



**Global
Environmental Institute**
北京市朝阳区永续全球环境研究所

Global Environmental Institute 2017 Annual Report



www.geichina.org

Vision

We envision a diverse and healthy world shaped and shared by all. We believe economic well-being is directly linked to ecological and social well-being. We design and implement solutions for sustainable progress.

Mission

Supporting China to achieve development that is economically, ecologically and socially sustainable.

Programs

Energy and Climate Change
Ecosystem Conservation and
Community Development
Overseas Investment, Trade and the
Environment
Global Environmental Innovation Fund

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From the Executive Director

GEI Executive Director, Madam Jiaman JIN, shares her reflections on a year of project activity, improved methods and deepened research that expanded GEI's influence and capacity in countless ways.

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2017 Year in Review

This infographic highlights our top impacts in 2017 including 34,178 acres of protected land, a renewable energy planning toolkit, a new wildlife trade project and increased public awareness.

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Map of Impact

We truly embodied the identity of a Chinese organization with global reach this year, with our map of impact capturing GEI's international project sites, summits and awards.

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Overview of our Work

- Scaling-Up Conservation

Ever-committed to supporting China to improve its domestic ecological policies, we promoted the Community Conservation Concession Agreement – which we introduced to China over ten years ago – domestically and in the key biodiversity areas abroad.

- Developing New Tools

Ensuring that China's future economic growth is sustainable required GEI to work with domestic and international partners to build toolkits that can correct, improve and execute policies for low-carbon development and renewable energy implementation.

- Growing Our Expertise

Overseas development brings opportunities and risks for governments, businesses and lenders as well as the environment and local communities. Working with partners, we took innovative and interdisciplinary approaches to research China's hottest trade and investment activities.

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Spotlight on Partners

Support from many partners makes our work possible. This year, GEI started an environmental education initiative, held monthly public events and published more GEI Insight than ever before!

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Financial Report



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1 Letter from 1 Madame Jin

Dear Friends,

When the Belt and Road Forum opened in April 2017, four pairs of traditional Chinese values – known as the 'Silk Road Spirit' – were at the core of the largest global infrastructure project the world has ever seen. These values are: "peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit"

For Chinese audiences, these terms are familiar as they convey the sense of shared prosperity echoed throughout our political and societal structures. From the perspective of an environmental NGO focused on promoting sustainable solutions, this Silk Road Spirit is a positive sign for China's future development.

With now over three decades of experience conducting environmental work in China, I am cautiously optimistic that we are in a new era of development. I am seeing that China increasingly endeavors to consider economic growth along with strategies for renewable energy, community development and reducing carbon emissions.

GEI's work over 2017 continued to innovate, expand and intensify. We developed new tools, scaled up methodologies, added new project areas, made new strategic partnerships, and even finalized GEI's first institutional five-year plan. We expanded each of our program areas to include overseas projects in Belt and Road countries so that we would be prepared to support the Chinese government in doing the most 'green' investments possible. Moving forward with intimate knowledge of the problems for sustainable development, GEI is a key part of the solution for China and the world's sustainable development.

We go into 2018 prepared to address the most pressing climate, conservation and development challenges, and are forever grateful for your support.

Sincerely,
Jiaman JIN

2 2017 Project Achievements

1. Research

- Launched new scoping project on supply chains for China's **WILDLIFE AND IVORY TRADE**
- 3 new reports on **GREEN FINANCE**, **OVERSEAS COAL DIVESTMENT** and **CLIMATE AID** critiqued carbon-intensive investments and analyzed potential solutions.
- Developed **RENEWABLE ENERGY PLANNING TOOLKIT** for green policy making

2. Pilot Project

- 34,178** acres of **LAND PROTECTED** by local NGOs trained on GEI's **CCCA METHOD** in **CHINA** and **MYANMAR**
- 1st Chinese NGO to demonstrate Low-Carbon Planning in **SRI LANKA** with an aim to facilitate South-South Climate Cooperation
- Our pilot analysis on an **ECONOMIC DEVELOPMENT ZONE** in Guangdong exposed the shortcomings and proposed solutions for reaching **renewable energy goals**

3. Policy Recommendations

- China's **NEW NATIONAL PARKS POLICY** released in Nov. 2017 includes GEI's **CCCA METHOD** for conservation & community development
- Worked with governments and businesses to promote **BAMBOO** to combat deforestation and support sustainable development in **MYANMAR**
- Supported China South-South Climate Cooperation Fund's **\$3.3 mil. in-kind CLIMATE AID** to Myanmar and bilateral **FOREST COOPERATION MOU**

4. Scaling Up our Impact

- Used **CITIZEN SCIENCE** to teach villagers water quality testing methods in Sanjiangyuan, China's key water source
- Leveraged **\$264,711 USD** of match-funding for **20 CHINESE NGOs** protecting over **1 MILLION ACRES** of land
- 1,200+** Beijingers joined GEI public events like **EARTH DAY & the CHINA-AFRICA JOURNALIST SALON**

3 2017 Year in Review

International Meetings

- Salzburg Global Seminar (AUSTRIA)
- Green Urban Development (CAMBODIA)
- CI Conservation Stewardship Program (COLOMBIA)
- COP24 (GERMANY)
- C20 (GERMANY)
- Arcus Foundation Meeting (MONTENEGRO)
- Earth Rights International (THAILAND)
- Environmental Impact Assessment (VIETNAM)
- Chatham House Meeting (UK)
- Study Trip for NGO Management (USA)

Project Sites

CHINA

- China-US Climate Cooperation
- Low-Carbon Policy Development
- Renewable Energy Toolkit Development
- Green Finance Pathways for Policy Banks
- Supporting Chinese Enterprises to be Environmentally Responsible Overseas
- Ivory and Wildlife Products Trade Governance
- Building NGO Storytelling Capacity
- International Exchange on Renewable Energy
- Citizen Science in Rural Villages & Urban Settings
- Earth Day & Environmental Education Initiatives

ASIA (MYANMAR, CAMBODIA, LAO, PDB, SRI LANKA)

- Bamboo Sector Development and Forest Conservation
- Chinese-Myanmar Forest Governance collaboration
- US-China Climate Leadership in Least Developed Countries
- Establishing Myanmar Environmental Innovation Fund
- Low-Carbon Pilot Zone in Gampaha Town, Sri Lanka

AFRICA (CAMEROON, DEM. REP. CONGO, MOZAMBIQUE, UGANDA)

- Improving Forest Resource Governance and Bilateral Exchange
- China-Africa Journalist Experience & Skills Exchange

- 2017 was an award-winning year.**
GEI was honored to win the **GRAND PRIZE** of Ford Motor Company Conservation & Environmental Grants Award and be one of 10 recipients of the **ALXA SEE Ecological Conservation Grants Award**.
- We expanded our impact along the Belt and Road.**
Our Energy and Climate Change Program and Ecosystem Conservation & Community Development Program launched their 1st projects overseas, in Sri Lanka and Myanmar, respectively. We also launched a new project rooting out loop-holes along the supply chain of illegal wildlife products trade.
- We grew our capacity to make change in China and abroad.**
We launched the Global Environmental Innovation Fund (GEIF), a sub-granting platform aiming to support NGOs in China and overseas. We are already supporting more than 20 NGOs in China and Myanmar.

We are grateful for your support and look forward to working with you in 2018!
Jiaman JIN, GEI Executive Director

2017 Financial Report

BUSINESS ACTIVITIES			
January 1, 2017 - December 31, 2017 (unit: RMB)			
	Unrestricted	Restricted	Total
Income			
Donations	42,754,476.23	0.00	42,754,476.23
Services	790,628.00	0.00	790,628.00
Investment Returns	0.00	0.00	0.00
Other	179,558.48	0.00	179,558.48
Total	43,624,662.71	0.00	43,624,662.71
Expenditures			
Operating Costs	12,978,334.63	0.00	12,978,334.63
Fundraising Costs	0.00	0.00	0.00
Other Expenses	68,297.31	0.00	68,297.31
Total	13,046,631.94	0.00	13,046,631.94
Change in Net Assets	30,578,030.77	0.00	30,578,030.77

BALANCE SHEET			
January 1, 2017 - December 31, 2017 (unit: RMB)			
	Beginning of Year	End of Year	
Assets			
Capital Assets	21,818,434.49	39,397,764.03	
Fixed Assets	270,905.73	272,224.06	
Total Assets	22,089,340.22	39,669,988.09	
Liabilities			
Short-Term Liabilities	11,566,690.96	1,542,493.12	
Long-Term Liabilities	0.00	0.00	
Total Liabilities	11,566,690.96	1,542,493.12	
Net Assets			
Unrestricted Assets	6,417,881.24	37,728,251.89	
Restricted Assets	0.00	0.00	
Total Net Assets	6,417,881.24	37,728,251.89	
Total Liabilities & Net Assets	22,089,340.22	39,669,988.09	

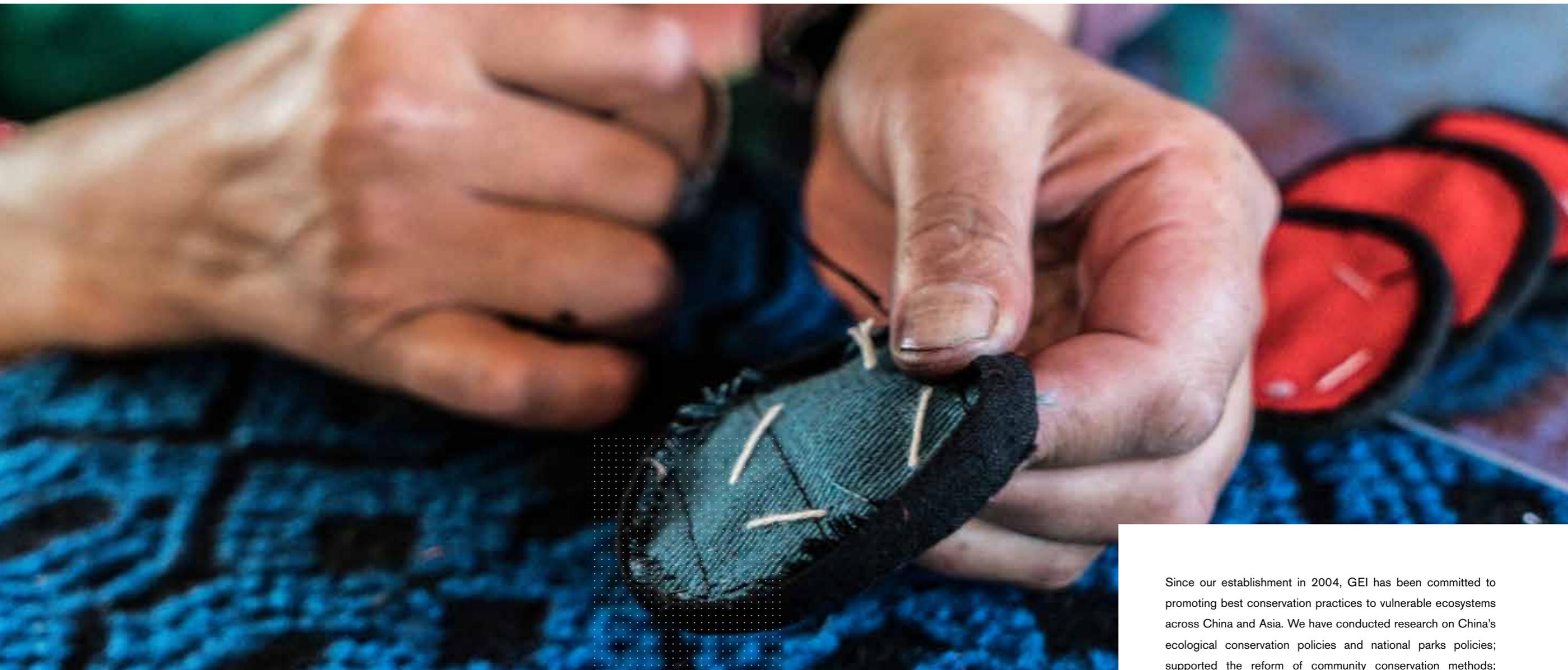
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4 Overview of Our Work

Impact Areas:

- Community-Driven Conservation Grew & Expanded Globally
- Low-Carbon Development Made Feasible & Science-Based
- Key Trade Sectors Improved to Deal with Key Environmental Issues

Heavenly views like these are typical of Emucuo Village, one of GEI's
Community-based Conservation Project Sites.
© GEI, 2017



Achieving Development & Conservation Across Ecosystems

Handicraft Cooperative in Emucuo

Members of a GEI-supported handicraft cooperative in Qinghai province weave Tibetan style bags. These women are not only wives and mothers but also passionate conservationists and entrepreneurs.

© GEI, 2017

Since our establishment in 2004, GEI has been committed to promoting best conservation practices to vulnerable ecosystems across China and Asia. We have conducted research on China's ecological conservation policies and national parks policies; supported the reform of community conservation methods; managed pilot projects in key biodiversity areas; and introduced sustainable methods for rural community development. In 2017, this work cumulated with us introducing and localizing the internationally-recognized Community Conservation Concession Agreements (CCCCA) protocol in China as well as expanding the CCCC to Myanmar for the first time

Community-driven Conservation in China

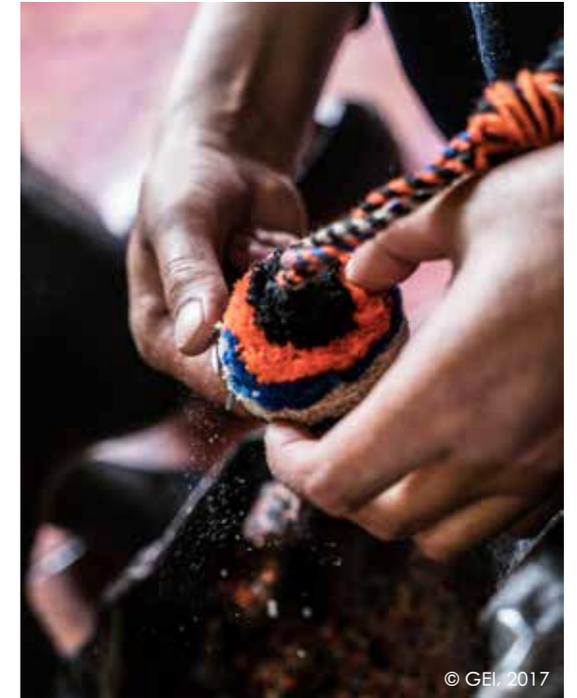
Qinghai, China



A woman in Emucuo Village participates in the trash pick-up efforts
© GEI, 2017

2017 marks the launch of China's National Parks policy, an achievement that culminates several years of research on national parks' best practices, including on-the-ground research across China, comparative research with leading parks systems across the globe and more. China's policy is a clear improvement in conservation methods because it incorporates diverse and pluralistic protection methods, including GEI's CCCA! In 2017, our community driven conservation efforts in China continued to serve as exemplary models for community-driven conservation.

Sanjiangyuan, "China's Water Tower", is Asia's most important water source and sustains more than 600 million people's livelihoods. Climate change threatens the stability of the water, plants, animals and local people. Motivated by the degrading environment and accumulation of trash, several leaders of local yak herding communities have been actively working with GEI to improve their environmental conservation methods and get more villagers involved in the efforts.



© GEI, 2017

So far, GEI has used the CCCA approach to protect over 23,583 acres in Sanjiangyuan. Our expert support has enabled local herders to carry out a variety ecological projects including large scale trash pick-ups, ecological patrol and water quality monitoring using innovative citizen science techniques. This year, one village alone conducted three volunteer trash patrols and collected around 200 sacks of garbage, as well as continued to monitor 4 tributaries at 9 water testing spots.

To financially support their community protection and development efforts, GEI experts helped local herders and craftsmen establish handicraft cooperatives. Last year, Half Light Women's Cooperative, which is run entirely by women in Emucuo village, made a profit of 183,800 RMB (28, 571 USD), with all profits going back to the community and 5% of which specifically supporting environmental protection.



Apricot plum is a fruit tree that not only has environmental benefits but can also bring income to the farmers.
© GEI, 2017

Community-driven Conservation in China

Ningxia Hui Autonomous Region, China



© GEI, 2017

At the heart of the Xihaigu (西海固) area, Yunwushan stands uniquely as a green oasis, serving as a sanctuary for people and animals among an otherwise barren Loess Plateau. However, local communities were excluded during the original preservation of this land, which created a general mistrust of conservation efforts among herders. GEI helped to implement the CCCA approach, which brought locals and the government officials together to protect these precious 732 acres.

Since 2011, GEI has been helping to support the locals transition to a more sustainable way of life by raising animals in barns and farming profitable crops like red plum and almond flax. This year, we continued to improve the

community's microfinance fund, which aims to double the income of residents by giving interest-free loans for three consecutive years. These efforts all aid the protection of rare birds and enable the community to reverse some of the devastating impacts of desertification.



Protected

5856

acres of Grassland in Ningxia's Yunwushan Conservation Area



© GEI, 2017

China Community-based Conservation and Development Fund

Western China



Desertification across Western China can improve with the right planting and ecosystem management
© GEI, 2017

GEI and China Green Carbon Foundation jointly initiated the China Community-based Conservation and Development Fund in 2015. This fund aims to promote the CCCA methodology in western China, thereby supporting innovative models and approaches that address conservation and development challenges at community level. In 2017, the Fund leveraged USD \$264,711 of match funding to support 20 Chinese organizations working in western communities to achieve conservation and development targets as well as enhance the community's capacity for climate adaptation.

Together, the 20 projects cover around 5,000km² of critical ecosystems including wetlands, grasslands and forests, which are home to endangered species such as Przewalski Gazelle, Yunnan snub-nosed monkey, snow leopard, bharal, argali and wild yak. The Fund will continuously explore innovative approaches for ecological conservation and community development with Chinese environmental organizations.



Approved

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NGOs to Join the Community-Based Conservation & Development Fund



The Community-based Conservation and Development Fund helps herders lead better lives.
© GEI, 2017

Community-based Conservation in Myanmar



GEI's work in rural villages in Myanmar address conservation & development, including supporting the local schools.
© GEI, 2017

Myanmar, home to mangrove forests, mahogany and the endangered Bengal Tiger, is ranked second on the list of countries' most vulnerable to climate change. In 2016, GEI launched our pilot community driven conservation project in Myanmar, which is not only our ECCD's first overseas project but also one of the first efforts by a Chinese NGO to conduct a community-based project overseas!

During the past year, GEI has collaborated with local Burmese environmental NGOs and other international organizations to spread forest planting initiatives and clean energy technologies to 16 villages and natural protected areas. During this time, more than 15,000 people joined in the CCCA process and were able to cumulatively monitor 43 km² of protected area throughout Myanmar.

In addition to monitoring protected lands, we also established 10 acres bamboo gardens and 5 acres of coffee gardens as future means for community income. GEI's experts also facilitated the development of 1-year small loans to support impoverished families to raise piglets. The loan's accrual funds community environmental protection and the construction of hospitals and schools.

GEI uses our local experience in Myanmar to integrate community conservation with the expansion of South-South Cooperation sustainability efforts. China's South-South



©GEI, 2017



Location of GEI's Community Bamboo Forest
©GEI, 2017

Cooperation Fund donated 3.3 US million dollars in 2017 to provide 10,000 clean stoves and 5,000 household solar lights to Myanmar, from which, 300 clean stoves and 300 household solar lights were distributed to our project communities. In February, China's Special Representative for Climate Change Xie Zhenhua and the United Nations Alliance of Clean Stove Consultants visited GEI's pilot community in Myanmar.

Our work abroad aims to be ahead of the curve as China develops a comprehensive overseas investment plan. We hope that our overseas work can serve as a model for other Global South countries to adopt for sustainable development.



Low-Carbon Development Made Feasible & Science-Based

With its rapid economic growth largely powered by fossil fuels, China became one of the world's major greenhouse gas emitters. However, the country is currently pivoting to a new title, leader in renewable energy! Ensuring that China's continued growth and international work is environmentally sustainable is a pillar of GEI's expertise.

In 2017, GEI continued to promote quantitative tools for low-carbon policies in various provinces and cities in China. We also analyzed China's coal power project investment in countries along the "Belt and Road" initiative. In addition, we conducted research on green finance and policy banks and proposed feasible solutions for low-carbon development in China and other developing countries.

Renewable Energy Implementation: Guangdong, China



©JLL Real Views

Low-Carbon Development Toolkit

Since 2008, GEI has led more than 17 Chinese provinces and cities down a 'green' development path by helping over 2,000 policy makers and experts create more robust low-carbon policies. These policy makers and experts are trained on our Low-Carbon Development Toolkit's workbooks, policy templates, etc. This toolkit makes policy making concrete and lets experts see the quantitative economic results and environmental impacts of a policy.

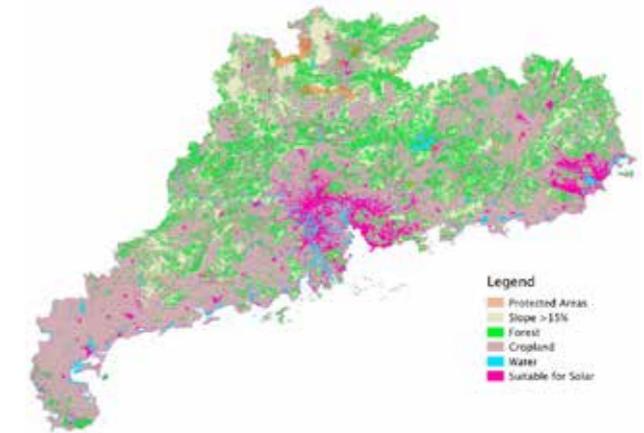
Our work is far from done. In 2017, we tested our own limits by sharpening our capabilities to measure the policies for China's economic development zones (EDZ) - regions designed to invite foreign investment. While EDZs are instrumental for China's growth, they can be problematic for green goals. GEI along with trusted partners, the Center for Climate Strategies (CCS), Institutes of Science and Development - Chinese Academy of Sciences (formally CAS-IPM), Guangzhou Institute of Energy Conversion - Chinese Academy of Science (GIEC), believe that EDZs can actually set a strong precedent for low-carbon development if they have robust renewable energy policies.

Throughout 2017, our team analyzed EDZs' potential for using renewable energy - like solar panels, biomass conductors and more - and to what extent these tools can reduce the EDZ's and China's carbon footprint.

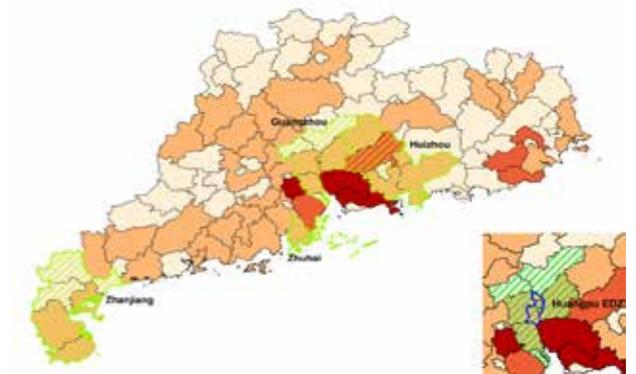
We began our work in Huangpu EDZ in Guangzhou, and created a new Toolkit called Renewable Energy Implementation (REI) Toolkit with CCS and GEIC.

By using the REI Toolkit, our three institutes completed a pilot for a 320 mega-watt (MW) industrial rooftop solar photovoltaic (PV) program in the Huangpu EDZ. The pilot requires about 130 individual projects, each with an estimated average of 2.5 MW, that will be concentrated in the Sino-Singapore Knowledge City (155 MW) and the Yunpu Industrial Park (70 MW).

The Huangpu EDZ pilot is just a first step and we continue to build up the REI Toolkit's geographic scope, renewable technology plans and business models. Moving forward, we hope to scale out the REI throughout Guangdong Province, other EDZs in China, and even along the Belt and Road.



Solar resource assessment for Guangdong Province and Huangpu EDZ pilot region. The different colors indicate topography.



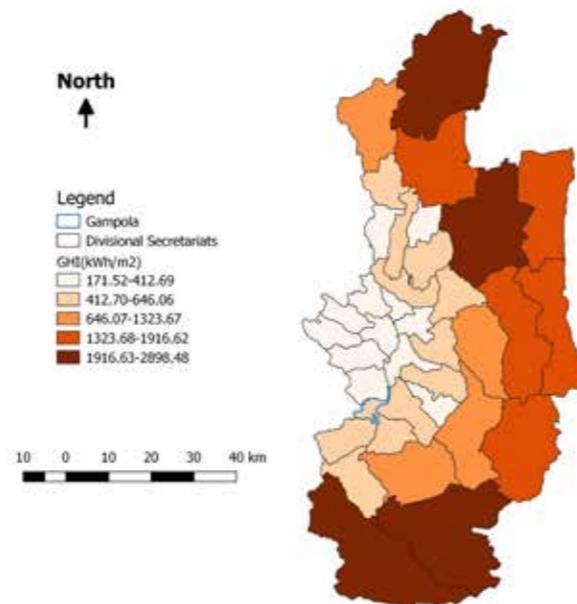
Solar resource assessment for Guangdong Province and Huangpu EDZ pilot region. The darker coloring indicates higher potentials for solar energy.

South-South Cooperation for Climate Change

Sri Lanka Low-Carbon Demonstration Town

As a key country along China's Belt and Road Initiative, Sri Lanka's sustainable development could set a positive precedent for Chinese outbound investment to other developing countries. However, only 4% of the country's electricity came from renewable sources as of 2017 – a sobering reality considering Sri Lanka pledged a 20% reduction in green house gas emissions by 2030.

As GEI has repeatedly demonstrated, development need not come at the expense of environmental protection and China has great experience to share for how to transition to a more sustainable growth model.



Solar resource assessment for Sri Lanka

Orange Tea Field, Gampola

The 1239m² Orange Tea Field in Gampola is now fitted with 400 PV solar panels, which can generate 500kWh of renewable energy.

In the end, we proposed the following 3-part plan for Gampola to become Sri Lanka's first low-carbon demonstration town: first, solar lights strategically located over 22,670m² can accumulate about 2.0MW, second, mixed-source biomass power can accumulate nearly 5.50MW; and third, green travel can support local and national development. This work of quantitative policy analysis, cost-benefit analysis and finally conducting pilot projects, internationally expands our track-record of renewable energy planning in China's special economic zones and exemplifies productive South-South Climate Cooperation.

In addition to sharing our work with the Chinese and Sri Lankan governments, GEI and the Sri Lanka Ministry of Mahaweli Development and Environment had the pleasure of sharing our findings and encouraging more developing countries to engage in scientific climate-change policy making at China Pavilion COP23 side-event "China Renewable Energy Development and Responses to Climate Change" in Bonn, Germany on November 9, 2017. The side event was co-hosted by GEI, The Nature Conservancy (TNC) and Energy Research Institute National Development and Reform Commission (ERI) and welcomed public, private, government and non-government participants from around the world.

GEI plans to continue the Sri Lanka low carbon demonstration project into 2018. By promoting that China and Sri Lanka work together on climate change via the South-South Cooperation, we hope to encourage that China increasingly engage in green investment in all Belt and Road countries.

In 2017, we set our sights on the Belt and Road and began promoting bilateral cooperation for China's South-South Cooperation for Climate Change '10-100-1000' projects between China and Sri Lanka. Our goal was to engage multiple stakeholders including governments, research institutions and businesses for renewable energy implementation, which could potentially culminate in Sri Lanka's first low-carbon demonstration zone.

Over the course of the year, GEI undertook a scoping project to calculate the country's past and current energy mix, and the renewable energy needs specific to Gampola Town. We used our own renewable energy implementation toolkit which includes Geographic Information Systems (GIS) to analyze Gampola's potential for solar and biomass energy as well as a cost-benefit analysis of technology implementation.



Coal Divestment along the Belt and Road

China's central government shut down factories and decorated highways to prepare for the Belt and Road Initiative (BRI) Forum in May 2017, and the 18.93 billion USD foreign infrastructure project continues to grab headlines.

GEI pulled back the curtain on some of the controversy surrounding how China is powering and financing the BRI in our report, "China's Involvement in Coal-Fired Power Projects along the Belt and Road."

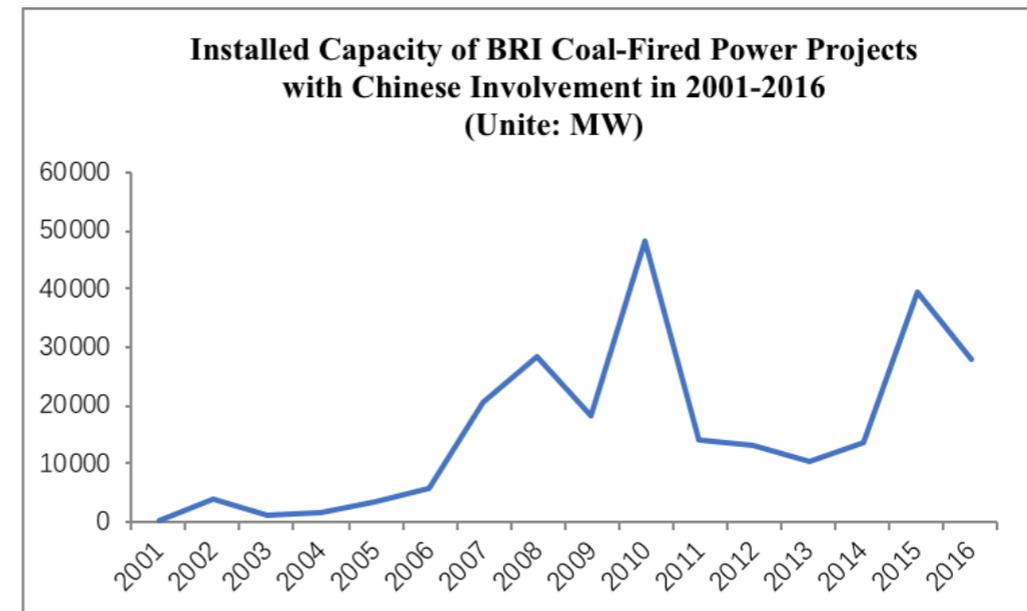
This report exposed that by the end of 2016, China had been involved in 240 coal-fired power projects in 25 of the 68 countries along the BRI. Plus, these projects have a total installed capacity of 251,054 MW.

We pointed out that if this trend continues, it might threaten the green growth of all the 68 countries involved.

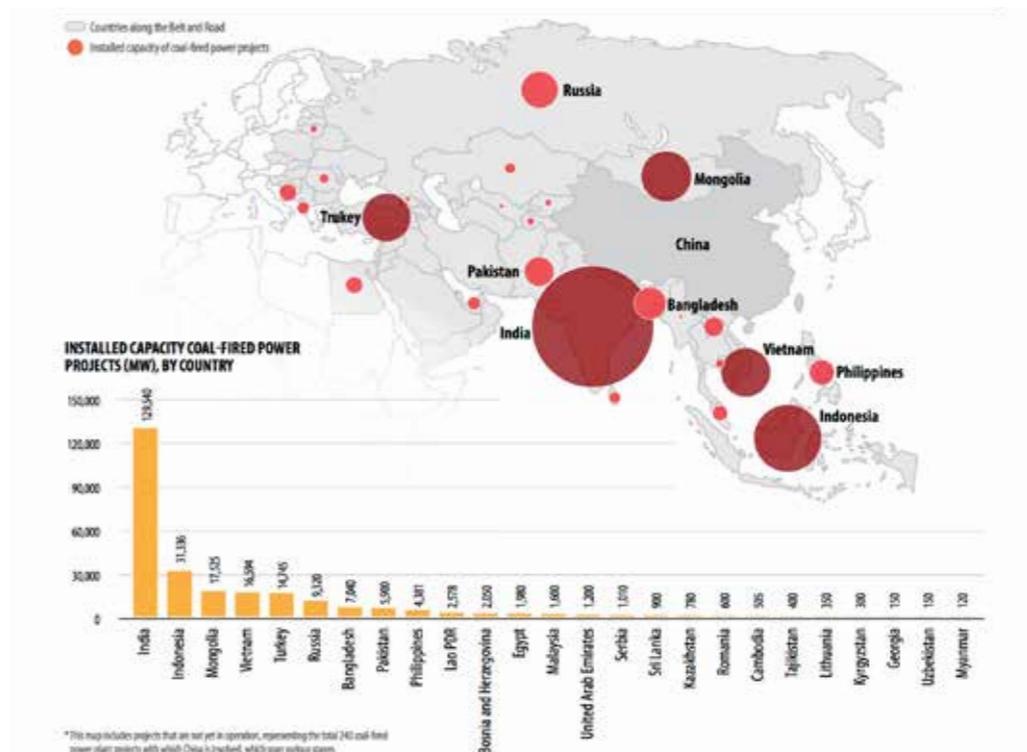
GEI is committed to following the BRI development strategy and providing research and recommendations to mitigate the negative environmental impact. This research is the first step in our method for addressing China's green development abroad. We plan to use our findings to hone our Renewable Energy Integration toolkit, which can be used to help BRI countries become less reliant on coal power. We also are researching how we can encourage banks supporting the BRI to avoid carbon-intensive projects. This green finance research is strategically proactive – if the banks favor funding low-carbon projects over carbon-heavy projects, companies will be incentivized to become more 'green.'

This work has never been more important as over 100 of these 240 coal-fired power projects are already in the pipeline (planned or signed projects) or under construction, and 114 are already in operation.

Throughout 2018, we will continue our efforts to shift China's FDI to a green development path and are grateful for the support of our partners and media platform – this report, which included collaboration from Chinese media house Caixin and China Dialogue, received numerous media mentions in top-tier publications including the Financial Times.



China's involvement in coal power projects in BRI countries, which often takes the form of contracting and equipment supply, has been increasing overall, despite large year-to-year fluctuations.



* This map includes projects that are not yet in operation, representing the total 240 coal-fired power plant projects with which China is involved, which span various stages.

Green Finance & Climate Aid

GEI is recognized for having expertise in China's overseas investment, and specifically the investment's social and environmental impact both in China and in the host country. In order to stay on the cutting edge of this topic, we shifted our focus on this topic this year to Green Finance and Climate Aid.



Green Finance

As we see it, if a project's environmental or social impact is a condition for its loan being approved, development banks become a strong gatekeeper for encouraging environmentally-sound development.

Our 2017 report "How China's Policy Banks Can Support Sustainable Foreign Investment," is a comparative study of development banks' loan approval processes. This report analyzes the standards of two Chinese policy banks, namely China Exim Bank and China Development Bank, for environmental and social compliance and low-carbon development, against those of leading international



Climate Aid

development banks like World Bank, International Finance Corporation, and Japan Bank for International Cooperation. We found that while Chinese banks have improved their environmental and social impact policies, there's still a way to go.

To share our findings and build potential solutions, we networked with diverse and influential stakeholders at meetings like the C20 and G20 in Germany. We also established the Advocacy Network for Sustainable Finance and Investment, which held its third meeting in July 2017. The Network includes CBRC, China EXIM Bank, IFC, financial research institutions, investment companies, credit rating companies, UNEP, and other NGOs working on green finance. We discussed topics ranging from information disclosure to the roles NGOs can play in investment strategy.

GEI helped facilitate one of China's major successful instances of foreign aid to Myanmar in early 2017. Unlike previous donations that were one time donations undertaken without proper research, GEI helped conduct surveys to ensure this donation followed a more appropriate and sustainable model.

We have been tracking the long-term impact of this donation model to assess its strengths and weaknesses. We shared our experience in the report, "Exploring the third-party evaluation method that applies for China's South-South Cooperation on Climate Change In-Kind" published in Spring 2017. This report highlighted the importance of working with strong on-the-ground partners and the need to continually involve the local population to regulate donation projects in the future.

Moving forward, GEI plans to leverage our success and recommendations for improving China's sustainable investments overseas. We hope that China's finance and donation mechanisms will be flagship examples for emerging market policy banks, catalyze sustainable growth and ultimately influence the lending and investment practices to be increasingly sustainable.



Colombo Port City Project, Sri Lanka

One example of Chinese overseas direct investment, the Colombo Port City Project brings issues of bilateral agreements, environmental conservation and social development to the forefront of the Belt and Road

Key Trade Sectors Improved to Deal with Key Environment Issues

Understanding the frameworks and impacts of Chinese investment abroad requires intensive on-the-ground research and investigation. Beginning with China's Going Out in 2001 and continuing with the Belt and Road, GEI has been consistently producing high-level analysis on the potential environmental and social risks of China's foreign investment and working with major domestic policymakers and international partners to create sustainable safeguards. In 2017, our experts worked with governments and businesses to help reduce deforestation, support local sustainable development and jointly combat illegal timber and ivory trades.

China Africa Forest Governance

China Africa Forest Governance

In 2014, GEI launched the China-Africa Forest Resources Management Project, which aims to increase African countries' forest management capacity and to promote cooperation on issues such as timber trade laws in Africa and the development of sustainable processing industries.

China-Cameroonian Bilateral Talks

In August 2017, GEI accompanied Dr. Wang Yi, Standing Committee Member of the NPC, to launch a six-day bilateral exchange on sustainable investment and trade in Cameroon.

Sustainable Forest Management

From October 23 to October 25, 2017, GEI attended the 4th International Learning Exchange Conference of China-Africa Forest Management Learning Platform and visited a Chinese forestry company in Mozambique and a Chinese-funded wood processing company.



The fact that 75% of Africa's timber is exported to China raises concerns for the growth of forests and for local communities.

GEI's China-Africa Forest Governance project works with international and domestic agencies to address forest governance between China and Africa. Our project aims to achieve improved policy and investment practice in China and Africa and to foster good stewardship of forest resources that benefits local communities. In order to accomplish these two goals, our efforts must be focused on each of society's four estates: government, business, media and public.

Facilitated New Government Cooperation

Without government support, fortifying customs and import-export laws is impossible. In 2017, we facilitated the first-ever visit between Chinese government officials and Cameroon's parliament. These officials discussed forest governance, sustainable development and environment protection, as well as shared their perceptions of Chinese investment in Cameroon. Outcomes from this meeting will help support future cooperation for forest governance and our ongoing research.

Build Bridges for Better Business

Throughout 2017, GEI spent time on-the-ground in Africa with enterprises to share how sustainable forest practices and logging ensure profits and operations over the long term.

Chinese forest enterprises are starting to get the message. At the 4th China-Africa Forest Governance Learning Platform held in Mozambique from Oct. 24-25, one Chinese CEO said it best: "Forest resources are not just wood. They are a set of dynamic resources that we should use wisely to allow African communities here to make long-term, sustainable profits."

Cultivating Stronger Media

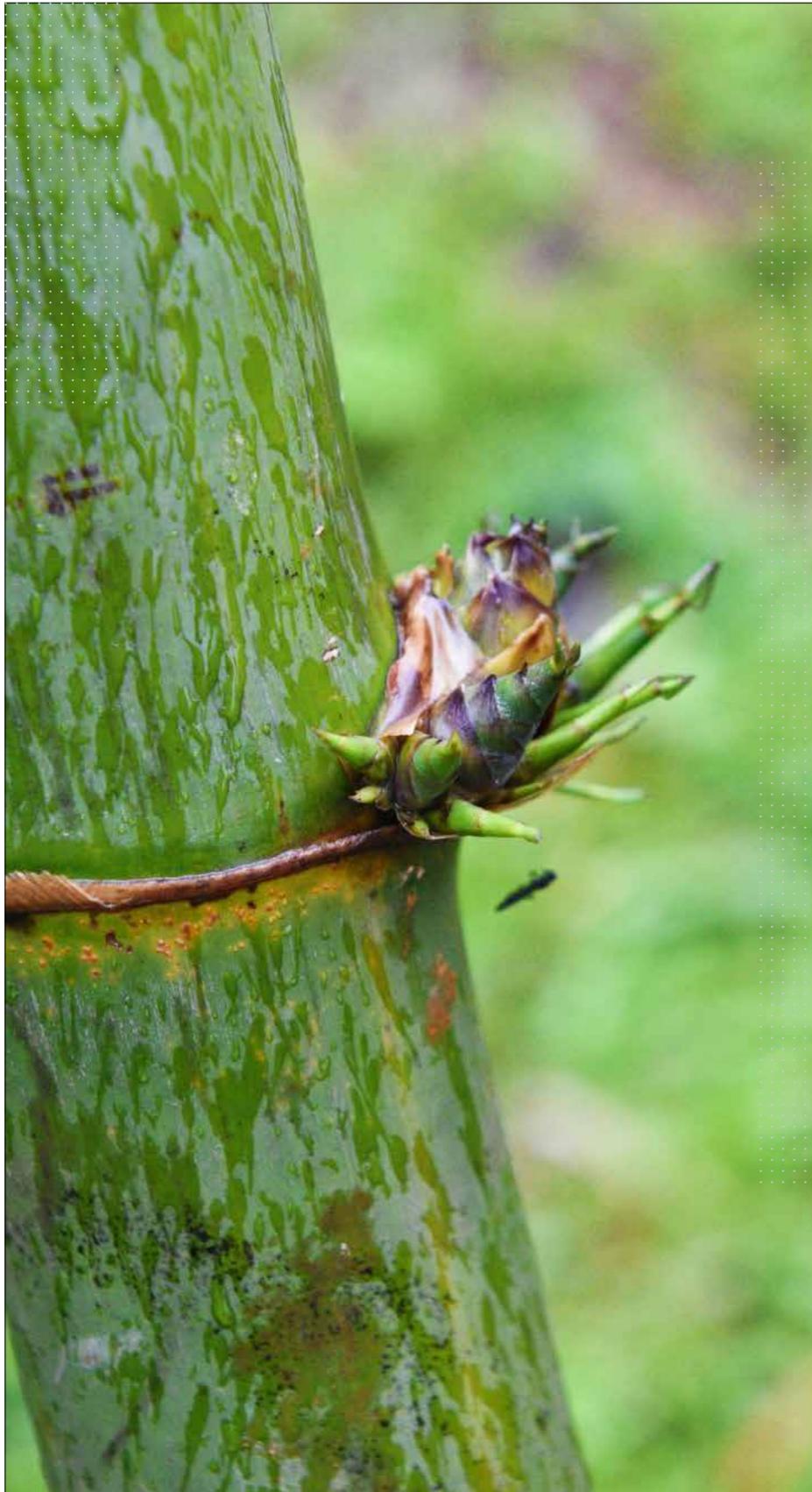
Recognizing journalism's contributions to an informed public and responsible private sector, GEI has been leading trainings for African journalists since 2015. In 2017, we continued this work with a session in Congo DRC.

In addition to building journalists' capacity for data collection and interviewing, GEI facilitated for 2 Chinese journalists to travel to Africa and report. To share the need for better media coverage on timber trade legality and environmental issues in Africa, we hosted a public journalist salon in Beijing in December.

Empowering the Civil Society

The core of forest governance work is ensuring that local communities are protected and heard. Each instance of our work in 2017 involved the local civil society organizations: CSO representatives in Cameroon met the Chinese government official in August; they led workshops and shared their experiences working with enterprises at the Learning Platform in Mozambique; and, finally, we hope they can benefit from improved forest governance reporting and get involved.





GEI's Myanmar Community
Bamboo Forest Project
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Myanmar's forest cover was decreasing at record rates – from 60% in the 1960s to 40% in 2013 – until 2015, when improved laws on both the Myanmar and Chinese side went into effect. Now, the illegal timber trade flows into China are shrinking and government officials are working together.

GEI has been actively involved in curtailing Myanmar's deforestation. We have facilitated bilateral closed-door and high-level meetings between government representatives from 2014 to the present, published two investigative reports in 2015 and 2016, and also taught rural communities sustainable methods for wood cultivation methods.

However, illegal trade with China and other Southeast Asian countries is only one reason for Myanmar's deforestation: the changing wood cultivation system and increased use of firewood are also causing the forests to shrink. Beyond stopping deforestation and encouraging reforestation, Myanmar needs to explore other energy sources if sustainable timber practices are truly the way of the future.

In 2017, GEI continued our work to assist Myanmar in establishing sustainable growth strategies and collaborations with China to this effect. Specifically, we built on our two-year project to support the Myanmar Government and Business sector to explore one of the countries' most prolific and useful resources, bamboo. While Myanmar has 200 million hectares of bamboo forests at its disposal, it lacks knowledge in bamboo cultivation, management and utilization.

GEI recognized that building up Myanmar's bamboo sector was a perfect opportunity for China – a way to engage in knowledge exchange and support a neighboring developing country in achieving a green future. We also knew that to be successful, the work needed to be dual-pronged: Government - to - Government (G2G) and Business - to - Business (B2B). Through research collaboration, business exchange, government exchange and other trainings, we are hopeful for Myanmar's green future.



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Myanmar Timber/Bamboo

Highlights of G2G Achievement:

- Facilitated meetings between primary stakeholders in China's and Myanmar's timber and bamboo sectors including, China's SFA, Myanmar's MoNREC, China Bamboo and Rattan Center, INBAR and more;
- Invited four officials from MoNREC to attend and receive theoretical and technical training in cultivation and utilization of bamboo at China National Bamboo Research Center (CBRC), and helped build connection with the Myanmar government.
- Encouraged MoNREC to apply for China's foreign aid for bamboo sector, based on an MOU signed between China and Myanmar on the Forestry sector.

Highlights of B2B Achievement:

- From October 20-24, 2016, CBRC received a Myanmar delegation of six members representing bamboo business associations, private sector enterprises and three NGO practitioners. With GEI's coordination, the delegation visited the CBRC and bamboo processing enterprises in Zhejiang and Anhui provinces to learn Chinese technologies and business models.
- Conducted a field survey and prefeasibility study for business plan in Myanmar. The survey evaluated Myanmar's bamboo resources, harvesting model and product processing situation, which provided commercial prefeasibility information to Chinese counterparts.

Next steps:

In order for bamboo to become a fully integrated part of Myanmar's sustainable development, the government and business parties on both sides must continue to cooperate and share resources. Moving forward, GEI intends to intensify the communication between the Myanmar and Chinese governments and find new opportunities for funding. We also will work with the Myanmar enterprises to better understand their needs for bamboo cultivation.

Illegal Ivory Trade



China's demand for wildlife products has contributed to a rapid development of illegal ivory and endangered species' trades. Therefore, actions taken by the Chinese government - especially the 2018 ban on ivory trade - will be increasingly crucial to global efforts combating illegal wildlife trade.

GEI's new project on illegal ivory and wildlife research aims to identify gaps in the policy implementation of China's upcoming ivory trade ban and prepare for policy monitoring.

Over the course of 2017, we researched how the mammoth ivory trade may affect the effectiveness of China's ivory trade ban in the long run. Specifically, since mammoth ivory sale is not prohibited by ivory ban, it's likely that mammoth ivory trade could be used as a cover for illegal ivory laundering. The two main research projects undertaken in 2017 were a field comparison between online stores advertising current mammoth sales and their actual existence in Beijing; and policy recommendations for how to utilize technology, specifically 'big data' analysis and social media, to identify current and future illegal trade hotspots.

Our research is proactive: by tracking mammoth sales we can anticipate potential supply chains for illegal ivory or other wildlife. It is also modern: the rapid development of online platforms in China has made the internet a breeding ground for illegal wildlife trade. Thus far we have concluded that customers and traders use social networking websites and other trading platforms to avoid or evade law enforcement.

On October 29, 2017, GEI was fortunate to be invited to attend and share research findings at the 'Seminar on the Theory and Practice of Endangered Wildlife Conservation Law Enforcement' in the Nanjing Forest Police College. In addition to the Supreme Prosecutor's Office and Custom's anti-smuggling systems personnel, the national and local leaders within the forest public security agencies, and around fifty teachers in related fields from Nanjing Forest Police College attended the seminar. We presented innovative tech-based ways to research the trade and roles that non-governmental organization can play in strengthening cooperation between law enforcement units.

Moreover, our analysis of the mammoth ivory trade showed that many loopholes may let illegal ivory enter the market through the legal mammoth ivory supply chain: these loopholes include unclear legal definitions, incoherent governance and weak law enforcement.





5 Building Strategic Partnerships

In 2017, GEI continued to cooperate with domestic and foreign civil society organizations, foundations, NGOs, enterprises and individuals. We held a series of seminars, lectures and salons, which put the challenges of sustainable development at center stage. Our events shared the experience of non-governmental organizations after the “Going Out” policy, conservation in Sanjiangyuan as well as future development directions of Chinese environmental journalism in Africa.

In the past year, we cooperated with a range of schools to organize environmental education workshops and courses for students of various ages, backgrounds and majors. In addition, we also held a series of public events in Beijing to engage in environmental conversations with members of our community.

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Voices from Sanjiangyuan: Stories of Conservation and Development Straight from the 3-Rivers Source

On November 15, 2017, we hosted the “Voices from Sanjiangyuan: Stories of Conservation and Development Straight from the 3-Rivers Source” at The Great Outdoors Bar on Beijing’s Fangjia Hutong. Suonan Zhuoma, pictured above, was one of the leading characters of this sharing session.



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Critical Community Members: Empowering and Supporting Fellow NGOs



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Left: GEI cooperated with Chinese civil society organizations to discuss the sustainable development of China.

Right: GEI, NGO partners in Myanmar and representatives from Ya Gyi community pose in front of a 10-acre bamboo plantation.

NGOs Going Global

In January, China released its first Foreign NGO Law, which outlined new regulations on foreign NGOs and foundations' activity in China. As a Chinese NGO with international partners, GEI has a unique perspective on the law and its impact on the Chinese civil society.

Following our "China's NGOs Going Global" report release in February, GEI hosted expert panelists to debate the role of Chinese NGOs in China and abroad as well as the development of China's NGO sector. From GEI's point of view, NGOs have niche abilities and knowledge to support China's sustainable development in the future. We're eager for the new opportunities to work with international partners in China and abroad.

Myanmar NGOs

Our ECCD Program started training four local Burmese NGOs to work with 16 communities on monitoring local forests and biodiversity areas through patrolling and data recording. This is our ECCD's first international CCCA promotion project!

These NGOs also help their communities develop sustainable business through our CCCA method: the NGOs improve quality of life by establishing community microfinance fund and distributing renewable energy equipment.

In 2018, this project will scale up to further build the capacity of the NGOs and expand the project to communities living in key biodiversity areas. We hope that more NGOs can become professional and proficient in their environmental work, and that more critical habitats can be protected by local communities!



Recycled Fashion Show: Beijing World Youth Academy

GEI was honored to work with excellent students from Beijing's universities and international schools this year.

6 high-school fashionistas from Beijing World Youth Academy were inspired by our Qinghai project to put on a 'recycled' material fashion show, which raised 16,560 RMB (2,546 USD) for our project site.



Environmental Education

Top Left: Modern Fashion made from recycled textiles
Top Right: The fashion of Sanjiangyuan were featured alongside the runway



Sustainability Along the Belt & Road Workshops: Peking University Yenqing Academy

Over 30 scholars in Peking University's Yenqing Academy went behind the headlines of 'Belt and Road' with GEI's special 'sustainability' focused workshop. Poli-sci and economic classes came to life as GEI experts explained how China's economic growth, financial policies and geopolitics are playing out in the world's largest overseas infrastructure project.

Experts from GEI also gave a speech and led a workshop for citizen science in China at Yenqing Academy's Sustainable Innovation Forum (Dec. 9-10, 2017). To a group of more than 40 international students, we explained the challenges and opportunities of getting every day people involved in data monitoring and even had them practice and critique this innovative methodology.

Top: GEI's Dr. Peng Kui leads a citizen science workshop
Bottom: Participants and experts of the 'Social Innovation Forum'



Environmental Awareness – Working with Key Partners

Beijing Bookworm

Beijing's favorite event space, Beijing Bookworm, was the perfect hub for our GEI events throughout 2017.

On Earth Day (April 22, 2017), GEI hosted its first ever family-friendly event! The young and young-at-heart joined in decorating pots for new mint plants on the terrace, sampling 'green' foods and beverages from local vendors, and listening to environmental experts who shared short stories and hopes for the future of the planet.

Then, in late December, over 80 people gathered at the Beijing Bookworm for "See Africa Through Journalist's Eyes: China-Africa Journalist Salon" hosted by GEI. Three Chinese journalists whom have reported from several African countries including Namibia, Congo (DRC), Mozambique, and Kenya.



©GEI, 2017

Top: Over 200 Beijingers of all ages participated in our 2017 Earth Day event.

Bottom: On Dec. 21, GEI hosted the "See Africa Through Journalist's Eyes: China-Africa Journalist Salon".



©GEI, 2017



©GEI, 2017

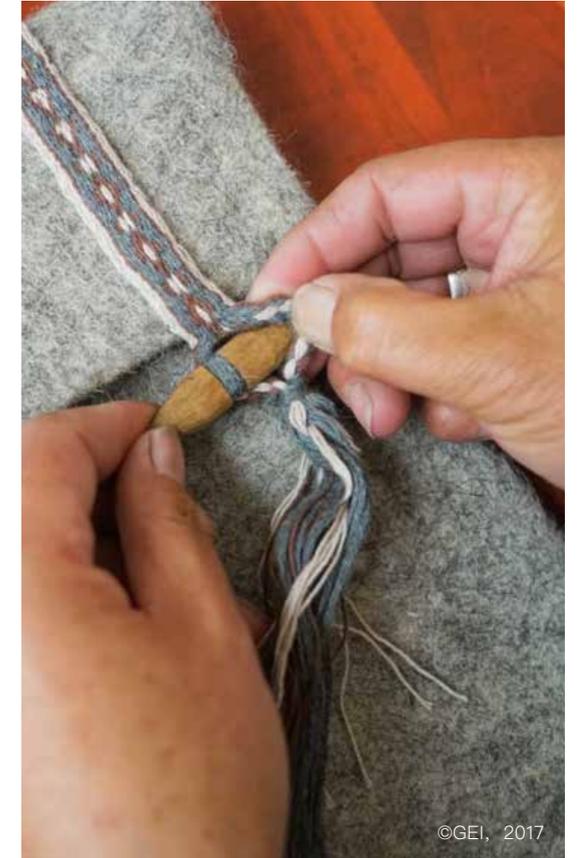
Juice By Melissa

Local cold-pressed juicer, Juice By Melissa, hosts Beijing Health Week every year to encourage healthy living and sustainable habits.

Honored to be the official NGO partner for the Fall 2017 Beijing Health Week, GEI received a percentage of proceeds from the Opening Ceremony ticket sales. To support Juice by Melissa and the other participating organizations, we also worked with fitness experts to write blog articles about how your healthy habits (like biking) are also good for the planet!

Left: GEI External Relations Coordinator speaking at Beijing Health Week's Opening Ceremony

Right: Handmade products from GEI community project site in Sanjiangyuan.



©GEI, 2017

Beijing Farmer's Market

By bringing the rural bounty to our urban environment Beijing Farmer's Market helps support sustainable agriculture and rural-urban mutual aid. Located a short walk from GEI's office in Beijing, this market created the perfect opportunity to get involved in the local community.

In the second half of 2017, GEI staff and volunteers worked together to sell our local handicrafts from Qinghai Province at the Market every Tuesday and Saturday. We helped Half Light Women's Cooperative make RMB 10,869 in total!

Environmental Awareness – Working with Key Partners



Beijing Energy Network

The Beijing Energy Network (BEN) is a grassroots community that organizes regular events and activities to build and connect environmental professionals in Beijing. From cohosting expert lectures to contributing to BEN's podcast, GEI had another wonderful year cooperating the Beijing Energy Network.

GEI and BEN collaborated to host "Stories from the Rivers Source" (Nov. 21, 2017), a story-telling night featuring our Ecosystem Conservation and Community Development team members. This was a special opportunity for our community to hear first-hand accounts of the conservation efforts to protect one of China's pilot national park sites, Sanjiangyuan 三江源.



Opposite Left:
GEI facilitates for the Sanjiangyuan crafts to be sold at Nagqu, a boutique, on Beijing's fashionable Wudaoying Hutong.

Environment China

GEI was pleased to collaborate with BEN for the inaugural year of Environment China, a bilingual podcast featuring stories of environmental action in China. In addition to having our experts featured on two episodes, some GEI people volunteer for the podcast production effort!

Dr. Kui Peng (GEI) & Elizabeth Tyson (Wilson Center) discussed citizen science, and Ji Lin (GEI) discussed the role of NGOs in China's green future.



6 Financial Report

BUSINESS ACTIVITIES

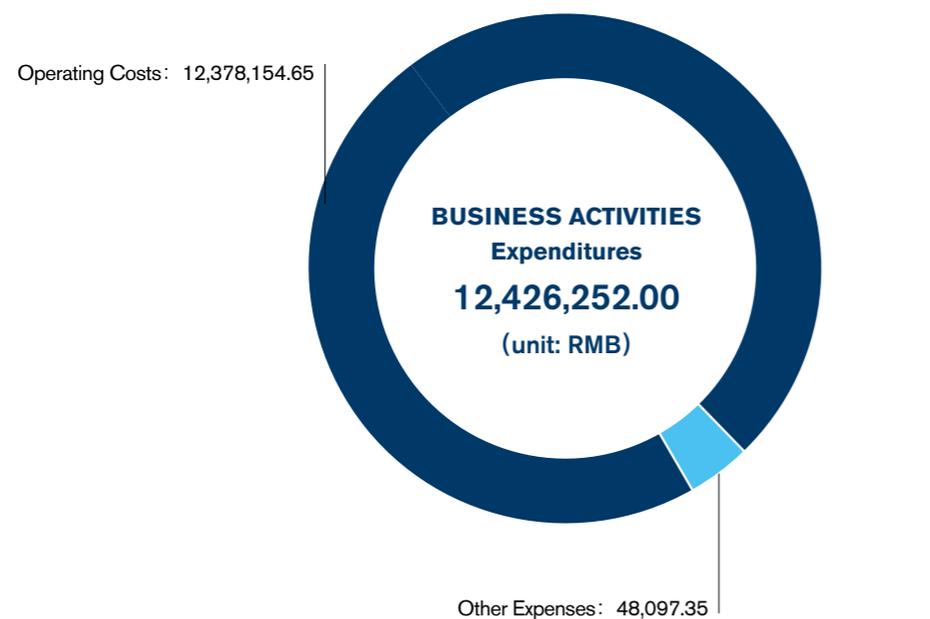
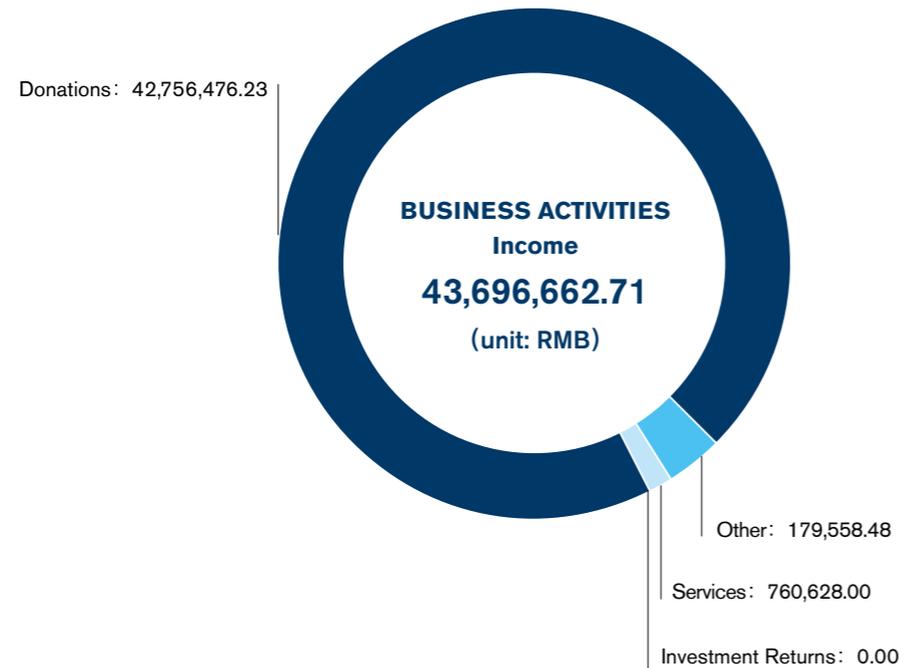
January 1,2017-December 31,2017 (unit: RMB)

Income	Unrestricted	Restricted	Total
Donations	42,756,476.23	0.00	42,756,476.23
Services	760,628.00	0.00	760,628.00
Investment Returns	0.00	0.00	0.00
Other	179,558.48	0.00	179,558.48
Total	43,696,662.71	0.00	43,696,662.71
Expenditures	Unrestricted	Restricted	Total
Operating Costs	12,378,154.65	0.00	12,378,154.65
Fundraising Costs	0.00	0.00	0.00
Other Expenses	48,097.35	0.00	48,097.35
Total	12,426,252.00	0.00	12,426,252.00
Change in Net Assets	31,270,410.71	0.00	31,270,410.71

BALANCE SHEET

January 1,2017-December 31,2017 (unit: RMB)

Assets	Beginng of Year 1/1/2017	End of Year 12/31/2017
Liquit Assets	21,818,616.49	39,067,760.03
Fixed Assets	195,955.73	191,024.04
Total Assets	22,014,572.22	39,258,784.07
Liabilities	Beginng of Year	End of Year
Liquid Liabilities	15,566,690.98	1,540,492.12
Long Term Liabilities	0.00	0.00
Total Liabilities	15,566,690.98	1,540,492.12
Net Assets	Beginng of Year	End of Year
Unrestricted Assets	6,447,881.24	37,718,291.95
Restricted Assets	0.00	0.00
Total Net Assets	6,447,881.24	37,718,291.95
Total Liabilities & Net Assets	22,014,572.22	39,258,784.07





Recognizing China's emerging international presence, the Global Environmental Institute (GEI) was founded in 2004 with the aim of securing sustainable development within the country's borders and abroad.

Based in Beijing, we work alongside key policymakers, businesses, scientists, civil society leaders and local communities to foster dialogue and innovative solutions to protect the environment and enhance economic opportunity within China as well as in South East Asia and Africa.

Our work has grown since 2004 to meet China's most pressing issues and our staff consistently brings their talents and expertise to improve the policies and on-the-ground reality of climate change, low-carbon development, overseas investment, corporate social responsibility, forest governance, and national ecological protection. As China's influence continues to expand, communities develop and the environment demands protection, we look forward to solving the challenges that lie ahead. We hope you'll join us to work toward a sustainable, beautiful world for the future generations.

Global Environmental Institute

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