

# THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG

## Position Paper

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### United States-Asia Environmental Partnership (US-AEP) in China

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#### *The Issue*

Rapid economic growth has led to severe environmental degradation and pollution problems in China. Nowhere in Asia is the need to promote environmentally friendly technologies more evident than in China, and nowhere is the potential for positive impact through technical assistance greater.

Since June 1989, USAID funding for China has been subject to an administrative embargo by the US State Department. Effectively, this sanction selectively prohibits the use of USAID money and activities in China. The State Department has declared that US-AEP falls under this embargo.

#### *Position*

**THE U.S. GOVERNMENT SHOULD TAKE IMMEDIATE ACTION TO EXTEND US-AEP'S OPERATIONS TO THE PEOPLE'S REPUBLIC OF CHINA.**

#### *Rationale*

The Chinese government, in particular the National Environmental Protection Administration, has shown serious commitment to promoting cleaner production and pollution abatement technology within its industries, developing much needed environmental infrastructure in its cities, and drafting comprehensive environmental policy to guide its development. Following the 1992 United Nations Conference on Environment and Development, and later with the publication of China's Agenda 21 in 1994, environmental protection has been declared a national priority strategy in China for the achievement of sustainable economic development. US-AEP is poised to make a long overdue and welcome presence in China. By extending US-AEP to China, a mutual long-term relationship of trust and cooperation can be established with the dynamic and rapidly growing environmental community in China. With such a relationship, U.S. expertise can be used to assist China in promoting sustainable industry and cleaner production policy and methods. Currently, this business and environmental expertise is being provided by German, Canadian, and Japanese international aid agencies and the private sector. This assistance is clearly at the expense of U.S. firms.

The US-AEP was created with the aim of assisting Asian countries in their "once in a lifetime opportunity to pursue industrialization from a clean foundation" (US-AEP Annual Report, 1995). China is an Asian country; China has the fastest-growing economy in the world; China is and will continue to have a profound impact on the global environment; China is willing and eager to learn from, cooperate with, and engage U.S. firms, government agencies, and NGOs in its environmental protection efforts. It is thus time for US-AEP to seize its own once-in-a-lifetime opportunity to make a significant and long-lasting impact in the arena of environmental affairs, policy, and commerce in China.