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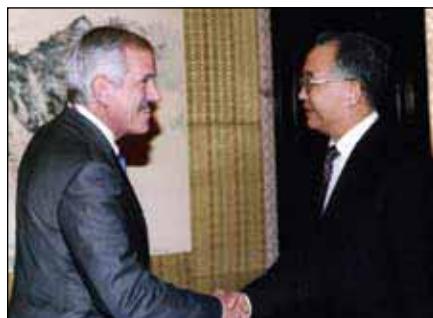
Chinese factories producing goods for the U.S. market

SPOTLIGHT ON CHINA

"I wish to express heartfelt thanks for your contributions to China's development."

Wen Jiabao

Premier, People's Republic of China



China's Premier Wen Jiabao (r.) greets our chief economist Daniel Dudek, recipient of the Friendship Award, the highest honor China confers on foreign experts.

► **ONLINE:** See TV news coverage of our China work at edf.org/friendship08



PIONEERING INCENTIVES FOR ENVIRONMENTAL PROTECTION

1991

China's National Environmental Protection Administration invites us to participate in the country's first experiments with economic incentives for pollution control.

1999

We open an office in Beijing and initiate pilot projects to cut air pollution in the cities of Benxi and Nantong.



2001

EDF is named by the State Environmental Protection Agency to help draft China's national air pollution regulations for sulfur dioxide.

2003

In the Yangtze River Delta, we help establish the first province-wide sulfur dioxide emissions trading system.



THE VIEW FROM BEIJING

"No other U.S. environmental organization has the strong reputation and breadth of experience that Environmental Defense Fund brings to protecting China's environment. Our team of ten experts in Beijing is proud to be working with such an important organization."

Zhang Jianyu
Managing director, China



AS CHINA GOES, SO GOES THE WORLD

China is roaring into the 21st century with the force of a locomotive, its economy doubling every six years. But the miracle has come at a high price: fouled air, despoiled rivers and a growing share of the world's global warming pollution.

Environmental Defense Fund recognized the challenges and opportunities early. More than 15 years ago, we engaged in what our chief economist Dr. Daniel Dudek calls "the world's biggest environmental experiment." We initiated projects using economic incentives to cut power plant pollution in several of China's cities and provinces. The areas covered by our programs now encompass one-third of China's sulfur dioxide emissions.

When a major chemical spill fouled the Songhua River in 2005, the Chinese government turned to us to help develop an emergency response system for environmental accidents. We then offered recommendations on environmental governance to better hold polluters accountable.

Now we are helping China tackle carbon dioxide. Last year, China became the world's leading greenhouse gas polluter. Working with us, the China Beijing Equity Exchange this year established an environmental commodities exchange and a registry to track emissions reductions.

Since much of China's pollution comes from factories that export goods, we launched a Green China Supply Chain Initiative. The goal is

to use the purchasing power of global retailers like Wal-Mart to improve product safety and make complying with Chinese environmental laws a requirement for contracts. Wal-Mart alone has 30,000 suppliers in China. Working with us, the retailer set a goal for its top suppliers to cut their energy use 20% by 2012.

Following recommendations of a panel co-chaired by Dudek, Premier Wen Jiabao created the Ministry of Environmental Protection, a cabinet-level post. "We're seeing in China a revolution in environmental thought," says Dudek. "We need to do everything we can to make it actually happen."

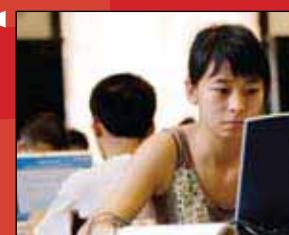


2004

China's environmental agency asks EDF to be its partner in designing enforcement mechanisms to improve compliance with environmental laws.

2005

We establish an institute with Tsinghua University to train thousands of business and government officials on economic incentives to protect the environment.



2006

We work with poor farmers in Xinjiang and Sichuan provinces to introduce farming practices that reduce global warming pollution and slow the spread of deserts.



2008

Following our recommendation, China strengthens the penalties in its Clean Water Act, and our green commuting campaign with 70 companies helps clear the air in Beijing and more than 20 other cities.