



# **Global Environmental Institute 2015 - Year in Review**



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## Letter from the Executive Director

Dear Friends:

2015 flew by with streams of success and hard work as we achieved significant growth and even more significant impact.

This year GEI recommitted itself to innovation as we moved to a new office, welcomed five new staff members and continued to implement strategies to modernize our approach to sustainable development – take for instance this new online annual report! Within our programs, there were new exciting collaborations, which were perhaps only bested by the outstanding external work we accomplished this year.

Here are just some highlights from our work:

- Released 2 Series of Expert Reports on China's Overseas Investments covering China in Africa (Congo, Mozambique, Cameroon, and Uganda) and in the Lower Mekong Region (Vietnam, Cambodia, Laos, and Myanmar).

These two report series comprehensively analyze Chinese investments in two of China's hottest OFDI areas since the 'Going Out' began in 2002. They also build the capacity of businesses to mitigate risk and conduct due diligence in overseas investment. Importantly these reports, while authoritative in their own right, supplement and expand our materials prepared to train Chinese enterprises in conducting responsible overseas investment. In fact, over 2015 we held training sessions in Beijing and Yunnan for Chinese executives about corporate social responsibility. GEI also facilitated the first draft of the Manual on Myanmar overseas timber trade, which has already begun curtailing the illegal timber trade between Myanmar and China.

- Achieved international cooperation for Climate Change Mitigation while simultaneously building China's capacity for implementing science-based low-carbon development policy and donating sustainable development aid.

Since 2008, GEI has worked diligently to develop the China-America cooperation on climate change, beginning with the 'Track 2 Dialogues' that finally led to their Executive Joint-Statement for Climate Change in 2014. The resulting communication and cooperation between China and America was highlighted across major media and think tanks as a significant reason for the success of the Paris 2015 United Nations Conference of Parties (COP21). GEI participated in COP21 and is dedicated to the next stage of international climate work.

In 2015, we also expanded the application and promotion of our Low-Carbon Development Policy Toolkit throughout China to Tianjin, Shanxi, Guangdong, Shanghai, Dalian, Qinghai and Gansu provinces. In these seven areas, over 150 officials participated in our training sessions and are now prepared to craft implementable and science-based policies that can bring lasting and positive development to their city. In addition, we worked with the Tianjin Academy of Governance to develop the 'Green Transport Policy Analysis,' which we explained in nearly 10 courses to 600 leaders. Moving forward, GEI is excited about more success. In fact, due to the success of the Low Carbon Development Toolkit in Guangdong, Shaanxi, and Hunan provinces, 31 new cities signed Memorandum of Understandings to develop "greenhouse gas emissions inventory and forecast tool" and to acquire software for the construction and transportation sectors.

Turning our attention to the rural areas of China and neighboring countries, GEI's Energy and Climate Change team also completed two projects part of their "Low Carbon Clean Cook stove Demonstration Project" in China's Shanxi Province and in Myanmar. The Myanmar project specifically led to facilitating 3.3million USD of donations as part of the China South-South Fund for Climate Change.

- Expanded GEI's Community-driven Conservation Concession Agreement (CCCA) Protection agreement throughout Western China so to empower hundreds of locals to care for their local environment and develop new sustainable means for development.

The CCCA mechanism was primarily spread throughout Ningxia and Qinghai, the main areas of the Tibetan Plateau, which are experiencing severe environmental changes due to global warming. As part of the CCCA, GEI worked on several platforms to increase the local's ability to monitor and protect their environment as well as establish new economically viable markets. For example, we established three distinct community funds that support four cooperatives including Tibetan women's cooperative, crafts and life-stock breeding development. Furthermore, 15 households of Tibetan herdsman were involved in our ecotourism services demonstration. By donating their households, these herdsman cut back on the environmental degradation that would come with building new roads and infrastructure for new hotels. Furthermore, 62 herders worked with GEI officers to plant 500 acres of apricot and plum, which are economically viable crops.

GEI officers also worked to increase the community protection and desertification control protocol in the Sanjiangyuan Region in Qinghai, Ningxia and Inner Mongolia. Specifically, we expanded the protocol by more than 8,400 hectares to total 30,000 hectares and this land will be cared for by the locals whom we directly trained. Over the course of 2015, we worked with 300 farmers and herdsman, more than 120 women and disabled and 25,000 residents of the affected communities. These people will cultivate a strong, supportive and self-sustaining network to grow beyond the current 11 communities.

The results achieved in 2015 are impactful and dynamic, enabling us to develop a new way of thinking. As we begin planning GEI's strategy for the next 3-5 years, innovation remains central. Over the next few years, we hope to enhance our work focusing on China's industrial restructuring and the 'going out' process, as well as how these practices will affect ecologically fragile areas. Moreover, we are doubling-down on protection mechanisms for China's national biodiversity areas along the 'One Belt, One Road' pathway. Finally, we will continue to establish community networks and regional expansion of bilateral and multilateral platforms to expand GEI's results and impact.

On behalf of GEI, I express my sincere gratitude to you, our partners and friends, for your support. As 2016 begins, we are eager to continue this great work and the new, exciting projects that lay ahead.

Sincerely,



Jiaman JIN  
Global Environmental Institute, Executive Director





*L-R: Back row: MA Qianru, Yu Qingchan, ZHANG Rongping, KONG Linghong, PENG Kui, JIN Jiaman, REN Peng;*

*Middle row: Kendall Bitonte, WANG Nuo, LI Ying, WANG Yi, WANG Lei, CUI Nanyang, XU Shengnian;*

*Front row: CAO Sirui, ZHANG Jingwei, Ji Lin*

**We are researchers and critical thinkers, keen to make a difference.**

**2015 was a productive year of growth!**

- 5 new creative, problem-solvers joined GEI
- We moved office to Beijing's Tayuan Diplomatic Compound
- Over 10 interns and volunteers aided our efforts

Come join us! Learn about employment and internships by emailing [gei@geichina.org](mailto:gei@geichina.org)



# GEI's 4 Impacts



Improved actions require better education.

GEI experts presented precise and relevant insight to officials and executives, teaching them how to mitigate risk in every stage of policy or investment.

Pages 5-9



Enduring change requires local understanding and participation.

In 2015, we introduced several key tools to local communities that empower every person, from the official decision maker to the middle school student, to improve his or her livelihood.

Pages 10-14



The best policies are implementable, relevant, long-term and science-based.

One of the only things matching pace with China's development is our desire to anticipate new collaboration and our ability to tune our policy-making tools.

Pages 15-20



Success is rarely achieved alone; growth is only as stable as one's foundation.

In 2015, GEI brought key stakeholders from different places, roles and lifestyles together to share experiences and carve better solutions for the future.

Pages 21-25



# **PROVIDED THOUGHT LEADERSHIP**

and training for responsible  
business and development

## **Highlights over 2015:**

1. 200 Chinese Executives Trained in Corporate Social Responsibility
2. Organized an Official Trip to Study American Urbanization
3. 600+ Chinese Officials Trained to Make Better Low-Carbon Policies
4. Published 2 Report Series on Chinese Overseas Investment



# Capacity Building for Environmental Compliance in Chinese Outward Investors

GEI Investment, Trade and the Environment; [REN Peng](#), [ZHU Rong](#), [ZHANG Jingwei](#)

Beijing, Kunming; China



Global Environmental Institute (GEI)'s Capacity Building Project within Investment, Trade and the Environment Program has recently focused on two main project areas to meet the opportunities presented by increased Chinese investment abroad:

- To work with domestic agencies to vigorously promote policies that guide and regulate the behavior of Chinese foreign investors.
- To design and hold trainings for businesses that explain relevant provisions of China's foreign investment policy and help executives understand methods for environmental protection.

**TRAININGS:** In 2015, GEI developed a training program called "**Environmental Capacity-Building Training for China's Foreign Invested Enterprises**," specifically designed for Chinese medium-sized private and state-owned enterprises seeking opportunities in **Southeast Asia hydropower, mining or agriculture projects**.

**Over 200 representatives attended the two training sessions that were held in Beijing**, China's capital city, a central location for decision makers in policy and corporations; and in **Kunming**, the hub for Chinese Southeast Asian investment with 454 enterprises with foreign-investment enterprises and over 90% of the outward investment flow.

Company representatives attending the training sessions learned about environmental and social impacts of their projects and how to regulate and mitigate any risk of their overseas investment in the local area.

**REPORT SERIES:** To maximize the results of the training, and enable more businesses to benefit in the future, the project team, with several other drafters, created a set of case studies of Chinese investments in Southeast Asia called "**Foreign Investment and Cooperation of Environmental Protection Guidelines**." These reports utilize GEI's previous projects and public information as well as new first-hand research. The guidelines cover corporate social responsibility, environmental impact assessment (EIA), conflict management, and other aspects of sustainable community development.

GEI will continue building its training materials for future 'Going Out' workshops and cooperating with more and more enterprises.

## CAPACITY BUILDING FOR CHINESE COMPANIES

**The Reality:** Chinese overseas investment and business cooperation continues\* to increase and expand geographically. Investment in underdeveloped countries of **Southeast Asia** is also growing due to its proximity to China, opportunity and the ASEAN agreement.

\*since the implementation of China's "Going Out" Strategy in 2002.

**The Problem:** Economic and social impacts of Chinese investments are concerning the international community, particularly host governments and local people in developing regions.

**The Opportunity:** 1) Build the capacity for Chinese responsible investment  
2) Enhance the position of Chinese business on the international stage



# American Study Delegation: Comparative study of urbanization

GEI Biodiversity Conservation; [PENG Kui](#), [KONG Linghong](#)

Washington D.C., Burlington, Vermont; U.S.A.



Members of the Chinese delegation share a meal with US Experts in Vermont – 2015 GEI

In the wake of China's rapid urbanization, lies forced ecological migration and a number of new problems for livelihood development and resettlement. In fact, the rural population is increasingly at risk for resettlement and for losing jobs and income in this new, developed economy, for which their skills are likely ill-suited.

Looking to support China in achieving sustainable urbanization that actually incorporates rural populations, rather than crowding them out, GEI turned to studying other nations' urbanization processes, namely that of the United States. In fact, the American urbanization model presents an interesting case study of a successful integration of community participation into sustainable development.

In 2015, GEI invited Chinese environmental experts to join our study of the American model, so to assess what elements could aid the Chinese development process.

**US STUDY TRIP:** With the support of the Ford Foundation, GEI Executive Director, JIN Jiaman and Biodiversity Program Officer, Dr. PENG Kui, led the **Chinese Environmental Agency** on a tour of the US from July 4-11, 2015. Other Chinese environmental institutes participated, namely **Sichuan Shuguang Communities Capacity Building Center and Rural Institute of Yunnan Academy of Social Sciences**.

The group visited **Washington D.C.**, a hub for national policy, and **Burlington, Vermont**, the US mecca for innovative environmentalism.

In both cities, the group met experts whom offered first-hand insight into how US NGOs facilitate community projects and work with enterprises. We also had the chance to introduce Chinese NGOs' experience and achievements. The trip proved to be an exciting and educational journey that has equipped participants with new tools and ideas.

In the future, hope to promote more international exchanges and continue to model **productive methods to incorporate foreign conservation experience into Chinese policy**.

## US TOUR – JULY 4-11, 2015; WASHINGTON D.C. & BURLINGTON, VERMONT

**Who We Met:** Plan International USA, Wilson Center's Center for Environment Forum, Burlington's NonProfit Organization, ARD, Burlington City Planning Director, Pine Island Community Farm, and the Burlington Intervale Community Farm.

**Our most significant insight into the American model, useful for China:**

- 1) How to effectively incorporate participation into community development and environmental protection.
- 2) New methods to operate and manage ecological agriculture projects.



# Low-Carbon Development Planning Toolkit Training Program

GEI Energy and Climate Change; [YU Qingchan](#), [XU Shengnian](#), [CUI Nanying](#)

Tianjin, Shanxi, Guangdong; China



*An official policy toolkit training is underway in Shanxi – 2015 GEI*

**THE PROBLEM:** When tasked with lowering carbon emissions, moving forward is not as easy as shutting down factories. In fact, officials also must increase economic growth and employment. As such, the goals of low-carbon seem contradictory and implementation of an effective low-carbon policy is unrealistic.

**THE REALITY:** Over the medium to long term, a science-based low carbon policy can sustain increased economic growth, employment and productivity.

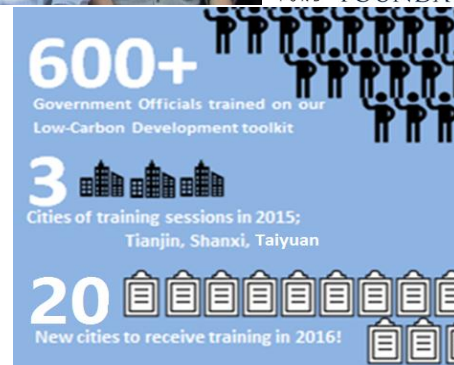
**OUR SOLUTION:** GEI's **Low Carbon Development Planning Toolkit** helps officials and policy advisors craft a science-based and implementable low-carbon development policy

**OUR OUTPUT:** GEI with CAS-IPM developed the GHG Inventory and Forecast Software and Registration Certificate for the transportation

sector and residential commercial institution (RCI) sector. These new software will help improve the GHG inventory spreadsheet.

In 2015, we trained **600+ government officials** and technical experts on our Low-Carbon Development Planning Toolkit in 2015 through 3 trainings run by GEI and Center for Climate Strategies (CCS) in **Tianjin, Guangzhou and Shanxi**. These trainings involved **100 other experts** from institutions including Tianjin University, Guangdong Provincial Academy of Social Sciences (GASS), Low Carbon Economy Research center of Sun Yat-Sen University, Shanxi Research Center for Eco-environmental Sciences (RCESS), and Gansu Carbon Emission Trading Center.

We also disseminated the toolkit to **Tianjin Academy of Governance (TAG)** and trained TAG teachers; now



officials enrolled in TAG low-carbon curriculum will learn how to craft and implement better policies.

Finally, working with CCS, Regional Economic Modeling Inc. (REMI), and Institute of Policy and Management of the Chinese Academy of Sciences (CAS-IPM), we secured Memorandum of Understandings (MOU) to develop and **disseminate a Chinese Prototype Policy Insight (PI)+ model to 20+ new provinces/cities in the next year** – an increase of about 4 times as many locations from 2015.

## HOW DOES THE GEI LOW-CARBON DEVELOPMENT PLANNING TOOLKIT WORK?



These steps analyze the economic and environmental data of a specific region (province or city) and policy makers can compare how particular policies will impact economic variables and carbon emissions. Our toolkit was first developed by CCS in American and specifically adapted to China. The Chinese toolkit first debuted in 2012 in Chongqing and received high accolades from the China's National Development and Reform Commission (NDRC) and Chongqing DRC. It is consistently updated for optimal performance and reliability.

# GEI's 2015 Publications

## GEI Investment, Trade and the Environment

REN Peng, JI Lin, ZHU Rong, ZHANG Jingwei, MA Qianru



During 2015, GEI published and continued production on several reports that research, analyze and provide recommendations on Chinese overseas foreign direct investment (OFDI) opportunities.

The publications released in 2015 include those in GEI's "China Going Out" Series, which analyzes China's OFDI and OFDI in the Lower Mekong Region. In addition, the team released a report on China's investment in Africa (namely in Cameroon, Uganda, Mozambique, and Congo (DRC) that discussed the discrepancy in timber export/import data.

The report objectives are to build capacity for better investing and support GEI's platform for Chinese corporations looking to go global.

As GEI Executive Director, Madame JIN Jiaman says: "China's growing global investment should not only present an opportunity for businesses to profit, but should also fortify China's image abroad and strengthen each firms' social integrity."

### "Understanding China's Overseas Investment Governance and Analysis of Environmental and Social Policies" *GEI with WCS*

(please click on the title or report icon to read directly)



### "Lao Policy and Management System on FDI and Chinese Mining, Hydropower, Agricultural Investments in Laos" *GEI with WCS*

(please click on the title or report icon to read directly)



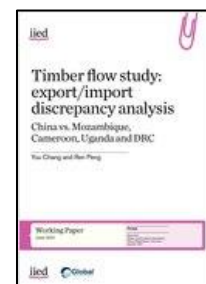
### "Vietnamese FDI Policy and Management System: Analysis of Chinese Investments and Contracting Vietnam" *GEI with Vermont Law School* November 2016

### "Cambodian FDI Policy and Management System: Analysis of Chinese Investments in Cambodia" *GEI with Vermont Law School* November 2016

### "Mapping of Chinese Investment in Myanmar in Hydropower, Mining, Infrastructure and Agriculture" *GEI* May 2016

### "Timber flow study: export/import discrepancy analysis" *GEI with iIED*

(please click on the title or report icon to read directly)



[To access all of GEI's publications, please click here: GEI Library](#)





# **EMPOWERED COMMUNITY DRIVEN DEVELOPMENT**

in China and Abroad

## **Highlights over 2015:**

1. New Rural Ecology Management Projects will triple income in 1 Year
2. Clean Energy Technology and a Community Development Fund bring rural Myanmar new hope
3. Herders learned grassland management to control sandstorms
4. 840.5 tons of carbon eliminated from schools & homes in rural China

# Emphasizing the local characteristics of the Grassland Protection Agreement

GEI Biodiversity Conservation; [PENG Kui](#); [KONG Linghong](#)

Qinghai and Ningxia Provinces, China



A farmer in Ningxia attends to his new apricot plum trees that will bring fruit and funds – 2015 GEI

In addition to extensive research and policy work in Western China, GEI's Biodiversity Conservation team worked directly with herders, **training them to manage and advocate for their own environment**. We also opened **community development funds** utilizing local government aid; these funds secure the projects' longevity. Through this **market mechanism philosophy**, we help communities develop and achieve sustainable growth.

GEI began the grassland protection project in 2011 in Qinghai and Ningxia; **by the end of 2015, the project had reached nearly 133 households across 30,000 hectares** with 48 demonstration households in Qinghai's Ganda village, 53 households in Qinghai's Longe village, and 32 households in Ningxia.

In these villages, we followed the **"Ecological management and protection agreement"** to support for livestock cooperatives and ecotourism activities in Ganda, and protection and development work in Ningxia.

## 4 PROJECTS from 2015 and their impact on local revenue:



**TRAININGS:** To share our findings and involve more stakeholders, **GEI held a series of training workshops throughout 2015 in Qinghai and Ningxia**. We welcomed over 30 herding community representatives to attend and learn about agriculture techniques. Throughout the meetings, GEI *shared knowledge and engaged in discussion* with various stakeholders about how to most effectively help the herders thrive in and protect China's treasured Western region.

- January 2015, in Ningxia's Yunwushan protected areas we hosted "The Ningxia & Tibetan Plateau Grassland Protection Protocol Exchange" and an agricultural technical training.
- July 2015 in Qinghai's Ganda village we hosted "Eco-System Services Based Ecological Training."
- Herders, government officials and experts all joined us for the **"Sanjiangyuan Ecological Pasture Management Seminar"** at which GEI explained the research and demonstration results from Inner Mongolia, Sichuan, Qinghai, etc.



# Myanmar Forest Protection Demonstration Project based on Clean Energy Technology Application

GEI Energy and Climate Change; [CAO Sirui](#), [LI Ying](#) Thanbayarkhon (TBK) village, Myanmar

2015



TBK Villagers collect their solar home lights at our special donation ceremony – 2015 GEI

## ABOUT OUR PILOT PROJECT SITE:

Located an hour on a single lane highway from Yangon, Myanmar, Thanbayarkhon (TBK) village is set beneath a crystalline blue sky and surrounded by deep green tree coverage.

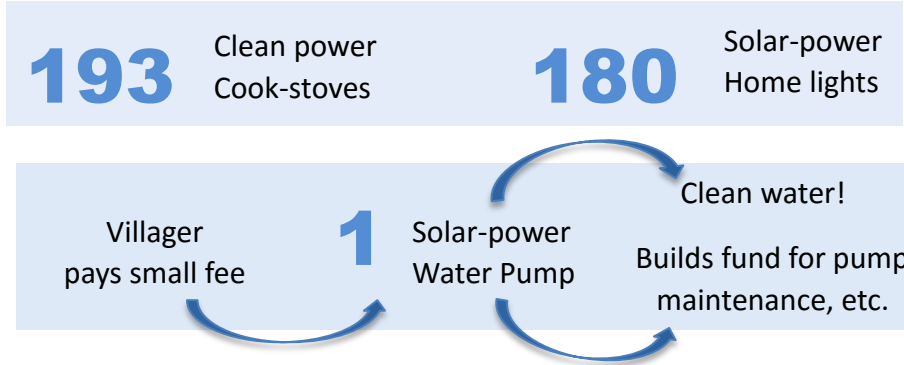
The village is home to nearly 350 villagers who live a simple but difficult life:

- A **child** growing up in TBK village will likely attend school only until grade 8 and studies under candle light after dark.
- A **mother** must cut down wood to power her cook stove, which releases harmful smoke into her house and lungs.
- **Parents** and **children** alike must walk about a mile to a nearby stream to collect dirty water in plastic jugs.

Due to the success of this pilot project, TBK village, and more villages like it, have new hope.

GEI 2015

To conduct our renewable energy pilot project in Myanmar’s TBK village, GEI consulted with villagers, researched Chinese technology, and formed international cooperation with the Myanmar Government and Myanmar’s Spring Foundation. **In 2015, we made a substantial donation of clean energy materials, a community garden and a community development fund**, which utilizes a solar-powered water pump. At its core, this pilot demonstrates how to bring relief to impoverished people while encouraging environmental awareness and participation.



**After reviewing our pilot, the Chinese government decided to offer 3.3 million USD in-kind aid to Myanmar, including solar light systems and efficient cook stoves.** This pilot project successfully demonstrates a sustainable, community-driven developmental model, which can be adapted by the China South-South Climate Cooperation Fund (SSCCF) to implement in other in Least Developed Countries (LDC). This project also promoted Chinese renewable energy abroad and initiated demand for clean energy in Myanmar.

Having received the China’s climate aid, **GEI will disseminate this pilot’s fundamental ideology to other Burmese NGOs through capacity building projects.** We hope this pilot builds cooperation between Chinese and international NGOs, especially those in LDCs and/or alongside the “one-belt-one road.”





## Controlling Sandstorms from Inner Mongolia

GEI Biodiversity Conservation; [PENG Kui](#), [KONG Linghong](#)

2014-2015

Inner Mongolia



*Researchers listen to concerns of Inner Mongolia locals who will maintain the sand barrier and plants – 2015 GEI*

The grasslands of Inner Mongolia strike the viewer, leaving an imprint of vastness and opportunity on the eyes, as wind rushes across bare cheeks and hands.

The province's desert has intensified and expanded due to climate change-induced drought and poorly managed herding, causing sands to be whipped up and blown into urban areas, including Beijing.

GEI officers are no strangers to the Inner Mongolian scenery and harsh winds. Beginning in 2011, GEI's biodiversity project team, under the jurisdiction of Abaga county of in Xilinguole, introduced a grasslands protection and control mechanism that protected the grassland ecology and livelihood improvement for the local people.

**In 2015, GEI covered a total 113 hectares for sand control and demonstration households.** In fact, about 30km<sup>2</sup> of Gacha township were effectively protected and managed. As a result, the grassland degradation and desertification trends have slowed significantly.

**NEW STRATEGY:** In 2015, GEI innovated their Inner Mongolian project strategy by integrating applied physics concepts into their ecological work. This year they added a new **Sand Barrier Sediment Control** as well as planted sand-fixing grasses.

**NEW BENEFITS:** These two measures effectively prevent dust and sand storms and restore grassland vegetation while still creating suitable areas for animal foraging. Therefore the methods improve the economy and animal husbandry resources.

GEI expanded the agreements with grassland management and protection to include more demonstration households.

As per the agreement, GEI is responsible for securing funding for grassland desertification governance, which includes sand-fixing plants; establishing guidance for the sand protection barrier; providing relevant training; and allowing demonstration households to buy their own fencing and do their own maintenance of the sand region.

***If the strategy is upheld, we expect that herders can start open grazing in three years.***

During 2015, we also successfully secured **government cooperation and funding for this program**: Abaga county government agreed to donate 5000 yellow willow saplings, which greatly help manage desertification. This finance agreement is set for 3 years, for a total of 30 million yuan.

### GEI's objectives in Inner Mongolia:

- [Protect the environment](#) with effective, innovative sand barrier mechanisms
- [Involve locals](#) throughout grassland desertification governance

**Together, these activities guarantee project sustainability and environmental improvement; separately, they address immediate needs.**

# Demonstration and Comparison of Models to Promote Clean Biomass Cook Stoves

2015

GEI Energy and Climate Change; [CAO Sirui](#), [LI Ying](#)

Xiaoliandian Village; Shanxi Province, China



Schoolchildren look on as their classroom's new clean cook stove is installed – 2015 GEI

***In rural China, a cook stove is more than a cooking device.*** Fueled day and night by coal or wood, cook stoves give energy and heat to homes and schools; they also bring indoor pollution and environmental degradation. While replacing the cook stove is necessary, GEI realized NGO relief must aid sustainable, long-term development.

**Working in Yu and Ruicheng city, GEI officers compared two models for NGOs relief efforts, the traditional donation model and the market mechanism model.** We assessed each model's ability to improve villager livelihood and climate in the short and long term.

In April 2015, we shared our findings at a forum attended by several funders and government institutions, such as United Nations Development Programme, Asian Development Bank, Ministry of Agriculture and China Stove Alliance. In 2016 we hope to build market mechanism capacity in China and create a strong corporate-NGO-funder network.

## TRADITIONAL DONATION MODEL:

GEI received funding from the **GlobalGivingFund** and worked with an American company, **Cummins Inc. China Emission Solution (CES)** department to mobilize the most suitable clean stoves for the entire Yu County and its nine schools. Cummins CEO Ms Amy Adams and other Cummins VIPs even travelled to our project site.

**Impact:** 200 clean cook stoves (150 to families, 50 to schools) eliminated over 840.5 tons of carbon emissions per year within Yu County; health was improved and a model of cooperation between an American company and Chinese NGO was demonstrated.

**Conclusion:** GEI officers learned that while the renewable stoves are effective and affordable, they were overlooked because locals were more familiar with the coal or wood burning stoves. On the short term, this method provided benefits but for long-term impact, **it will be necessary to increase awareness of clean stoves' benefits.**

## GEI MARKET MECHANISM MODEL:

GEI was supported by **Global Environmental Facility Small Grants Programme (GEF-SGP)** to train the local cook stove retailers to promote and educate villagers on the benefits of clean stoves.

**Impact:** The training was vertical, extending from wholesalers to small shop owners to interested individuals, as well as horizontal, stretching across all 10 counties in Ruicheng city. This model also incorporated market simulation: for each stove sold, the retailer received 10 yuan commission and the buyer received a 10 yuan subsidy annually for 5 years

**Conclusion:** GEI officers found that, together, the training and market stimulation increased the local's willingness to use the clean cook stoves and their capacity to manage their health and environment. Specific benefits to the environment and economic growth will have to be tested continuously over several years.





## **Highlights over 2015:**

1. Improved government subsidies to better support Herders
2. Developing Chinese Prototype Policy Insight (PI+) Model that can analyze all of China's Low Carbon Policies
3. Compared the American and Chinese National Parks Systems
4. Advocated for land economic policies considerate of farmers' lifestyles



# Grassland Agreement - Research, Report and Policy Recommendations

GEI Biodiversity Conservation; [PENG Kui](#), [KONG Linghong](#)

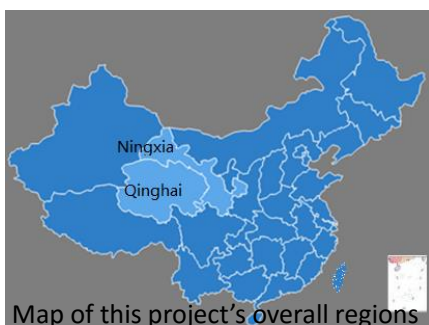
China; Qinghai, Ningxia



*A father and son tend to the grasslands in Ningxia – 2015 GEI*

Western China, namely the Himalayan mountain range-bound Qinghai province, and grassland-covered Ningxia province, are inhabited by a local people who depend on the environment for shelter and sustenance for both themselves and their livestock.

GEI officers have been working in this region for several years as they researched and created a **Community-Conservation Concession Agreement (CCCA)**, which advocated for villagers and officials to cooperate on zoning and other environmental protection issues. GEI also worked to establish community development funds that would support herders in conducting animal raising and grassland protection.



**RESEARCH STUDY:** In 2015, the team conducted a thorough research study of their CCCA model to analyze what elements needed to be emphasized or amended given China's rapid development and climate change impacts in this region.

**Establishing trust** with locals has been of critical to this project as the Biodiversity Team must deeply understand the villager needs so to advocate the best policy solutions.

Even though language and cultural barriers exist, during the 2015 survey process the GEI team successfully **collected feedback from nearly 400 herders** across four counties.

**FINDINGS:** Villagers explained that the **subsidy awarded was insufficient** to cover the costs associated with livestock raising – in fact, they admitted that the subsidy covered only basic livelihood and did not even address livestock management.

**POLICY RECOMMENDATIONS:** GEI took this honest feedback seriously and submitted the following policy recommendations:

1. Increase the awarded subsidy
2. Address specific needs, especially for animal raising supplies
3. Establish new cooperatives to increase the villager's market development capabilities.

GEI also suggested establishing mechanisms to evaluate environmental benefits and to verify the project. They also suggested establishing social services and training organization.

**THE NEW CCCA:** As government officials consider these recommendations, the GEI team also amended its own CCCA model to further incorporate ways for villagers to develop their economy; this next generation of the model, called the **Eco-System Services Based Economy**, is currently being implemented across the grasslands and Sanjiangyuan region.

# Supported Management Reform and Eco-Security Study of Economic Development – National Parks System

GEI Biodiversity Conservation; [PENG Kui](#), [KONG Linghong](#)



*An idyllic scene from Pudacuo National Park in China's Yunnan Shangri-La – 2015 GEI*

China's immense size and varying climate make its environment incredibly diverse and unique. Recently, **leaders have been eager to utilize the environment's economic value by developing of a national parks system.**

Looking to the United States' National Park System, renowned for its established history and good management, Chinese officials have proposed adopting the American model to China's wilderness along with developing ecotourism sites.

GEI researchers, however, found this model of adaptation matched with ecotourism concerning both in terms of environmental protection as well as sources of funding.

In 2015, we researched the history and development of the US park system.

Our aim was to conduct a comparative analysis between the American protection methods and Chinese context that would answer:

*Is the American parks system suitable to the Chinese national ecological system?*

In October 2015, GEI invited **Debbie Seligsohn**, an expert on American National Parks, to help us research American National Park system, policy and community economic development.

For about a week in October, GEI and Ms Seligsohn traveled to Pudacuo National Park, in Yunnan's Shangri-La to discuss the park's management, development, finances and operation with Shangri-La Botanical Garden Director, Mr. Fang Zhendong, and director of Pudacuo National Park Authority, Mr. Bao.

After all research had been gathered, **GEI invited experts, academics, research institutions and NGOs working on national parks to hear and discuss GEI's results of the comparative study.** These institutions discussed the development status and trends of the National Park System in China.

**FINDINGS:** Currently, GEI's project is still in its infancy but the main report, **"Comparative Study of American and Chinese National Parks"** has been submitted. We believe that the system, to be effective, **must seriously involve Chinese characteristics to suit the environment and local people in the affected regions.**

GEI trusts that as the project is further implemented, the study will help China's national park system develop in the most sustainable and suitable way for China.

## GEI'S EXPERTISE ON CHINA'S NATIONAL PARKS SYSTEM

Since 2015, GEI has been developing a series of models and tools for ecological protection in regions including Sichuan, Tibet, Qinghai, Ningxia and Inner Mongolia; which are the proposed areas for China's park system. In 2014, GEI's developed the "Study of China's Ecological Security Reform and Eco-Services Based Economy Development," which we are consistently improving.



# Implementation of Sanjiangyuan Grassland Eco-Friendly Management and Farmer Livelihood Research

GEI Biodiversity Conservation; [PENG Kui](#), [KONG Linghong](#)

China, Sanjiangyuan



GEI Program Coordinator, Dr. PENG Kui, interviews a Sanjiangyuan herder – 2015 GEI

Each family in Sanjiangyuan herds a total of 20-40 animals but as the Tibetan religion bans eating meat, these families remain very poor with livestock only providing enough milk or clothes material for one family. Their animals' grazing area is shrinking due to the flooding and desertification of the melting permafrost. As such, the herders' financial struggles are exacerbated by constant migration and environmental changes.

GEI saw opportunity in Sanjiangyuan due to our experience operating the Community Conservation Concession Agreement (CCCA), which provides support for local people to obtain land and develop economically. **In 2015, GEI worked with Southwest University to interview 197 families across 6 townships in 3 counties:** Wosha, Jianshe and JiMai in DaRi county; Deng Ta in BanMa county; and BaiYu in JiuZhi county.

**RESEARCH:** GEI experts investigated two factors about Sanjiangyuan life in their interviews: **1. Why were families so poor? 2. In terms of the land degradation, which, if any, agricultural land management methods were used?**

**FINDINGS:** Sanjiangyuan region farmers and herders have a particularly singular lifestyle: they *lack agricultural diversification* and have *a low degree of knowledge about natural environment deterioration*. The farmers also *lack social capital*.

**CONCLUSIONS:** The combination of these factors presents major obstacles for developing livelihoods and are important issues to address in development plans. **We produced our findings into a report,** which was submitted to *Qinghai Forestry Department of Protected Areas Authority and Sanjiangyuan Community Cooperative*.

## RECOMMENDATIONS:

1. The Sanjiangyuan government should **avoid engaging in a 'one-size-fits-all' mentality** when determining policies concerning nomadic animal husbandry and migration periods. In fact, the government should fully respect the wishes of local farmers and herdsman so to improve social stability and national unity.
2. More **effective methods for avoiding natural disasters** as well as **strengthened infrastructure** along the migration route are required.

Over the course of 2016, GEI will continue to research this community to gain insight grazing land management and home economics. They will also work with the locals to develop and implement a Sanjiangyuan-specific CCCA model.

## Sanjiangyuan Static Documentary Series

This year GEI produced a **3-part static documentary** series about the Sanjiangyuan Region and its environmental challenges; the episode titles are "Expecting," "Dependence" and "Working Together." The documentary content is in Chinese but we hope our foreign friends will enjoy the stunning pictures and traditional music from this special region.





### **Highlights over 2015:**

1. China-Myanmar illegal timber trade curtailed with new cooperation
2. Facilitated Multiple National and International Climate Change Cooperations
3. Officials and journalists gained insight into China-Africa investment
4. Herders discussed ecological protection with officials and researchers





# China-Myanmar Cooperation to Combat Illegal Timber Trade and Promote Sustainable Forestry Investment

GEI Investment, Trade and Environment; [REN Peng](#), [Ji Lin](#)



*Burmese forestry officials inspect sawn timber – 2015*

The China-Myanmar border has served as a gateway for an illicit timber trade, which has caused 15% deforestation in Myanmar over the past 15 years. In April 1, 2014, Myanmar Ministry of Forestry (MOF) issued a ban on exporting raw wood logs but knew this would only be effective with China's support.

**In 2015, GEI pioneered several critical cooperatives to stop the illegal trade and build trust between Myanmar and China.** For GEI, this project provided opportunities to promote diplomatic cooperation for border timber trade regulation as well as sustainable forestry investment and trade practices.



Sino-Burmese Illegal Timber Trade Area

**DIALOGUES & STUDY VISITS:** GEI worked to build mutual trust between China and Myanmar by organizing **4 informal dialogues and study visits for Burmese and Chinese representatives from government departments**, namely China's Forestry Administration and Myanmar's MOF; environmental, business and industry associations; as well as research institutions and NGOs.

The groups discussed:

- Provisions of the Myanmar forestry investment;
- China-Myanmar Timber Legality Verification System; timber import-export management processes;
- Experiences from the Sino-Russia border and within the domestic turmoil in Myanmar.
- Groundwork for a new Memorandum of Understanding (MOU) on forestry cooperation

**A NEW MOU:** After these exchanges, a MOU for the bilateral forestry cooperation for future timber trade management was outlined. ***The first of its kind, this MOU will mutually recognize the legal terms of timber and promote sustainable forestry investment.***

**BILATERAL EXCHANGE:** In August 2015, GEI facilitated bilateral exchanges between the nations' forestry departments; we also successfully invited the customs departments to attend. In 2016, GEI will continue providing cooperative mechanisms and building trust between the nations.

**CORPORATE CAPACITY:** With Myanmar's Ministry of Forestry and Environmental Cooperation and the Chinese Academy of Forestry, GEI began preparing reference manuals and corporate trainings on conducting responsible timber investment in Myanmar; these will be expanded throughout 2016.

**SUCCESS IN 2015:** On September 7, 2015 the Yunnan Provincial Government issued a notice that all China-Burma border trade would be suspended until all imported timber could be confidently confirmed legal. This interim policy remained in effect until February 2016. UK Environmental Investigation Agency (EIA) reported that after this policy, as of March 2016, **China-Burma illicit border trade activities had significantly de-created.**

# Facilitating Chinese International and Domestic Cooperation on Climate Change Policy

GEI Energy and Climate Change; [YU Qingchan](#), [JI Lin](#), [XU Shengnian](#), [CAO Sirui](#), [CUI Nanying](#), [LI Ying](#)



GEI Executive Director (C) with program officers at COP21 in Paris – 2015 GEI

Climate change took the spotlight in 2015 as The United Nations Conference of the Parties 21 (COP21) produced global agreement for climate change mitigation. Not only did China actively participate in COP21 but the country also announced the China South-South Fund for Climate Change, which will mobilize billions of dollars for renewable energy in developing countries.



GEI co-hosted an official COP21 Side-Event with **National Resources Defense Council (NRDC)**, USA, and **The Energy and Resources Institute – Council for Business Sustainability (TERI)**, India. The side event juxtaposed the issues and opportunities facing the 3 nations, *which together comprise 60% of global GHG emissions*. [Read more](#)



***As such, 2015 brought opportunities for new international and domestic collaborations to curb CO<sub>2</sub>, lower greenhouse gas (GHG) emissions, and support China in reaching its climate goals.***

GEI's Energy and Climate Change program has been deeply integrated in international and domestic climate change activities since its initiation. In fact, we've been involved in Sino-American Climate Relations since 2008 when GEI initiated 8 Sino-US Dialogues on the Track II, Track 1.5 and Track I levels that led to the first Sino-US Climate Change Agreements in 2014.

We met with major US NGOs and Foundations including **Center for American Progress**, **Rockefeller Brothers Fund (RBF)**, Greenpeace, etc. at COP21 to discuss the future of Sino-American Climate Change Cooperation. All parties agreed to continue information sharing to achieve climate change goals.



GEI's bilingual *Climate Change Newsletter* began in 2015. Released quarterly to Chinese and American officials, businesses, NGOs, etc. the newsletter summarizes the major climate change news from both nations. [Sign up today!](#)



GEI facilitated a meeting between **XIE Zhenhua**, China's **Special Representative for Climate Change**, and **Dr. Thet Thet Zin**, Myanmar's **Deputy Minister, Ministry of Environmental Conservation and Forestry** at COP21. They discussed China's involvement in Myanmar's climate-change efforts and how to effectively implement China's South-South Cooperation Policy in Myanmar. [Read more!](#)



At COP21, GEI with 20 Chinese civil society organizations signed and submitted the 'Chinese NGOs Position Paper on 2015 Paris Conference.' The paper outlined the following: NGOs can serve as a bridge between the government and the public; NGOs can be an integral part of the climate change solution; government leaders should recognize and encourage the contributions of NGOs and in the formulation & implementation of strategies, planning and policies to address climate change. [Read more!](#)



# China-Africa Cooperation on Forest Resource Management

GEI Investment, Trade and Environment

[REN Peng](#), [YOU Chang](#), [ZHANG Jingwei](#)

2015

Cameroon, Congo (DRC), Mozambique, Uganda; Africa



GEI project officers with local partners visit the National Forest Park in Cameroon after the Dialogue – 2015 GEI

An estimated 75% of Africa's timber is exported to China but issues like sustainable investing, illegal logging and rural livelihoods have yet to be addressed by either country

To open stakeholder dialogues, in 2014, GEI began cooperating with local partners on the '**China-Africa Cooperation for Forest Resource Management**' project.

**This project focuses on China's timber activity in Cameroon, Congo (DRC), Uganda and Mozambique**, each of which have large-scale Chinese investment as well as external conditions, (political, economic, societal, etc.) that may hinder sustainable China-Africa cooperation.



The 4 African nations in GEI's Report  
GEI 2015

In 2015, GEI worked in the diplomatic and public spheres to raise awareness of China-Africa cooperation and to help achieve optimal forest resource management and investment cooperation.

**DIPLOMACY:** In June 2015, GEI held and participated in the 2nd session of the "**China-Africa Forest Governance Learning Platform**" in Cameroon. This high-level meeting joined 100+ representatives from the Chinese government, research institutions and NGOs with Forestry Ministers from Cameroon, Congo (DRC), Uganda, Mozambique, Madagascar, Gabon and other African countries.

At the meeting, GEI shared its report on Africa's public forestry customs and trade data; China-Africa import- export wood origin data; and commodity trade structure and trends. **Our main finding is the significant discrepancy between Chinese and African Customs data**; which we will continue monitoring in 2016.

**MEDIA:** GEI discovered that many media reports on China-Africa timber issues were imprecise and gave inaccurate representation of forestry issues. In fact, GEI reported that deforestation in Africa was caused by rural household activities like firewood collection – as such, large industries had yet to have serious impacts on Africa's forests.

To enhance understanding of the China-Africa trade and generate a long-term focus on China's overseas investment in Africa, **GEI invited Chinese senior reporters to Africa to gain a first-hand in-depth exposure to the field.**

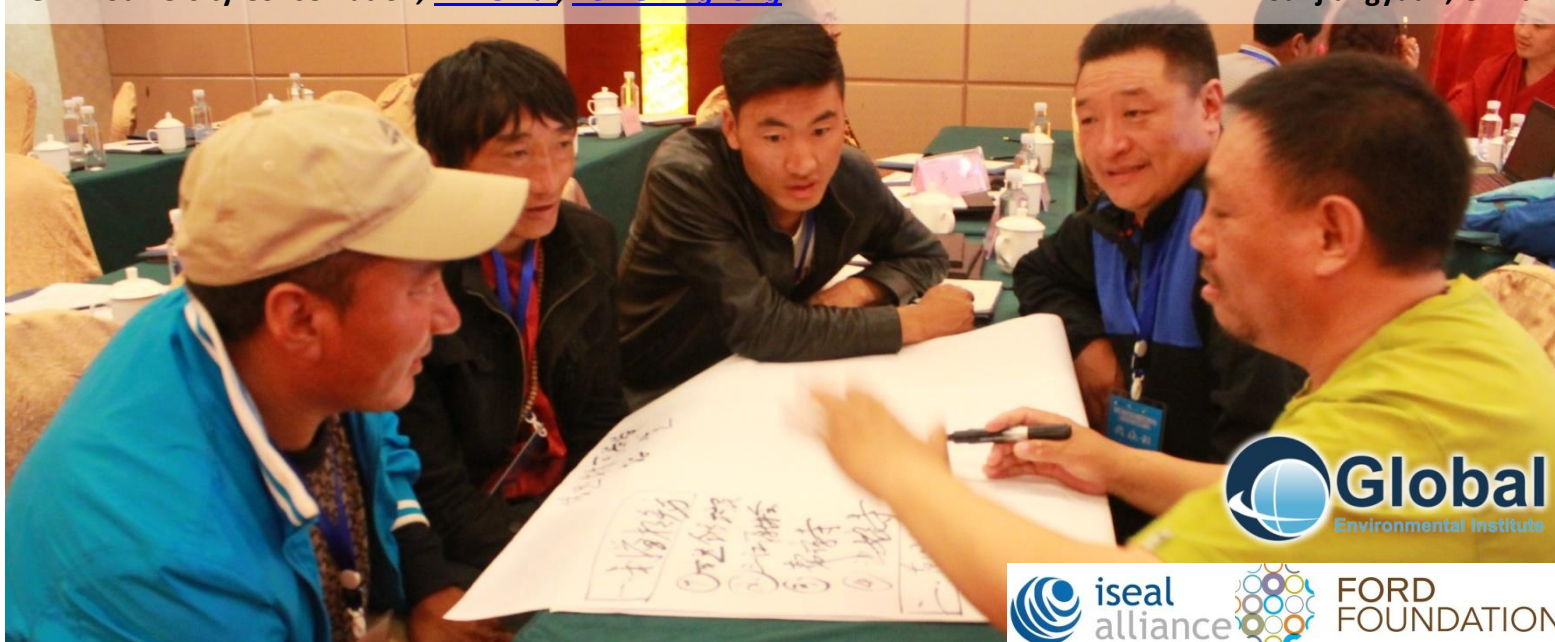
After the trip, two separate articles on China-Africa trade were published: "Here comes China's Gold Rush" in *Phoenix Weekly* and "The Congo (DRC) Election Hurts Chinese Businesses" in *South Reviews*. A second stage of this project with new reporters will occur in 2016. Since Africa's industry is growing, GEI believes monitoring industry activity will be increasingly crucial.



# Sanjiangyuan – Ecosystem Service-Based Economy Workshops

GEI Biodiversity Conservation; [PENG Kui](#), [KONG Linghong](#)

Sanjiangyuan, China



*Herders played a key role at the Seminar, explaining the reality of ecosystem services – 2015 GEI*

For policy makers, an **eco-system services based economy** is a **win-win** as local economic development and ecological protection are achieved simultaneously. For local people, the economic model provides new, sustainable means of income and a way to learn about and protect their own environment.

In a meeting called “Sanjiangyuan Ecological Services and Sustainable Community Standards Seminar,” GEI experts brought over 40 government agencies, research institutions and universities together with local herders from Sanjiangyuan area villages to **candidly share their experiences and insights on ecological protection, community relations and sustainable community research.**

GEI hosted the seminar with the Qinghai Sanjiangyuan National Nature Reserve Authority and the International Alliance for Sustainable Standards (ISEAL).

## **Q. WHAT IS AN ECO-SYSTEM SERVICE BASED ECONOMY?**

**A. An economic model that essentially turns environmental protection and other environmentally-friendly activities, conducted by locals, into income.** Herders are paid to manage specific land or monitor water quality, this money then stimulates the region’s economic growth. Locals are also taught new skills, i.e. crafts, then given access to a workshop to produce and sell on a larger scale.

One of the highlights of the meeting was the **panel discussion of local herders, whom gave their perspective on environmental protection and environmental development.**

By hearing the experience of the herders, participants gained understanding the true situation of facing the impacted communities. Herders also discussed how to manage the expectations of the outside world.

The panel itself involved village leaders from Geri, Saiwu, Xiaying, Dayu and Longge village all attended the meeting. This was the first time for the village expert from Longge to attend the meeting.

Government agencies, NGOs, rural community representatives and traditional cultural institutions also discussed sustainability standards and outlined the specific requirements and conditions for carrying out the simulation exercises. The herders played a critical role in this discussion as well, as they presented new ideas that other delegates immediately integrated and deemed innovative.

In 2016, GEI expects Sanjiangyuan to present more cooperation opportunities for us to promote the ecological services-based economy, to improve the environment, to promote community development and overall protect the safety of China's water supply.



# Yearbook Quotes!

As we grow and innovate, maintaining excellent relationships with stakeholders is our top priority.

Here are some highlight quotes from stakeholders during 2015:

**"The pilot renewable energy project that GEI carried out in Myanmar's Thanbayarkhon Village provides a great example and model for the development of rural Myanmar while conserving forests and improving community livelihoods."**

*Dr. Nyi Nyi Kyaw*  
Director-General  
Myanmar Ministry of Environmental  
Conservation and Forestry

**"I have been very enthusiastic about the project since it started because I think it can indeed help the management office solve some of the problems that we could not solve by ourselves."**

**I really hope that we can cooperate in the long-term to build the community.  
Through GEI's support, we can do this project better!"**

*Zhang Xin*  
Director of the Management Office  
Yunwushan National Nature Reserve  
Ningxia Province, China

**GEI brings us new conservation approaches and guides the sustainable development in this area.**

**We feel accomplished and enthusiastic for our conservation and development work through working with GEI.  
We are very grateful!**

*Jianmuzhen*  
Herdsman leader from Longge Village  
Jiuzhi County, Guolo Tibetan Autonomous Prefecture  
of Qinghai Province.

**"GEI's work exemplifies how an NGO facilitates cooperation on climate change between China and Myanmar."**

*Xie Ji*  
Deputy Director-General, Climate Change Department,  
National Development and Reform Commission of China

**"We look forward to having more cooperation and exchanges with GEI to promote green and low-carbon development."**

*Ge Xiaohua*  
Shanxi Research Centre for Eco-environmental Science

**"The capacity building on low-carbon policy development carried out jointly by GEI and Tianjin Academy of Governance helps to realize green development goals in China's 13<sup>th</sup> Five-Year Plan."**

*Wang Chonggao*  
Professor-in-Chief  
Tianjin Academy of Governance

# Financial Report 2015

Calculations from RMB to USD utilize average exchange rate of 1 USD = 6.2348 RMB

## Business Activities

From January 1, 2015 - December 31, 2015 (Unit: USD)

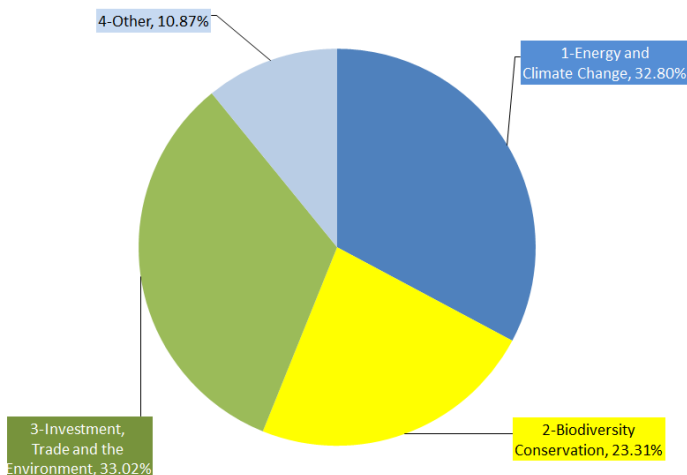
Income	Unrestricted	Restricted	Total
Donations	1,456,062.08	0.00	1,456,062.08
Services	12,831.21	0.00	12,831.21
Investment Returns	128,029.38	0.00	128,029.38
Other	0.00	0.00	0.00
Total	1,596,922.66	0.00	1,596,922.66
Expenditures	Unrestricted	Restricted	Total
Operating Costs	1,608,539.17	0.00	1,608,539.17
Fundraising Costs	-28,144.30	0.00	-28,144.30
Other Expenses	0.00	0.00	0.00
Total	1,580,394.87	0.00	1,580,394.87
Change in Net Assets	16,527.79	0.00	16,527.79

## Balance Sheet

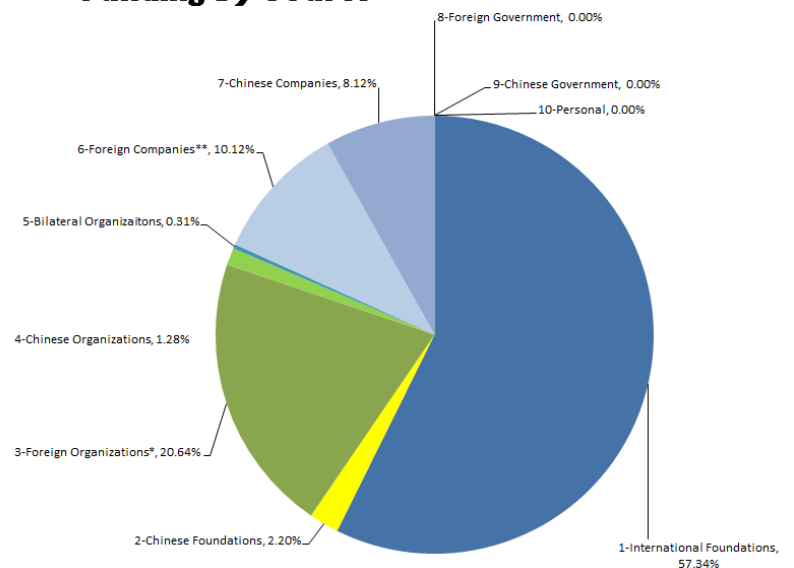
January 1, 2015 - December 31, 2015 (Unit: USD)

Assets	Beginning of Year	End of Year
Liquid Assets	709,585.98	959,618.35
Fixed Assets	8,260.29	15,161.84
Total Assets	717,846.27	974,780.19
Liabilities	Beginning of Year	End of Year
Liquid Liabilities	152,522.01	392,928.14
Long-Term Liabilities	0.00	0.00
Total Liabilities	152,522.01	392,928.14
Net Assets	Beginning of Year	End of Year
Unrestricted	565,324.26	581,852.05
Restricted Assets	0.00	0.00
Total Net Assets	565,324.26	581,852.05
Total Liabilities & Net Assets	717,846.27	974,780.19

## Funding by Program



## Funding by Source



\* 49% of Foreign organization funds is from foreign foundations ; 29.54% is from foreign governments

\*\* 100% of funds from foreign Company is foreign government money facilitated through foreign Company

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全球环境研究所 GEI



**Global Environmental Institute**

#14 Liangmahe South Road

Tayuan Diplomatic Office Compound Building 1, Unit 032

Chaoyang District, Beijing, China 100600

+86 (10) 8532 5910

[www.geichina.org](http://www.geichina.org)