

**Second Meeting of the Kitakyushu Initiative Network (Mayors' Segment)
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Actions to improve the level of environmental protection

Distinguished guests,

I am honoured to be able to attend this meeting and am glad to receive the understanding and support of UNESCAP in recognition of Taiyuan's environmental problems.

Taiyuan has a history of about 2,500 years and has also been the victim of severe pollution. In recent years, the Taiyuan City Government has placed its efforts into environmental protection. With an objective to achieve environmental standards, improvements to industrial structures and fuel conversion has been tied together and focus placed on production with consideration of the environment. In addition, Taiyuan has continued to promote international cooperation, control environmental pollution, and has actively implemented five environmental protection programmes ("increasing achievement standards for businesses, clear skies, clean water, ecology, and purification treatment").

During the period of the 9th Five Year Plan, improvements were made to urban infrastructure and over RMB 18.22 billion was invested in construction. Investment for environmental protection last year occupied 2.66% of GDP and improvements in environmental pollution were promoted. With investment of RMB 510 million, major benefits and results were obtained both socially and environmentally through the completion of the Fen River beautification project. This project received a national award demonstrating best models for the living environment, as well as the 2002 UNHABITAT Award for Best Practices in Improving the Living Environment.

Presently, Taiyuan has become a model project for ecological construction as well. Through these activities, even in its rapidly accelerating economic and social development, Taiyuan has been able to effectively control pollution emissions in the city by implementation of major policies to control the progress of environmental pollution. In this way, the overall environmental situation has improved greatly and acceptance and capacity for the urban environment has increased.

Presently, urban wastewater treatment rates are at 52%, and rates for urban centralized thermal supply, evaporation, and green coverage are 62%, 93%, and 34%, respectively. The city has achieved a natural protection area coverage rate of 20% and there have been unprecedented changes in the urban environment. Last year, the number of days that achieved the standard in air quality accounted for approximately 42% during the year, and surface ground water achieved environmental function standards. In this way, residents in Taiyuan were able to have clear skies even in winter. In the midst of continuous urbanization, environmental protection is playing an even more important role in the industrial process.

However, because heavy industries formed over a long period of time, it is difficult for Taiyuan to realize basic reform in the short term. Coal consumption and pollution emissions for production costs of RMB 10,000 per capita exceed the national average. In addition, geography also has an impact on the environmental quality and makes it difficult for the city to achieve environmental improvement.

The most serious of the environmental problems that our city faces today is industrial environmental pollution. Presently, the state of the environment and environmental capacity has not reached the level of "sustainable development." According to statistics, industrial energy consumption accounts for 80.8% of urban energy consumption and industrial coal consumption accounts for 87.8% of urban coal consumption. In this way, it is easy to see that there is a large gap with national energy consumption levels. In addition, the final energy consumption of the production volume per RMB 10,000 is 2.4 times that of the national average. This high investment, low production energy consumption structure indicates the difficulties in identifying solutions for industrial pollution and environmental improvement. In addition, secondary dust

pollution is also becoming severe. Research results from analysis of dust particles in Taiyuan clearly show that secondary dust pollution accounts for 32% of inhalation particles. Control of pollution from dust and coal particles, and material ash at factory sites is still weak and urban greening is an urgent task.

In recent years, Taiyuan has continued to search for new policies to improve the environment and identify solutions for environmental problems. The city has put efforts into international cooperation for environmental protection, and realizes the importance promoting international cooperation and effective technological and financial support in controlling the progress of pollution in the city. The outcomes from these activities are outlined below.

1. Shanxi Province received USD 100 million from the Asian Development Bank (ADB) as a loan for use in the province's air quality improvement project. In the funding provided by ADB, USD 700,000 was used as financial assistance and was put towards the development of a test project for pollution emissions trade for sulfur dioxide. Consultation was received from the U.S. Resources for the Future (research institute), U.S. Environmental Protection Agency (EPA), and a Chinese research institute for environmental science, and the project was generally completed in two years. In addition, the "Treatment and management law for sulfur dioxide emissions in Taiyuan" was promulgated by the city government and is currently in operation.

2. From a funding loan obtained from the Japan Bank for International Cooperation (JBIC), USD 100 million, Taiyuan is developing area environmental improvement projects, is devising industrial pollution countermeasures in Shanxi Province's largest industry (Taiyuan steel and iron company), and is promoting production processes that consider the environment.

3. In cooperation with the Norway Institute for Air Research, Taiyuan is carrying out research on air environmental models and atmospheric analysis.

4. Taiyuan has taken part in the China-Italy environmental joint project (energy environmental planning and research). The city has also introduced advanced technology for small-sized boilers from Italy.

5. Taiyuan has received recognition for 21st century urban planning and management from the United Nations Development Programme (UNDP). Presently, Taiyuan is actively moving forward with research related to urban planning and management and improvements to urban energy structure.

6. In participating in the China-UNDP joint project on reduction of air pollution in Chinese cities through use of clean energy technology, Taiyuan has planned and implemented a national project on clean energy. The project has entered its' second year in 2003 and the city plans to continue the project for a third year.

In this way, Taiyuan has submitted the joint project between China and Norway on urban environmental comprehensive improvement for approval. If the project is approved, RMB 400 million will be introduced into the project.

For the next years, Taiyuan's actions in environmental protection will focus on improvement of the provincial seat. With the idea of a "human basis", the city thinks that both principles of bio-diversity conservation and pollution control must be steadfastly conducted. In addition, the city must put its efforts towards aiming to develop environmentally friendly production processes, rationalization of fuel and industrial structures, and encourage the creation of a resource circulating society, while also expanding international cooperation and foreign interchange even more. Violators are severely punished and five environmental protection projects will continue to be implemented. Furthermore, basic capacity levels for urban environmental improvement will be raised. Taiyuan will put efforts into building a foundation to achieve basic environmental standards.

Taiyuan's environmental protection activities are quite difficult however the city government is determined to continue its efforts and achieve standards. In raising and setting new standards for environmental protection, Taiyuan would like to take the initiative to create an environment for the entire city.

Thank you.