australian Partners Workshop Summary Report provides the specific outcomes and arrangements of the Australian Partners Workshop.

11. Feedback Format for Chinese Partners Workshop

Five questions are listed for obtaining the feedback from the participants of Chinese Partners Workshop, to evaluate and assess the workshop outcome.

Except the Interim ACEDP Activity Selection Guidelines, all workshop documentation is available in both the English and Chinese languages.

3. Summary of Speaker Presentations

3.1 Introduction of Workshop - Mr Peter Wood, Director and General Manager of GHD China, Mr Gunther Mau, Program Manager of the ACEDP

Mr. Peter Wood extended a warm welcome to all the participants, introduced GHD and GHD China development and expressed strong support to the ACEDP on behalf of GHD. Gunther Mau, PM of the ACEDP introduced the workshop agenda, objectives and expectation of the workshop. The workshop comprised the following components:

- Strategic direction for proposals/activities under the ACEDP
- Synergies among Chinese agency proposals for the ACEDP
- National priority proposals for consideration under the 1st Annual Plan
- Establish and strengthen the partnership

3.2 Welcome Address - Ms Wei Lai, Ministry of Commerce

On behalf of the Chinese responsible ministry, Ms. Wei Lai extended a warm welcome to all the participants. She gave a brief review on the preparation and program objectives of the ACEDP and extended sincere wishes that participants should have wide-ranging discussions concerning the program components and shall establish long-term partnerships. She expressed her strong confidence that the workshop would achieve success.

3.3 Introduction of the ACEDP - Mr Peter Jensen, Counsellor (Development Cooperation) Australian Embassy Beijing

For the period 2006-10, the strategic focus of Australia's Aid Program to China emphasises activities in three broad strategic areas - environment, governance and health.

The ACEDP aims to set up mutually beneficial partnerships between Chinese and Australian agencies to address natural resource management issues initially focusing on water resource management, to response to climate change as well as to protect environment. In parallel, it must be recognised that environment protection and poverty alleviation are closely interlinked. The ACEDP is an AUD25 million, five-year AusAID initiative, designed to be flexible so that it can respond to emerging priorities. The program is two-pronged – on the one hand it supports and enhances policy making in regard to environmental protection and natural resources management in China; on the other it aims to achieve that first goal by means of high-level policy dialogue, capacity building, cooperation and pilot projects.

The ACEDP features by stressing the establishment of close relationships between Chinese and Australian agencies, and that it targets direct inter-agency dialogue, communication and cooperation. At its early stage, the program will focus on cooperation in water resources management. Major activities

will be at national level although demonstration activities in support of national-level policy making (eg pilot projects) can be held at provincial or local levels.

There are three components of the ACEDP: environmental governance and dialogue, integrated river basin management and program management. AusAID and MOFCOM are the owners of the ACEDP who will be in charge of the approval of the Annual Plan. GHD has been contracted to be responsible for program management and execution of the annual plan. The Environment Advisory Team (EAT) is a high level and independent advisory and review board to assist AusAID and MOFCOM in selection, supervision and evaluation work.

The Annual Plan is a crucial for the whole program. It follows the Australian financial year (from July to June of the following year) and it shall be referred to when implementing relevant activities and programs. The total amount of money available for activities under the 5 years of the ACEDP is AUD 17.6 million, funded out of the ACEDP Imprest Account. The Annual Plan for year 1 (July 07 to June 08) will be completed by end September and carried out through to the end of June next year. While most activities under the annual plan are expected to be small scale, ie less than AUD100, 000 and to be completed within one year, some activities will be of a larger-scale, running for more than 12 months. Up to 10% of the budget has been allocated to support implementation of emerging activities.

3.4 Progress of the Australia China Environment Development Program (ACEDP) – Mr Gunther Mau, Program Manager

Mr Mau gave an introduction to the progress of the ACEDP:

1. Establishment of the program coordination office (PCO) in Beijing and launching of program management and information activities.
2. Preparation of the China and Australia country surveys.
3. Outreach to relevant organizations in China and Australia to become core program partners. These include (for China) the National Development and Reform Commission, the Ministry of Water Resources, the State Environmental Protection Administration and the State Forestry Administration. On the Australian side they include the National Water Commission, the Murray Darling Basin Commission, the Commonwealth Scientific and Industrial Research Organisation, the Australian Government Department of the Environment and Water Resources.
4. One-to-one follow-up meetings with Chinese core partner to enhance their understanding of the ACEDP and initiate 15 challenges facing Chinese partners.
5. Australian Partners Workshop that identified 45 possible areas of cooperation with China.
6. Completion of program-related documents, such as interim activities guideline, interim proposal concept notes, TORs of EAT etc. The deadline for receipt of proposals for Year 1 is Monday 10 September 2007.
7. Two briefings to inform the broader Chinese stakeholder community of program objectives and seek their views on the ACEDP will be held at the Australian Embassy Beijing on 19 September



2007 – one for the international donor community and one for the Chinese universities, research organizations and think tanks.

8. The inaugural high-level round-table meeting of core program partners on 25 September 2007, to discuss and agree on major issues of First Annual Plan.
9. The first annual plan will be submitted to AusAID and MOFCOM by the end of September.

3.5 Presentation by National Development and Reform Commission (NDRC) – Mr Huo Enquan, Director of the International Cooperation Centre

The Australia China Environment Development Program (ACEDP) complies with the core idea specified in the 11th Five-Year National Plan that puts special stress on the issue of environment. The emphasis is mainly directed to the following points: Firstly, to enhance prevention of water pollution; Secondly, to enhance prevention of air pollution; Thirdly, to enhance prevention of solid pollution; Fourthly, to implement powerful environmental and environmental protection measures. Key projects include the governance of three rivers and three lakes, governance of the Songhua River, the Water Diversion Project From South to North as well as some water pollution governance projects alongside the rivers, etc.

In the year of 2007, NDRC focuses its tasks in regard of environment on the following areas: First, to strengthen planning and supervision, including prevention and control in key areas, as well as national and regional planning; Second, to enhance utilisation of pollution prevention and governance; Third, to promote clean production comprehensively; Fourth, to advance the healthy development of environmental industries.

In line with the national development plan and the objectives of NDRC in 2007, the following specific tasks shall be fulfilled so as to achieve the goals of enhancing energy saving, reducing energy consumption and environmental protection.

- 1st Strictly Improve and apply the standards of energy saving and environmental protection.
- 2nd Firmly phase out the backward productivity, including minor coalmines and lagging productive equipment.
- 3rd Highlights shall be made on the environmental management of key industries and enterprises.
- 4th Fulfil the policy system of energy saving and environmental protection.
- 5th Enhance technological progress of energy saving and environmental protection.

3.6 Presentation by Ministry of Water Resources (MWR) - Mr Li Ge, Department of International Cooperation and Science

During the 11th Five-year Plan period, our work in the area of water resources management could be outlined as One Platform, Two Focal Points and Two Guarantees. To be specific, the system construction of water resources management is the platform on which our water resources management

construction is carried out, and it is also the initial point of all the management arrangements; the construction of a water efficient society as well the prevention and governance of water pollution are the two focal points in our future work; structural reform, systematic innovation and capacity building are the guarantees and circumstances for our work.

The objectives of water resources management during the period of the 11th Five-Year Plan:

1. In the area of building a water efficient society. To practice the control of total water consumption, establish the fundamental systems of water entitlement allocation and water right transfer.
2. In the area of enhancing water resources management capacity. To complete the allocation of water flows in main areas, make clear the overall control targets in main admin regions and finish establishing the quota of water consumption. To apply quota management to water consumers, and set up the fundamental qualifying standards and framework of water resources so as to improve the allocation capacity of water resources. To implement control and governance of groundwater, and enhance the operation of water resources in key river basins and regions.
3. In the area of water resources conservation. To carry out water resources conservation comprehensively incorporating with control of total consumption, strengthen supervision and management of sewage discharge, and ensure rural and urban access to water resources, ensure public health and rehabilitation of water resources in some areas.
4. In the area of management goal of water resources management system. To rationalize allocation of water resources, continue strengthening integrated management of water resources and make efforts to obtain further progress in involving the public into the management work of water resources.

Key areas expecting cooperation with ACEDP:

1. On subjects of ecological reservation and rehabilitation, and river basin conservation. It is advisable that water related ecological reservation and research work could be carried out in the Pearl River Basin and Tai Lake Basin. Some ecology-related work could be carried out in some of the provincial river basins, for instance, the Pearl River ecological evaluation system and integrated research, the influence of deteriorated water quality in Tai Lake on water ecology, the research on ecological influence of river storage, etc.
2. On subjects of water resources allocation and establishment of water right system. Researches on basin planning and system establishment shall be practiced, such as pilot research on water right system in the Yellow River Basin.
3. To carry out researches on drought supervision forecast and water consumption systems in river basins such as the Yellow River Basin, etc.

3.7 Presentation by State Environmental Protection Administration (SEPA) - Ms Li Pei from the Foreign Economic and Trade Department

The cooperation between SEPA and Australian parties has witnessed a good start, and here below are some suggestions for our first-year cooperation.

1. To set up good cooperation system so as to consolidate foundation for future cooperation and development in the coming 5 years. Before September 10th, SEPA shall submit the proposal of cooperated programs.
 2. Energy efficient and exhaust emission reduction. To propose suggestions on subjects of water resources prevention and governance as well as exhaust emission reduction.
 3. Capacity building. To practice training and exchange activities for agencies and personnel.
- As soon as the meeting is closed, SEPA would like to give introduction to ACEDP coordination office on some international programs involving foreign partnerships. For instance, programs with direction of river basin integrated management, which interest both the Australian parties and SEPA and are potential priority areas for bi-lateral and multi-lateral cooperation.

3.8 Presentation by State Forestry Administration (SFA) - Ms Wu Zhuanying from the Farmland Returning Office, Ms. Xiao Hong from the Wetland Management Office and Mr. Jing Tao, Mountainous Area Development Office

Ms. Wu Zhuanying - ('Farms-to-Forests')

Wishing that specific work could be done on subjects of influence of vegetation damages and vegetation rehabilitation on water itself and downstream water resources. In summary, work could be centralized in the following three aspects:

First, the influence of vegetation damages on downstream water.

Second, the influence of vegetation rehabilitation on water resources and the improved effects.

Third, seeking compensation system from the view of vegetation rehabilitation.

At present, foundation work has been done and corresponding work is expected to be carried out in the first year,

In addition, cooperation is expected in areas of capacity building and relevant policy system researches.

Ms. Xiao Hong - (Wetlands)

What comes first is research on ecological shortage of water in wetland areas. During the 11th Five-Year Planning period, the Chinese government will invest more than 10 billion Yuan in preserving and rehabilitating wetland areas. It is our hope that all the current on-going programs at national levels, in collaboration with international cooperation programs, could give full displays to their functions. The wetland serves both as the provider and the consumer of water resources. The increasing drop of wetland bears close connection with the shortage and irrational utilization of water resources. Hence, the prerequisite of wetland conservation is to protect water resources, prior to rehabilitate wetland, the water resources shall be rehabilitated first, particularly in the North and Northwest part of China.

The second part is that the Chinese government is urging the issue of a national regulation on wetland conservation. As we know, the process calls upon involvement of relevant departments, therefore, special regulations are also included in the agreement so as to give suggestions on departmental

cooperation systems, such as integrated management, ecological compensation in some bio river basins, etc. Up to now, there have been 7 provinces and cities who have formulated special wetland conservation regulations, and there are also a lot of others who are in the process of doing so, which is very important from both the view of policy making and legislation and caters to the objectives of Australian parties.

Mr. Jing Tao – (mountainous areas)

Areas in expectation of cooperation with the Australian parties

First, carry out integrated governance of small river basins and demonstration of integrated exploitation so as to achieve the purpose of exploitation through governance and to promote governance through exploitation.

Second, implement the protective program of water head in mountainous areas.

Third, initiate work to prevent water pollution in plain areas.

Fourth, implement three-phase integrated infrastructure capacity building.

3.9 Questions and Discussions

Question 1: The process of formulating Annual Plan and the Annual Plan of Year 1 (raised by representatives from MOFCOM and SEPA)

Answer from AusAID: the Annual Plan of the ACEDP will be in accordance with program proposals submitted by various parties. It will be compiled by the program coordination office, through consultation and checks by Chinese and Australian core program partners and the EAT and finally submitted to AusAID and MOFCOM for approval.

The Annual Plan of Year 1 is to be finished by September of this year covering a period from October to June next year. In the future it shall be done every March for next year's plan.

The term 'Year' refers to the fiscal year in Australia, ie July to June of the following year. Hence, normally we will prepare the annual plan during the last half of the previous fiscal year, but this first year is an exception.

A total budget of AUD17.5 million under Imprest Account has been allocated to fund activities over the 5 years. As an indication, the annual average is around AUD3.5 million. The annual budget will be determined on an annual basis taking into account achievements, the overall budget allocation for AusAid, the competing demands for funds within the Australian aid budget and within the China country Program. ACEDP will be able to respond to emerging priorities outside the annual plan.

Question 2: Program application, program scale and program achievement, etc. (raised by representatives from SEPA and MWR)

Answers from AusAID and GHD: the scope of program application shall comply with the core objectives of the ACEDP and the program shall be implemented within the framework of policy interests that are established by both Chinese and Australian parties. The operational mode of the program is quite novel and requires the active collaboration of both the Chinese and Australian parties.

The program scopes include two parts: one refers to activities (proposals) with a budget of less than AUD100,000, which would normally be completed within one year; the other refers to activities (proposals) exceeding AUD100, 000 which could be carried out either on a phase-by-phase basis with clear objectives or on a trans-financial year basis with special carefulness. A more detailed appraisal will be required for proposals exceeding the AUD 100,000 limit. Normally, one would expect only a few large-budget proposals per year, while most proposals are likely to be small scale.

Question 3: How to address a complex 'big' issue with limited budget and how to submit the results? Are there any successful cases? (raised by representatives from MWR)

In regard to program management, we have a supervision and evaluation system to ensure program quality. Some of the small-budget proposals will also be competent in addressing national-level issues within a short period of time. For instance, the on-going Water Entitlement and Trading Activity is an initiative between MWR and DAFF with a small budget and moved forward gradually to expose influence on relevant national policies.

Question 4: As for the priority-cooperation areas, since the number of participants from different agencies is not the same, all the concerned issues shall be listed and the 'polling' results from the brainstorming session shall be considered simply as reference (raised by representatives from SFA).

GHD: Fully agree on that, this is just an initial reference that may help us in considering policy direction. Moreover, it is suggested that participants vote on their favoured priority cooperation areas from the view of benefiting the country as a whole instead of the departments they represent.

Question 5: Follow-up activities (proposed by program coordination office for consideration of all participants)

After closure of the workshop, participants are requested to submit proposals to the Australia-China Joint High-level Roundtable scheduled to be held on 25th September. High-level representatives from core partners are expected to attend the Roundtable. Partners promised to take an active role in follow-up program activities.

4. Brainstorming Session

4.1 Policy Challenges facing Chinese Program Partners

Facilitated by Mr Gunther Mau, Program Manager of the ACEDP, participants reviewed a draft of 15 policy challenges facing Chinese partners that was prepared by the PCO based on one-to-one meetings with Chinese agencies during July/August. In addition, every Chinese participant was asked to nominate (and document) two additional high-priority policy challenges facing their agencies. All individual contributions were collected and the Program Coordination Office compiled them into an additional 15 priority items to be added to the original list of 15.

The original 15 policy challenges are:

1. Facilitate interagency coordination and integrated management related to water resource management
2. Strengthening linkage/ clarify legal responsibilities between Central Government and Local Government in water resources management, eg by making national plans etc
3. Drinking water source protection
4. Transfer from past water demand management (water users, water sources, waterworks) to water utilisation management (water abstraction license/ permit)
5. Build a Water Saving Society
6. Combine water conservation technology with water quality assurance, water quantity allocation, water ecological protection and restoration
7. Change the current management distinctions between MWR and SEPA
8. Drinking water safety assurance for urban and rural residences
9. Emerging Pollution Accident Alleviation
10. Capacity Building for officials to enhance monitoring and managing skills in legal implementation
11. Mechanism, systemic and institutional innovation combining water quality management with water quantity management methods from Australia to China
12. Introducing technology, experiences and management methods from Australia to China
13. Enhancing water quantity supply for mountainous areas, especially integrated management for small river basins in mountainous areas
14. Enhance wetland conservations of river origins
15. Enhance afforestation to prevent and control soil erosion

To which were now added the 15 new items, bringing the total combined list of policy challenges facing Chinese program partners to 30

16. Integrated River Basin Management (IRBM)
17. Clarifying the legal position of state departments, and the opposition of the state and local departments
18. Legislation of wetland conservation

19. Trans-boundary river management and water pollution
20. Research and formulate guidelines of environmental protection industries
21. Definition and compensation of public environment damages
22. Realization of integrated catchment management and capacity building of catchment management agency
23. Establishing water rights and water market system, and implement water management through economic means
24. Eco-evaluation and integrated governance of river head
25. Control of lake over-nourishment and ensure safety of water ecology
26. Technical support of water resources management (policy-making support system, remote sensing, data supervision, modelling)
27. Alarming system of water ecology and indicator system of water ecology
28. Management system of water pollution and emergency response system
29. Vegetation compensation, vegetation rehabilitation, vegetation conservation and improvement of farmers' living standards
30. Rapid urbanization development in land and marine intersected areas as well as environmental protection

Facilitated by Mr. Gunther Mau, Program Manager of ACEDP, every Chinese participant was then asked to identify from that list of 30 agency-level policy challenges, the **three most important national challenges**.

The list of 30 policy challenges was then printed out in a large format and displayed in the meeting room. Every participant was given three red colour stickers and participants were asked to put the stickers against any of the 30 priority challenges. Participants could put all stickers against a single item or distribute them according to their own priorities. The 'voting' was anonymous and participants were asked to 'vote' independently of their departmental affiliation.

Compilation shows that participants voted the following national challenges for China, in order of priority :

- 1st "Realization of integrated catchment management and catchment management agency capacity building" as a top national priority (12 votes), followed by
- 2nd "Facilitate interagency coordination and integrated management related to water resource management" (9 votes), and
- 3rd "Control of lake over-nourishment and ensuring safety of water ecology" (5 votes), followed by three equally placed issues at a 4th place:
- 4th "Clarify the legal position of state departments and opposition of state and local departments (4 votes), and

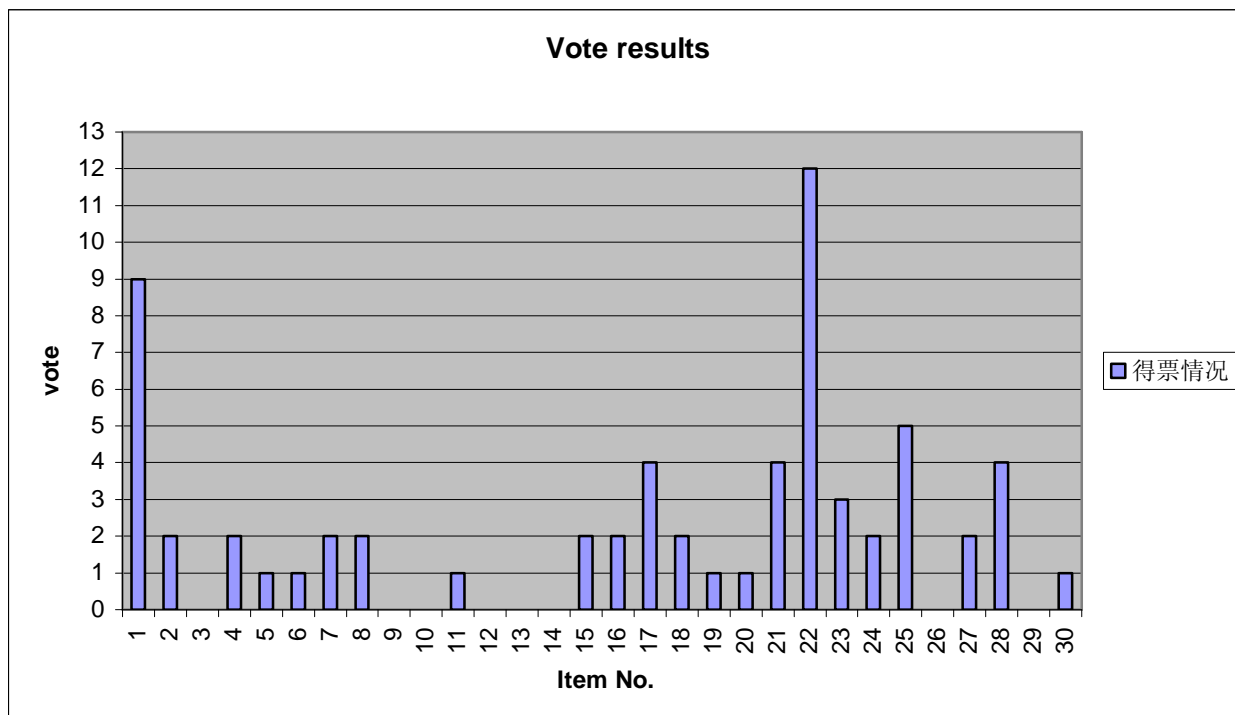


“Definition and compensation of public environment damage (4 votes), and

“Water pollution management system and emergency response system (4 votes).

According to the personal opinions of the workshop participants, these six subjects represent the most urgent national-level policy challenges facing China. As such they may provide some guidance for the focus of year 1 of the ACEDP. Detailed ‘polling’ results are:

No.	Poll	Order	No.	Poll	Order
1	9	2	16	2	
2	2		17	4	4
3	0		18	2	
4	2		19	1	
5	1		20	1	
6	1		21	4	4
7	2		22	12	1
8	2		23	3	
9	0		24	2	
10	0		25	5	3
11	1		26	0	
12	0		27	2	
13	0		28	4	4
14	0		29	0	
15	2		30	1	



4.2 Priority Areas for Policy Exchange between Australian and Chinese Partners

The Chinese Partners Workshop then voted on Australia's key priority areas for policy exchange between Australian and Chinese Partners, identified at the Australian partners workshop on 7 August 2007. Classified in accordance with the three key objectives for the ACEDP Program, participants were introduced to the 45 Australian-identified priority areas:

Australian Identified Potential Priority Areas for Policy Engagement with China

Priority Area	Australian Agency
Objective No 1 - Develop and Enhance Policy Dialogue Between China and Australia	
(1) Establish agriculture as a primary player in future water markets	DAFF
(2) Natural Resource Management – whole of catchment approach (soil, vegetation and landuse)	AgWest International
(3) Whole of catchment approach with clear governance structures	IC Water
(4) Regional water management / community river health – Catchment Management Authority institutional development	National Water Commission
(5) Urban Water Supply contingency planning – improved analysis and support for water infrastructure and management decision making	SunWater
(6) Market allocation of access to surface water delivery systems	ABARE
(7) Pricing – full cost recovery to allow infrastructure constraints to be addressed to facilitate movement of water to its users (urban, agricultural, industrial, environment)	ABARE
(8) Inter-sector water trade (urban, agricultural, industrial, environment) to	ABARE

Priority Area	Australian Agency
maximise return to water use	
(9) Information exchange on climate change including adaptation	Department of Environment and Water
(10) Policy – framework for new river basin plans – development of consistent Water Quality standards and monitoring and evaluation	Rural Plan
Objective No 2 - Practical Applications of River Basin Management Principles in China	
(11) Interconnected management of surface and groundwater	National Water Commission
(12) Models and decision tools (hydrological and technological prediction; climate change and land use modelling; decision support tools; training and capacity building)	EWater CRC
(13) Scientific research to support evidence based decision making	University of Canberra
(14) Agricultural Impacts (Inputs, effluent, erosion, stock, clearing of vegetation and downstream effects) on water health (river, estuarine and stream)	AgWest International
(15) Rural/ Urban sewage pollution treatment and industrial discharge control	CSU
(16) Ecological flow management at a whole of basin scale including ecological asset identification and flow provision qualification	SunWater
(17) Dialogue on regional catchment bodies and community engagement	NWC
(18) Climate change adaptation	AusAID
(19) Valuing river ecosystem services	Rural Plan
(20) Addressing over allocated river systems	
(21) Rehabilitation of the Ecosystem	NWC
(22) Training, development and implementation of safe water planning approaches	
(23) Apply Mekong- MDBC program to a China Pilot Program	
(24) Managing organic pollution of rivers and lakes	SARDI / EBCRC
(25) Identify key principles to achieve engagement and ownership of key outcomes	
(26) Renewing water by integrated biosystem management	SARDI / EBCRC
(27) Rural Water Management	SKM
(28) Strengthening prevention of water resource degradation, water pollution and reversing the trend of environmental degradation	NRC
(29) China Afforestation program / impact on water availability / optimising quality outcomes	
Objective No 3 - Methods/ Applications to Improve Environment Governance in China.	

Priority Area	Australian Agency
(30) Property Rights in Water	
(31) Catchment and river health – environmental flows, conservation, sustainable land and water use, water quality	Ewater CRC
(32) Improve water quality	SKM
(33) Introduction of environment certification for China forestry/ afforestation programs	
(34) Impact on climate change on water availability in China and policy responses arising	NWC
(35) Improved stakeholder participation policy including community	AusAID
(36) Scientific capacity building – training at an undergraduate and postgraduate level	University of Canberra
(37) Policy on river health, environmental flows and extraction tension	
(38) Balance between consumption and environment	
(39) Groundwater and surface water as one interconnected source A robust water accounting framework	CSIRO – International centre for food security
(40) Optimising water resource management systems and mechanisms	
(41) Integrating irrigated agriculture targets with water management for sustainability of both	DAFF
(42) Strengthening environmental regulation	AusAID
4. Other Issues	
(43) How environmental aid to China could be used as leverage to help industry win business in China	AusTrade
(44) Problem of drinking water quality	All
(45) Agriculture production and water resources management	All

Similar to the methodology for the previous brainstorming session, every Chinese participant was invited to vote for three of the Australian-identified priority areas they considered most relevant to China's needs. Poll results are as follows, in order of priority

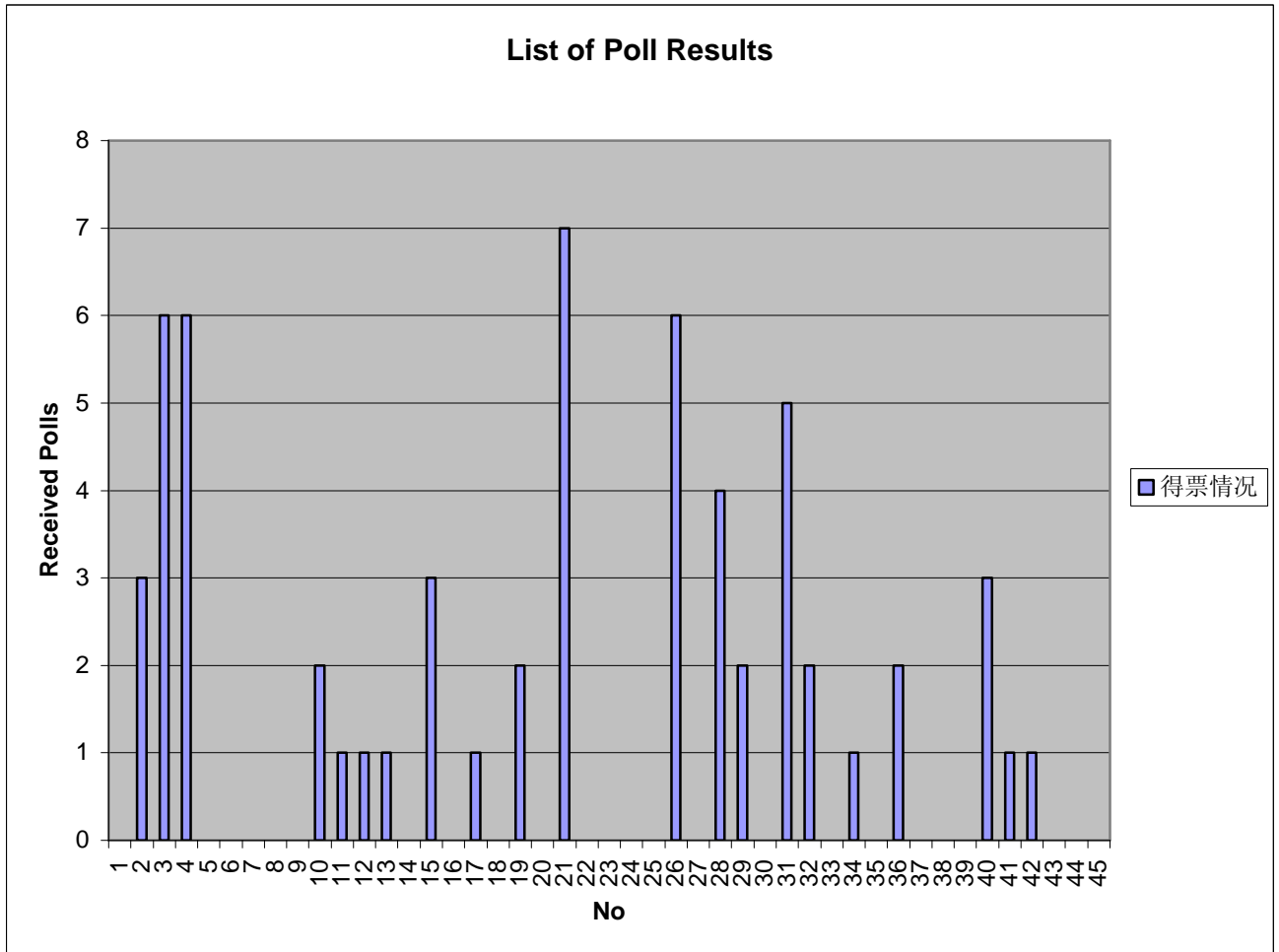
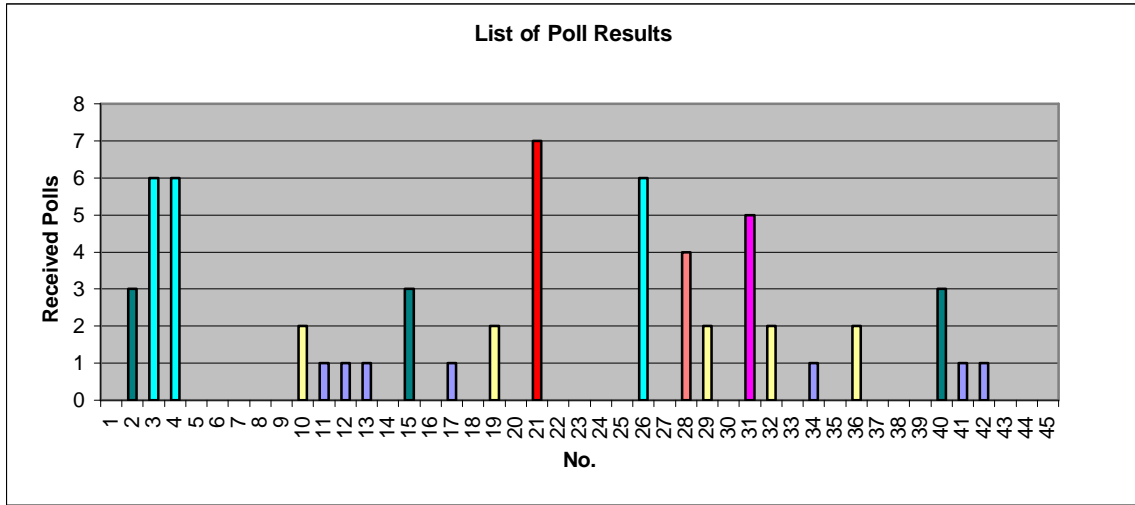
- 1st “Rehabilitation of the ecosystem” - by NWC (7votes)
- 2nd “Whole-of-Catchment approach” – by IC-Water (6 votes),
“Regional water management/community river health - catchment management authority institutional development – by NWC (6 votes),
“Renewing Water by Integrated Biosystem Management” – by SARDI / EBCRD (6 votes), and
- 3rd “Catchment and river health – environmental flows, conservation, sustainable land and water use, water quality – by E-Water CRC (5 votes)

This indicates a clear match between Chinese needs and Australian capacities/interests to cooperate with China, in the areas of ecosystem rehabilitation and whole-of-catchment management. Detailed polling results are:

No.	Poll	Order	No.	Poll	Order
1	0		24	0	
2	3		25	0	
3	6	2	26	6	2
4	6	2	27	0	
5	0		28	4	
6	0		29	2	
7	0		30	0	
8	0		31	5	3
9	0		32	2	
10	2		33	0	
11	1		34	1	
12	1		35	0	
13	1		36	2	
14	0		37	0	
15	3		38	0	
16	0		39	0	
17	1		40	3	
18	0		41	1	
19	2		42	2	
20	0		43	0	
21	7	1	44	0	
22	0		45	0	



23	0				
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4.3 Evaluation of Chinese Partners Workshop

Every Chinese participant of the workshop was asked to give feedback to five evaluation questions that aimed to measure the outcome of the workshop. Details are in the following table. The feedback of the participants showed

- 95% of participants had, at the end of the day, obtained a better understanding of the ACEDP and its objectives
- 68% believed strongly the ACEDP can make a positive contribution to China Environment while 32% were not sure
- 58% believed strongly that the ACEDP can promote lasting links between Chinese and Australian Environment Policy members while 42% were not so sure
- 53% believed strongly the ACEDP could strengthen river basin management in China while 47% were not so sure

But

- Only 37% believed strongly that Chinese national agencies will work together closely in implementing the ACEDP while 63% were not so sure

Poll of ACEDP-China Partners Workshop

1. By the end of today, do you have a better understanding of ACEDP?

- | | |
|------------|----|
| • Yes | 18 |
| • Not Sure | 1 |
| • No | 0 |

2. Do you think the ACEDP can make a positive contribution to China Environment?

- | | |
|------------|----|
| • Yes | 11 |
| • Not Sure | 8 |
| • No | 0 |

3. Do you think the ACEDP can promote lasting links between Chinese and Australian Environment Policy members?

- | | |
|------------|----|
| • Yes | 13 |
| • Not Sure | 6 |
| • No | 0 |

4. Do you think the ACEDP can strengthen River Basin Management in China?



- Yes 10
- Not Sure 9
- No 0

5. Do you think Chinese National Agencies will work closely together in implementing the ACEDP?

- Yes 7
- Not Sure 12
- No 0



5. Consensus and Conclusion

1. The workshop provided Chinese program partners with detailed information about the objectives and outcomes of the ACEDP and about the shortened annual planning process that has been adopted for Year 1. These were accepted and participants agreed to adopt them for the first year of the ACEDP.
2. Chinese program partners introduced development trends and policy challenges facing their respective ministries. They made many constructive comments and suggestions to the ACEDP and also outlined some specific suggestions for potential activities.
3. In two short brainstorming sessions, workshop participants explored some of the key environmental policy challenges facing China today – both from an agency perspective and from a broader national perspective. The workshop identified a range of interlinked areas that are potentially of high interest to Chinese program partner agencies. They included:
 - i. Clarifying governmental and local departmental responsibilities,
 - ii. Inter- ad intra-departmental cooperation and coordination structures,
 - iii. Integrated river basin management,
 - iv. Systematic capacity building
 - v. Damage control and rehabilitation of water bio-system, and
 - vi. Prevention and governance of water pollution.
4. All of these are in accordance with the core ideas of the ACEDP.
5. In the meeting, every Chinese participant was invited to select the 3 most appropriate priority areas among the 45 potential cooperation areas proposed by the Australian parties. Assessment of the polling shows a clear match between the interests of Australian agencies to engage with China on the one hand and Chinese needs related to integrated river basin management and rehabilitation of bio-system on the other hand. It is highly expected that the Chinese and Australian parties could join hands in promoting the advancement of the ACEDP and in achieving positive results favourable to national-level policy making. It should be noted here that neither the list of Australian interests nor that of Chinese needs is complete/comprehensive. All it does is provide a selected overview of some of the areas of mutual interest. It does not cover, for example, Australian expertise and willingness to engage in areas such as sustainable land management and agriculture based pollution.
6. Evaluation of the workshop showed that Chinese participants believe they got a better understanding of the ACEDP and that the ACEDP has the potential to make active contribution to the environment causes of China. Participants also believed that the implementation of the ACEDP would help the establishment and promotion of a long-term relationship between the Chinese and Australian environment policy-making agencies, particularly in the areas of integrated river basin management. Participants are



equally optimistic that program partners will be able to work together in a cooperative spirit.

7. The issues of water resources and environment are complicated in China, which are under the institutional coverage of several water related government agencies. And it is an overarching challenge for China to establish the inter-agency communication and coordination mechanism on water issues among the related government agencies. The Chinese partners expressed their concerns on this issue and expectation for strengthening the communication and coordination among different agencies. These concerns are also demonstrated by the brainstorming result of the policy challenges facing Chinese program partners where more than half of the participants are not too sure about the outcome produced by ACEDP in this regard. The management team of ACEDP realize this issue and will initiate concrete activities with the aim of establishing effective inter-agency coordination mechanism. For example, periodically organizing program progress briefings and program evaluation roundtables as well as implementing cross-jurisdiction activities or projects and cooperation research, etc.
8. River basin management is another focus of this workshop. Integrated river basin management (IRBM) requires both the collaborative participation of the government agencies and stakeholders as well as the strong cooperation of central government and local government. ACEDP focus initially on IRBM with the purpose of promoting and improving the China river basin management capacity. However, nearly half the participants are not sure about the output of ACEDP on strengthening the capacity of integrated river basin management, which remind us of the complexity of IRBM in China and the potential risks of implementing ACEDP. The ACEDP management team will pay considerate attention on this issue and try to find the solution.
9. The conflict of soci-economic development, resources scarcity and population explosion all contribute to the environment degradation in China. ACEDP aims to improve the environment in China, initially focusing on water resources through dialogue and cooperation between China and Australia government agencies as well as implementing some specific targeted pilot projects and activities. However, the extent, effectiveness and efficiency of ACEDP for better environment in China are still to be evaluated in the process of ACEDP implementation.
10. The Chinese Partners Workshop itself was an opportunity for inter-departmental dialogue and cooperation building. The one-day meeting achieved fruitful results, fulfilled the scheduled objective and prepared a solid foundation for follow-up program activities.

Appendix 1: ACEDP China Partners Workshop - Agenda

08.45	Registration	(in front of Room 328)
09.00	Opening and Introductory Comments	GHD China Office
	<ul style="list-style-type: none"> • Objective and proposed outcomes of the workshop • Workshop program outline • Introduction of participating agencies 	
09.20	Welcome Address	MOFCOM
09.30	Welcome Address and Introduction to the ACEDP	AusAID
	<ul style="list-style-type: none"> • Program objectives and outcomes • Program management (coordination, planning, role of EAT) • Program activities (role of annual planning process, timeframe, number and size of activities, principles for selection criteria) 	
	Questions and Answers	
10.00	Progress to Date	Program Coordination Office
	<ul style="list-style-type: none"> • Flowchart for Year 1 (July-September 2007) • Outcomes of Australian workshop 	
	Questions and Answers	
10.30	Tea Break	
11.00	National Perspective	Chinese Government Partners
	<ul style="list-style-type: none"> • Brief Presentations by each Chinese Government Partners on policy priorities under ACEDP <ul style="list-style-type: none"> n National Development Reform Commission - NDRC n Ministry of Water Resources - MWR n State Environment Protection Administration - SEPA n State Forestry Administration - SFA 	
11.45	Policy Challenges Facing Chinese Program Partners	Program Coordination Office
	<ul style="list-style-type: none"> • Brainstorming session 	
12.00	Lunch	
13.00	Consensus on China's national priorities for the first year of the ACEDP	Program Coordination Office
	<ul style="list-style-type: none"> • Brainstorming session 	
13.15	Interagency Consultative Mechanism for the purposes of the ACEDP	Program Coordination Office
	<ul style="list-style-type: none"> • Introduction by Program Coordination Office • Comments from Chinese Program Partners 	
	Next Steps	Program Coordination Office
	<ul style="list-style-type: none"> • Activity Selection • EAT 	



Australian Government
AusAID



- Community Consultative Mechanisms
- Beijing Joint High Level Roundtable (25 September 2007)
- Closing comments

Program Coordination Office

14.30 Workshop ends

Appendix 2: Participants List of the ACEDP China Partners Workshop

Name	Gender	Agency
Huo Enquan	Mr.	NDRC-ICC
Jiao Xueli	Mr.	NDRC-ICC
Li Weizhen	Ms	SEPA-SCD
Zhang Longjiang	Mr.	SEPA-SD
Li Pei	Ms	SEPA-FEB
Wang Ying	Ms	SEPA-FEB
Xiao Hong	Ms	SFA-WB
Wu Zhuanying	Ms	SFA-FRB
Cao Haichuan	Mr.	SFA-FRB
Jing Tao	Mr.	SFA-MB
Xia Jun	Mr.	SFA-ICD
Weilai	Ms	MOFCOM-IETRD
Wang Yuan	Ms	MOFCOM-IETRD
Li Ge	Mr.	MWR-ICSD
Wang Jinsu	Ms	MWR-ICSD
Jia Wenhua	Ms	MWR-TLB
Yao Shujun	Mr.	MWR-TLB
Dong Yanfei	Mr.	MWR-IETEC
Cui Weizhong	Mr.	MWR-ZJWRC
Wu Yadi	Ms	MWR-ZJCWRCB
Zhou Zhiwei	Mr.	MWR-WPI
Lu Jingxuan	Mr.	MWR-WRI
Liu Wei	Mr.	MWR-ZJCWRCB
Shen Aichun	Ms	MWR-TLB
Liu Xinyuan	Mr.	MWR-ZJCWRCB
Peter Jenson	Mr	AusAID
Carol Chan	Ms	AusAID
Gao Ying	Ms	AusAID
Pei Zhiyong	Mr	AusAID
Peter Wood	Mr	GHD GM

Gunther Mau	Mr	GHD-ACEDP
Zhu Qiping	Mr	GHD-ACEDP
Guo Hongyu	Mr	GHD-ACEDP
Zhou Li	Ms	GHD-ACEDP
Cheng Weixue	Mr.	GHD SEC
Feng Yuee	Ms	GHD-ACEDP
Zhang Xiao	Ms	GHD-ACEDP
Han Fang	Ms	GHD-ACEDP
Wang Yuanyuan	Ms	GHD-IDA
Tohi Otimi	Mr.	GHD-IDA

Appendix 3: Introduction of ACEDP, by AusAID



"ACEDP
Presentation by A

Appendix 4: Progress of ACEDP, by Program Coordination Office



"China Workshop -
Progress by PCO-B

Appendix 5: Challenging Subjects Selected by Participants (individual selection list)

- § Lack of special law for wetland protection
- § Realization of integrated watershed management and establishment of capacity of the watershed management agency
- § Reform for the river basin management system
- § Definition for public environment damage and how to compensate it
- § Balance between fast urbanization development and environment protection in sea & land ecotone
- § Management model for water environment based on river basin
- § To control the lake-eutrophication and to guarantee the safety for water ecology
- § Transboundary river management and settlement for water pollution dispute
- § Contradiction between national government policy and provincial implementation
- § To share resources among relative laws
- § Water ecology protection system
- § Water ecology management system



- § How to deal with issues on revegetation, vegetation protection, improvement of farmers' living standard and solution to the "rural area/farmer/agriculture" items
- § To discuss and lay down guidelines and suggestions on environment protection development
- § To discuss and lay down innocent treatment of household garbage and to give suggestions on facility establishment plan
- § Protection and integrated management of river mouth ecology
- § Establishment of the Water Right & Water Market System---the economic way to realize the water management
- § Lack of decision support based on space technology, such as remote sensing based watershed-monitoring system