

# Chinese NGOs "Going Global": Current Situation, Challenges and Policy Recommendations

"Going  
Global"

Global Environmental Institute

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Global Environmental Institute

# **Chinese NGOs “Going Global” : Current Situation, Challenges and Policy Recommendations**

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## About GEI

The Global Environmental Institute (GEI) is a leading Chinese non-governmental organization (NGO) established in Beijing in 2004. GEI's mission is to design and implement market-based models to solve environmental problems and realize sustainable development in China and overseas. GEI provides policy suggestions to governments and promotes best environmental practices on investment, trade, energy and climate change, biodiversity protection and capacity building. Since its establishment, GEI has been engaging in research and demonstration projects in more than 20 provinces, cities, and municipalities in China as well as in Southeast Asian and African countries.

Through its Investment, Trade, and Environment program, GEI is dedicated to encouraging and supporting the Chinese government to formulate foreign investment and trade-related environmental policies that regulate and guide the environmental conduct of enterprises investing overseas; build up the environmental governance capacity of host countries, including the development of appropriate environmental policies that regulate environmental conduct of investors; and improve the capability of Chinese enterprises to comply with environmental policies and regulations, better manage investment risks and fulfill their environmental and social responsibilities.

GEI has successively pushed forward and participated in the development of A Guide on Sustainable Overseas Silviculture by Chinese Enterprises and A Guide on Sustainable Overseas Forest Management and Utilization by Chinese Enterprises issued by the State Forestry Administration and the Ministry of Commerce (MOC) in 2007 and 2009 respectively, as well as the Guidelines for Environmental Protection in Foreign Investment and Cooperation released by MOC and the Ministry of Environmental Protection in 2013. GEI has also carried out demonstration projects, conducted research and led local capacity building activities on sustainable investment in Laos, Myanmar, Mozambique, Congo (DRC) and other Southeast Asian and African countries.

## Acknowledgements

We would like to give special thanks to the Ford Foundation for its unwavering support for the research and report production. We are very grateful of Ms. Zongmin Li for her contribution in the research framework design and coordination when she was program officer at the Ford Foundation, and also for her feedbacks and suggestions to the report even after she left her post. We would also like to thank Mme. Jiaman Jin, Executive Director of GEI, Ms. Katherine Wilhelm and Ms. Ping Li, Program Officers from the Ford Foundation, as well as Mr. Peng Ren, GEI Overseas Investment, Trade and the Environment Program Manager for their guidance throughout the research project; and our Program Officers Lin Ji, Jingwei Zhang, Rong Zhu, Kendall Bitonte, Joyce Tang and intern Ke Li for their contributions.

## Disclaimer

The opinions expressed in this report are those of the authors only. They do not necessarily represent the opinions or position of the Ford Foundation or any other institutions mentioned or referenced.

# Preface

In recent years, Chinese NGOs have emerged as potential key actors in international affairs, foreign diplomacy and multilateral cooperation. There are growing calls for Chinese NGOs to “go global”, especially for those focusing on environmental and social development areas. On one hand, as China has started to play key roles in global production, consumption, trade and investment, the international society increasingly looks toward Chinese NGOs’ participation, opinions and voices in global and regional issue areas around the environment, climate change, and sustainable development, including responsible investment, green finance, green supply chains, carbon emission reduction, among others. In investment host countries, local communities and NGOs are also in need of communications with Chinese NGOs in order to understand relevant policies in China, promote better environmental and social governance in their countries, and help guide and regulate companies’ environmental and social conducts. On the other hand, with China’s proposal of the “Belt and Road” Initiative and the deepening of South-South Cooperation, the government and enterprises have started to realize the important roles of NGOs in bridging information gaps and fostering mutual understanding between stakeholders. Also, the challenges we are facing on the environment, climate change and sustainable development are transboundary. Chinese NGOs that are concerned with these topics are also being pushed by these transboundary challenges to consider expanding their work overseas, in order to realize their organizations’ long-term missions and visions.

It is against such backdrop and external needs that the Global Environmental Institute (GEI) started the NGO “Going Out” research in 2016. By conducting literature review, online survey and field interviews, we sought to understand the current situation of Chinese NGOs to expand their work outside their own borders, their willingness to “go out”, as well as the challenges they face at present. We also compared China with other countries in terms of

relevant policies, methods and practices, providing policy recommendations, cooperation best practices and mechanisms as references to the government, enterprises and Chinese NGOs especially those working on environmental and social development issues. As one of the first Chinese environmental NGOs to carry out overseas projects, GEI has brought over our experiences and thoughts into the research. While our research uniquely focuses on environmental and social development NGOs, we are hoping that this research will provide value to this field and stimulate further in-depth research, policy facilitation, capacity building and field projects.

We would like to give special thanks to the Ford Foundation for its unwavering support for the research and report production. We are very grateful of Ms. Zongmin Li for her contribution in the research framework design and coordination when she was program officer at the Ford Foundation, and also for her feedbacks and suggestions to the report even after she left her post. We would also like to thank Mme. Jiaman Jin, Executive Director of GEI, Ms. Katherine Wilhelm and Ms. Ping Li, Program Officers from the Ford Foundation, as well as Mr. Peng Ren, GEI Overseas Investment, Trade and the Environment Program Manager for their guidance throughout the research project; and Mr. Jianping Zhang, Ms. Xiaojing Mao, Ms. Yiyi Fan from the Institute of International Development Cooperation at the Ministry of Commerce, Professor Guosheng Deng from the Institute for Philanthropy at Tsinghua University, Mr. Taidong Zhou from the Development Research Center of the State Council, Mr. Xiaoyun Li from the China Agricultural University College of Humanities and Development Studies, and Mr. Cheng Wen from Shanshui Conservation Centre for their valuable advice; and our Program Officers Lin Ji, Jingwei Zhang, Rong Zhu, Kendall Bitonte and Joyce Tang for their contributions.

## Executive Summary

During the process of this NGO “Going Out” research, GEI reviewed over 40 pieces of academic literature and other documents to gather information and understand the current situation of Chinese overseas investment, foreign aid and NGO “Going Out”. In April 2016, GEI distributed an online survey through WeChat, Weibo, GEI’s official website, China Development Brief and other social media and platforms, targeting environmental and social development NGOs for data collection (See Appendix II). The survey received a total of 32 responses, covering 30 effective organizations. GEI then interviewed 7 environmental and social development NGOs to better understand their willingness and current situation of “going out”, the challenges they are facing, as well as their future prospects in “going out”. GEI also invited 10 experts from government research institutions, university, enterprises and NGO to engage in early-stage research framework design and later-stage comments on draft report. Through two roundtable discussions, GEI and about 20 domestic and international NGOs and foundations discussed and shared perspectives on Chinese NGO “going out”. This report is an outcome of all resources gathered from these research activities.

Since China officially initiated the “going global” strategy in 2001, Chinese enterprises have significantly accelerated their pace in investing overseas. According to statistics from the Ministry of Commerce, as of 2015 China’s foreign investment has increased rapidly for 13 consecutive years with a record high of 145.67 billion US dollars, an average annual growth rate of 35.9% and an increase of 54 times from 2002. By the end of 2015, around 22,000 Chinese investors had opened 30,800 enterprises across 188 countries and regions in the world. A milestone in the development of China’s foreign investment, 2015 marked the year when China became the second largest country in the world in terms of foreign investment flows and for the first time the foreign investment flows exceeded inward investment to China, which helps China become a net capital exporter. The “Belt and Road Initiative” proposed by China in recent years was another strategy to help with Chinese companies “going out”. The initiative stressed the communication between China and other developing countries, fostering their economic cooperation and providing new opportunities for continued Chinese overseas investment.



With China's gaining of international status, its foreign activities including overseas investment have caught close attention by the international society. Improving comprehensive strength and demonstrating a powerful country's responsibility become important topics in China's international relations and diplomacy development. For one thing, China needs to improve its communication with other countries and break its closed image from old times. Also it needs to strengthen the mutual benefit relation with other countries in order to eliminate false public opinions including "China Threat" and "New Colonialism". On the other hand, the negative impacts in host countries from Chinese overseas investment need to be effectively managed. It is especially urgent to foster environmental friendly investment and sustainable and inclusive growth in the "Belt and Road" development where most investments are focused on large-scale infrastructure construction and energy development. Against such background, Chinese government and NGOs need to catch up with the pace of Chinese enterprises to go out and improve mutual trust and collaboration with other countries in foreign aid. There is also need for communication and cooperation at the civil level in order to find effective solutions for transboundary problems such as environmental and social problems.

Chinese government has already taken steps to "go out" by making China's foreign aid closely intertwined with the "go global" strategy since 2001<sup>1</sup>. From 2000 to 2011, China's financial expenditure on foreign aid topped 107.819 billion RMB, 20 billion more than even the total expenditure on foreign aid in the 50 years before 2000<sup>2</sup>. From 2010 to 2012, China's foreign aid stood at 89.34 billion RMB, roughly 35% of the total amount expended in the 60 years between 1950 and 2009<sup>3</sup>. Aside from the large increase in financial expenditure in official foreign aid, some Chinese NGOs have also started to carry out foreign aid activities in Southeast Asian and African countries, fostering civil society communications and enriching civil diplomacy. Chinese NGOs that carry out foreign aid projects include:

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1 Global Environmental Institution. Environmental and Social Challenges of China's Going Global. Beijing: China Environmental Science Press. 2013 57.

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2 Ibid.

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3 Data source: The State Council Information Office of the People's Republic of China. China's Foreign Aid (2011), China's Foreign Aid (2014).

- **Humanitarian Assistance in Emergency Situations:** Chinese NGOs providing humanitarian assistance in emergency situations are mainly foundations and their

subsidiary professional rescue teams. They carry out rescue missions, provide disaster risk assessment, solicit and deliver goods and materials to disaster impacted areas, arrange for relief for disaster victims and contribute in post-disaster reconstruction. In the devastating Nepal earthquake in 2015, Chinese NGOs that engaged in humanitarian assistance included the One Foundation, the Amity Foundation, China Foundation for Poverty Alleviation and its rescue team, China Social Welfare Foundation and its Blue Leopard rescue team, and Blue Sky Rescue team among others.

- **Aid in Education:** Only two NGOs carry out education activities overseas, namely the China Foundation for Poverty Alleviation and the China Youth Development Foundation. Their primary activities include school construction and scholarship/ financial aid distribution.
- **Aid in Health Care:** The main organizations carrying out health care activities overseas are the Red Cross Society of China and China Foundation for Peace and Development. In specific, the China Foundation for Peace and Development carried out a series of “Tour of Sight” activities in Myanmar, Mongolia, and other countries, offering free cataract operation programs and sending local medical staff from host countries to China for training and providing relevant equipment for eye surgical operations.

However, unlike enterprises and the government, China’s NGOs were lagged far behind in “going global”. Statistics from Ministry of Civil Affairs show that by the end of 2014, there were 529 international and foreign-related NGOs in China, only accounting for 0.09% of all 606,000 NGOs in the country. Specifically on NGOs in the field of environment and development, very few NGOs have paid enough attention to the possible environmental and social impact created by China’s foreign investment and only 3 NGOs have conducted related research and/or launched related projects. Whereas there is no comprehensive data showing the number of NGOs in the field of environmental development in China, the number of NGOs dealing with various environmental issues has reached 3,539 by the end of 2008. So the NGOs that paid attention to the environmental and social impact by China’s foreign investment and those who actually “went global” to conduct field studies and develop projects accounted for less than one thousandth of the total.

Why have so few NGOs “gone global”? On the one hand, as literature shows, the NGOs lack the driving force to “go global”. They focus on domestic areas and issues and are yet to widen their scope overseas. NGOs also face other challenges such as incapability to operate overseas projects, inadequate financial support, and policy bottleneck of material donation, taxation and foreign exchange management during the process of “going global”. To be more specific:

- **Policy constraints** — Some policies and legal regulations constrain NGOs from developing overseas projects. These policies and regulations were developed when China was still a donation-receiving country and to a large extent the scope of application of these regulations remains the same. There are no such criteria regarding how China's NGOs should make overseas donation and carry out overseas projects. Take the Law of the People's Republic of China on Donations for Public Welfare for instance, the law stipulated customs procedures for inward donations to China and the conditions for tariff relief but it didn't mention the issues concerning outward donation made by domestic institutions. Because there are no regulations to follow, the related government departments often pass the buck to each other and take conflicting approaches to solve the same problem.
- **Insufficient financial support** — Foundations, the government, enterprises and individuals are the main sources of funds for NGOs. Currently, only 1% of all 52 foundations in China pay attention to international affairs. The 52 foundations include both grant-making foundations and operational foundations so it is reasonable to assume that not all 52 foundations would provide financial support for operational NGOs to develop overseas and international projects. Enterprises and individuals were also comparatively reluctant to donate for NGOs to carry out overseas projects. Take China Foundation for Poverty Alleviation for instance, as the biggest public-offering operational foundation, it received 4.39 million RMB for international projects in 2014, accounting for 0.7% of all the donations received in that year. Also, infrastructure and material donation account for nearly 90% of government donation and it is usually engineering company, manufacturer and subordinate units of the government that handle the donations. There has not been operational channels or mechanisms for NGOs to get involved.
- **Incapability to operate overseas project** — A survey conducted by GEI shows that among the 20 NGOs that aspire to "go global", 14 of them chose inadequate 'financial support' as the challenge for "going global", 13 chose 'lack of human resources' and 8 chose 'insufficient experience'. 'Scarce information' and 'Overseas resources' are also among the challenges but only 3 and 5 NGOs chose these options respectively. The post-survey visits found that many NGOs in China have taken the first step in "going global" by engaging themselves in international advocacy or attending international conferences. By doing so, they also obtained opportunities to exchange information and communicate with overseas counterparts. However, most of the NGOs still lack the human resources and experiences to operate overseas projects because they failed to attract international talents and never tried hard to "go global". No overseas practice has put them in a disadvantaged position in international competition.

The report selected the following four case studies to illustrate NGOs' role in bilateral and multilateral cooperation and its revelation for NGOs, the government and enterprises. The cooperation modes include cooperation between NGOs and enterprises (foreign investment), cooperation between the government, enterprise and NGOs (foreign investment) and cooperation between NGOs and the government (foreign aid):

- GEI's Clean Energy Demonstration project in Myanmar provided practical references for government on foreign aid material categories and specifications, while also piloting sustainable operations of community development projects in aid-receiving countries. The project helped ensure that the material donations can effectively benefit local communities over the long term.
- GEI and State Power Investment Corporation collaborated on Myitsone Dam Stakeholder Communication and Community Development Project, in which GEI provided a communication platform between the company and local government, business associations, NGOs and communities after the project was called for a moratorium. GEI also provided economic development recommendations for the relocated communities that were impacted by the dam.
- The Tanintharyi Nature Reserve Project, by Myanmar's Ministry of Environmental Conservation and Forestry, Total Oil Company and Wildlife Conservation Society (WCS), is one of the rare Public-Private Partnerships seen in Southeast Asia. In this project, the oil company provides finance for the Myanmar government to establish and manage a protected area around its oil pipeline as a way to compensate for the potential negative impact of the pipeline on local biodiversity. WCS was hired by the Ministry of Environmental Conservation and Forestry to provide technical assistance on conservation methods and community land-use planning.
- Plan International (US) and ExxonMobil's Global Women in Management: Advancing Women's Economic Opportunities (GWIM) program is a training program for NGO and community women leaders from around the world (including host countries with ExxonMobil operation) to help improve women's economic opportunities in their own countries. As of 2016 when the program enters into its 11th year, the program has engaged over 720 women leaders.

Experiences from home and abroad tell us that the NGOs, by cooperating with foreign investment enterprises, can help them better connect with local communities and by building an information exchange platform to promote communication between different stakeholders, the NGOs can inject impetus in the communities to engage in environmental protection and development projects. As a result, the enterprises' social responsibilities will be promoted and so will their image and reputation, and eventually sustainable development and multi-win for

local economy, environment and the society will be achieved. The NGOs' strong coordination and liaison capabilities, extensive network with local partners, abilities to reach out to local communities in recipient countries as well as its unofficial nature can provide insight into the realities and needs of the recipient country and the insightful information can be used by the government for making foreign aid strategic planning. The NGOs can also assist in conducting the initial research and design before the launch of the project, carrying out and managing the project, and evaluating and promoting the project. All these activities can ensure the project benefit the communities in the recipient country and bring about sustainable environmental and social benefits so as to achieve the goal of the foreign aid.

To facilitate the process of "going out" for those NGOs that are willing to, the report made the following recommendations to the governmental departments, research institutions, NGOs, enterprises and foundations:

- Introduce policies to help solve the legitimacy issue of NGOs working overseas, such as establishing clear management guidelines on NGOs creating foreign representing organizations, opening foreign account, and sending donations overseas.
- Introduce relevant policies to standardize the procedures and regulations concerning NGOs developing overseas projects, introduce favorable policies to guide and encourage NGOs to "go global", and mitigate the difficulties caused by foreign exchange and taxation during the process of "going global".
- Amend the Law of the People's Republic of China on Donations for Public Welfare to also include regulations, procedures and incentives for Chinese NGOs making donations overseas.
- Introduce policies to encourage the cooperation between overseas investment companies and NGOs. Chinese embassies can offer support to connect Chinese enterprises and NGOs with host country stakeholders for collaboration.
- Government-organized NGOs (GONGOs) such as the China Foundation for Poverty Alleviation and China Youth Development Foundation should consider re-orient from operational foundations to grant-making foundations, so that they can support other operational NGOs through grants and experience sharing.
- Use incentive policies and innovative mechanisms such as Public-Private Partnerships to encourage and guide domestic foundations and enterprises to devote resources in foreign aid and other international charity causes.
- Establish a new foreign aid system and set up a professional national foreign aid

administration agency in charge of overall planning of foreign strategy, foreign aid strategy and the use of foreign aid funds. Resolve the existing problems and dedicate more resources to making foreign aid more effective. The new system should engage NGOs in the project design, implementation, evaluation and other stages of foreign aid projects.

- Revise the traditional form of foreign aid that focuses mostly on engineering projects and material donations, creating new concepts and innovative forms of foreign aid with NGO participation. Special funds mechanisms could also be used to support NGOs to carry out community work overseas.
- Build a network for the NGOs that have already “gone global” to communicate, share knowledge and information, coordinate and cooperate in different countries and fields. Conduct learning and experience sharing activities between the NGOs that have “gone global” and those wishes to “go global” and help the latter to know more about the field experience, promote potential project collaboration, and draw more attention to overseas issues and overseas project.
- Build a platform for China and host countries to learn from each other, share experience and cooperate. Push forward potential project collaboration and enhance the knowledge of the NGOs from both sides on each other’s languages, culture and resources.
- The government, NGOs and foundations from home and abroad can help build capacities for those willing to develop overseas projects. The content may cover related policies and regulations on developing overseas projects, as well as management, operation, dos and don’ts and evaluation of overseas projects.

# Table of Contents

## 01

### **Research Background, Objectives and Methods 01**

---

|                                |    |
|--------------------------------|----|
| Research Background            | 02 |
| Research Objective and Methods | 03 |

## 02

### **Environmental and Development NGOs “Going Out” 04**

---

## 03

### **Chinese NGOs Current Engagement in Foreign and International Affairs 07**

---

|   |    |
|---|----|
| Few Chinese NGOs are working in the Realm of International Affairs                                  | 08 |
| Few Chinese NGOs Have Gone Abroad for Research and Field Projects                                   | 09 |
| Limited Participation of Chinese NGOs in the “Belt and Road” Initiative and South-South Cooperation | 10 |

## 04

### **Main Challenges 11**

---

|  |    |
|--|----|
| Lack of Policy Support                       | 12 |
| Lack of Domestic Financial Support           | 13 |
| Lack of Capacity to Operate Overseas Project | 15 |

# 05

## **Case Studies of NGO-Government and NGO-Private Sector Cooperation** **16**

---

|   |    |
|---|----|
| CASE STUDY 1: GEI's Clean Energy Technology Project Provides Demonstration for South-South Cooperation                        | 17 |
| CASE STUDY 2: GEI Works With China Power Investment Group on Myitsone Hydropower Project Suspension                           | 18 |
| CASE STUDY 3: The Tanintharyi Nature Reserve Project - An Environmental Project Involving Private, Public and NGO Partnership | 20 |
| CASE STUDY 4: Global Women in Management Program - A Collaboration between Plan International USA and ExxonMobil              | 21 |

# 06

## **Policy Recommendations** **24**

---

|   |    |
|---|----|
| Provide Policy Incentives and Legal References for NGOs to “Go Out” | 25 |
| Encourage Multi-Channel Financial Support for NGO “Going Out”       | 26 |
| Build Capacity on Overseas Project Development and Implementation   | 26 |

# 07

## **References and Appendices** **28**

---

|  |    |
|--|----|
| References   | 29 |
| Appendix I: Literature Review  | 31 |
| Appendix II: GEI's “NGO Going Out” Survey                              | 34 |
| Appendix III: The Belt and Road Initiative and South-South Cooperation | 36 |
| Appendix IV: NGO “Going Out” Policies and Laws                         | 38 |
| Appendix V: NGO “Going Out” Suggested Readings                         | 38 |





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## Research Background, Objectives and Methods

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- Research Background
- Research Objective and Methods

## Research Background

Since China officially initiated the “going global” strategy in 2001, Chinese enterprises have significantly accelerated their pace in investing overseas. According to statistics from the Ministry of Commerce, as of 2015 China’s foreign investment has increased rapidly for 13 consecutive years with a record high of 145.67 billion US dollars, an average annual growth rate of 35.9% and an increase of 54 times from 2002. By the end of 2015, around 22,000 Chinese investors had opened 30,800 enterprises across 188 countries and regions in the world. A milestone in the development of China’s foreign investment, 2015 marked the year when China became the second largest country in the world in terms of foreign investment flows and for the first time the foreign investment flows exceeded inward investment to China, which helps China become a net capital exporter. Enterprises’ “going out” to invest overseas has brought rapid economic growth in China, making China the largest developing country and an emerging economic body.

With China’s gaining of international status, its foreign activities including overseas investment have caught close attention by the international society. Improving comprehensive strength and demonstrating a powerful country’s responsibility become important topics in China’s international relations and diplomacy development. For one thing, China needs to improve its communication with other countries and break its closed image from old times. Also it needs to strengthen the mutual benefit relation with other countries in order to eliminate false public opinions including “China Threat” and “New Colonialism”. On the other hand, the negative impacts in host countries from Chinese overseas investment need to be effectively managed to realize environmental friendly investment and sustainable, inclusive growth. Against such background, Chinese government and NGOs need to catch up with the pace of Chinese enterprises to go out and improve mutual trust and collaboration with other countries in foreign aid. There is also need for communication and cooperation at the civil level in order to find effective solutions for transboundary problems such as environmental and social problems.

Chinese government has already taken steps to “go out” by making China’s foreign aid closely intertwined with the “go global” strategy since 2001. From 2000 to 2011, China’s financial expenditure on foreign aid topped 107.819 billion RMB, 20 billion more than even the total expenditure on foreign aid in the 50 years before 2000. From 2010 to 2012, China’s foreign aid stood at 89.34 billion RMB, roughly 35% of the total amount expended in the 60 years between 1950 and 2009. Aside from the large increase in financial expenditure in official foreign aid, some Chinese NGOs have also started to carry out foreign aid activities in Southeast Asian and African countries, fostering civil society communications and enriching civil diplomacy. The foreign aid activities by NGOs cover areas of humanitarian assistance, education and health care.

However, unlike enterprises and the government, the development of China’s NGOs started relatively late and kept a rather slow pace, hence they were lagged far behind in “going global”. The “Belt and Road Initiative” proposed by China in recent years was another strategy to help with Chinese companies “going out”. The initiative stressed the communication between China and other developing countries, fostering their economic cooperation and providing new opportunities for continued Chinese overseas investment. These new investment will be especially directed to large-scale infrastructure construction and energy development projects which are likely to have big environmental and social impacts. To ensure environmental friendly, sustainable and inclusive growth, the international society would like to hear Chinese NGO’s voices; host country

NGOs and communities are eager to communicate with Chinese NGOs; and Chinese NGOs and government are also in need of help from Chinese NGOs. In short, there is great and pressing demand for Chinese environmental and development NGOs to “go out”.

## Research Objective and Methods

The NGOs concerned in this research, and hence “NGOs” referred in this paper, are operational non-governmental and non-profit organizations that do not have an official background. They can be registered as a non-enterprise unit, commercial unit or foundation that is operational, or non-registered, but it should not be quasi-official entities such as social groups, business associations, grant-making foundations, research institutions, or government think tanks.

The initial objective of the research is to “conduct an assessment of NGO’s roles in Chinese overseas investment in natural resources and related sectors”. The aim is to explore and promote the cooperation between Chinese environmental and social development NGOs and foreign investment companies in order to improve the sustainable development of Chinese foreign investment as well as the inclusive growth in host countries. Through literature search, it was found that there was not many studies around the topic of Chinese NGO “going out”, and almost none on the “going out” of environmental and social development NGOs. GEI’s survey result showed that not many environmental and social development NGOs have directed their attention on foreign and international affairs including foreign investment. Some organizations may be willing to carry out oversea projects in the future, but currently very few NGOs have actually “gone out”.

In order to explore in depth Chinese NGOs engagement in foreign and international affairs, expand their roles and better help the “going out” of NGOs that are willing to carry out projects overseas, the research is also aimed to understand their willingness, current situation and challenges in “going out”, as well as their visions and plans facing new opportunities such as the “Belt and Road Initiative” and the deepening of South-South Cooperation. Based on these understanding, the research also gathers relevant information from other countries for comparison. It also selected four domestic and foreign case studies to show different collaborative models, including NGO-enterprise (foreign investment), government-enterprise-NGOS (foreign investment), NGO-government (foreign aid). The cases are also meant to serve as references for NGOs’ potential roles in order to inspire Chinese NGOs, enterprises and the government on future collaboration. Considering the current situation, challenges, case studies and opportunities all together, this report will finally provide recommendations to government agencies, research institutions, NGOs, enterprises, foundations and other stakeholders, in order to facilitate the “going out” of Chinese NGOs, especially those working in environmental and social development areas.



**Environmental and Development  
NGOs “Going Out”**



There are not many studies around the topic of Chinese NGO "going out", and almost none on the "going out" of environmental and social development NGOs. To develop a basic understanding of these Chinese environmental and social development NGOs and their conditions of "going out", GEI conducted an online survey in April, 2016. The survey was published through WeChat, Weibo, GEI's official website, China Development Brief and other social media and platforms, targeting environmental and social development NGOs for data collection (See Appendix I).

The survey received a total of 32 responses, covering 30 effective organizations. There were 23 non-governmental, nonprofit organizations, among which are 14 environmental and social development NGOs (organizations that are concerned with environment and animal protection, rural community development). All of these 14 organizations expressed willingness to go abroad to carry out projects in the future. 8 of the 14 organizations have staff who have gone abroad to participate in international conferences and meetings, while only 3 have carried out projects overseas, including GEI, Social Resources Institute, and Green Watershed.

Table 1: Environmental and Social Development NGOs that have Carried out Projects Overseas

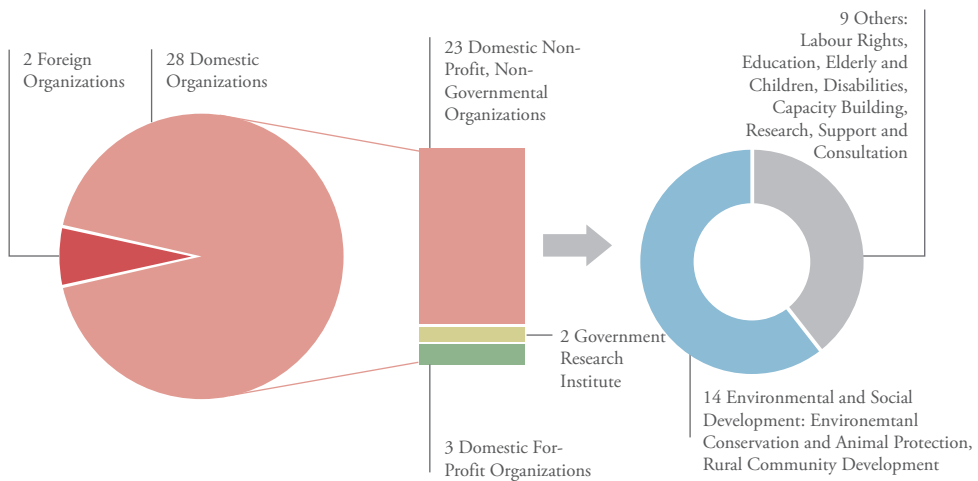


Figure 1: GEI NGO "Going Out" Survey Result Summary

| Organization                   | Foreign Project Location  | Concerned Issues   |
|--------------------------------|---|--|
| Global Environmental Institute | Southeast Asia (Myanmar, Laos, Cambodia);<br>Africa (Mozambique, Cameroon, Uganda, DRC) | - Overseas Investment (Research, Policy Recommendation, and Capacity Building)<br>- Forest Cooperation<br>- Clean Energy Foreign Aid |
| Social Resources Institute     | Africa (Mozambique)   | - Community Development Research   |
| Green Watershed                | Thailand, Myanmar   | - Hydropower Investment Research<br>- Enterprise Trainings   |

Acknowledging the limited representativeness of the survey due to the small sample size, the difficulty in getting responses and the results still proved that very few Chinese environmental and social development NGOs have directed their attention on foreign and international affairs, including overseas investments. While some organizations have expressed willingness to go overseas to carry out projects, very few have conducted projects abroad before.

GEI conducted interviews with 7 environmental and social development NGOs, in order to understand their willingness and plans to “go out” and engage in international affairs. It was found that except for the three organizations that have gone out for research and field projects, other organizations’ engagement is only to the extent of attending international meetings. While aware of relevant environmental and social issues in foreign countries, they have yet to establish clear plans or strategies of “going out”. In fact, on the international stage, in recent years Chinese NGOs are increasingly considered as important forces in China’s engagement in international affairs and civil society diplomacy, and calls for Chinese NGO “going out” are increasingly heard. In interviews, it was also found that in reality NGOs face many challenges during the process. This situation is not unique to NGOs working on environmental and social development issues, but for other types of NGOs as well.

Table 2: Organizations Interviewed by GEI

| Based Location              | Organization                                | Concerned Issue Areas                                      |
|-----------------------------|---|--|
| Beijing                     | Global Environmental Institute              | Environmental Conservation and Animal Protection           |
|                             | Social Resources Institute                  | Rural Community Development                                |
|                             | Greenovation Hub                            | Environmental Conservation                                 |
| Shanghai                    | Shanghai Rendu Ocean NGO Development Center | Environmental Conservation                                 |
|                             | Green Initiatives                           | Environmental Conservation                                 |
| Kunming,<br>Yunnan Province | Green Watershed                             | Environmental Conservation                                 |
| Lanzhou,<br>Gansu Province  | Green Camel Bell                            | Environmental Conservation,<br>Rural Community Development |



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## Chinese NGOs Current Engagement in Foreign and International Affairs

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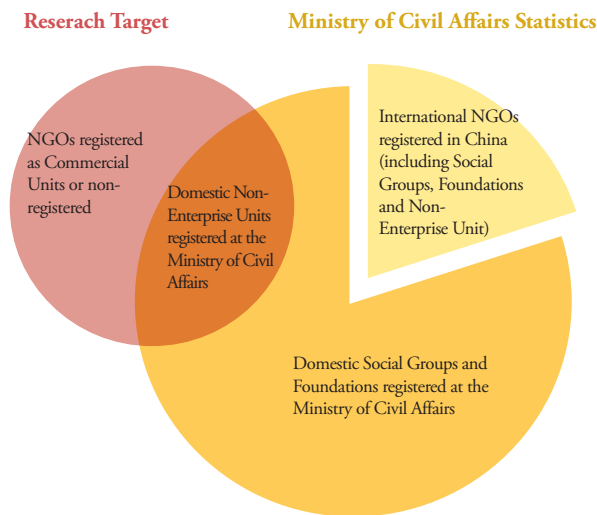
- Few Chinese NGOs in International Affairs
- Few Chinese NGOs Have Gone Abroad for Research and Field Projects
- Limited Participation of Chinese NGOs in the “Belt and Road” Initiative and South-South Cooperation

The lag of environmental and social development NGOs in “going out” should be put in the context of the current development stage of all Chinese NGOs and their status in “going out”. Through literature review and consultation with experts from government research institutions, university, enterprises and NGOs, this section provides an overview of the extent to which Chinese NGOs engage in foreign and international affairs. Main findings include: 1) Few Chinese NGOs are working in the realm of international affairs; 2) Few Chinese NGOs have gone abroad to carry out research and field projects; 3) There is limited NGO participation in the “Belt and Road” initiative and South-South Cooperation.

### Few Chinese NGOs are Working in International Affairs

In China, not many grassroots NGOs have started to pay attention to international affairs. First, Chinese NGOs have a much later start in the work compared to their international counterparts, and they have grown at a relatively slow pace. It was not until China joined the World Trade Organization (WTO) in 2001 that NGOs entered a period of rapid development. Most of the NGOs put their focus on domestic issues, and only several quasi-official social groups have organized foreign exchange activities and platforms with the purpose of promoting civil society communication with foreign countries, however, with limited operational project capacity.

Figure 2: Research Target Group vs. Ministry of Civil Affairs Statistics



There are also data demonstrating that few Chinese NGOs are working within the realm of international affairs. According to statistics from the Ministry of Civil Affairs, by the end of 2014 there was a total number of 606,000 social organizations registered in China. It is reported that only 529, or 0.09% of these social organizations are concerned with international and foreign affairs. In 2011, the total number of social organizations and the percentage of them concerning international and foreign affairs were 462,000 and 0.12% respectively. While the total number of social organizations increased by 31%, the number concerning international and foreign affairs did not follow the upward trend and in reality,



had declined. It is also noticed that a majority of the social organizations concerning international and foreign affairs are social groups, which include associations, societies, unions and many other official entities. It is of notice that the Statistics Bulletin from the Ministry of Civil Affairs did not give a definition of the “organizations concerning international and foreign affairs”. It is deemed probable that international NGOs registered in China are also accounted for, but they are not included in the targeted subjects of this research. Therefore, the data from the Statistics Bulletin are only used as ratio references rather than proof for exact numbers.

## Few Chinese NGOs Have Gone Abroad for Research and Field Projects

Currently, while many Chinese NGOs have had the opportunity to go abroad to attend meetings and conferences in their respective areas, only a few of have gone abroad to carry out research and field projects. From GEI’s survey and interviews, it was found that many environmental and social NGOs demonstrate interest in international affairs based on their invitation and participation in international conferences and meetings. Through these international platforms, these organizations have had the opportunity to communicate with international organizations, understand international practices in their relevant fields, gradually observe and explore China’s roles in these fields and connect it back to their own work. However, many of these organizations are heavily focused on domestic issues in their pre-determined mission, vision and development strategies, and their staffs are limited in capacity to work on foreign and international projects. They have not expanded their scope of work overseas, and lack the knowledge of finance channels or policy requirements for carrying out research and field projects overseas.

The literature review has provided the following issue areas on which Chinese NGOs have carried out overseas field projects:

### **Humanitarian Assistance in Emergency Situations:**

Chinese NGOs providing humanitarian assistance in emergency situations are mainly foundations and their subsidiary professional rescue teams. They carry out rescue missions, provide disaster risk assessment, solicit and deliver goods and materials to disaster impacted areas, arrange for relief for disaster victims and contribute in post-disaster reconstruction. In the devastating Nepal earthquake in 2015, Chinese NGOs engaging in humanitarian assistance included the One Foundation, the Amity Foundation, China Foundation for Poverty Alleviation and its rescue team, China Social Welfare Foundation and its Blue Leopard rescue team, and Blue Sky Rescue team among others.

### **Education:**

Compared to the short-term nature of humanitarian assistance, education is a rather long-term work. Only two NGOs carry out education activities overseas, namely the China Foundation for Poverty Alleviation and the China Youth Development Foundation. Their primary activities include school construction and scholarship/ financial aid distribution.

### **Health Care:**

The main organizations carrying out health care activities overseas are the Red Cross Society of China and China Foundation for Peace and Development. In specific, the China Foundation for Peace and Development carried out a series of “Tour of Sight” activities in Myanmar, Mongolia, and other countries, offering free cataract operation programs and sending local medical staff from host countries to China for training and providing relevant equipment for eye surgical operations.

### **International Exchange and Academic Research:**

China Soong Ching Ling Foundation, China Foundation for Peace and Development, Huamin Charity Foundation and China Development Research Foundation have hosted conferences and forums overseas, established research centers in cooperation with foreign universities, opened exchange camps and other projects between China and other countries. These activities have helped facilitate dialogues and multi-disciplinary research between China and the international society.

### **Environment and Development:**

Chinese NGOs working on overseas environment and development issues usually have the focus on the environmental impacts of Chinese overseas investments. Several environmental organizations have had trips overseas for field research, but GEI, Social Resources Institute, Green Watershed are the only ones to have ever carried out research and field projects overseas.

While it seems that many Chinese NGOs have started to carry out overseas projects, it should be noted that a majority of these NGOs are government-organized (GONGOs). Some grassroots NGOs have participated in humanitarian assistance in emergency situations, but almost none of the NGOs working in the environment and development field have developed overseas programs.

## **Limited Participation of Chinese NGOs in the “Belt and Road” Initiative and South-South Cooperation**

As China’s “Going Global” strategy has successfully pushed for the increase of foreign direct investment which resulted in rapid economic growth for the country, the leadership is also putting more importance in fulfilling its international responsibilities. It is actively promoting a global society, especially in facilitating the cooperative development with other developing countries. In recent years, China proposed two actions with the above-mentioned purposes, the “Belt and Road Initiative” construction and the deepening of South-South Cooperation. In fact, these two actions also create new opportunities for Chinese NGOs to engage in foreign and international affairs. As members of the third sector, NGOs can supplement the government and private sector in the traditional forms of foreign economic cooperation and aid. In specific, they can help with community-level communication and understanding around topics of environment, social development and culture. In this way, they can help ensure the sustainability and inclusiveness of foreign economic cooperation, and the on-the-ground effectiveness of foreign aid.

Currently there is little room for Chinese NGOs to participate in topics and discussions about the “Belt and Road” Initiative and South-South Cooperation. One account of such engagement was when some NGOs were invited by the International Department, Central Committee of Communist Party of China to discuss issues of public diplomacy around the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor. Another example was the recently held Asian Infrastructure Investment Bank’s annual meeting, which also invited NGOs to engage in discussions. However, other than these two occasions, Chinese NGOs have not had much opportunity to engage with the government on issue discussion, policy formation, and the actual project work of the “Belt and Road” Initiative and South-South Cooperation. A more commonly seen situation is that Chinese NGOs would hold conferences around the topics of the “Belt and Road Initiative” and South-South Cooperation, inviting government agencies and research institutions to participate in these conferences. Lacking proper channels for engagement, it seems that NGOs work around the two strategies are stunted within the initial steps.

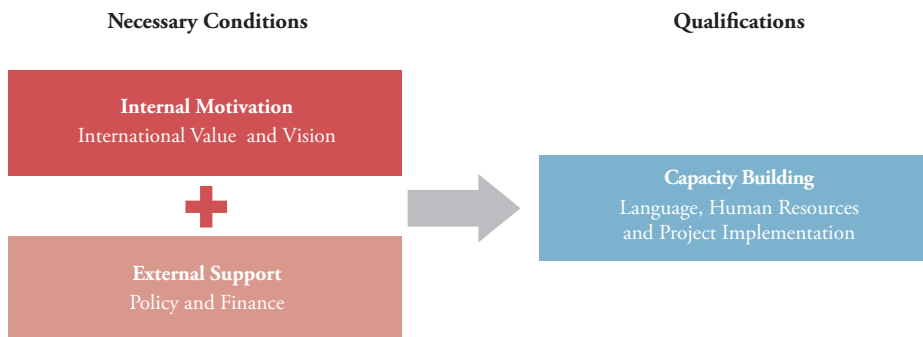


## Main Challenges

- 
- Lack of Policy Support
  - Lack of Domestic Financial Support
  - Lack of Capacity to Operate Overseas Project

Based on the current conditions, Chinese NGO engagement in foreign and international affairs is at a nascent stage, both in terms of their attention and project implementation. For most of these organizations, their lack of motivation to “go out” is an important barrier. As mentioned before, the fact that few Chinese NGOs are paying attention to foreign and international affairs is related to the relatively late and slow development of Chinese NGO sector. Chinese NGOs have yet to develop an internal-oriented vision for their work. A majority of them are putting heavy focus on domestic issues, and have yet to expand their concerns overseas. Additionally, from interviews of this research, it is understood that main challenges NGOs are facing at present include lack of overseas project implementation capacity, lack of legitimate financial support, as well as lack of policy support for material donations overseas, foreign exchange, taxation and etc.

Figure 3: NGO "Going Out" Necessary Conditions and Qualifications



## Lack of Policy Support

### **There is a Lack of Communication Channels and Mechanisms between NGO and the Government.**

So far in China, as the NGO sector has not been engaged in government’s foreign aid work, NGOs do not have opportunity to help complement the government’s foreign aid work to be more effective. In one aspect, the handful of Chinese NGOs have accumulated much local information in foreign countries through carrying out research and projects overseas. However, they find it difficult to communicate with the government on their findings and analyses based on such information, therefore cannot provide timely suggestions and references for official foreign aid and policies. On the other hand, official foreign aid programs do not provide financial support to Chinese NGOs or civil societies for this type of work, making it more difficult to realize the complementary role of the civil society. Without adequate channel or mechanism for communication between the government and the NGOs, effective partnerships that foster complementary roles cannot be realized.

### **The Current Forms of Foreign Aid Limits NGO Participation.**

China’s foreign aid is usually carried out through the form of engineering projects, by engineering companies and

equipment suppliers. In 2015, the Ministry of Commerce released a Measures for the Administration of Qualifications of the Enterprises Undertaking Foreign Aid Projects (For Trial Implementation). The document specified the qualifications of engineering companies or equipment supply companies who may apply for the bid of foreign aid projects, whereas NGOs are not included in the potential bidding entities. There is also no financial support allotted for research, evaluation and the general publicity of the foreign aid projects that are critical to improving the effectiveness and the impacts on local livelihood.

For comparison, US NGOs have been awarded legal qualifications to carry out foreign aid projects ever since the World War II. In 1961, the US amended its Foreign Assistance Act which led to rapid growth of US NGOs participating in foreign aid. In 1981, the US Congress passed the Public Law 113–97, requiring the US Agency for International Development (USAID) to set aside 12% to 16% of its annual budget on financing NGOs. Again in 1985, the Congress passed Public Law 99-83, requiring the government to use at least 15% of the foreign aid funds for NGOs.

### **There is a Lack of Policy on Oversea Donations and NGO’s Activities Overseas.**

NGOs engaging in activities on foreign affairs are facing some policy barriers. Take the Law of the People's Republic of China on Donations for Public Welfare for instance, the law stipulated customs procedures for inward donations to China and the conditions for tariff relief but it didn't mention the issues concerning outward donation made by domestic institutions. Because there are no regulations to follow, the related government departments often pass the buck to each other and take conflicting approaches to solve the same problem. In terms of monetary donations, while our foreign exchange policies approve the outflow of donations, they impose tax and require duty paid proofs for donations over 30,000 USD. Finally, there is no policy around tax breaks for material donations from China to overseas entities. As there has been few practices, the Customs agencies may use a lack of precedent as excuse for not approving tax-exempt export.

Also, the China Charity Law was passed on March 16, 2016 and formally implemented on September 1, 2016. While it is the first law in China that is about the philanthropy sector which provides first legal reference for the whole charity sector, the Law does not offer provisions for international charity work, and there is little policy concerning overseas activities of NGOs. Therefore, there is still no legal reference for Chinese NGOs “going out” they want to open branch offices, implement projects or conduct research.

## **Lack of Domestic Financial Support**

### **Domestic Foundations, Public and Private Donations**

From GEI's questionnaire survey and interviews, it is found that most foreign projects and activities of Chinese NGOs are funded by foreign resources, with little financial support from domestic sources. Various data sources also prove that very little domestic financial resources are devoted to NGO work on foreign and international affairs. For example, according to statistics from the China Foundation Center, up until June 22, 2016, there is a total of 4,979 foundations in China, and only 52 of them, 1.04%, are concerned with international affairs. It is of notice that the data from China Foundation Center included both operational and grant-making foundations. Therefore the actual number of grant-making

foundations that are concerned with international affairs may be fewer than 52, meaning that fewer than 52 foundations may provide finance to support other operational NGOs to carry out oversea projects.

Personal and corporate donations to the civil society are also rarely focused on international issues. Even for the largest social organization in China, China Foundation for Poverty Alleviation, in 2014 its international programs received 4,390,000 RMB in donation, which accounts for only 0.716% of its total annual received donation.

In contrast, civil society in many developed countries form a major force working on international issues. US civil society, for example, is a main contributor of the US foreign aid. Data in 2010 showed that US foreign aid from its civil society reached 39 billion USD, exceeding official foreign aid by 30.35 billion USD. In fact, based on seven years of reports from a US non-profit think tank, the Hudson Institute, US foreign aid from the civil society has exceeded its official foreign aid since 2005, with the only exception in 2009 when civil society contribution and official aid were equal.

### **Official Development Aid**

There is also limited official source of finance for Chinese NGOs to work on foreign affairs. In China's Foreign Aid (2014) released by the Information Office of the State Council, it is reported that China appropriated a total of 89.34 billion RMB for foreign assistance from 2010 to 2012, including 32.32 billion RMB of grants, 7.26 billion RMB of interest-free loan and 49.76 billion RMB of concessional loan. Looking at the fields in which the aids are used, almost 90% of the foreign aid was used for infrastructure construction and goods and material donations. Other fields, including agriculture, human resource development and humanitarian assistance in emergency situations, are also almost entirely carried out by the government and GONGOs with little project in cooperation with local NGOs.

However, many developed countries would devote much of their official development funds to the civil society. Based on OECD report Aid at a Glance: Flows of Official Development Assistance To and Through Civil Society Organizations in 2013, Development Assistance Committee member countries provided an average of 11.6% official development aid fund either directly to social organizations or through funding projects implemented by NGOs. Among the member countries, Ireland reached the highest with 40%, US 23%, Britain 19%, and Australia 12%.

As a more specific example, the "Partnership Principle" in Australia's foreign aid project implementation can serve as a reference for China's foreign aid system and its cooperation with Chinese NGOs. The "Partnership Principle" requires the cooperation with international organizations, NGOs, and the private sector in implementing official foreign aid projects. It emphasizes the importance of other organizations' roles in foreign aid projects, as they can help serve to fill the skills, knowledge, networks, perspectives and resources the government is lacking. Such cooperation can make the aid projects more flexible, helping reduce fragmentation, management cost, and the burden on aid-receiving countries. Under the guidance of the "Partnership Principle", the Australian Agency for International Development has shifted its role from a project developer and contract manager which hires enterprises to implement projects, to a project financier and a partnership manager which minimizes the management to the micro-level. From 2005 to 2010, Australian foreign aid projects reduced its use of contractors from 41% to 22%, and its budget for NGOs increased from 8% to 12%-13%.

## Lack of Capacity to Operate Overseas Project

A survey conducted by GEI shows that of 20 NGOs that aspire to “go global”, 14 of them chose ‘inadequate financial support’ as the challenge for “going global”, 13 chose ‘lack of human resources’ and 8 chose ‘insufficient experience’ ‘Scarce information’ and ‘overseas resources’ are also among the challenges but only 3 and 5 NGOs chose them respectively. The post-survey visits found that many NGOs in China have taken the first step in “going global” by engaging themselves in international advocacy or attending international conferences. By doing so, they also obtained opportunities to exchange information and communicate with overseas counterparts. However, most of the NGOs are still in short of human resources and experiences to operate overseas projects because they failed to attract international talents and never tried hard to “go global”. No overseas practice has put them in a disadvantaged position in international competition.



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## **Case Studies of NGO-Government and NGO-Private Sector Cooperation**

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CASE STUDY 1: GEI's Clean Energy Technology Project Provides Demonstration for South-South Cooperation

CASE STUDY 2: GEI Works With China Power Investment Group on Myitsone Hydropower Project Suspension

CASE STUDY 3: The Tanintharyi Nature Reserve Project - An Environmental Project Involving Private, Public and NGO Partnership

CASE STUDY 4: Global Women in Management Program - A Collaboration between Plan International USA and ExxonMobil



Based on the above analyses, because of the external policy and financial barriers and the subjective lack of motivation and capacity, Chinese NGOs have not realized their potential roles in engaging in international affairs. A more in-depth reason behind these challenges is that Chinese government and enterprises have not given NGOs and the charity industry enough recognition. Even NGOs themselves are still exploring their values, identities and potential roles they can play. Therefore, in order to improve the mutual recognition and trust between Chinese government, enterprises and NGOs and to foster Chinese NGOs involvement in international affairs, it is important to facilitate the cooperation among these three sectors. This section provides four case studies including domestic and foreign examples of NGO-government and NGO-private sector collaborations. These case studies are not only for government and enterprises to understand NGOs’ potential added value, but also for NGOs to learn the various possible collaboration mechanisms they may develop with the government and enterprises.

## **CASE STUDY 1: GEI’s Clean Energy Technology Project Provides Demonstration for South-South Cooperation**

The GEI project, “Myanmar Forest Protection Demonstration Project based on Clean Energy Technology Application,” operates in Thanbayarkhon (TBK) village, Bagu Province in Myanmar with the goals to supply power and clean water to villagers, to raise awareness of forest protection, to supply training and knowledge on clean energy sources, and to raise sources of revenue for the village. The project is co-funded by China Green Carbon Foundation and Blue Moon Fund, and is led together by GEI and Myanmar’s Spring Foundation.

By November 2015, the project team successfully donated 193 clean stoves and 180 solar home lights to the TBK village, while also leveraging a 1.1 Kw PV DC pump at USD 7,200 donated by Yingli Energy (Beijing) Co., Ltd. All of these materials were manufactured in China.

In fact, these clean energy materials were chosen specifically based on GEI’s findings from a series of investigations and research at the earlier stages of the project. Starting in 2012, GEI and the project team paid field visits at the local village, engaged in discussions with local NGOs, and invited experts in Myanmar and China for exchange visits in both countries. After all these efforts, it was determined that the clean stoves, solar lights and solar pumps are best suitable donations to address three primary concerns of the project: forest protection, pollution and carbon emission reduction, and improved livelihood. The biomass cook-stoves can ameliorate 1/3 of the village’s demand on wood fuel, thereby not interrupting many livelihoods despite the ban on wood harvesting to prevent deforestation in a nearby protected forest reserve. The dissemination of the cook stoves would also help reduce CO<sub>2</sub> emissions from the traditional wood-burning stoves, while releasing much healthier air into the surrounding living quarters. Livelihoods are immediately improved by the solar light and pump as the villagers previously lacked sufficient household lighting with sole reliance on candlelight, and had no access to clean water that is now pumped out to be available.

In addition to the technology donation, the project team implemented several projects focused on sustainable finance solutions in order to raise revenue for the village. To this end they helped organize a Village Committee and instituted

a Community Development Fund. The villagers were also trained on how to use the donated equipment properly. In addition, in an effort to promote economic development, the project team helped villagers to set up a seeding center to cultivate various tropical fruits.

The positive impacts of this project is not just limited to the TBK village, but serves as a successful case of South-South Cooperation to be applied elsewhere. During the project implementation, there were many on-the-ground visits to the village to monitor and assess the project. After the project, GEI Executive Director Madame JIN Jiaman, along with the Chinese Counselor to Myanmar and important figures in Myanmar Environmental and Forestry Protection comprised a delegation that assessed the project and received favorable evaluation outcomes.

After the final assessment that found the success of the project, China National Development and Reform Commission (NDRC) Department of Climate Change Director, Mr. Xie Ji, and Myanmar Environmental and Forestry Protection Department of Forestry Director, Dr. Nyi Nyi Kyaw, signed the “Supplementary Agreement to South-South Cooperation Donation” in the office of Myanmar Environmental and Forestry Protection. The signing of the agreement guaranteed that more villages in Myanmar would receive Chinese clean energy technology in the future, following the example of GEI’s work in the TBK village. In fact, based on GEI’s work, the NDRC understood that clean stoves and solar lights are very much in need in Myanmar villages, thus added them to the list of donations as part of material aid to Myanmar.

The way the technology donations were selected, leveraged and eventually installed by GEI offered a model of how to conduct purchasing, transportation, customs liquidation and installation of Chinese technology abroad. As a Chinese NGO, GEI was a critical liaison among the Chinese enterprise, Myanmar NGOs, and local residents. With GEI as mediator, each party’s needs and requirements were able to be efficiently and effectively discussed and resolved.

## **CASE STUDY 2: GEI Works With China Power Investment Group on Myitsone Hydropower Project Suspension**

GEI’s work on the Myitsone hydropower project with the China Power Investment Group highlights another example of Chinese NGO working on issues of foreign investment and its environmental and social issues, providing opportunity for future cooperation with the private sector.

The Myistone project is a hydropower dam development project at the confluence of the Mali and N’mai rivers and the source of the Irawaddy River in Myanmar. Jointly funded by China Power Investment Group, Myanmar First Ministry of Electric Power and Myanmar Asia World Company, the project officially started its construction on December 21, 2009 and was planned to be completed in 2017 to become the 15th largest hydropower station in the world. At a time of democratic reform in Myanmar, there was much controversy among the public due to the project’s enormous flooding area, environmental impacts, and the uneven share of electricity output between the two countries.

On September 30, 2011, the President of Myanmar, Thein Sein, announced the suspension of the Myitsone project,

claiming that the project “will destroy the natural scenery of Myitsone, the livelihood of local communities and the rubber plantations and crops invested by civilians”. This decision ignited extensive attentions and discussions.

At the time, GEI had some project experiences in Myanmar, conducting training sessions on the use of environmental policy tools such as Payment for Ecosystem Services and Environmental Impact Assessment for Myanmar officials from the Ministry of Environmental Conservation and Forestry as well as business association members. With strong interest in environmental management and investment development during Myanmar’s democratic reform, GEI had been involved in leading discussions about the impact of the Myitsone dam on villager’s life since the dam’s controversial halt in 2011.

In fact, on January 18, 2012 GEI held a closed-door meeting on the Myitsone hydropower project in Yangon, Myanmar. The meeting invited relevant officials from the Chinese government and Myanmar government, academic representatives and members of NGOs for an open and thorough discussion on the suspended Myitsone project. The meeting provided a forum for officials from both governments as well as stakeholders from other sectors to exchange their respective views on the suspension of the project, while also extended the conversation to include more in-depth discussions on the promotion of environmental policies in Myanmar.

After the closed-door meeting, GEI remained dedicated to monitoring the impact of the Myitsone Dam. Several meetings were held in the following years in both Beijing and Myanmar on Chinese overseas investments and their environmental and social management, with China Power Investment Group and other stakeholders invited to talk about the Myitsone project. China Power Investment Group expressed interest for further cooperation with GEI on community development and environmental management if the dam set to re-open.

In 2015, GEI, together with China Power Investment Group, investigated the dam’s impacts on relocated village life. Through a community discussion, the relocated villagers shared their perspectives on the Myitsone dam, the impact of 2011 halt to the dam construction and the potential impacts of the dam on their way of life. Following the community discussion, GEI officers also traveled to villagers’ homes to gain first-hand knowledge of the villager’s daily life, visited masters of traditional weaving and a small-shop owner, and held an individual interview with the director of the Agriculture Bureau of Myitkyina to better understand the agricultural production of the village and Myitkyina.

This case of GEI’s collaboration with the China Power Investment Group demonstrated that oversea investment companies are in need to cooperate with NGOs to engage local communities, implement community development and environmental management projects, and prevent environmental and social risks in investment activities. NGOs can help establish unofficial communication platform between companies and local government, business association, NGO and communities.

The above two studies showcased collaboration of Chinese NGO with government and enterprise in foreign aid and oversea investment. Of course, such collaboration has a lot of space for improvement, but similar practices are rarely seen in China. The next two case studies will introduce international practices involving cooperation of international NGOs with government and enterprises. We hope that these cases will offer encouragement for Chinese NGOs to build capacity and make attempts on different cooperation mechanisms. They are also meant to help Chinese government and enterprises to better understand potential NGOs roles in public affairs.

### **CASE STUDY 3:**

## **The Tanintharyi Nature Reserve Project - An Environmental Project Involving Private, Public and NGO Partnership**

The Tanintharyi Nature Reserve Project (TNRP) is one of the few examples of conservation activities in Southeast Asia in the form of public-private partnership. Three private gas pipeline companies involved are Total-operated Motamma Gas Transportation Company (MGTC), Tanintharyi Pipeline Company (TPC), and Andaman Transportation Limited (ATL). Initiated by MGTC, these companies fund Myanmar Forest Department (FD) to support the creation and management of a protected area as compensation for impacts on biodiversity along the pipeline. The international NGO, Wildlife Conservation Society (WCS) Myanmar Program, serves as a technical advisor for project implementation.

The scope of the TNRP project includes supporting the planning, establishment and operation of a protected area between the Dawei and Tanintharyi rivers and the Myanmar/Thailand border, including the MGTC/TPC pipeline corridor. Funding is derived from the operation of the MGTC and TPC pipelines.

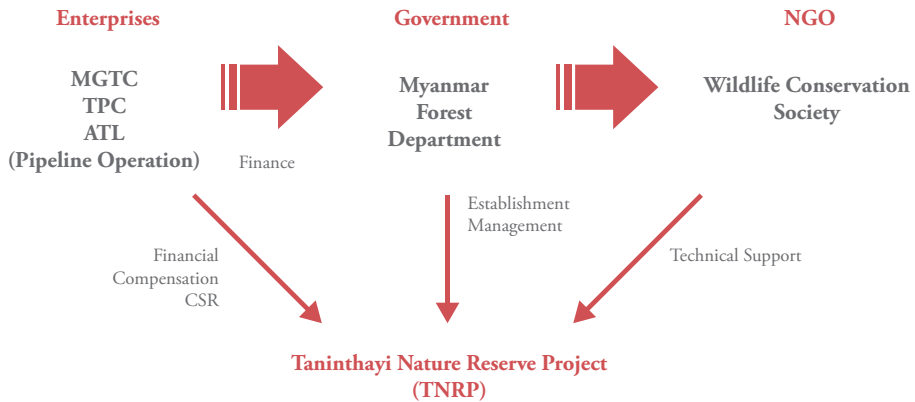
According to a project assessment report, the initial idea for a project of this kind started back in 1996 during the pipeline construction after MGTC completed its Environmental Impact Assessment. The Managing Director of Total E & P Myanmar and the project's EIA ecological assessment leader proposed several mitigation actions from the EIA, in order to conserve the forest and biodiversity in the nearby region and offer compensation for the environmental and social impacts of the pipeline. In 2001, a final TNRP project proposal was completed with contributions from both MGTC and TPC.

The project officially started in 2005 and is proposed to continue for the lifetime of the pipelines (expected through 2028). Agreements between the companies and Myanmar Forest Department have been signed in four-year terms, with budgets of USD 1.2 million each for the first two phases (2005-2008 and 2009-2012), and USD 1.8 million for the third phase (2013-2016).

Known to offer a notable expertise in the conservation area, WCS was contracted by the Myanmar Forest Department to play the role of Technical Advisor to the project. Areas of support provided by WCS to date have included: training on patrol methods and the use of the SMART patrol software, development of the conceptual model and logical framework for phase 3, advice on village land-use planning, camera trapping, and general project management. Additionally, WCS has developed Terms of Reference that provides details of proposed approaches, staff and daily rates for a consultancy documenting the lessons applied from the Tanintharyi Nature Reserve Project which serves as a conservation model in Myanmar.

The model of the project is a simple financial compensation system in which the financial cost is considered a part of the companies' standard social responsibility program. According to interviews with officials from the three companies, including the then Total Myanmar Managing Director, it was believed that the investment in the project would help the companies manage reputational risks while the pipeline development continued as a source of controversy. Some believe that the project may also help the companies to control risks of soil erosion and flood that may otherwise impact regular pipeline operations. For the government, in addition to the increased income to the Ministry of Forestry, it was hoped that the project would serve as incentive for other developers to reduce their impacts and follow such model as a system of Payment for Ecosystem Services (PES).

Figure 4: TNRP Stakeholder Relationships



In addition to the inclusion of the three sectors which is not commonly seen in Southeast Asia and China, this case is exemplary in that the private companies actively sought ways to reduce its environmental and social impact, whether for reputational or operational reasons. The engagement of WCS signifies that with adequate capacity and expertise, NGOs are competent to supplement work that is not usually within the realm of the private and the public sectors. Innovative cooperation could provide benefits to all stakeholders.

### CASE STUDY 4: Global Women in Management Program - A Collaboration between Plan International USA and ExxonMobil

The Global Women in Management: Advancing Women’s Economic Opportunities (GWIM) has been in operation since 2005 as an education program operated by Plan International USA and supported by ExxonMobil. The program offers annual workshops bringing together around 20-30 women leaders and entrepreneurs from diverse countries to share, examine and adapt best practices of women’s economic empowerment efforts. During the past 11 years, the program has engaged more than 720 women leaders and worked with them to advance women’s economic opportunities by strengthening leadership potential, project management skills, and technical abilities of women in local civil society organizations.

Plan International USA is part of the Plan International Federation, a global organization that works alongside communities in 50 developing countries to end the cycle of poverty for children and their families. Plan works at the community level to develop customized solutions and ensure long-term sustainability. It designs community-owned programs for generations to come that range from clean water and healthcare programs to education projects to child protection initiatives.

Exxon Mobil Corporation, the largest publicly traded international oil and gas company, uses technology and innovation to help meet the world’s growing energy needs. ExxonMobil engages in a range of philanthropic activities that advance

education, with a focus on math and science in the U.S., promote women as catalysts for economic development, and malaria eradication. In 2013, together with its employees and retirees, ExxonMobil, its divisions and affiliates, and the ExxonMobil Foundation provided USD 269 million in contributions worldwide.

The collaborative support for the Global Women in Management program began with ExxonMobil's search for NGO partners to join its "Educating Women & Girls" Initiative, which was launched in June 2005 as an extension to its longstanding support for education. Seeking a partner with feasible ongoing programs suitable to the initiative, ExxonMobil reached out to around 40 to 50 NGOs in the US and investigated the kinds of projects these NGOs carried out and how these projects were implemented. The Centre for Development and Population Activities (CEDPA) caught the attention of the ExxonMobil team due to its international recognition and its more than 30 years of experience in improving lives of women and girls in developing countries. In fact, CEDPA has been leading Global Women in Management workshops (GWIM) since 1978. After a full review, ExxonMobil decided to offer a \$175,000 investment for CEDPA to extend the program for another year.

Then in 2009, ExxonMobil adapted its Educating Women & Girls Initiative as many other international enterprises started to make investments in women's economic empowerment causes. Specifically, ExxonMobil had done so by adding specific elements to the original CEDPA women leader trainings. As such, the Global Women in Management: Advancing Women's Economic Opportunities program started to take shape.

The final stage of the project's development was in 2012, when CEDPA joined its talents and projects with Plan International USA. This partnership improved CEDPA's renowned programs including the GWIM. Currently, the GWIM remains an official program of Plan International USA.

As of 2015, the GWIM program had successfully engaged 720 NGO women leaders from 26 countries and regions in its trainings and residential workshops. The process for selection and workshop operation is as follows. First, each year, country branches of ExxonMobil nominate women leaders from NGOs in their respective operating country to participate in GWIM's residential workshop; the country branches also take this opportunity to build better relations with local NGOs. In countries where ExxonMobil does not have an operation, such as Myanmar, a reference system is used that alumni from past workshops would recommend people they think fit directly to the PIU's program management office. Once nominations are submitted to ExxonMobil Headquarters, it will work with Plan International USA to make the final selection of workshop participants. The selected participants are then gathered together in a selected city for a one month workshop, and engage in various activities ranging from "[building] their personal leadership skills" to "[strengthening] their competencies in program and financial management, monitoring and evaluation, fundraising, advocacy, and strategic communications. Furthermore, participants have special opportunities to go on field trips and attend sessions with experts from different sectors and regions who are working to improve lending, political, legal and socio-cultural environments for women's economic participation. The women leaders also learn successful approaches to support women's economic advancement through meeting with implementing and donor organizations.

According to an evaluation report for the program, graduates of the program have gone on to take leadership positions including chairwomen, treasurers, and representatives of religious, community and volunteer groups. Some participants also are reported to have founded their own local NGOs.

With increasing success of the GWIM program, especially in terms of its broadened and deepened impacts, the collaborative relationship between Plan International and ExxonMobil has proven to be sustainable. Moreover, the annual program support from ExxonMobil to Plan International has increased from the initial \$175,000 USD to \$1.6 million USD, almost a ten-fold increase. This generous funding gives Plan International financial latitude to add nuanced elements to enhance the program. For example, in addition to the main activity of one-month training, Plan International also facilitates yearly coaching and alumni mentorship programs that connect current and past participants. This global network of women leaders functions to let the program alumnae learn from and support each other. Finally, small funds are now made available to assist entrepreneurial women in their start-up programs and social enterprises.

Not only does Plan International receive ExxonMobil’s funding to implement these programs, it also utilizes ExxonMobil’s other resources to promote the program and the organization itself. Specifically, ExxonMobil has regular contracts with public relations companies for its own branding, and so these PR companies also help promote the GWIM program when Plan International should require. Importantly, ExxonMobil respects Plan International’s ownership of the program, which is evidenced in the specific wording of program publicity. For example, ExxonMobil’s statements have read “Plan International USA’s GWIM program, supported by ExxonMobil.” ExxonMobil and Plan International opt for indirect promotion by just displaying their logos rather than spelling their names in promotional material.

Through interviews with several program alumni in Myanmar we discovered that Exxon Mobil is not directly involved in the program implementation. As there is no operation of ExxonMobil in Myanmar, the program is also not entirely related to its local operational benefit but is part of its philanthropy strategy. The company certainly enjoys some reputational benefits from its investment in this program. As mentioned earlier, participants in the GWIM workshops are nominated by ExxonMobil’s branches operating in different countries and regions. As such, through this program, the local branches can take the opportunity to get to know local NGOs in the nomination decision process and establish good relationships with them. In fact, Sue Richiedei, the Program Manager of the GWIM program, recalled in her interview that one of ExxonMobil’s managers in Mexico said that this CSR activity brought pride to the company’s local employees and enhanced their loyalty to the company. The company is also able to develop more on-the-ground contacts through this initiative. Once a leader has participated in the workshop, she can contact the CSR office of ExxonMobil’s local branch to develop community projects in cooperation with ExxonMobil. All in all, these projects can help ExxonMobil build better images in local communities. Importantly, while there is no quantitative measure of ExxonMobil’s return on investment from the GWIM program, it is found that the number of women engaged and the amount of investment made in the program will help improve both ExxonMobil and Plan International’s images.

In comparison to global corporations like ExxonMobil, Chinese overseas investment companies are lagging behind in their development of social responsibility and philanthropy work, and they need to learn broader philanthropy concepts and strategies from global corporations. In addition to community development and environmental protection work in investment host countries, enterprises can also invest more corporate resources to support NGOs in other charity causes that will help the companies build good images and reputation. These case studies also illustrated the need for NGOs to have international philanthropy values, and accumulate international experiences and capacity.



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## Policy Recommendations

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- Provide Policy Incentives and Legal References for NGOs to “Go Out”
- Encourage Multi-Channel Financial Support for NGO “Going Out”
- Build Capacity on Overseas Project Development and Implementation



The above cases demonstrated that Chinese NGOs can play complementary roles in working with enterprises. It is especially true for Chinese enterprises that have made overseas investments, established overseas operations, and aim to become global corporations, as they have pressing need to become environmentally and socially responsible, improve communication with local communities and build trustworthy brand images. NGOs are in advantageous positions to help establish an exchange platform to promote communication between different stakeholders, including Chinese enterprises, financial institutions, and host-country local communities, residents, NGOs, and other stakeholders. Such mechanism or platform can enhance information disclosure and transparency of Chinese enterprises’ investment and trade activities overseas. Regular interactions with local communities would also help enterprises better understand local needs and prevent negative impacts on local communities that may incite oppositions to their investments. Chinese NGOs can also help enterprises design community development plans for the project’s impacted communities, and develop corporate social responsibility plans appropriate for the local context. As a result, the enterprises’ social responsibilities will be promoted and so will their image and reputation, and eventually sustainable development and multi-win for local economy, environment and the society will be achieved.

In terms of foreign aid, NGOs’ strong coordination and liaison capabilities, extensive network with local partners, abilities to reach out to local communities in recipient countries as well as its unofficial nature can provide insight of the realities and needs of the recipient country. Such insightful information can be used by the government to make foreign aid strategic planning, and therefore resolve issues of arbitrariness and opaqueness. The NGOs can also assist in conducting the initial research and design before the launch of the project, carrying out and managing the project, and evaluating and promoting the project. All these activities can ensure the project benefit the communities in the recipient country and bring about sustainable environmental and social benefits so as to achieve the goal of the foreign aid.

Based on the need and opportunities for Chinese NGOs “going out” to engage in foreign investment and aid, the report recommends the governmental departments, research institutions, NGOs, enterprises and foundations to take action on policies, finance and capacity building in order to help Chinese NGOs tackle the challenges and facilitate more NGOs to go out.

## **Provide Policy Incentives and Legal References for NGOs to “Go Out”**

It is recommended that the government introduce policies to help ease the process of NGOs “going out”, including conducting overseas projects, creating foreign branches, sending donations overseas, among others. On August 21, 2016, the General Office of the CPC Central Committee and the General Office of the State Council distributed a Recommendations on Revising Social Organization Management Regulations and Promoting Social Organization Healthy an Orderly Growth. Chapter 7 of the Recommendation is specifically written for the regulation on the foreign-related activities of social organizations. It raised the need to “guide social organizations to develop foreign exchanges, participate in non-governmental international activities, take part in the formulation of international standards and rules, play complementary roles in foreign economic, cultural, technology, sports, environmental protection and other issue-related communications, and form a platform for civil diplomacy.” Also in Chapter 7, it also proposes to “establish international social organizations,” and lists approval requirements for social organizations establishing overseas branches. Based on this recent improvement, the report recommends the government to introduce relevant policies to standardize the procedures and regulations concerning NGOs developing overseas projects, introduce favorable policies to guide and encourage NGOs to “go global”, and mitigate the operational difficulties caused by foreign exchange and taxation during the process of “going global”.

In legal aspects, the report recommends amending the Law of the People's Republic of China on Donations for Public Welfare to include regulations, procedures and incentives for Chinese NGOs making donations overseas.

Additionally, policies can be Introduced to encourage the cooperation between oversea investment companies and NGOs. Chinese embassies can offer support to connect Chinese enterprises and NGOs with host country stakeholders for collaboration.

## **Encourage Multi-Channel Financial Support for NGO “Going Out”**

To encourage increasing financial support from domestic foundations, the report suggests Government-organized NGOs (GONGOs), such as the China Foundation for Poverty Alleviation and China Youth Development Foundation, to consider re-orient from operational foundations to grant-making foundations, so that they can support other operational NGOs through grants and experience sharing. The government could also use incentive policies and innovative mechanisms such as Public-Private Partnerships to encourage and guide domestic foundations and enterprises to devote resources in foreign aid and other international charity causes.

In official foreign aid, the current system with the Ministry of Commerce as the main foreign aid authority has generated a set of debates. Some advocate for separate management of business and foreign aid; some argue the responsibility should be transferred to the Ministry of Foreign Affairs; and some suggest more effective inter-ministry coordination mechanisms. The report recommends to establish a new foreign aid system and set up a professional national foreign aid administration agency in charge of overall planning of foreign strategy, foreign aid strategy and the use of foreign aid funds. The report also recommends to revise the traditional form of foreign aid that focuses mostly on engineering projects and material donations, creating new concepts and innovative forms of foreign aid with NGO participation. Special funds mechanisms could also be used to support NGOs to carry out community work and participate in project design, implementation, evaluation and other stages of foreign aid projects, enhancing the understanding of local context and improving civil communications.

On September 9, 2016, the Ministry of Commerce published the consultation draft of a Measures for South-South Cooperation Foreign Aid Fund Project Application and Implementation Management (For Trial Implementation), and was open for public comments and suggestions. The document provides specifications for international organizations and social organizations to apply for South-South Cooperation Foreign Aid Fund Projects to ensure project qualities and improve aid effectiveness. It bridged the gap in the previous official foreign aid project bidding process which was only open for companies to apply. By providing policy reference for NGOs to “go out” and help with foreign aid projects, the document affirmed the roles of social organizations in managing project quality and improving effectiveness in foreign aid projects.

## **Build Capacity on Overseas Project Development and Implementation**

In order to improve the overseas project capacity of Chinese NGOs, the report recommends building a network for the NGOs that have already “gone global” to communicate, share knowledge and information, coordinate and cooperate in different countries and fields. We also recommend conducting learning and experience sharing activities between the NGOs that have

“gone global” and those wishes to “go global” and help the latter to know more about the field experience, promote potential project collaboration, and draw more attention to overseas issues and overseas project. It is also helpful to build a platform for China and host countries to learn from each other, share experience and cooperate. Push forward potential project collaboration and enhance the knowledge of the NGOs from both sides on each other’s languages, culture and resources. Additionally, the government, NGOs and foundations from home and abroad can help build capacities for those willing to develop overseas projects. The content may cover related policies and regulations on developing overseas projects, as well as management, operation, dos and don’ts and evaluation of overseas projects.

Specifically in terms of human resources development for NGOs, one of the most remarkable projects recent is the first international volunteer program of the China Foundation for Poverty Alleviation in October, 2016. The program recruits Chinese volunteers with relevant professional experiences and technical skills to participate in foreign aid and development projects in countries like Myanmar and Nepal. On one hand, the program encourages Chinese youths to participate in international charity and build broader international philanthropy values during the process. On the other, it also helps build capacity of these youths to gain international charity experiences. As these young people gather experiences and knowledge of the culture, communities, and local NGOs of the aid receiving countries, they are also becoming important resources for Chinese NGOs willing to go abroad.



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## References and Appendices

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### References

Appendix I: Literature Review

Appendix II: GEI's "NGO Going Out" Survey

Appendix III: The Belt and Road Initiative and South-South Cooperation

Appendix IV: NGO "Going Out" Policies and Laws

Appendix V: NGO "Going Out" Suggested Readings

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## Appendix I: Literature Review

### 1. Environmental and social development issues concerning Chinese Enterprises’ pursuit in “Going global”

- a) UNDP China, Chinese Academy of International Trade and Cooperation of Ministry of Commerce, Research Center of State-owned Assets Supervision and Administration Commission of the State Council. Report on the Sustainable Development of Chinese Enterprises Overseas 2015. 2015

The report surveyed 250 Chinese enterprises that have been operating overseas. It reviewed the “going global” process in four dimensions, i.e. economic, environmental, social and corporate governance, to find out good practices. The Report reflected on the challenges during Chinese enterprises’ pursuit of sustainable development overseas. It also examined the policies and laws that support Chinese enterprises’ overseas sustainable development and the Environmental Impact Assessment conducted by financial agencies. The report brought forward to Chinese enterprises several priority areas for sustainable development, including “mechanisms for stakeholder communication and involvement”, “social capital investment” and “community risk management”. The report recommended in conclusion that in order to act in line with international practice and improve the international level of sustainable development, Chinese enterprises should improve the communication and interaction with local stakeholders and non-governmental organizations and promote transparent management.

- b) Global Environmental Institution. Environmental and Social Challenges of China’s Going Global. China Environmental Science Press. 2013

This report examined the history, status quo and development trend of China’s decade-long foreign direct investment (FDI) and five-year-long commodity import and export since the “going global” strategy was launched. It also examined the development path and current situation of China’s foreign aid. With its special focus on four key areas of China’s FDI and the trade of 20 different types of commodities, the report explored the environment of which high-biodiversity areas were most likely to be affected by the trade of these commodities. The report also scrutinized China’s environmental management policies in foreign investment and trade, and identified challenges facing environmental protection and sustainable use of resources. The report put forward strategies and suggestions to Chinese enterprise on how to respond to these challenges by referring to some good practice cases in addressing overseas environmental and social challenges.

### 2. China’s Foreign Aid

- a) Sun Tongquan and Zhou Taidong. A Comparative Study of Regulatory System of Foreign Aid. Beijing: Social Sciences Academic Press (China), 2015.

This book compared the regulatory system and the development path of Mainland China’s foreign aid with those of Australia, South Korea, the United States, the United Kingdom and Chinese Taipei. It presented CSOs’ involvement in foreign aid and relevant policies and laws. Based on the comparisons, the book put forward a series of suggestions about laws and regulations of foreign aid, including supporting civil society organizations in foreign aid,

improving China's soft-power diplomacy and civil diplomacy, proactively participating in the drafting and stipulating international "soft laws".

- b) Brian Tomlinson. Working with Civil Society in Foreign Aid: Possibilities for South-South Cooperation? AidWatch Canada. 2013

The study reviewed the experience of official development assistance (ODA), summarized the role of civil society organizations (CSOs) in traditional donors of OECD and Development Assistance Committee (DAC), selected a number of South-South aid providers as case studies for open policy discussions, and summarized the best practices of cooperation between official development assistance and CSOs. The report makes recommendations to South-South cooperation aid providers: clarifying the participation of CSOs in official policies of South-South cooperation; creating an enabling environment for CSOs to participate in South-South cooperation; strengthening knowledge and capabilities of CSOs in partner countries and donor countries; building mutual trust between CSOs and other sectors; creating space for policy dialogue and mutual learning between CSOs and aid providers.

### **3. China's Civil Society Organizations "Going Global"**

- a) Deng Guosheng, Wang Yang. The Inevitability of China's Civil Society Organizations and Policy Recommendations. Teaching and Research, 2015 (9).

China's CSOs play a rather limited role in international governance system, showing no considerable influence and right of discourse. This report analyzed the inevitability for China's CSOs to "go global", the current situation and the challenges they face. The inevitability includes: 1) It's a requirement for actively participating in global governance system; 2) It's a requirement for optimizing the national foreign aid system and improving the effectiveness of the aid; 3) It's a requirement for assisting overseas Chinese enterprises in fulfilling their social responsibilities. The current situation shows that quite few CSOs in China has "gone global" and for most of those who have, they usually have no overseas office, no full-time staff, no constant project and no stable fund. The challenges faced by China's CSOs in their attempt to "go global", as the report shows, include the ineptness of these organizations in "going global", inadequate support from the government and low social recognition. In reference to the good practices and experiences from the US and Japan, the report proposed the following suggestions: increase government's capital funds to support CSOs to "go global"; improve related laws and policies; build various kinds of platforms to support the "going global" attempt; build CSOs' capability to "go global"; and create a positive social atmosphere for "going global".

- b) Social Resources Institute. Explore Amidst the Fog — A Study on the Status Quo of Chinese Enterprises' Responsible Agricultural Investment Overseas Advocated by NGOs. April 2015.

The report aims to engage more NGOs in advocating Chinese enterprises to make responsible investment in overseas agriculture sector. Take agriculture as the starting point, the report shows the characteristics of the NGOs that participated in the advocacy and the tactics and way of working they take. These findings can serve as good experiences for local NGOs. The report also examined the reasons that the advocacy initiative was shunned by



some NGOs and explored ways on how to make them respond more actively. The summary of the report: There is great potential to increase local NGOs’ participation in the advocacy; Most of the action-oriented NGOs are still at learning and exploration stage; There is no foundation for cooperation between the government, enterprises and NGOs. There is no statistics in the report on the number of projects implemented by China’s “going global” NGOs but it did mention that Global Environmental Institution is the only Chinese NGO that has carried out overseas projects. Based on these findings, the report put forward the following recommendations: It’s essential to meet different demands from different NGOs in order to increase their participation and engagement in the advocacy and it is of high importance to build an effective communication mechanism between NGOs, enterprises and the government.

- c) China Foundation for Poverty Alleviation. A Handbook on China’s Grassroots Organizations Going Global. 2015

The handbook, an instrumental action guideline, provided guidance for China’s CSOs aspiring to carry out overseas charity projects on the initial stage in “going global”. The handbook started with recounting of the challenges during the process of “going global” and went on to highlight the importance of completing all five components of feasibility analysis, building rapport, daily operation, fund raising and project establishment. It also provided case studies from home and abroad as references.

- d) Lu Bo. 2004-2014 Chinese Foundations “Going Global”: Trend, Status Quo and Prospect. Annual Report On China’s Philanthropy Development

The report showed the overall situation of China’s foundations in their efforts to “go global”. Out of 37 foundations that have “gone global”, 27 have made overseas financial donations mostly towards post-disaster emergency relief; five have resident overseas personnel; 18 have launched overseas projects mainly in the areas of international exchange, academic research, poverty alleviation, medical service and education; and two have opened overseas branches. Four foundations have built themselves into recognized brand names in the process of “going global”. They either upgraded and expanded their already-highly-recognized domestic brand or developed and ran new overseas projects. However, by the time when the report was released, no foundation has been able to “go global” in all five aspects of fund, personnel, project, organization and brand.

## Appendix II: GEI's "NGO Going Out" Survey (Conducted only in Chinese)

### 民间组织“走出去”调查问卷

亲爱的小伙伴您好！

全球环境研究所(GEI)诚邀您填写中国民间组织“走出去”问卷调查。

GEI正在进行一项针对中国本土民间组织“走出去”的调查研究，希望了解我国有多少民间组织参与国际事务、分别在哪些领域、基于什么样的原因、以及在海外实践中面临什么样的挑战。您的参与可以帮助我们共同对民间组织“走出去”的现状有最新的了解。如果您在中国本土民间组织工作，希望您能抽出5分钟时间填写此问卷。

此问卷将在4月30日截止。调查结束后，我们将通过邮件向您反馈调查结果。因后续研究需要我们也可能与您作更进一步的沟通了解。

感谢您的支持和配合！我们会在填写问卷的小伙伴中抽取10名赠送精美礼品，敬请期待！

机构工作领域（可多选）\*

劳工  环保与动保  农村社区发展  救灾  教育  健康与防艾  性别与性少数  老人与儿童  残障

社会创新与社会企业  能力建设、研究、支持、咨询  民族、宗教、文化、艺术  企业社会责任  社工

其他

注册类型\*

社会团体  民办非企业  工商注册  基金会  政府研究部门

其他

机构名称\*

总部所在地\*

是否在中国大陆设有分办公室

是  否

注册地点 \*

|                      |       |        |
|----------------------|-------|--------|
| 北京 ▼                 | 北京市 ▼ | -选择- ▼ |
| <input type="text"/> |       |        |

机构员工是否赴海外（大陆以外地区）参加过国际性会议 \*

是  否

如果是，平均一年几比赴海外参加国际性会议

1-2次  3-5次  5次以上

机构是否在大陆以外地区实施过项目 \*

是  否

如果是，所在国家为

未来机构是否有意愿在海外实施项目 \*

是  否

如果是，是否会涉及以下话题（可多选）

- 森林  海外投资  矿业  农业  能源  生物多样性  企业社会责任  
 社区  政策研究  
 其他

海外实施项目遇到的挑战？/拓展海外项目最大的困难？ \*

- 当地国资源  人力资源  机构经验  资金支持  信息渠道  
 其他

联系电话 \*

邮件地址 \*

提交

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## Appendix III: The Belt and Road Initiative and South-South Cooperation

In 2016, China enters the fifteenth year of its implementation of the “Going Global” strategy. During the past fifteen years, the number of Chinese foreign direct investment companies has increased to around 30,000, and the amount of outward foreign direct investment reached 145.67 billion USD in 2014, a 45-time increase from the 2002 level. Thanks to the “Going Global” strategy, China’s economy has seen rapid growth, allowing China to become the second largest economic power in the world.

As China gained strength in economic and political clout, it is taking initiatives to foster a new paradigm of cooperative development with other countries, especially developing countries, in order to enhance its comprehensive strength and national image. The Belt and Road Initiative and South-South Cooperation are two such endeavors China has been taking in recent years to achieve a leading role in the globalized development and cooperation.

### “Belt and Road” Initiative

The “Belt and Road” Initiative (BRI) is a strategy to advocate for economic, political and cultural cooperation amongst countries mainly in the Asia-Pacific region, and to further encourage Chinese enterprises going out. The initiative combines the two ideas to construct a Silk Road Economic Belt and a 21st Century Maritime Silk Road both proposed by President Xi Jinping in 2013, and was formally consolidated and written into the 2013 Report on the Work of the Government. It makes construction of a trans-boundary economic belt the primary foreign economic development strategy of China, and plans to bring infrastructure and related economic benefits to western China and the other countries along the belt. By advocating for economic, political and cultural cooperation amongst participating countries, China seeks to demonstrate its responsibility to promote mutual benefits and global economic development.

The newly established Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund share the goal with the BRI to help guide and facilitate Chinese enterprises carrying out investment and trade activities along the economic belt. The AIIB, first proposed by China in October 2013, is a multilateral development bank dedicated to lending for infrastructure projects in the Asia-Pacific region. Among the 37 regional and 20 non-regional member countries, China gave an initial subscription of 29.78 billion USD in authorized capital stock out of the total 100 billion USD to support infrastructure construction and regional economic development. The Silk Road Fund was a 40 billion USD state-owned investment fund announced and established in 2014. Instead of lending directly to infrastructure projects, its mission is to provide financing support for increased investment, trade and economic cooperation in countries along the BRI.

### South-South Cooperation

South-South Cooperation is the cooperation amongst developing countries in technology and economic development, in order to decrease their dependence on developed countries for aid, be better included in the world economic order, and create a shift in the international balance of power. In general, it includes communication and collaborations in the areas of infrastructure construction, energy and environment, small- and medium-enterprise development, human resources development, health and educations, among others.

Along with other developing countries and their growing importance on the global stage, China is actively supporting and promoting South-South Cooperation by making it a critical part of its foreign policies. In fact, China has been active in providing assistance to other developing and least developed countries through direct economic aids, infrastructure construction and other assistance in the areas of food safety, health, education, agriculture and trade cooperation and many others. More recently, in September 2015, President Xi Jinping made two announcements that China would set up a China South-South Climate Cooperation Fund of 3.1 billion USD to help developing countries tackle climate change, as well as another South-South Cooperation aid fund with initial spending of 2 billion USD to help developing countries implement the post-2015 Development Agenda.

### **Roles of the government and enterprises**

The construction of the Belt and Road and the deepening of South-South Cooperation are high-level strategies of China, and the Chinese government is the main proponent for the design and development of these strategies. A steering group officially named the Leading Group for Advancing the Development of One Belt One Road was formed to manage oversight of the BRI development. It reports directly to the State Council of the People’s Republic of China, and is led by Vice-Premier Zhang Gaoli with four other political heavyweights as deputy leaders. One level down the leadership level, a coordinating office for the Leading Group was created within the NDRC to help with implementation.

The government is also leading many responsibilities for coordinating and implementing foreign aid assistance as part of its South-South Cooperation efforts. To be specific, the Ministry of Commerce (MOFCOM) is the main authority and administrator for China’s foreign aid. It established a Foreign Aid Department that is responsible for the creation of foreign aid policies, regulations, master plans and annual work plans, the approval of foreign aid projects, and the management for the whole implementation process of these projects. Additionally, three other institutions are established under the MOFCOM: the International Economic Cooperation Bureau is responsible for set of equipment and technology assistance; the China International Centre for Economic & Technical Exchanges is responsible for material aid, and the Academy for International Business Officials is responsible for human resources trainings. The other important ministries working on foreign aid are the Ministry of Finance and the Ministry of Foreign Affairs. An inter-ministry mechanism is established for the coordination among these ministries on the issue of foreign aid.

Chinese enterprises take the implementing roles to help realize these two initiatives. For one thing, Chinese enterprises help achieve the goals of the BRI by sharing and investing their material and technical capacities overseas. Large state-owned enterprises mostly take over the mega infrastructure and energy projects such as railway, road way, port city, power plant and pipeline constructions in Pakistan along the China–Pakistan Economic Corridor (CPEC). Small- and medium-sized companies would follow to bring along trade and other economic activities to the corridor.

Similar to their contribution to the Belt and Road Initiative, the enterprises are also becoming increasingly involved in foreign aid to other developing nations in South-South Cooperation by contracting infrastructure and engineering projects, and providing equipment sets, material and direct economic donations.

## **Appendix IV: NGO “Going Out” Policies and Laws**

1. Ministry of Commerce. “Measures for the Administration of Qualifications of the Enterprises Undertaking Foreign Aid Projects (For Trial Implementation)”. October 29, 2015.
2. Order of the President of the PRC, No. 43. "Charity Law of the People's Republic of China". March 19, 2016.
3. People's Republic of China Premiere's Order NO. 19. “Law on Donations for Public Welfare”. June 28. 1999.
4. “People's Republic of China’s Law on the Management of Activities of Overseas Non-Governmental Organizations within Mainland China”. 2016-4-28.
5. General Office of the CPC Central Committee and the General Office of the State Council. “Recommendations on Revising Social Organization Management Regulations and Promoting Social Organization Healthy an Orderly Growth”. 2016-8-21.
6. Ministry of Commerce. “Measures for South-South Cooperation Foreign Aid Fund Project Application and Implementation Management (For Trial Implementation)”. 2016-09-09.

## **Appendix V: NGO “Going Out” Suggested Readings**

1. Social Resources Institute. Exploring in the ‘mist’: Study on Present Situation of the NGO Promoting Agricultural Investment Responsible of Chinese Corporations Overseas. April, 2015.
2. China Foundation for Poverty Alleviation. Guidelines for Chinese NGO “Going Out”. 2015.
3. China Development Brief. Going Out: A CDB Special Issue on China’s Own Overseas NGOs. 2015.