

**Summary Record of the 3<sup>rd</sup> meeting of the Joint Australia China High-Level Roundtable**  
**Australia China Environment Development Partnership**

Yuyang Hotel, Beijing, 27 July 2009

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1 In their opening remarks, His Excellency, Dr Geoff Raby, the Australian Ambassador and Mr Zhang Kening, Minister Counsellor from the Chinese Ministry of Commerce set the scene for the meeting which recognised the evolution of Australia's traditional technical assistance to policy dialogue and partnerships, the impact of the current financial crisis on economic and social development in both countries and, Chinese Government efforts to move towards an integrated system that addresses economic development and environmental protection comprehensively.

2 A review of program progress demonstrated good progress with a portfolio comprising 10 traditional technical assistance projects 11 new partnership projects and 2 training projects. An early impact assessment indicated that capacity building aims are likely to be met but sustained efforts were required to meet program policy and partnership outcomes. Inter-agency collaboration and mainstreaming of social criteria in ACEDP activities are continuous challenges.

3 The independent policy gap analysis & progress review by the EAT concluded that the program was largely on track. The review supported additional efforts to network program core partners and proposed a program-level steering committee. Delegates were in agreement that while such a committee would strengthen national ownership, it was also resource intensive and could hence be impractical. MOFCOM and AusAID will follow up with agencies.

4 Of the 4 themes suggested under emerging policy challenges, eco-compensation generated most comments from delegates who pointed at substantial differences between Australia with her private ownership and market-based approach and China with her public ownership and government-centered approach that focuses on trans-jurisdictional issues and on adequate financial mechanisms to compensate local people for loss of economic opportunities. River health too generated interest and the particular challenge for China here was to not only address water scarcity issues (as does Australia), but to also combat significant water pollution. China's 4-rivers, 3-lakes, 1-reservoir 'National Water Pollution Control & Treatment Project' was seen as a good platform for bilateral policy dialogue. EAT will develop some network concepts.

5 ACEDP plans to showcase at the 4<sup>th</sup> International Yellow River Forum, scheduled for 20-23 October in Zhengzhou. Likely themes include trans-jurisdictional pollution management, building on the successful, and just completed, MEP-ACEDP project.

6 Mechanisms for sustaining program outcomes such as regular high-level policy dialogue mechanism (eg the high-level water policy meeting between DEWHA and MWR), the promotion of 2<sup>nd</sup> tier partnerships and, a further focusing of the program were explored. Policy dialogue attracted broad support although it was found that 'high' required definition and it was also suggested that existing bilateral/regional mechanisms be canvassed before a new one was to be considered. The importance of 2<sup>nd</sup> tier agencies (ie provincial or State Governments, local Governments, research and academic agencies) was raised as they are often the recipients of public comment and are also tasked with regulatory oversight and compliance issues.

7 The importance of learning from failures and 'poor' lessons found broad support among delegates who agreed that this was sometimes more useful than citing only good examples. This was also consistent with Chinese government policy processes that evaluate positive and negative experiences of international cooperation projects through a process of verification before deciding whether findings can be applied to the ongoing policy process or not. A policy dialogue forum could be such a mechanism to assist the Chinese Government in this process. Further discussion was needed and the issue will be included in the terms of reference for the mid-term review.

8 Delegates were informed of the still indicative timeframe for the mid-term-review and assured they would be involved throughout - from concept paper to terms of reference, selection of consultants and in all drafting stages. Extensive consultations will be held with all program core partner agencies towards the end of the year, with a final draft report expected for April 2010.

9 The 3<sup>rd</sup> annual plan for the ACEDP focuses on delivery of its 23 projects and operationalising the different tiers of networks that exist among projects, between projects & donors and, at the policy level where program outcomes are to be realised. The immediate challenge is to maximise outcomes from the remaining unallocated program funds that stand at less than \$1million between now and the end of the program in June 2012. There would be no round of applications in Sep-Oct 09, nor in Mar-Apr 10. The mid-term review will canvass mechanism to allocate residual funds.

10 The name of the ACEDP was changed to 'Australia China Environment Development Partnership' to better reflect its true nature. The PCO will work with agencies to find a suitable Chinese translation.

11 In concluding the meeting, proclaimed to be a success by the two Chairs, it was agreed that the next meeting (HLRT-IV) be held in Australia in early July, at which a more flexible meeting form may be used to give delegates more opportunities for input.