

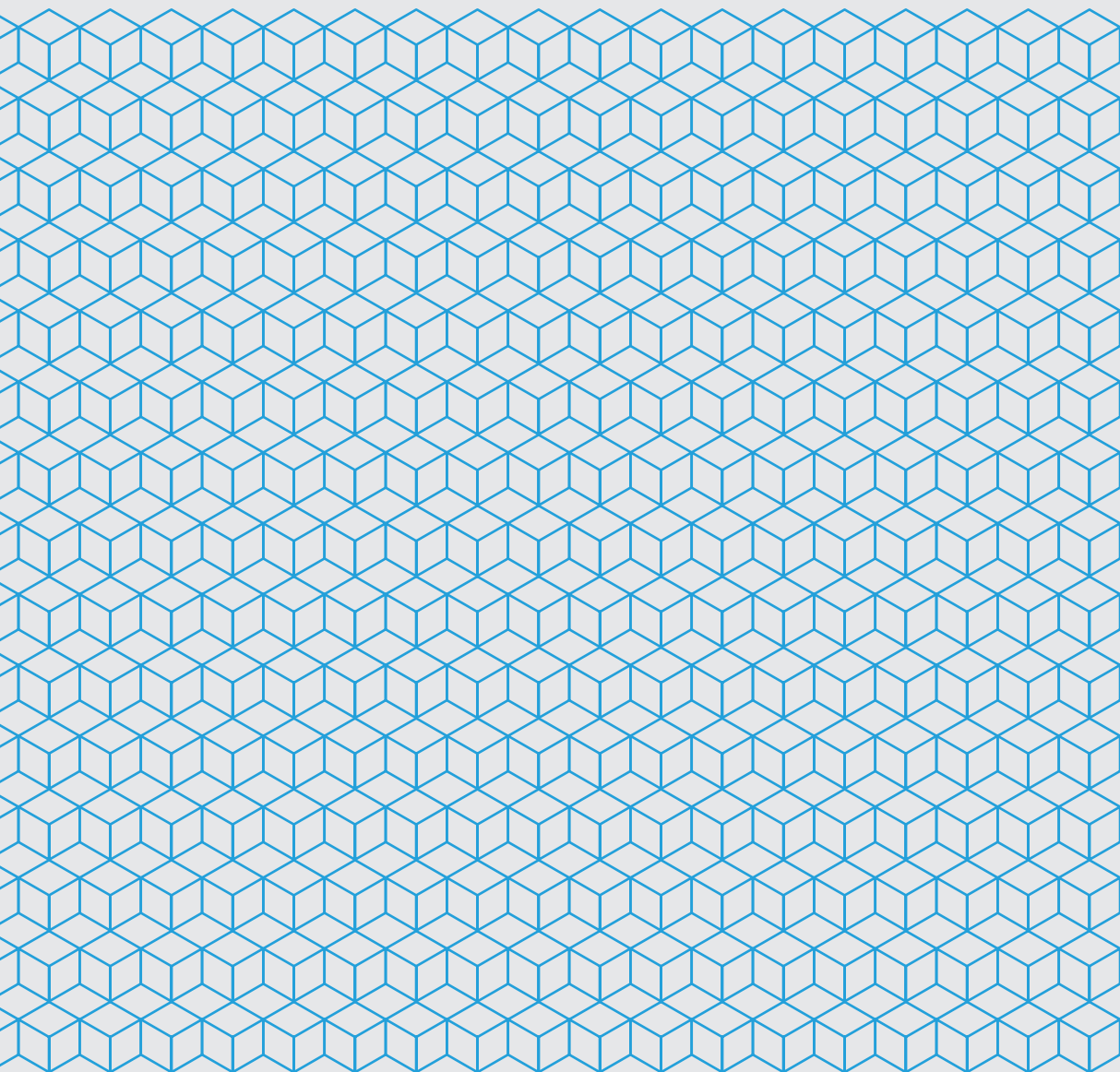


CHINA  
DEVELOPMENT  
BRIEF

# China Development Brief

BIANNUAL ISSUE

12/2020



**China Development Brief**  
**Beijing E-Share Civil Society Information Center**

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Visual Design: Beijing Xijing Advertising, LLC  
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# Acknowledgement

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When Nick Young started off China Development Brief in 1996, the organization was one of a kind. The idea was to provide periodical print publications (“briefs”) with independent reporting on civil society, NGOs and social developments in China.

Since then CDB has gone through numerous transformations, moving from Kunming to Beijing, starting “sister” websites in Chinese and English, and officially registering as a Chinese social organization in 2017. Chinese civil society has gone through at least as many changes as we have, and it is now completely unrecognisable from what it was 1996, but throughout the years we have stuck to our mission of serving this sector through our reporting and our ever-expanding database of information on NGOs in China. We are proud to remain the one and only independent Chinese platform for civil society and philanthropy.

In spite of our name, the paper briefings have long been replaced by our two websites as the main medium we use to share our material with our readers. However, we have now decided to go back to our origins and start producing periodical paper roundups of the best content that we publish online. This biannual roundup you hold in your hands includes some of the most significant and most appreciated articles published on our English-language website over the last two years. Over the following pages you will find interviews with people doing important work in the Chinese NGO sector, analysis on the state of civil society in China, contributions from external experts and profiles of Chinese NGOs doing important work overseas.

In the future we plan to publish a similar roundup every year, in the hope that it will help spread our work to more people with an interest in China’s civil society and charity scene. For now, we hope you enjoy the read!

**Gabriel Corsetti**

English Chief Editor  
China Development Brief

5<sup>th</sup> December, 2020



## Hannah Ryder: Understanding the Africa-China Relationship

2020-02-13

Gabriel Corsetti



### In Brief

*Development Reimagined is a Beijing-based consultancy which aims to help African stakeholders manage their relationship with China. Its founder, Hannah Ryder, talks to CDB about how the Africa-China relationship can be made to work for African countries, what Chinese NGOs can contribute to Africa, Chinese aid policies and much more.*

China's engagement with the African continent has gained much attention in recent years, as infrastructural and building projects carried out by Chinese firms are changing the face of cities across the continent. China is currently the largest bilateral trading partner for Africa as a whole (although the EU is even larger if taken as one). Increasing numbers of Chinese citizens are moving to African countries for work and business. Eye-catching projects like the Nairobi-Mombasa railway in Kenya, funded mainly through Chinese loans and contracted to Chinese companies, have convinced many that the relationship with China carries the potential to transform Africa.

The impact of this relationship on African countries remains an issue of contentious debate, both within Africa and internationally. It was the crucial need for people in the international development community to understand how China really works that led Hannah Ryder to move to China and start Development Reimagined.

Originally from Kenya, but raised in the UK, Hannah held a series of distinguished positions within the British civil service, working on climate change and assistance to developing countries, before moving to Beijing in 2014. What motivated her to move to China, she says, were her frequent trips back to Kenya, where she was born and lived until she was 10, and to other countries due to her work on climate change. What she saw was that all these countries were changing fast, and the one major player involved was China.

As Hannah tells me, sitting in her office in the middle of Beijing's business district, "I would speak to ordinary citizens and to government officials, and there was not a major difference between what the two groups knew in terms of how to interact and work with China. Where I was working in DFID (the UK's Department for International Development) there were very few country offices that had really reached out to their Chinese counterparts to understand what was happening, and yet China was having this huge impact on development. I thought, 'that can't be right', and so I felt the need to actually go to China and understand."

Hannah was especially interested in understanding how decision-making processes work for Chinese stakeholders. She initially found a position with UNDP, which allowed her to gain much insight into how things are structured

within Chinese officialdom. After working there for a couple of years, Hannah founded her own consultancy, Development Reimagined, which focuses on China-Africa cooperation. It is the first Kenyan WOFE (Wholly Foreign-Owned Enterprise) in China. She says she was motivated partly by the realization that there was a real demand from African governments for help to improve their relationship with China, a demand that nobody was fulfilling. She also enjoys the flexibility and creativity that come with running your own consultancy. Development Reimagined currently works on a number of projects, supporting African entrepreneurs who want to enter the Chinese market, providing consultancies to African governments and stakeholders, and producing reports and studies on various aspects of the Africa-China relationship.



*Hannah Ryder photographed in Beijing*

Hannah has some pretty important points to make about the current state of relations between Africa and China. First of all, she says, China is currently Africa's largest bilateral trading partner. However, for most African countries this relationship is mostly about importing from China, not exporting to China. This has helped people consume more, but not really expanded the local economies. Contrary to popular belief, Hannah explains that there actually isn't very much direct Chinese investment in Africa. What is very common, however, is African governments taking loans from China, and then contracting Chinese organizations to deliver the projects. As she puts it, "that is not a Chinese investment, it's an African investment". African countries tend to take loans from China because they are cheaper and more readily available.

At the same time, Hannah is dismissive of fears of African countries falling into a "debt trap". As she argues, "energy

access in Africa is well below other regions. The majority of poor people in the world are in Africa now. In so many ways, Africa is lagging behind, and it has a fast rising population. The African continent needs to make far more investment in infrastructure.” She adds that “the issue is not about a debt trap, because African countries need way more loans and debt than they have right now. They won’t reach the SDGs if they don’t take out more debt. Nothing except debt will provide it. They can’t provide it through their own taxes”.

Hannah explains that in the past African countries were forced to rely on the World Bank, which was problematic because it meant they could be pushed to move their policies in certain directions. The presence of China now gives them more options, but the problem is whether the loans are really being used in a productive fashion, and whether African governments are negotiating well and maintaining the infrastructure. “The international community should be thinking about these questions, rather than about whether there is a debt trap or not”.

Hannah also points out that China has actually engaged in debt relief to the same degree as all the other bilateral partners involved in the HIPC (Heavily Indebted Poor Countries) initiative, cancelling debt just as much as the countries of the “Paris Club” of donors, which includes all the major Western countries. There is little evidence, she says, to support the fears of asset grabbing in exchange for debt relief. What she does recommend in her advisory role is for African finance ministers to come together and discuss the loans they are getting from China, so they can learn to negotiate better and get the best loans possible.

When asked about the impact of the Belt and Road Initiative, Hannah says that the BRI did not seem to have much impact initially, but things may change soon, since the China-Africa Forum in 2018, 44 African countries signed MOUs (Memorandums of Understanding) with China regarding the BRI. She stresses, however, that for many Chinese stakeholders there is an urgent need to gain a better understanding of Africa, and understand what projects are possible on the ground. “People here, whether it’s private citizens or enterprises, don’t really know much about African countries.”

Development Reimagined is doing its best to change that, partly through initiatives that bring Chinese consumers into

contact with African products and companies. They focus particularly on African businesses that have a sustainable development mission, and also on businesses that make high-end or luxury products, which in themselves can challenge perceptions of Africa. Last year, the consultancy brought CEOs from seven African companies to China for a ten-day program, and gave them a bit of background in terms of business registration, trademarking, intellectual property, and the importance of connections in the country. Then they brought them to the first China-Africa Expo, held in Changsha, to give them a taste of the Chinese consumer market, and to the World Economic Forum in Dalian, to introduce them to potential Chinese investors and partners.

As Hannah puts it, “I think for them it was really enlightening. In order to find those seven CEOs we spoke to about 50 African brands. Many of them didn’t know anything about the Chinese market, didn’t think their products could be relevant or successful here, and had many concerns. They were worried about their IP being stolen, or that they couldn’t deliver the capacity required, but then coming here they realized that it’s totally different from what they imagined, and they are now really excited about the whole proposition. So we are still supporting those companies, and we are really excited to take the next steps, like the trademark registration, and think about the logistics of how they can get their products into China.”

Development Reimagined is currently talking to the Chinese E-commerce platforms to know if they could offer a special platform for these African entrepreneurs, which would also help avoid import licences. They are also working with airlines that can help to get the products to China.



*An event hosted by Development Reimagined.  
(Photo Credit: SAMSUNG CSC)*

Development Reimagined is also in the process of completing a report on China’s official ODA (overseas development assistance) system, looking at it from the perspective of the recipient countries. According to the findings, 27 countries have been collecting data on Chinese aid, and there is more and more interest from the recipient countries in trying to understand the structure of Chinese aid. The issue, she explains, is that statistics on Chinese aid remain remarkably opaque: figures broken down by country or sector are simply not published. The recent creation of a new agency for international development hasn’t really changed this situation. “We hope that more countries work to find more information from the bottom-up, or even just ask for more information. If they ask, the Chinese authorities will provide it. That’s what we do know.”

When asked about the role that Chinese NGOs and civil society organizations could potentially play in Africa, Hannah says: “I think it’s great if Chinese NGOs can move more and more into Africa, because that is where the needs are greatest, like I said it’s the region with the most people in poverty. If Chinese NGOs are going out, that should definitely be the priority.” Hannah has been personally helping to raise funds for the China Foundation for Poverty Alleviation’s hospital in Sudan.

However, she says that there is a need to reflect seriously on where Chinese NGOs can best add value. Just repeating what NGOs from Western countries do may not be the best way. She adds that Development Reimagined has just written a report for China’s Ministry of the Ecology and Environment, based upon a survey of 22 officials and experts from BRI countries who came to China for training. The surveyed officials felt that where China could add the most value, compared to other partners, would be in areas like the provision of green infrastructure, equipment, or the delivery of certain standards potentially more applicable to developing countries.

Hannah adds that the role of NGOs in most African countries is seen as an advocacy role, and even though it is hard for Chinese NGOs to take on that role, they should at least be aware of this situation and integrate into the system. “I think the other aspect is the importance of trying to integrate with the local communities, and doing that in a very active and intentional way. If they simply deliver a project without real needs analysis, it’s easy to deliver something that is not really of use. If it’s a hospital,

how do you make sure that there will really be doctors? If you provide the doctors at certain times of the year, what happens at other times? If you provide equipment, how is it going to be maintained? These are the big questions. You need to really think through the sustainability of it. Some of that isn’t always intuitive with Chinese NGOs.”





## Chinese NGOs "Going Out": the Global Environmental Institute

2020-01-03

FY Tin



### In Brief

*While the fires in the Amazon have caught international attention, the vast rainforests in another part of the world – Africa – are also vanishing at a threatening rate as foreign investment rises. CDB interviewed Global Environment Institute, a Beijing-based NGO, to talk about their projects promoting sustainable Chinese investment and trade in Africa.*

While the fires in the Amazon rainforest have caught international attention and made people worried that the Earth's 'lungs' may soon be gone, the vast rainforests in another part of the world – Africa – are also vanishing at a threatening rate, as African economies grow alongside intensive investments from China.

As reported by the Guardian, the greatest forest losses by volume have occurred in tropical Latin America, but the greatest rate of increase in deforestation is taking place in Africa, where rates doubled from less than 2 million hectares a year on average from 2001 to 2013, to more than 4 million from 2014 to 2018. It is estimated that up to 30% of the Congo Basin, a large area of wilderness stretching across six countries containing 20% of the world's tropical forests, will disappear by 2030.

The International Institute for Environment and Development (IIED), an environmental research institute, points out that agriculture, forestry, mining and infrastructure are the sectors that affect Africa's forests, while logging is responsible for 33% of forest degradation.

China is often criticized for the loss of forests in Africa because, according to the IIED, 75% of Africa's timber is exported to China. In Mozambique particularly, out of the 300,000 cubic meters of timber harvested every year, about 90% is exported to China.

Although the big Chinese companies were already working in the remote rainforests of Africa before the Belt and Road Initiative had begun, the world's largest infrastructure and trade project definitely gave these companies a boost. The investment of Chinese companies in Africa is predicted to rise to over USD1 trillion over the next decade. Behind the ribbon-cutting ceremonies, there are winners and losers. Many call for China to take a stronger role in overseeing its investors.

To promote sustainable investment by Chinese enterprises in Africa and raise awareness on issues of timber legality and governance, the Global Environmental Institute (永续全球环境研究所, GEI), a Beijing-based Chinese NGO, joined the Research Institute of Forestry Policy and Information (RIFPI) of the Chinese Academy of Forestry (CAF) for the IIED-led China-Africa Forest Governance Learning Project.



*Zhang Jingwei, the program officer of Global Environmental Institute, says their work is to promote China's sustainable investments and trade in Africa through research and policy facilitation (Photo: CDB)*

Zhang Jingwei, the program officer of the Overseas Investment, Trade and Environment Division of GEI, says the four-year project started in 2014 under a larger framework led by IIED, aiming to understand the problems and risks faced by Chinese investors in Africa and promote sustainable development that will benefit all the stakeholders through research and policy facilitation.

"Internationally there were voices saying that China might be a buyer of illegal wood products, but there was no evidence to support this claim. GEI therefore conducted a comparative research, analyzing the discrepancies between the timber export data from Cameroon, Uganda, Congo (DRC) and Mozambique and the data on timber that China imported from these countries."

Zhang adds that theoretically the export and import data should be the same, but the research results show that the records of Chinese imports are larger than the records from the African countries, indicating the possibility of an undocumented timber trade that may be illegal or legal but lacks proper management.

Zhang further explains that there is no clear definition of illegal logging commonly accepted by the exporting and importing countries, creating a grey area of which people can take advantage. African countries may sometimes impose a ban on log exports for a period of time, which means any logs exported are illegal. However such export bans are usually not communicated through to the countries of destination, and therefore the customs of these countries may process the imports in the usual way as long as the documents are complete.

After further digging, GEI revealed that not only is the definition of illegal logging unclear, but the customs operations in many African countries are also poorly managed and executed. For example, Zhang says, “the timber export data in Mozambique is often hand-written and the Forestry Department itself doesn’t keep the full data set. They would need to apply to the National Statistical Office to access the data.”

These disconnected pieces prompted GEI to bring several Chinese customs experts to Africa in 2018, sharing how the timber trade data could be better tracked through the digitalization of the customs process.



*GEI staff visits a timber company in Cameroon  
(Picture: GEI)*

Apart from logging, other land-use activities such as the building of infrastructure, which often involves development-induced relocation, also impose risks on Chinese companies, local communities and the environment.

Zhang says, “Chinese companies are known for communicating less with the local NGOs as well as the affected communities. Their common practice is to start the project straightaway after signing a contract with the government, oftentimes without properly handling the problems that the affected communities face.”

GEI tries to provide advice to these enterprises on how they can manage these issues better, and more importantly, it pushes for policy change which ultimately could better regulate the code of practice of these companies.

During the project period, GEI successfully held annual learning platform events with IIED and African partners on forest governance, and supported five Chinese journalists to report on Chinese investments in Africa, resulting in published articles about challenges in Africa’s own timber legality and Chinese investment in timber and other related industries. GEI also published two reports on Africa’s timber governance, specifically focusing on export and import regulations in China and African project countries.

As China plays an increasingly significant role in African forestry, Zhang believes that GEI’s work is critical in pushing for bilateral collaboration, which will help improve the mutual understanding between African countries and China, and eventually put an end to illegal logging.



*Chinese and African reporters participate in the  
Journalist Salon organized by GEI (Photo: GEI)*

Addressing a global issue in Africa, GEI’s work is challenging. To Zhang, language barriers and the complexity of policy can be overcome, but the real challenge is to build a trusting relationship with the Chinese companies, and to make real changes to their operations.

“Firstly, Chinese companies are not very familiar with the NGO sector in China. The international NGOs that they dealt with might have given them a hard time, so when we approach them, they believe that we are also here to work against their operations. They might not agree to meet us, or even if they do, they have doubts about our identity and might ask if we are a company or if we are from the government. Some also ask where we get our funding.”

Secondly, Zhang points out that even when one or more people from a company are interested in the suggestions provided by GEI, they will need to seek permission from higher up in the company, even the HQ in China, especially when it comes to community projects that require financial support. Their internal coordination mechanisms could

bring challenges to the program too.

On the other hand, since China is the biggest player in the African timber trade, GEI as a Chinese NGO has its advantages when it comes to tackling forest degradation in Africa. Working for the benefit of both Chinese investors and the local communities, GEI believes giving constructive solutions instead of condemning is what’s effective.

“On the issue of illegal logging, what the international community usually does is to speak out and raise awareness of this issue. However, to Chinese people or Chinese companies, such actions appear to be a condemnation instead of a solution. So instead of criticizing, we are doing our part by providing constructive solutions, which is also now a trend that many international NGOs are working towards.”

Zhang says that along with the rise of African economies, the world is hoping that African countries will embrace sustainable development and avoid the old development model of “pollute first, clean up later” that China and many other countries had to adopt.

Talking about the balance between development and environmental protection, Zhang claims that GEI’s standing point is rational. She then gives examples to show how sustainable forestry could bring a higher value to the growing African economies without taking a toll on the environment.

“In the illegal logging activities, forest products will be exported in the form of raw logs because that’s what the market demands. When local people are offered a small amount of money, they will cut the trees down. How much added value can the community get from selling raw logs? What we promote is a sustainable model where investors utilize forest resources but also consider contributing back to the forests and local communities. Imagine if they build a wood processing industry that turns their natural resources into products, the livelihood and employment opportunities and the economy will greatly benefit from it.”

The four-year project with IIED ended in 2018, but GEI’s work in Africa continues. The new project will take place in five countries – Cameroon, the Republic of the Congo, Ghana, Liberia and Gabon, focusing on Chinese investment and the impact on the forests in Africa. Through policy

changes and improved collaboration between China and African countries, eventually Africa’s rainforests, home to an abundance of animal and plant life, will be well-preserved.



## A Historic Crisis and a Historic Opportunity for Action: the Ford Foundation's Social Bond

2020-08-11

Gabriel Corsetti



### In Brief

*We speak to Elizabeth Knup and Gu Qing about the background to the Ford Foundation's unprecedented \$1 billion Social Bond, and how the funds will be used both worldwide and in China to help civil society get through this difficult moment.*

The Covid-19 pandemic has already had a huge impact on the work of nonprofits and charities worldwide. The first and most immediate effect has been the impossibility for charities to carry out their normal programs, due to lockdowns and social distancing. In the long-term, however, the most serious impact may well be on the financial sustainability of nonprofits, as the donors and the funders they normally rely on feel the squeeze of the economic crisis caused by the pandemic.

As one of the world's most prestigious and well-endowed charitable foundations, the Ford Foundation has recently been taking the lead in finding new solutions to help its partners and the entire nonprofit sector make it through these difficult times. Back in March, the Ford Foundation spearheaded the creation of a pledge for philanthropic donors to support the needs of their grantees and partners during the Covid-19 crisis, with the signatories pledging to be generous with their funding and flexible in their demands. Almost 800 grant-making organizations have signed the pledge so far; most of them are based in the US, but there is also quite a number based in other countries (see the full list here: <https://www.cof.org/news/call-action-philanthropys-commitment-during-covid-19>). Chinese foundations later created a version of the pledge adapted for China, and about 233 foundations and funders have already signed it.

This June, the Ford Foundation took another unprecedented step in response to the coronavirus pandemic: it launched a social bond in the U.S. taxable bond market with the aim to raise \$1 billion for grant making (not for foundation operations) to help sustain and strengthen nonprofits suffering from the economic impact of the coronavirus pandemic. CDB recently had a chat about this new social bond with the Ford Foundation's Regional Director for China, Elizabeth Knup, and with the foundation's Program Officer, Gu Qing.

Elizabeth, who has been based in China for over 20 years and has been the Ford Foundation's Regional Director since 2013, explained how the foundation initially responded to the pandemic: "It was in the month of March that we began to think about Covid-19 in terms of a global response, although we had already been active within China. From our point of view, there are a couple of different levels of impact. One is the public health crisis, which requires an immediate emergency response. There is

also an almost immediate economic crisis, when societies begin to shut down, economies begin to slow down, and people feel like they have less resources to contribute to philanthropy. Social distancing also makes it difficult for people to come together in fundraising events.

We find that Covid-19 has revealed a lot of social challenges existing in many countries that are related to inequality. Who is getting sick? Who has to go to work? Who has to bear a certain kind of risk within society? There are economic, cultural and social inequalities in all of our societies that we all knew about, but now they are becoming really, really clear. In terms of these three dimensions, the public health dimension, the economic dimension and what it reveals about inequality, the Ford Foundation began thinking about what its responses could be."



*The Ford Foundation's Regional Director Elizabeth Knup*

The Ford Foundation's initial response was focused on the public health crisis, and the foundation gave grants to frontline medical workers in Hubei, and later did the same in West Africa and Colombia. However, the Ford Foundation is not a humanitarian relief organisation, and its main focus is on how to help social institutions continue to do their original work in the context of the pandemic and the economic crisis. In March, the foundation issued the pledge mentioned above, committing to be flexible with its funding so as to allow its grantees to survive this period of economic uncertainty. It also collaborated with several other foundations to create a number of funds focused on specific sectors of the economy that have been hard hit by the pandemic, or instance, restaurant and hospitality workers in New York.

After these initiatives had been taken, the president of the Ford Foundation Darren Walker still felt that more was needed to channel resources to the institutions that the foundation supports. After all, as Elizabeth puts it, this was a "once-in-a-century crisis, and also a once-in-a-century opportunity to take action". So in March, Mr. Walker went



to the board of directors and proposed the idea of raising a social bond, and using the money made through the bond to strengthen the resilience of the grantees. The idea was to go to the capital markets and issue one billion dollars' worth of bonds that would be acquired by institutional investors. After much discussion, in June the board decided to go ahead with this plan.

As Elizabeth explains, "the bonds are between 30 and 50 years in length, meaning that we will pay back the bonds plus interest over a 30- to 50-year period. So we are taking on debt, but we don't think it's very risky, because the current state of the markets makes that debt pretty inexpensive, and we anticipate being able to pay back the bonds quite easily over the next decades. The bond issuance has been incredibly successful, oversold in fact, and we have raised the money we anticipated, which is one billion dollars."

The concept of a foundation raising money in the bond market for grant making is quite unprecedented in the US. Foundations sometimes raise money in the bond market for capital improvement, for instance, to renovate their buildings, something which the Ford Foundation did itself for the renovation of its building in New York. But this is the first time that a US foundation raises money in the bond market specifically for the purpose of grant making, which is why it is designated as a social bond. All the proceeds have to be spent on the purposes of the social bond, and in fact the foundation has to report on its website how every penny of the money is spent, to show that it is used entirely for a social purpose.

The aim is to use the funds from the social bond to strengthen the resilience of charitable organizations during the pandemic. 70% of the money will be spent in the United States, and 30% in the rest of the world. All of it has to be spent by the end of 2021. In the US the grants will be focused on 35 to 40 grantees seen as core civil society organizations that are essential to fighting inequality. The grants will be long-term, lasting 3-5 years, and the organizations will be free to use the money in a flexible fashion, including putting it in the bank for later use. The end goal is to ensure that once this crisis is finally over, the US will still have a healthy ecosystem of organizations focused on fighting inequality.

As Elizabeth explains: "Many think that the economic hit from Covid-19 will come in a year or two from now,

when NGOs have consistently been unable to have a fundraising gala, where companies consistently don't feel like they can make charitable donations, where individuals consistently feel at risk economically and don't make the kind of contributions they used to, and where foundation endowments are consistently going down. After the Great Financial Crisis of 2008, the economic impact that I have just described came 18-24 months after the crisis. People have money now, but over time they are going to have less and less of it. So we want these grants to help organisations for four or five years, because we anticipate the real crisis to come not today, but in one or one and a half years time."

Part of what motivated the Ford Foundation to launch the social bond was the feeling that the pandemic requires wealthy charitable foundations to step up and do something more compared to normal. US law requires charitable foundations to spend 5% of their total assets every year for charitable purposes, but the president of Ford felt strongly that this was insufficient in the face of the circumstances.

As Elizabeth puts it: "in the US there's actually a very big debate about how our country is in a huge public health crisis, and the revelation of how deep the inequality is and what it really means for marginalized groups. Our whole country recognizes that this is a once-in-a-century and we need to rise to the occasion. Foundations who sit on top of a gigantic pile of money and only spend 5% every year... well, there are those who say that this is not enough in the face of the current crisis. If you're ever going to give more you have to do it now."

Now of course, foundations can't spend their whole endowment because then they couldn't keep on existing, and there's going to continue to be social issues that need to be addressed in the future. But you can take this moment to dig a little deeper and do a little better."

So why did Ford decide to go down the route of raising money in the bond market, rather than make use of its original endowment? The reasoning was pragmatic, as Elizabeth explains: "Our endowment is 13 billion dollars. We could have taken one billion and used it for grant making. Raising money in the bond market puts a financial obligation on us to pay back that money over the next 30 years, as well as the interests. So why did we do it? The reason is that, first of all, during this period the stock markets are very volatile, and the endowment we have

needs to stay as strong and healthy as possible, because the Ford Foundation by its charter must survive in perpetuity. The endowment is really important to our long-term ability to exist as a foundation, so in this moment of volatile markets, it would not be financially prudent to take a lot of money out of it [the endowment] right now.

At the same time, because of the financial crisis the bond market interest rates are low, meaning that the interest we have to pay on the social bond are also quite low. This means that the money is "cheap", and we have 30 to 50 years to pay it back. We anticipate that over the next 30 years our endowment will certainly grow by more than the percentage of interests we have to pay on the bond.

It's pretty unusual, I'd say we're the only foundation that's ever done this, but we are hoping that other foundations will follow us, and there already are five other US foundations that have committed to paying more than the 5% requirement. Some may go to the bond market but most will not, they will just use their endowment and increase the pay-out."



*Ford Foundation program officer Gu Qing*

The Ford Foundation is well aware that even a billion dollars won't solve the problems that the Covid-19 pandemic has brought to light. The hope is to use the money in a way that will have a systemic impact, and inspire other organizations to do the same in their own areas. This holds even truer outside of the United States, where the Ford Foundation is giving its local offices much flexibility to decide how to best allocate the resources according to the local context. So how are the funds from the social bond going to be

spent within China? When asked, Elizabeth says: "we are still having an internal discussion about how we are going to use these resources to help China respond and bounce back. We won't be making very many grants, because we want to make them long-term and relatively large, in keeping with what our headquarters are doing. The grants will be made on an invitation-only basis. Many of them will probably go to existing grantees, because we believe they are core to what we are trying to support in China. This is a one-time allocation that won't be repeated, so we need to think how to do it in a long-term and responsible way."

An exciting aspect of the social bond is how it might inspire similar efforts from within China. The Ford Foundation was the first foreign philanthropic foundation to officially open an office in China after the Reform and Opening Up, in 1988. The foundation's work has garnered much respect and appreciation from the state, the philanthropic sector and the public in China, and its initiatives are bound to attract attention and interest. As Elizabeth puts it, "This is a really interesting opportunity to think about the intersection of philanthropy and what we call impact investment, in other words using capital markets to raise money for social good. This is an interesting discussion which is currently quite hot in China, and I think what we are doing offers an example of how philanthropy can use its own power to magnify its economic impact and help create a socially good outcome. I know China has a different financial market, culture and philanthropic sector, but I think our social bond can be a useful inspiration, and I think it's already begun to inspire some of our grantees and partners to think a bit more about what philanthropy can do beyond a project grant to help respond to the crisis."

"We recognize that China is huge and our resources are tiny, so that's another reason why injecting new ideas into the Chinese system and the use of capital for social good could inspire something that's unique and responsive to the Chinese situation. Maybe we just provide an inspiration and help to think about these things in a new way, and that could be our long-term impact. More than our dollars, it could just be the idea."

As Gu Qing adds, "I think the significance of our social bond for the Chinese philanthropy sector is that we present an innovative financial tool that it can draw upon. Yet I think there is a long way to go for a social bond to be issued in the domestic financial market. Hopefully our

bond issuance could really serve to enliven the social bond market in China. In the past, green bonds were developing very fast in China. This year though, because of Covid-19, social bonds have become an even hotter topic within the global bond market, yet in China people are still putting more attention on the green bonds. I believe there will be many social issues China will need to address on top of the environmental challenge. So it will be interesting to see if we can guide the domestic financial market to consider how it can contribute to the development of social bonds in China.”

Elizabeth is very clear on the point that the role the social bond can play in China is very different from the one it can play in the US: “What we are doing in the US is that, since we are a social justice foundation, we are trying to focus on the organisations that absolutely must survive to ensure a more just society. In China it’s a bit different, because we do not have the same level of resources we have at home, and we are also not a Chinese foundation, so we are not making the bold assertion that we are in a position to decide what the country needs. Rather, we want to use our funds to help the Chinese ecosystem think about what it needs, from its own point of view, to survive over the next five years.

And the fact is, Chinese institutions are pretty creative and do have some pretty innovative ideas. I know that for example one of our grantees, 北京协作者 (Beijing Facilitators), is also trying to figure out how to inspire Chinese philanthropy to support social organizations in China in response to Covid-19, particularly grassroots ones, through creating a bond and a small grants program. I am sure that across Chinese society there are many acts of innovation in responding to this moment. These are the kinds of ideas that we want to inspire and where we can accelerate, to help them get bigger and more powerful. That is what we are trying to do.”



## An interview with Nadav Ben Simon: Opening up a Conversation, Changing the Mindset and Educating the Public are Key to the Social Inclusion of People with Disabilities

2020-08-11

Isabella Jingwen Zhong



### In Brief

*The Inclusion Factory is a social enterprise in Jiangsu which helps people with intellectual disabilities enter the Chinese job market. We spoke to its general manager, Nadav Ben Simon, about his work and the factors that are making it hard for people with disabilities to gain meaningful employment.*



*Nadav Ben Simon, General Manager of the Inclusion Factory*

In early July, China Development Brief reported on a special afternoon tea party held in Guangzhou. The tea party was centred around the theme of people with disabilities and their employment situation. Seeing organisations and businesses focus on and care for people with disabilities is encouraging and heart-warming, but in practice the employment of people with disabilities is a far more complicated issue. Concerning this matter, we interviewed Mr. Nadav Ben Simon, General Manager of the Inclusion Factory, to shed light on how to address problems of social inclusion in China. As a social enterprise located in Taicang, Jiangsu Province, the Inclusion Factory has been working on helping people with intellectual disabilities to integrate into the labour market and the wider society and community since 2015.

**CDB: Thank you for joining us today for the interview, Nadav. It is a great pleasure. First of all, could you please briefly introduce the Inclusion Factory and your position within the organisation?**

**Nadav:** Sure. The Inclusion Factory is a sheltered factory, which means it is a specially designed and managed working environment that allows people with intellectual disabilities to take part in production work. Basically, we are working with multinational companies, mostly from the automotive industry. We produce and assemble components that later go into cars. I joined the company when it first started in 2015. I am originally from Israel, I studied International Relations in university and after graduation, I found myself being interested in work that was a bit different from what I had learnt. I focused particularly on people who were underprivileged and had

disabilities. Therefore, I practiced social work, and became a social worker myself for ten years before I came to China.

**CDB: What was it about the Inclusion Factory that attracted you in the first place?**

**Nadav:** I came to China following my wife, who studied in a university in Beijing. I travelled around the country, and after we decided to stay here for the foreseeable future, I started to look for jobs in China as a social worker, which was extremely difficult as a foreigner who did not speak Chinese. I was looking for something meaningful to do, meaningful in the sense it was similar to what I was doing before. Then I found out about this place when it was just about to open in Taicang, close to Shanghai. I found this project very interesting because I realised that after being in China for six months, I had not seen people with disabilities at all. I was really curious, so I asked people in universities about this, and I came to the understanding that disability is a very deep-seated taboo in the society, a topic that is not openly discussed by the media, schools and among the people. So once I found out such a project was going to start in Taicang, I was very keen to take part in it. At that time, it was a great privilege to join a project like this. In Europe and other western countries, such projects, though still not enough, were already plenty, but doing this kind of project in China, although it might not be organised for the first time, would be much more challenging and interesting. That was why I joined the Inclusion Factory.

**CDB: Was it a great challenge to hire people with disabilities in the Inclusion Factory?**

**Nadav:** It was and still is a great challenge. It is not something that has already been solved. In any society, there is a percentage of people with disabilities within the population. In a big country like China, I assumed that I could encounter a lot of people with disabilities working in factories or in companies, but that was and still is not the case. Later we came to understand that one of the biggest challenges of hiring people with disabilities is fake employment, which is very common in China. Companies in China are obligated by law to hire people with disabilities (1.5 for every 100 employees), otherwise they have to pay a fine. In practice, the most common solution in this circumstance is for companies across the country to register people with disabilities as their workers, but without these people actually going to work. This

might be called a ‘win-win’ situation, because usually a person with disabilities is from a poor social and economic background, and when they register with a company they will be able to get some salary from the company’s social security payment scheme, while the company saves on its penalties. Such practices, though understandable, have caused obstacles for employers who genuinely want to hire people with disabilities, because they have already been “employed” with fake work. This is essentially not helping people with disabilities; them and their families still hold very low self-esteem and suffer from lack of confidence, and they may be discouraged from giving any job a try.

**CDB: Indeed, this alleged “win-win” arrangement is not helping people with disabilities. They are still not able to work and enjoy the fruits of their labour.**

**Nadav:** For sure. This situation is only strengthening the stigma, because it is an incentive to still keep people with disabilities at home. Also, it will not improve their social and economic condition, because they are seriously underpaid and are paid insufficient attention. It prevents a person with potential from participating in the labour market, having meaningful work and being included in the society. Nowadays, employment is a prominent way for a person to participate in a society, and a big proportion or even most of our valuable time is spent on our work. If we keep people with disabilities, who are in a huge number, at home and away from work, because of some sort of disability they have, we then deny them a chance to take part in a very important side of life. They are also deprived of the chance to prove that they are able to work.

**CDB: When talking about including people with disabilities into the work place, companies may expect a lot of difficult changes to be done within the organisation. However, reports have shown that changes to accommodate disabled people in the work place are not that difficult, and many companies have already been trying to create a friendly environment for those with special needs. But I assume that was not the case when the Inclusion Factory first started?**

**Nadav:** It is still not the case as a matter of fact, although we are getting there. I think a very important distinction that should be made is that changes to the facilities are actually easier to carry out, however the change that should come first is to the mindset and the awareness. Unfortunately,

as we mentioned earlier, disability is not a subject that is openly and widely discussed. For example, we still do not see much about people with disabilities in the media. People do not feel comfortable with this topic, and this is not only true in China, it is a global issue. People with disabilities in a way remind us, as healthier people, of our vulnerabilities, that we are not God and not in control. It is like when we go to the hospital and see people who are sick and dying, we do not feel very comfortable about dealing with them; we fear it. So, we usually put this topic aside and do not think about it, because that is the easy way to avoid it. But people with disabilities are just like us – they are people, they have dreams, they have potential and can be a very meaningful part of the society. But most of the time because of our fear, we push them away.

**CDB: Absolutely true! Many great progresses started from changes in the mindset and attitudes. How do you think that the Inclusion Factory has contributed to this process of changing mindsets?**

**Nadav:** The Inclusion Factory is not a huge organisation, but our goal is to set a benchmark, an example of how inclusion can be done with good partners; and we hope to support other organisations who would like to copy this model. We directly hire 34 people with disabilities, we train people with disabilities and help integrate them to work in our and other companies (we call it “open market employment”) and we offer consultations to companies that want to involve people with disabilities in their workforce. At first, when some companies visited us, they thought because their products needed to be of a high quality or because their work included complicated and even dangerous procedures, they could not give their work to the Inclusion Factory. But when more and more companies came to visit us, they were impressed by the projects. They wanted to do the same work and they wanted to give people with disabilities an opportunity in their organisations. The facility changes were always the first topic, and we gave them recommendations on how to do it. But after a while, we noticed that projects that were supported by the top management at the executive level were always slowed down by middle management, namely the people in operation. The reason for that was they could not understand why their companies had chosen to hire people with disabilities and include them in their workforce. They worried that the production rate might be slowed down or a lot of inconvenient changes would have



to be done to their working units.

In fact, not only in a company, but also in a society – unless we open up the discussion and talk about a company's responsibility to include people with disabilities with the company's management team and workers, changes will not come. We understand that an important part of this process is to allow companies to take actions, to raise awareness within the workforce and discuss strategies of inclusion that companies want to practice.

**CDB: This surely opens the door for more things to be done.**

**Nadav:** Yes, and at the end, you will find out that once we explain the values and meaning of doing this project, people who did not understand or support the project at first will become its strongest supporters. We are all humans, we all have shared emotions, and open conversations and discussions will trigger people's empathy. As I have observed, in China there is no hatred towards people with disabilities, but rather, there is lack of understanding. If we expose people to the factual employment situation of people with disabilities and make it part of the discourse, the problem can be improved. After people start participating in the conversation, they might remember their own or their family's experience with people with disabilities, and eventually, they will be proud of their companies for doing this and become very engaged.

**CDB: We mentioned the term “inclusion” a lot of times in our conversation. What does “inclusion” mean to you?**

**Nadav:** Equality. Because exclusion means that due to our ignorance, we exclude and discriminate other groups of people because of their colour, religion or abilities. But that is wrong. Inclusion is a basic right for human beings, it is equal to social justice.

**CDB: Given the definition of “inclusion”, how do you think we can approach and eventually reach the goal of including everybody in the society, community and labour market?**

**Nadav:** I think the key is always education. We should start educating all levels of society and most importantly, we should put an emphasis on future generations. This change will take time, it is not some change that an individual

alone can make happen. Each one of us should talk to our children, colleagues and relatives. We have to confront this taboo, we must understand that people with disabilities are doing nothing wrong, they just have different capabilities. Once this topic is openly discussed and becomes part of the educational system, once it is accepted as a fact, then we can improve the situation.

**CDB: Throughout the years you have been working in China, what changes in the mindset and attitudes towards people with disabilities have you noticed, if there are any?**

**Nadav:** There are. But for this question, we have to take a step back and understand that the society generally perceives people with disabilities from three perspectives. The first one is the traditional perspective. There is a way of thinking according to which a person has a disability because they have done something wrong towards Heaven in this life or in the previous life, and then they are reincarnated as a person with a disability in this life. The second one is the medical perspective. It is a conception of a disability as an illness that can be cured. But that is normally not the situation, particularly with people with intellectual disabilities, because it is a condition from birth and mostly cannot be cured or improved. The next perspective is social, where we talk about inclusion, accepting people with disabilities as they are and seeing them as an important part of our society. The more diverse our society is, the more ideas we will have, and the more we will come up with innovative ways. China is moving very fast from the traditional way of seeing people with disabilities towards the medical perspective, and this is a revolution that needs to happen. In places where living conditions are better, people are moving towards the social perspective – inclusion. That is why NGOs are open to practices that focus on people with disabilities, that is why the government is doing more and more work. There are parts of China which are more aligned with the traditional mindset, but fundamentally it is a global problem, even in the most advanced cities and countries you have people who think that way. I do see a significant shift in attitudes happening in China, and during the past five, six years of working in this country, I have seen this topic being discussed more often, the practice of helping and caring for people with disabilities being carried out more often by NGOs and issues being more structurally addressed by the government. Things are indeed improving.

**CDB: May I ask you to share an interesting story from the years of practicing in China with us?**

**Nadav:** I can tell you one story that I am extremely proud of. Once we had an employee with an intellectual disability, a young lady who worked in the Inclusion Factory for four years. At some point, we thought she was ready to go and work for a regular company with ordinary workers in a normal working environment. We found a company that was willing to offer her an opportunity, but we had to remember that within that social context it was not an ordinary thing. Because the people whom she would work with would say ‘Wait a minute, how can this lady with an intellectual disability do the same work as me?’ There was so much prejudice and doubt against people with disabilities. To cope with this expected situation, we then started a long process of seminars and discussions with the future colleagues of this young lady. In the end, we successfully included her within this company's production line and she became an equal, respected member. Although she was different, she was well accepted because of proper preparation and awareness-raising education, through which people agreed to put prejudice and doubt aside and give her a chance. In fact, her performance was so good that after six months, she was promoted to be a quality inspector, which means she was inspecting the work that was done by regular workers. Her colleagues accepted and respect her authority as an inspector; now they see her as someone with a special value – she is able to be attentive to details and concentrate on work.

**CDB: What kind of preparation did you do to help this young lady integrate in the company and her future colleagues to accept and respect her at work?**

**Nadav:** Again, it all goes back to the discourse and to bringing awareness. For the preparation, we had trainers who keenly engaged with people and brought the topic of the employment of people with disabilities into the discussion. For example, the trainers asked the lady's future colleagues to stop for a moment and think “what if I was a person with a disability? Would I want to be accepted into the society and how?” In a way, we have to make people step out of their comfort zone and reflect on these questions. We should realise that as human beings, we all share some common ground and feelings, and discussions like this can trigger something within that will move us to show empathy towards individuals with disabilities. Life

has already been difficult enough for them, we should not give them more hardships. To have a discussion about people with disabilities and realise that we are all equal is the key to the solution.

**CDB: Thank you very much for this insightful interview. Also thank you for being a part of an important change and making this society a better place.**

**Nadav:** Thank you for having me.





## How China's Overseas NGO Law was Conceived

2019-12-31

Gabriel Corsetti



### In Brief

*The process of drawing up China's Overseas NGO Law of 2017 was more complex than many imagine. A draft of the law was opened up to public comment, and the feedback provided by the NGO sector contributed to the final result.*

China's Overseas NGO Management Law, which came into effect in 2017, has proved to be a game-changer for the country's multi-faceted community of international NGOs. The law includes many provisions, but the most crucial one states that any overseas NGO that intends to operate in China must either register a representative office with the Ministry of Public Security, or apply to conduct a temporary activity lasting no longer than one year. In order to register an office, NGOs have to first find a government entity willing to act as their "supervisory unit". This represents a clear break with the past, when overseas NGOs in China were allowed to register with the Ministry of Civil Affairs, but generally remained unregistered and operated in a legal limbo, unrecognized but tolerated.

The process of drawing up the law was quite protracted: the first announcement that the Overseas NGO Law was being deliberated upon was made in December 2014, while the final version was published in April 2016, and implemented in January 2017. The law went through two draft versions before being finally passed. As is customary in the Chinese legislative process, the second draft was made public in order to solicit comments and feedback from the sector and the public. The legislators did indeed receive many reactions, including a couple of initiatives set up with the very purpose of providing recommendations for changes, and the evidence suggests that this process of feedback led to a final version of the law that was more favourable to overseas NGOs than might otherwise have been the case.

### Background

The presence of international NGOs in China can be dated back to the Reform and Opening Up policy under Deng Xiaoping. During the Maoist period (1949-1978), foreign organizations of this kind were not allowed to work within the country. In the eighties, international development agencies like the World Bank and the UNDP started to operate in China. The first international NGO to officially open an office in China was the Ford Foundation in 1988. It was agreed to put it under the supervision of the prestigious Chinese Academy of Social Sciences, and it received tax-exempt status. Another turning point came with the Fourth UN World Conference on Women, held in 1995 in Beijing. It is widely recognized that this event had a large impact on Chinese civil society. Many NGOs took part in the conference, and it allowed the concept of

non-governmental organizations to become better known within China. Over the next few years the number of both international and Chinese NGOs operating within the country saw a decided upturn <sup>[1]</sup>.

For a long while the government did not set any clear rules regarding the legal status of foreign NGOs in the country. Towards the end of the eighties the Ministry of Civil Affairs developed its own guidelines, according to which overseas NGOs should be left alone as long as they did not threaten social stability or national security. The first regulations directed at a subset of overseas NGOs (ONGOs) were the Interim Provisions on Administration of Foreign Chambers of Commerce in China, published in 1989. Since the government appreciated the role of Chambers of Commerce in encouraging foreign companies to do business in China, it was seen as necessary to provide them with a facilitating legal environment. The regulation allowed Chambers of Commerce to register with what later became the Ministry of Commerce, without any need to find a Supervisory Unit within the government, as NGOs usually needed to do in order to register with the authorities.

Apart from chambers of commerce, no regulations relevant to other types of international NGOs were issued until 2004. That year saw the release of the Regulations on the Management of Foundations, issued by the Ministry of Civil Affairs, the body generally tasked with the management of "social organizations" (as nonprofits are referred to in China). The Regulations specifically mention the registration of overseas foundations, setting down the requirements for them to officially register a representative office in China. It should be noted that the definition of foundations adopted here was a flexible one, which in practice seemed to include most operational NGOs as well as foundations properly defined, and indeed organizations generally considered to be NGOs in other countries also managed to register under these regulations.

The Regulations required that overseas NGOs and foundations should first find a Professional Supervisory Unit (PSU), usually a government entity that worked in a related field, to act as their sponsor before they could register with the Ministry of Civil Affairs. This was in line with the "dual management system" in place at the time for Chinese NGOs. In practice, only very few overseas NGOs and foundations ever managed to register under

this framework, mostly due to the fact that they were unable to find a PSU. By 2015, only 29 organizations had officially registered a representative office. This number included well-connected grant-making foundations like the Bill and Melinda Gates Foundation and the Li Ka Shing Foundation, and well-known NGOs like the WWF and the World Economic Forum.

In 2009 another attempt was made to bring overseas NGOs into the scope of Chinese law making, albeit only at the provincial level. In December of that year, Yunnan's provincial government issued the Yunnan Province Provisional Regulations Standardizing the Activities of Foreign NGOs, which required all foreign NGOs in the province to "file documents" (备案) with the local civil affairs department. The NGOs were supposed to report on all of their projects, local partners and funding. This model was generally considered to be quite successful, and by December 2010, 140 NGOs had registered under this system. It should be noted that Yunnan has long been one of the Chinese provinces with the liveliest presence of overseas NGOs, and these regulations were probably meant as a pilot program that could later be expanded nationally.

### The Law's Conception

The first sign that a new law was being prepared came in December 2014. On the 22nd of December, according to a report by China's official news agency Xinhua, Vice-minister of Public Security Yang Huanning introduced the first draft of the law to the standing committee of the National People's Congress. This heralded the fact that in future it would be the Ministry of Public Security, rather than the Ministry of Civil Affairs, that would take over the management of foreign NGOs. The vice-minister's words sounded reassuring enough, mentioning the important role that foreign NGOs have played in China, and the necessity to strengthen supervision and management in order to allow them to carry out their activities legally.

While the law's first draft was never officially made public, leaked versions quickly circulated. The draft made it clear that there would only be two ways for overseas NGOs to operate in China: register a representative office or apply to conduct temporary activities, both of which would require finding a PSU within the government. There were also lengthy passages detailing the steps to be taken against

those who violate the law.

The second draft was published in early May 2015. This time the draft was released online, and the public was invited to provide feedback and comments. This form of public consultation is a customary procedure in Chinese lawmaking. The second draft turned out to be quite similar to the leaked versions of the first draft. It reiterated that ONGOs could only conduct activities in China by registering a representative office or applying for temporary activities after finding a PSU. It also included an article stating that "when performing their supervision and management responsibilities", the public security authorities have the legal right to make on-site inspections in the offices of overseas NGOs, question individuals related to an investigation, access and copy documents and close down or seize venues and property related to an investigation.

The legislative authorities quickly received comments and feedback from numerous sources, including academics, foreign NGOs, foreign governments and businesses. Various initiatives were created to provide feedback on the draft. The authorities gave the public a month of time to give their feedback, after which the drafting of the final version began.

The Overseas NGO Management Law was passed on April 28th 2016 by the 12th session of the Standing Committee of the National People's Congress, with the provision that it would go into effect on the 1st of January 2017. The final version of the law contained a number of significant changes compared to the second draft. The most important change was that it would no longer be necessary for Overseas NGOs to find a PSU in order to conduct a temporary activity. This certainly represents a major improvement from the perspective of ONGOs. Finding a PSU is an onerous task, and it is unlikely that many ONGOs would have been willing or able to do so just for the purpose of carrying out temporary activities.

There were also a number of other relatively substantial changes. Overseas NGOs are no longer limited to a single representative office, as they were in the second draft. Many ONGOs have taken advantage of this since the law was passed, registering multiple representative offices. A good example of this is Oxfam, which in the first year of the law's implementation set up four representative offices in

Beijing, Gansu, Guangdong and Yunnan. Another change was that a phrase in Article 13 of the second draft, claiming that the representative office of an ONGO "does not have the status of a legal person", was dropped in the final version of the law. This statement had generated some confusion and concern, since only legal persons have the right to sign contracts and bear legal responsibilities in China.

### How feedback from the NGO sector helped shape the legislative process

As can be seen, the changes that were made to the final version of the law compared to the second draft were generally positive, at least from the perspective of the overseas NGOs that constitute the target of the legislation. It can be assumed that these changes were driven by the feedback and criticism that the second draft received after being opened up for public consultation.

This was in fact not the first time that the draft of a law relevant to NGOs was publicized in order to evaluate the reaction and receive feedback. Another very good example is the amendments to China's Environmental Protection Law, which were adopted by the Standing Committee of the National People's Congress in 2014 and went into effect in 2015 (the original Environmental Protection Law dates back to 1989). The amendments are particularly important in that they allow environmental organizations to initiate public interest litigations against polluters. The legislative process was unusually drawn out, with the new version of the law going through four revisions before it was finalized. The second and third drafts were made public to solicit feedback. This resulted in wide-ranging recommendations from environmental organizations and activists and led to significant changes.

The final draft of the amended Environmental Protection Law is generally considered to be quite favourable to the interests of environmental NGOs<sup>[2]</sup>, especially on the contentious issue of public interest litigations. The second draft of the law stipulated that only the All-China Environmental Federation – a government-organized NGO – should be allowed to conduct public interest litigations on environmental issues. After negative feedback from environmentalists and NGOs, the third draft expanded this right to all registered environmental NGOs that had been active for five years and enjoyed "good standing". It was

left unclear how "good standing" would be determined, however, meaning that in practice the authorities would be able to decide which organizations met this criteria.

After a further backlash, the final draft dropped the requirement that the organizations should enjoy "good standing", substituting it with a requirement that they should not have committed any illegal offences<sup>[3]</sup>. Since the amended law was enforced, numerous environmental NGOs have taken advantage of the legislation to carry out environmental litigations, with some success<sup>[4]</sup>. It can thus be seen how environmental organizations were given a channel to interact with the authorities in the form of providing feedback on the drafts of the amendment, and how they successfully used this opportunity to push for a wider right to start environmental litigations.

In the case of the Overseas NGO Law, a number of initiatives and focus groups were set up to provide feedback on the law's second draft. This provides another interesting example of how civil society actors can collectively attempt to influence the content of legislation relevant to them. One notable effort was led by Professor Anthony J. Spires, from the University of Melbourne. Prof. Spires set up a focus group including various non-profits based in Hong Kong, and scholars and officials from the Mainland. Based on the focus group's discussion, a final document was produced with specific questions and suggestions regarding 12 aspects of the law, as well as some further general suggestions.

It is interesting to look at the extent to which the recommendations made by the focus group organized by Professor Spires are reflected in the final draft of the law. Let us look at some of the specific recommendations made by the focus group. The first one concerns the definition of ONGOs provided in Article 2 of the second draft, which does not specify whether foundations would be included or not. The focus group asked whether the definition of overseas NGOs would include foundations, and if so, would the provisions contained in the Regulation for the Management of Foundations still apply. The final draft of the law specifies quite clearly that overseas NGOs refers to "non-profit, nongovernmental social organizations such as foundations, social groups and think tanks that have been lawfully established outside of Mainland China".

Regarding the working areas of overseas NGOs listed in Article 3 of the second draft, the focus group asked whether

the fields of poverty alleviation, disaster relief, public health, gender equality, NGO capacity-building and public policy research, which were not mentioned in the draft, should also be included. The final draft of the law included a mention of poverty alleviation and disaster relief.

The focus group further expressed concern about the fact that the draft law only allowed overseas NGOs to establish one representative office in China, while expressly forbidding them from establishing branch offices. In the final version of the law, the requirement to only establish one office was abandoned, although branch offices are still forbidden. Concern was also expressed about the provision in Article 13, stating that an ONGOs' representative office "does not have the status of a legal person", since this would prevent it from signing agreements to bid on projects or work with Chinese partners. In the final version of the law, this provision was lifted.

Various other concerns and suggestions raised by the focus group were however not met. The focus group took issue with Article 6 of the second draft of the law, which claimed that ONGOs cannot "conduct activities" in China before they have registered or obtained a temporary activity permit. It was pointed out that preparatory activities like carrying out a needs assessment and searching for partners, which normally need to be done before officially starting a project, might also be considered illegal. It was suggested that "activities" be defined more clearly, for instance by being changed to "project activities". This suggestion was however not taken up, and the final version of the law still talks about "activities" in general.

Furthermore, the focus group suggested that it was unrealistic to ask ONGOs to submit their work plans for the coming year by November 30th, since the board of trustees will usually approve an organization's annual plan in March or April. It was thus suggested that it should be allowed for them to present their annual plans later, for example in April. In the final draft of the law the date was pushed forward by one month, until December 30, still considerably earlier than what had been suggested by the focus group.

Another effort to provide feedback on the Overseas NGO Law came from "For NGO" (Shanghai's Legal Centre for NGO, 上海复恩社会组织法律研究与服务中心). For NGO also produced a document in which it proposed

11 specific revisions to the draft. As with the previous case, some of the recommendations made were reflected in the final version of the law, and some were not. The recommendations related to the specifics of hiring staff and developing membership were the ones that were eventually accepted.

In particular, For NGO recommended the lifting of the restrictions contained in Article 32 of the draft, which stated that overseas NGOs could only hire staff or volunteers through foreign affairs service units, or other government-designated units, and would not be allowed to recruit volunteers directly. It was pointed out that these restrictions would reduce the efficiency of overseas NGOs and increase human costs, and would also be difficult to implement in emergencies. In the final version of the law, these restrictions were indeed not present.

The Shanghai-based organization also recommended a change in the wording of Article 33, which claimed that overseas NGOs should not "develop, or covertly develop, membership within Mainland China". It was recommended that the words "covertly develop", be deleted, since this was a vague term under which anyone associated with overseas NGOs' activities could be identified as a "covert member". In the law's final draft, the words "covertly develop" were taken out.

Furthermore, For NGO proposed a revision of Article 35 of the draft, which stated that foreign personnel in overseas NGOs should not exceed 50% of total staff. It was pointed out that foreign shareholders can recruit for their companies established in Mainland China without any restriction. The restriction on the proportion of foreign staff is also nowhere to be found in the final version.

For NGO also made some bolder recommendations however, which rather unsurprisingly went unheeded. In particular, it was recommended that the management of overseas NGOs remain with the Civil Affairs departments, rather than being transferred to the Public Security departments. It was also suggested that unregistered organizations wanting to carry out temporary activities in Mainland China should not need to obtain a temporary activity permit, but simply abide by the relevant laws and regulations. Other recommendations for revisions to the wording of the articles and the registration procedures also found no support.

The Overseas NGO Law's second draft received feedback and suggestions from numerous sources, and it is impossible to determine exactly whose feedback caught the lawmakers' attention. However, the recommendations provided by Prof. Spire's group and For NGO remain two of the most notable organized attempts to provide feedback from the NGO sector, and it can definitely be assumed that their suggestions were taken into account, and contributed to the drafting of the law.

After three years, it is clear that the Overseas NGO Management Law marked the beginning of a new round of adaption and negotiation on the part of China's international NGOs and their local partners. It is probable that without the opening up of the law's draft to public comment, and the efforts from within the sector to provide feedback, the law's final provisions would have been more restrictive, to the point of making the continued work of overseas NGOs in the country very tough indeed.

## Notes

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## Roots & Shoots – the Seed of Hope Jane Goodall Planted for the World

2019-12-26

FY Tin



### In Brief

*Jane Goodall's recent visit created a social media wave in China, however her trip is only for the short term, the battle for the environment is not. CDB visited Roots & Shoots Beijing to take a closer look at how this organization of five carries on Jane Goodall's mission in China, nurturing 20,000 young people every year to be compassionate change-makers and leaders for our future.*



*Jane Goodall encourages Chinese youth to join Roots & Shoots, a youth education organization fostering an informed generation of conservation leaders (Photo: China Global Philanthropy Institute)*

*Every individual matters, every individual has a role to play, every individual can make a difference*  
– Jane Goodall

85-year-old Jane Goodall has been recognized as a living legend around the world. The English primatologist first set foot in Tanzania at the age of 26 and then spent decades studying chimpanzees, and finally redefined the relationship between human and animals through her revolutionary fieldwork.

To better protect what she truly loves – animals and nature – Jane Goodall shifted from science to conservationism and activism after attending a primatology conference in 1986, where she noticed that all the presenters spoke about deforestation going on at their study sites around the world. She decided to join forces with others to wake people up, and embarked on a journey that requires her to travel 360 days a year. The message she brings to the world after fighting for animals and nature for 60 years? There is still hope.

Last month Jane Goodall travelled to China, and her short trip was packed with a series of public events in different cities. This wasn't the first time Jane Goodall visited China. Greg MacIsaac, a friend of hers who had helped to start off Roots & Shoots in Dar es Salaam in 1991, invited Jane to visit him after he left Tanzania in order to help start a new international school in China – the Western Academy of Beijing (WAB). “I said okay, if you get Roots & Shoots into a couple of Chinese schools, I will come! He did and I came to China in 1998.”

During the last trip, in a dialogue co-organized by the China Global Philanthropy Institute and Roots & Shoots Beijing, Jane shared with the audience that when she first came to China in 1998, people had little understanding of the environment and environmental protection was not popular. “It has changed so much and it has changed in a short time. Of course China could do better, every country could do better, but there has been a major change in attitudes.”

Environmental education for the youth has long been close to Jane Goodall's heart. Roots & Shoots was originally a program of the Jane Goodall Institute, an organization that she founded in 1977 to support the research in Gombe and scale up the protection of chimpanzees in their habitat.

People can start their own Roots & Shoots groups in communities and schools, and that was how Roots & Shoots Beijing begun when Greg MacIsaac introduced this concept to China. Since Roots & Shoots began in 1991, the program has now developed into a global network with young people in 140 countries to foster the informed generation of conservation leaders our world urgently needs.

“It has been very rewarding to see Roots & Shoots spread through China, first in primary schools, and then in high schools, universities, now also in kindergartens. I think one of the reasons it has been very successful is because young people get the chance to choose what they feel is important to them. We listen to them and empower them to take action.”

When Jane Goodall was asked for her opinion on what the Chinese youth can do to create a big impact of the sort Greta Thunberg is bringing to the world, she replied, “what Chinese youth can do and are doing is join Roots & Shoots.” She laughed and then added: “I am serious. One thing that is happening is that young people are changing the way their parents and grandparents think. A Chinese mother told me that what her daughter has learned in Roots & Shoots has changed the way she thinks about the environment. She's now more careful about what she buys. Did it harm the environment? Or is it cruel to the animals? She and the other mothers have all changed the way they think because of Roots & Shoots.”





Zhang Xiaohai, the executive director of Roots & Shoots Beijing, says their role is to 'help the youth save the environment' (Photo: CDB)

**Only if we understand, will we care, only if we care, will we help. Only if we help, shall all be saved – Jane Goodall**

Jane Goodall's visit definitely created a social media wave in China, however her trip is only for the short term, while the battle for the environment is not. After attending the dialogue, CDB visited Roots & Shoots Beijing's office to take a closer look at how this organization of five carries on Jane Goodall's mission in China, nurturing 20,000 young people each year to be the compassionate change-makers and leaders of the future.

Zhang Xiaohai, a former animal welfare expert and now the Executive Director of Roots & Shoots Beijing, greets me in the office with a picture of a chimpanzee hanging on the wall.

He first explains that Roots & Shoots Beijing is a Chinese NGO with no subsidiary relationship with either the Jane Goodall Institute or the other Roots & Shoots around the globe. "The first Roots & Shoots group in China started in the Western Academy of Beijing in 1994. The group carried out various activities in the international schools for many years before registering as a company under the name of the 'Jane Goodall (Beijing) Environment Culture Exchange Centre.'"

"In 2017, we registered Roots & Shoots Beijing as a Chinese NGO," Zhang says, adding that although the Roots & Shoots around the globe are all independent from each of them, communication within the network is frequent and

help is provided when needed.

According to Zhang, Roots & Shoots Beijing position themselves as a youth education organization instead of an environmental organization. Their role can be simply summed up as "helping the youth in saving the environment".

"Environmental awareness was very low when Roots & Shoots was first introduced to China. Our work back then was mainly about providing environmental education lessons and introducing Chinese youth to the new environmental concept. But now it is different, such lessons are being taught in schools, and there is no point for us to repeat the work. So now our focus has shifted from teaching the courses, to providing the youth with the opportunities to participate in the environmental movement."

Zhang says that teenagers nowadays are full of creative ideas, so providing them with a stage to contribute to conservation work could help train their skills, from campaign organizing to communication. Through youth empowerment programs, young people will then figure out their own ways to conserve nature.



An investigation and research on Chinese River Dolphin initiated by a student group from Shandong prompted Roots & Shoots Beijing to launch Roots & Shoots River Dolphin Protection Projects (Photo: Roots & Shoots student group)

This is how it works: whenever Roots & Shoots Beijing comes out with a new campaign idea, the team will circulate the message among the 760 Roots & Shoots groups they manage, which include 20,000 young members in total. Groups that are interested in joining the campaign will receive campaign material, guidance and financial support from Roots & Shoots Beijing in order to carry out the campaign in their area.

A successful Pangolin campaign which ended not long ago had groups from 88 universities respond. Over a period of two months, students visited 178 hospitals and called on 20,000 new mums to save the pangolins by refusing to use pangolin products, spreading the message that "baby pangolins need their mothers too" (in China there is a traditional belief that pangolin scales increase lactation for nursing mothers).

"We tried to make pangolin conservation relevant to our targeted audience. From this campaign, students helped create project impact and also learned how to design an environmental campaign with a unique marketing angle," Zhang explains.

Roots & Shoots Beijing also provides support and guidance to projects initiated by student groups to help maximize their impact. Zhang explained that a student group from Tongji University took the initiative to design a showcase of a circular economy and had it exhibited in a shopping mall. Roots & Shoots Beijing then invited several student groups to put on the same exhibition in other cities.

"For groups that are unable to organize such an exhibition, they can do smaller events in their schools, and we can help with printing the banners and providing the other materials required. Even if they only put up a poster in the school, that's fine," he says.

To further empower student groups to take their own initiatives, Small-Scale Funding for Creative Projects, a program that funds student projects at the scale of a few hundred to a few thousand yuan, was opened for applications.

According to Zhang, the selection of the grant winner is based on the creativity and uniqueness of the idea: "the topic can be repetitive, but the way they conduct the campaign must be unique because the more unique the idea is, the bigger the impact it could create."

**We have the choice to use the gift of our life to make the world a better place—or not to bother – Jane Goodall**

The Jane Goodall Institute is sometimes asked whether Jane Goodall is still alive. People love Jane Goodall and are concerned about her health. To Roots & Shoots groups

worldwide this may not just be a sentimental question, but also critical to their survival.

"The global network is already discussing how we can prepare for Jane's passing," Zhang says. Jane Goodall is the face and spiritual leader of Roots & Shoots worldwide and her influence is critical to their development, thus some people are worried that her influence might get weaker after her passing and their work might be impacted.

"Jane's visits to China have always greatly helped our fundraising as well as the implementation of our projects, although our work is quite independent when she is not around. I think what is more important is that she really inspires people and the Roots & Shoots team. We love her so much and don't want to lose her. If this sad thing happens, it will be a big loss to us and to the world. However, I believe her legacy will be well passed on and keep inspiring the future generations."

When asked about his vision for Roots & Shoots Beijing in the next 10 years, Zhang hesitates because, he explains, as an organization focusing on youth education, it's hard to evaluate its impact. "How many people can a small organization like us influence? We have 5,000 new students joining us this year but the growth has a limit as we can only have one Roots & Shoots group in each school."

So instead of measuring their impact based on numbers, he places his hopes on the future. "Our job is to discover and cultivate young environmental leaders. The kids who join our program today might become the social leaders of tomorrow. By then, I hope what they have learned from here will help them to make decisions that are more friendly towards our environment."

What Zhang hopes is perfectly aligned with the message that Jane Goodall always bring to young people: "What you do makes a difference, and you have to decide what kind of difference you want to make."

Jane Goodall has a plan for the next generation and the seeds of hope are now sprouting across the world through Roots & Shoots. With their continuous efforts in guiding the youth to make better decisions, a different world will soon be built.



## Points of No Return – an Interview with Jennifer Morgan, Greenpeace

2019-05-24  
CDB Team



### In Brief

*In this wide-ranging interview with CDB, the International Executive Director of Greenpeace Jennifer Morgan discusses her organization's strategies in China and worldwide, the importance of fighting climate change and preserving biodiversity and the fallout from the Paris agreement.*

*Source: Interview Conducted By CDB's Gabriel Corsetti*

### Editor's Note

*Jennifer Morgan became executive director of Greenpeace International in 2016, a post she shares with Bunny McDiarmid. A veteran environmentalist, Ms. Morgan was formerly global director of the Climate Program at the World Resources Institute, global climate change director at Third Generation Environmentalism (E3G), and leader of the Global Climate Change Program of Worldwide Fund for Nature (WWF). The following interview was carried out by Gabriel Corsetti in Greenpeace's Beijing office on the 7th of May 2019.*



*Greenpeace International Executive Director Jennifer Morgan.*

*Could you briefly introduce what Greenpeace's global strategy is going to be over the next few years, and what your main areas of work are going to be as an organization?*

**Jennifer:** Certainly, and thank you for the interview, it's great to connect! Globally, Greenpeace has two major overarching priorities. One is climate change, and specifically keeping the global average temperature increase below 1.5 degrees. The other is halting the loss of biodiversity. And of course those are interlinked in some places and in some ways. We have a ten year-framework that we adopted three years ago that really lays out our approach, which is to try and address the root causes of these problems and work towards systems change.

It is a continued work in progress, but part of our theory of change is that we need to move away from, for example, trying to stop one particular coal power plant project, and really work at the root causes. In the US, for example, that can be something like looking at who funds an electoral

campaign and trying to get at that problem. One might not think of that as an environmental campaign, but when you understand that the fossil fuel industries fund the US elections and that really affects the policies, then you can understand the example. Corruption is another one of the root causes that you really have to try and reach.

Another part of our framework or theory of change is building alliances with others. There are things that Greenpeace continues to do on its own, but it's very important for us to work with other organizations, both local and global, both environmental and of other kinds, and also to be a bridge into society and what's happening in society. Our key goals over the coming years are to phase out fossil fuels, coal, oil and gas, and stop deforestation, but also try and address the power dynamics, and shift the power dynamics that drive environmental destruction.

In many societies you have vested interests that are dictating what happens, and we think that they shouldn't be making all the decisions, but rather impacted people should be much more involved. Working to shift mindsets is another part of our strategy that has become more important than it used to be. It's hard, but we have to try and work on it; for example, we have one project called the "make something project", which is trying to shift mindsets from buying people gifts to making things for them instead. We have also had "make something days", the most recent of which was on Black Friday, which is a big consumer day. So it's about really trying to shift away from a consumer mindset towards a togetherness mindset, towards cooperation between people and away from individualism – a different way of doing things. We are deliberately trying to get at some very basic values and mindsets, because we think that in order to have systems change we have to try and work on these things and shift them over time.

*Greenpeace has been working in China for 17 years. Could you describe some of Greenpeace's most important achievements in this country?*

**Jennifer:** In China we have worked in a number of areas over the years. Some of our biggest successes and achievements have come from corporate campaigns. For example, we had a detox campaign that tried to make supply chains and products greener and get chemicals out of the production processes, and we had 70 suppliers and brands actually commit to remove chemicals from their



processes. We also had another corporate campaign to save the forests, and timber giants like APP actually agreed to make major deforestation commitments.

So we have seen many achievements on the corporate side. We have also worked behind the scenes in the field of renewable energy, getting both research and analysis moving to increase and raise public awareness around renewables, creating an incubator platform for entrepreneurs and supporting the growth of green energy and eco-farming. Another area that we've worked on is trying to prevent ecological destruction, for instance in forested areas, where we've highlighted illegal mining and logging activities and managed to get protection for some areas. We therefore also supported the government's ecological redline policy and its implementation. And these are just some examples of campaigns that we've run here.

*Would you say that Greenpeace's approach in China differs from its approach in other countries? Over the last couple of years Greenpeace China has worked mainly by applying for "temporary activity" permits. What have the main advantages and disadvantages of this mode of work been?*

**Jennifer:** Each Greenpeace office has different political and legal conditions under which it works, so the approach we take in China would be different than the approach we would take in Germany, or the approach we would take in South Africa. Our role here has been very much one of research analysis, public education and awareness, but also bringing in solutions. The 28 permits for temporary activities that we have now attained have helped us learn more.

The benefit is that this has pushed us to enhance our work with our allies and partners, because we work around a common permit, and it has got us into deeper dialogue and cooperation with partners in China. We have learned a lot from them, and I am a big believer in collaboration. I think this is a long-term benefit, because it really builds up mutual understanding between different types of partners. The disadvantage is the administrative cost, which is pretty high in order to get everything set up and moving, and this may cause lower efficiency. That's the main disadvantage that we've encountered so far.

*You've described Greenpeace's two major global aims as keeping the temperature increase under 1.5 degrees compared to pre-industrial times, and halting the loss of biodiversity. Could you explain why these two targets are so important for humanity?*

**Jennifer:** If you think about our climate, it represents the stability that lets us live the way we live. It's not just the weather, it's the conditions all around us. For millions and millions of years we have lived within a certain temperature-range. It goes up and down over the seasons, but it's been pretty consistent. Since the industrial revolution however, with the burning of fossil fuels, we have seen a consistent temperature rise. With that temperature rise comes a set of impacts, and with those impacts come things like extreme weather events. If you are looking at why climate change matters, when you have extreme droughts, which we are seeing around the world, that impacts agriculture and food availability and prices.

That then hits the average consumer, whether it be how much it costs to buy something or if it's even available. It also has a big impact on the farmers themselves, and whether they are able to survive these long pronounced droughts. In some countries they are able to adapt, but what we are seeing in the models is a continued and prolonged set of droughts. Even today this is starting to affect a place like Germany, that everyone sees as being so successful and robust; last summer there was a drought due to which farmers asked for two billion euros. Another one is being projected this year. The costs to government and society are huge.

The other side of the coin is major downpours of precipitation. Whether it is rain and extreme flooding or big snowfalls, what the models are showing and what we are currently seeing are extreme precipitation events, and these can have major impacts on people's lives, for instance washing away their homes. In some places this combines with factors like an increased intensity of cyclones, as we have just seen in Mozambique. It is as if the whole atmospheric energy system is much more charged, and you have these extreme events that can be absolutely cataclysmic for communities that are living in the area. If you think about the sea level rise, as well as more extreme weather events, the risk in China for people that live on the coastline is quite high.

There are other problems that come with higher temperatures, like pests and diseases migrating to new areas, which is another public health concern. The thing to remember is that the poorest people are the most vulnerable. This seems like an obvious thing to say, because if a storm arrives and you live in a hut rather than a major apartment building, then your house is more likely to be blown away. Or if you live in the horn of Africa and there's a drought, where are you going to get your food? And so people become displaced, and it is the poorest that are most vulnerable. This is speaking from a development perspective, and for China as a developing country, particularly in some of the rural areas, it's a key issue.

The thing that it is important for people to realize is that there are points of no return. There will be a point in time when it is no longer possible to recreate the glaciers that melt and then cause the sea levels to rise, even if you were to lower the temperature. Or if you think about the Amazon Rainforest, which plays such an important role as a major absorber of carbon dioxide, there will be a point where it becomes a source of it because there are so many fires, and we won't be able to turn that back anymore.

The tipping point for some of these phenomena is at around two degrees. We all tend to think that with an issue like air pollution, or other types of pollution, you can just put a scrubber on and clean it up, and then get back to where you were before. With climate change on the other hand, since the gasses stay in the atmosphere so long, there are actually points of no return, so you are setting up your children and grandchildren for a world of utter chaos. This is why there are now a lot of teenagers who are getting involved around the world, because they realize that if we don't change course rapidly the world they are inheriting from their parents will not be a good one for them to live in.

When it comes to loss of biodiversity, the first thing to realize is that the ecology is an amazing system, and it also brings us great benefits. For instance, if you look at our major medicines they often come from plant life. Or you can think about the oceans and the biodiversity they contain, for example in terms of coral reefs or fisheries, which are important as a food source for humans. But from my perspective there is also the intrinsic value of nature itself, and how important it is for people to spend time in nature in terms of relieving stress and being more present. The richness of biodiversity and the different solutions for

humankind that can be found within it are at risk due to the current extinction rate. That would be my explanation as to why people should care.



*Greenpeace International Executive Director Jennifer Morgan sailing with the Arctic Sunrise on Svalbard, in the high Arctic.*

*At the Paris climate conference 2015 the target was set to keep the global temperatures increase under 2 degrees. Would you say most countries are on track to meet this target?*

**Jennifer:** The answer is no. The target was to keep the global average temperature increase well below 2 degrees, with 1.5 degrees within sight. The 1.5 degrees target was kept on the table as part of the goal. If you want to achieve an increase below 2 or 1.5 degrees, then that dictates a lot of your decisions, for instance, on how fast you need to phase out coal or do certain other things.

If you look at the long-term goal of the Paris agreement, which is basically to phase out fossil fuel and get to net zero emissions by mid-century, we are not on track to do that. As a step towards that long-term agreement, countries put forward a set of what they called "nationally determined contributions", and if you add all those up, you get something like a 3.2-3.6 degrees increase. This gives you a downward trend from where business as usual would have been, but it's not enough to get you in line with even the 2 degrees goal, let alone 1.5. This is why the Paris agreement also has a "ratchet mechanism" in it saying that by 2020 all countries should be reviewing and updating or enhancing their National Determined Contributions, so that they get more in line with that long-term goal.

There is also a big moment coming up this September in New York at the UN meeting, where hopefully all countries will

announce that they are going to start processes to enhance their ambition. I think if you look at the commitments that have been made and whether implementation is on track or not, it really depends on the country. There is good progress being made in some places, but the challenge is that so much time has been wasted to get on the pathway to zero emissions. Things will have to change faster now than if we had started earlier. That is why this ratcheting up of ambition is so vital. Of course developed countries have to take the lead, but every country has committed to do that.

*Talking of which, after the United States retreated from the Paris Agreement, many people starting seeing China as a possible new leader in the international effort on Climate Change. How would you describe China's efforts to advance the global climate agenda and also switch to renewables?*

**Jennifer:** China has played an extremely important role in getting the Paris agreement in place. Before Paris there was a lot of unprecedented work done between the Obama administration and the Chinese administration to have US-China cooperation on climate change, which helped bring together and set the drive and the direction for the Paris Agreement.

Since the Trump administration has announced that it is going to leave (it can't officially leave until the day after the 2020 election), China's role as a torch bearer has been even more important, and the clear statements around the importance of multilateralism and climate cooperation have steadied the ship after the storm of the Trump election. China has also made good progress on meeting its targets and on renewables, of which it has the largest share globally. The key thing is to really double down on these efforts. We've seen an increase in coal and emissions in the last two years, and I think getting back on track to reducing coal and emissions for air pollution and climate change will be incredibly important both for China's own development pathway and for it to be the leader that the world needs and it seems the world is wanting it to be.

*Thank you! Is there anything else you would like to add?*

**Jennifer:** I would just like to say that Greenpeace has been in China for 17 years, and as the international executive

director I try and come here as often as I can, both to learn about what is happening and contribute as much as I can. I think there are some pretty exciting things happening in China, and often times the understanding of what's happening here is very simplified in other countries and contexts. So from a global perspective, China is a really important priority for us.



## Taking Recycling One Step Further: China's Thriving Zero Waste Movement

2019-10-31  
FY Tin



### In Brief

*Recycling is hot topic in Beijing right now, but a group of people has departed on a journey that goes beyond recycling – Zero Waste. CDB interviewed two Zero Waste advocates to share their views on the new waste-sorting rules in China and the challenges that their community is facing.*





*Elsa Tang, the Founder of GoZeroWaste, is building a wide Zero Waste network on WeChat to promote the Zero Waste movement in China. (Photo: CDB)*

While recycling is currently one of the hottest topics in Beijing, there is a group of people who have set off on a journey that goes beyond recycling – Zero Waste.

According to Elsa Tang, the Founder of GoZeroWaste, a top-down approach can be the most effective way to bring systemic change to the society and attract public attention to environmental issues, however recycling is not the answer – it's the last resort. "Instead of giving a false impression that we are doing good enough for the environment by recycling our waste, I prefer to educate people on how we can avoid producing waste in the first place."

Zero Waste was originally a term used to describe manufacturing and municipal waste management practices. In 2008, Bea Johnson, a French-American woman living in California, decided to apply this concept to her life. Through trial and error, she successfully reduced the waste of her household of four people from a few kilograms a day to a small jar a year. Her story has been widely broadcast worldwide since then, and it has attracted countless people around the globe to go down the same road, including Elsa Tang.

In 2016, Tang read an article written by Lauren Singer, another zero waste advocate living in US, and was amazed by her lifestyle. "I used to think that being environmentally friendly is old-fashioned or disgraceful until I saw her video. Her life is so beautiful, it truly touched my heart."

Instead of making people feel guilty about their behaviour, Tang shows them the bright side of living a Zero Waste

life. "I started by living zero waste gracefully, in the hope that people will eventually come to believe that living a sustainable lifestyle won't ruin their lives; on the contrary, their quality of life will be improved."

While people are crazy about the Singles' Day shopping festival, Tang avoids online shopping. Whenever she shops, she looks for package-free options and takes them home with reusable containers or cloth bags. She also follows a vegan diet to avoid the exploitation of animals and has rarely bought new clothing in the past few years.

"Life is an experiment in living; the focus of a Zero Waste lifestyle is not looking at the waste we reduced, it's about gaining a new perspective on our lives."

As the second largest polluter in the world, China has been in the spotlight on environmental issues in the past decades. Several important policies have been taken to reverse the damage being done, including the ban on plastic waste imports announced last year, and the strict waste-segregation rules issued in Shanghai this year.

"We are trying to catch up with the developed countries within such a short period, and people are facing drastic and overwhelming changes every day. Especially the elderly, they have gone through many hardships throughout their lives and are now being influenced by consumerism, so it's difficult for them to make a change. From my point of view, the new generation is more open to new concepts and is now leading the change."

Riding the social media wave, the Zero Waste community has expanded rapidly in the past few years and the trend has inspired the opening of countless zero waste-related businesses, including GoZeroWaste.

Founded by Tang in 2016, GoZeroWaste is a company based in Beijing, educating people about Zero Waste living through a wide social media network on WeChat. While managing 28 WeChat groups for netizens in cities including Beijing, Shanghai, Nanjing, Guangzhou, Wuhan, Chengdu and elsewhere, Tang also runs the official WeChat account of GoZeroWaste with more than 27,000 followers and provides free practical tips on waste reduction and sometimes free events for like-minded people.

Tang believes that people are aware of the environmental

issues but the question is: what can we do? "That's what we are working on, we provide solutions."

One of the notable events she organises is a swap party that happens once a month in Beijing. "People were skeptical about using second-hand items in the beginning, but now swapping unwanted clothing and household items has become a new culture in our community." With the help of 39 volunteers, GoZeroWaste has successfully organised over 70 swap parties all over China in the last two years.

Besides, GoZeroWaste also helps companies to move towards Zero Waste through Corporate Social Responsibility programs. Supported by a foundation, a Zero Waste lesson plan was developed by GoZeroWaste and is now being taught in 20 primary schools in Beijing and Hebei.

"Many people find the 'zero' in Zero Waste intimidating, so 'zero' is never our focus. There's no one-size-fits-all answer, our focus is to provide practical options and then it's your decision how far you want to go."



*Carrie Yu, the Founder of THE BULK HOUSE, says both individual and political action are needed to tackle environmental problems. (Photo: CDB)*

Although Zero Waste is still a concept that many people have never heard of, it is already becoming trendy on the Chinese internet.

In November 2018, a video produced by online media channel "Yitiao" went viral on social media. Within a short period of time, it hit 37 million views across the internet. The video was about a young couple living Zero Waste in Beijing and how they managed to fit six months-worth of trash into a small glass jar.

The couple, Carrie Yu from Wuhan and Joe Harvey from England, opened Mainland China's first Zero Waste store, THE BULK HOUSE, on Gulou Dongdajie in 2018. Nestled among the touristy hutongs of the city centre, the store sold a large variety of Zero Waste products, ranging from reusable containers, bamboo toothbrushes and cloth bags to cloth sanitary pads.

The opening of the store marked a milestone for the zero waste community in China, but while its future seemed bright, the Bulk House closed down unexpectedly in early 2019, just a year after its launch. It made people wonder: are the Chinese not receptive enough to the idea of Zero Waste?

"No, the shop closed down because the response was overwhelming, people came from all over China to THE BULK HOUSE to take pictures of our store, our products, and us." Carrie Yu bursts out laughing. "We spent too much time talking to customers and ended up exhausted. We were stuck in the middle, whereby the store was doing quite well, but not quite well enough to hire new team members to take over from us."

After closing down the physical store, Carrie Yu is continuing her Zero Waste mission through different online shopping platforms. Despite an initial drop in sales, Carrie Yu has no regrets regarding this decision. She says she is healthier, less stressed and has more time to work on the 'bigger plan'.

"When I first started my Zero Waste journey in 2016, I realised that it was very difficult to get the information I needed to adopt this lifestyle. So I always had the plan to build a platform where we can put all the environmental information and services together."

Despite all the complications, Carrie Yu is optimistic about the future of the Zero Waste community in China: she believes the key element of taking this movement to the next level is to make Zero Waste relevant to our lives.

“People tend to think that the complexity of the environmental problem is too large for them to worry about. It shouldn’t be thought about in that way, since every single choice we make each day affects us directly.” She explains, “imagine that the Earth is a big water tank. We get to enjoy clean drinking water if we all only fill the tank with clean water; but if just 100 or even 10 people fill the tank with dirty water, we all suffer. A small group of people living in a non-environmentally friendly way can pollute the entire tank and ruin the planet for themselves and the rest of us.”

Some critics argue that Zero Waste is idealistic, because in reality people are not ready to compromise their convenience, for example, access to food delivery apps and online shopping, for the sake of the environment.

“I wasn’t doing this for the environment, I started living Zero Waste because I was confused and unhappy by the consumerist lifestyle. I realised that buying more stuff won’t make me happy. I had been living a life whereby marketing and big companies had tricked me into living the way they wanted me to live.”

Carrie Yu believes that human beings are in general quite selfish, thus instead of asking someone to save the environment, it’s now her focus to highlight how living Zero Waste could benefit us physically and financially.

Besides taking individual actions to save ourselves (and the environment) from destruction, Carrie Yu hopes the government could take bolder steps to reduce waste at the source, for example, giving tax-exempt status to manufacturers that use less packaging or compostable packaging.

Aligning with fellow Zero Waste advocate Elsa Tang, Carrie Yu stresses that waste-sorting is a good start but not the answer. “The government is taking a detour but soon they will realise that there is actually a short cut to the real solution ahead of us.”



## Intermediary Nonprofits and the Rise of China’s Domestic Social Impact Ecosystem

2019-08-30

Ryan Etcorn

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**In Brief**

*The last few years have seen the rise of a new class of intermediary organizations that act as hubs for NGOs and social service providers in China’s major cities. In this article, Ryan Etcorn describes his research into the role of such organizations in Guangzhou and Shenzhen.*

*Ryan Etcorn currently lives in Beijing and works as a Program Associate for the Ford Foundation's representative office there. He conducted the research used in this article as a 2018-2019 Fulbright Research Fellow. The views expressed in this article are entirely his own.*

2016 was a big year. For almost every organization that claims a “social” mission in Mainland China, that year and the two years leading up to it saw major structural changes. For most international observers, the marquee moment came with the passage of two laws of historic significance: the Overseas NGO Law and the more domestically focused Charity Law in late 2016. But even before that, new dimensions in China’s own domestic charitable and public welfare “ecosystem” were taking shape that have only intensified since – changes that have largely gone ignored by the international community.

While international institutions debate the Overseas NGO Law and struggle to cope with its changes, domestic Chinese voices have increasingly focused on dramatic challenges and opportunities rising in their own domestic sector. As foreign funds dry up and local forces mature and innovate in China, domestic organizations with a social mission still struggle to assemble the capacity needed to expand.

In this era of the new normal, how can small grassroots organizations link up with the financial and professional support they desperately need to survive and grow? In most societies, resources are often concentrated in the largest government and commercial institutions that struggle to form direct connections on the ground, which may be especially true for China. How can tiny community organizations dream of tapping into those resources in the hope of addressing issues like an aging population, incurable disease, acute disaster relief, or poverty?

Enter China’s quickly growing class of “platform” organizations. Sometimes called “intermediary” or “capacity building” organizations in the West, these organizations often work as magnetic hubs not just for the nonprofit sector, but across government, private, and community institutions. Their growth, especially in China’s large coastal regions, has been so prolific in the last few years that nationwide efforts such as the Narada Foundation’s Good Public Welfare Platform (Hao Gongyi Pingtai) and the digitally focused NGO 2.0 have even been

established to focus collaboration even further.

### **So, what is a platform organization?**

Platform organizations can perhaps be most simply defined by who they serve. Rather than providing direct services to communities of individuals on the ground, these organizations instead function to build up grassroots groups and help them sustain themselves. In short – they work like the central spine around which struggling community organizations can cluster when they need help and mutual support.

In nonprofit sectors with longer histories, these platform or “intermediary” organizations tend to share a few key functions, which can be summarized in three words: capacity, linking, and legitimacy. Platform organizations build skills that young organizations critically need, they create networks between organizations and sectors, and they also create transparency and offer insights into the complex and sometimes confusing field of social impact. Cutting across all three of these functions, however, is one of the stickiest problems for China’s relatively young nonprofit sector: funding.

Platform organizations in China typically take the form of associations, foundations, incubators, or institutes that provide knowledge or critical training needed to, for example, get your organization registered, lead you to new ideas for funding, or simply give organizations a space to convene and learn from each other. Arguably more significant is the fact that *these organizations are increasingly shouldering responsibility for receiving funds from top-level government and commercial institutions and making judgments about how they are redirected at the grassroots level.* It is this role that deserves special attention as a stampede of platform organizations arrive in Chinese society, often with different visions and financial backers. Without these middle institutions, even government agencies and wealthy donors with the best intentions find themselves parachuting relief downward with a thick fog separating them from the ground below.

Throughout 2017 and early 2018, I traveled back and forth between two southern Chinese cities, Shenzhen and Guangzhou, interviewing leaders in platform organizations, former government officials, and grassroots groups to find out how platforms were changing the game

in China’s nonprofit sector.<sup>[1]</sup> Both cities are commercial powerhouses in Guangdong Province, and have long led the development of China’s nonprofit sector in several significant ways, but their characteristics and approaches to building a future for public welfare often differed.

Along the way, I asked questions that aimed to understand why platforms were growing in the first place, which platforms were rising in these two cities and how they were changing the rest of the nonprofit ecosystem. No matter who I talked to, a common theme across platforms with all different backgrounds was the government’s call, starting at the 19th Party Congress for “co-construction, co-sharing, and co-governance.”<sup>[2]</sup> Taken in the context of public welfare, I witnessed this phrase being echoed by community foundations, hub-style social organizations, and other intermediary organizations even while it was used to support slightly diverging visions for cross-sector collaboration in China’s future. Platform organizations of all stripes see themselves as a meeting place for the different strengths that private enterprise, government, and nonprofit organizations can all bring to the table.

### **Supply or demand – where are the platforms coming from?**

It is no secret that the domestic nonprofit sector in China needs help if it wants to grow, and both government and social forces have made their own moves to address it. So, what’s holding nonprofits back? Ask almost anyone working in or with the sector and they will almost always list “professionalization” near the top of the list. Recent studies reveal that the sector continues to heavily employ young workers in their 20s and that turnover is rampant.<sup>[3]</sup>

But since recruitment is often left to the market, the lack of top talent always circles back around to one cold fact: professionalism chases the payday. It’s hard to attract top talent without competitive compensation and that classic problem has long plagued nonprofit sectors in western countries too, but the pay gaps in China have been even more stark. In 2018, the average annual salary of an employee in a Shenzhen nonprofit organization was 51,096 RMB (\$7,514 USD) and secretaries at the very top of staff hierarchy only made an average of 17,500 RMB (\$2,573 USD) per month, according to official statistics.<sup>[4]</sup> In one of China’s most expensive cities, that means it will be a struggle to pay rent, let alone support a family.

Down the tracks in Guangzhou, the paychecks are even lighter. Platform organizations help mend this talent gap by providing free or subsidized training to organizations that cannot afford legal counsel, professional auditing services, or other kinds of critical know-how.

If the real core problem that most local nonprofits face is financial sustainability, then many see platforms as the new hope to boost what is often termed *zi zao xue*, or building “bone marrow” that self-generates financial “blood” for the organization in the future. Platforms can coach small grassroots groups on the latest online and offline revenue strategies. Using the term “resource docking” most platforms share a desire to see nonprofit organizations become more advanced in the ways they raise funds. They also tend to share a constant drumbeat for diversifying revenue through social enterprise, online fundraising, government programs, and other innovative means.

In the past decade, platform organizations have taken off, reshaping the social sector in the world’s second largest economy. Investigating the current expanding state of platform organizations in Guangzhou and Shenzhen quickly sheds light on how crucial they have become to convening voices across the world of social impact, whether in real time or online. Beyond just adding their own dimension, their presence sends a ripple effect throughout Chinese society by concentrating the influence of social forces, even as their numbers grow. One nationwide study found that the number of “supply style” social organizations had risen by as much as 87% by 2018.<sup>[5]</sup> Despite that growth, platforms in the Pearl River Delta can still be distinguished by one key factor: who they answer to.

### **Administering a sector: the official path**

As early as 2004, the Beijing and Shanghai governments were already experimenting with policy prescriptions to build “hub” organizations and community foundations that could act as a “bridge and belt” for a new era in “social governance” where private enterprise, government, and social organizations all worked toward common goals.<sup>[6]</sup> Startup platform organizations like Shanghai’s NPI teamed up with local governments to establish a system of incubators that could propel the city’s social organizations into a new era. Shenzhen and Guangzhou followed closely behind.<sup>[7]</sup>

Comparing both Guangzhou and Shenzhen reveals major



differences in resources, culture, and other social elements, but those differences only make the fundamental similarities stand out more. The official model of government support for the sector follows a similar “supply-side reform” logic commonly found in China’s economy. Led by the Ministry of Civil Affairs (MoCA) in each city, this system combines the work of social organization “hub” organizations, incubator bases, charity federations, and think tank-style “institutes.” Although staff in these platforms are not technically government officials, they often work in coordination with each other and under direction of the relevant offices inside the city-level MoCA and mostly rely on State sources of revenue.

Differences between these two cities occasionally emerge and illustrate larger patterns in the way the social sector is treated in each city overall. In Guangzhou, for instance, the city MoCA established 45 incubator bases at city, district, and street-level with specific guidelines for how they can be incentivized through government subsidies pooled in a special, city wide fund.<sup>[8]</sup> Guangzhou platform leaders claim a more “systemic” environment of capacity support for nonprofits than Shenzhen, but the institutional map in Shenzhen still bears unmistakable similarities and benefits from being situated in an overall wealthier city.

These government platforms have established themselves as rare oases in what can otherwise feel like a vast funding desert for most civil society groups. But aside from just offering funding, they sometimes also offer a degree of oversight and legitimacy that nonprofits critically need in a sector that continues to witness scandals and experience social mistrust.

When Chinese social organizations use these platforms as channels to State resources, they sometimes report a particular challenge known as “mission drift” or “mission creep.” Only nonprofits that mirror government goals – such as poverty relief, education, or services for the disabled – have a chance of accessing the relief of State-affiliated funding lifelines. In some cases, they may even increase reliance on government contracts and other government handouts, which causes their central mission to “drift” in the direction dictated by shifting government mandates.

### Society takes on more responsibility: new platforms after the Charity Law

While the Party-state has sought to shape a new era for Chinese civil society, new energy has also been developing around the edges of the official support system for China’s registered social organizations. An eclectic range of organizations have also established a presence in Guangzhou and Shenzhen with startup capital from wealthy community members, enterprises, or other non-government forces. These types of organizations most often include foundations, online donation platforms, and innovative consulting-style capacity building organizations, with plenty of blending between these different types.

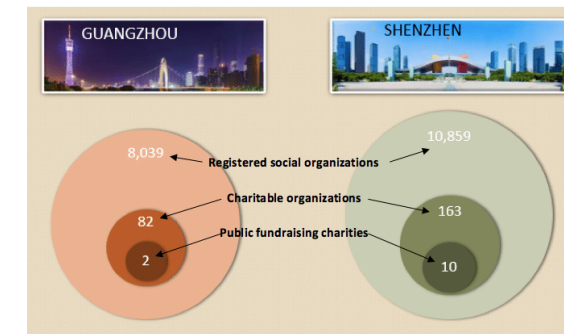
Guangdong is home to more foundations (1,149 in 2019) than any other province in China.<sup>[9]</sup> The rise of private foundations founded and driven by enterprises exploded after 2008 when the limit on deductible income for enterprises for charitable donations rose from 3% to 12% in response to reforms made urgent by the Wenchuan Earthquake.<sup>[10]</sup> Enterprises have dominated giving in China ever since, but interviewees inside and outside government backed institutions often recognized that giving from these sources often exclusively follow government priorities.

Now, a slowly growing number of foundations are beginning to gain official “public fundraising qualifications” as “Charitable Organizations” under the 2016 Charity Law, which grants them permission to serve as their own funding hubs both inside and beyond the confines of the city they reside in. Article 26 of the Charity Law has especially given these foundations the green light to fundraise on behalf of any organization without such qualifications.

Across multiple interviews in both Shenzhen and Guangzhou, *Article 26 marked a major departure in sustainable, domestic financing for Chinese civil society organizations.* Since 2016, a growing number of these groups have reported “affiliating” with credentialed public fundraising charities, usually under the auspice of setting up a “special fund.” Although organizations have been doing this since before the Charity Law, the passage of the law wedged the practice out of legal grey area into the light of the legally permissible.

Organizations hanging their name under the shelter of a public fundraising charity are not the only ones that stand

to benefit from such arrangements. The public fundraising charities themselves have discovered that the special funds, and the 3-5% “affiliation fees” that they tend to charge for the privilege of hosting special funds, have the potential to become a key revenue source.



Article 26 and other supporting regulations that have followed have also paved the way for one of China’s most important developments in the charitable sector: the growth of online donation platforms. Now that small grassroots groups can openly pin their programs to public fundraising charities, they are qualified to raise funds through popular fundraising platforms offered by private sector giants Alibaba and Tencent and by large-scale events. 2018 marked the first time that these online fundraising platforms chose to intentionally slow down and direct more scrutiny at the organizations whose fundraising efforts they were hosting.

Despite these gains, the road ahead for China’s foundations remains uncertain. Outside of Shenzhen and Shanghai, city or community-level foundations hardly exist and foundations still make up only 0.8% of total registered social organizations in China.<sup>[11]</sup> In 2018, new draft regulations on the registration of social organizations may have cut off foundation registration below the provincial level and have put the minimum endowment size out of reach for many.<sup>[12]</sup> As recently as July 5, 2019, the Ministry of Civil Affairs issued a warning to foundations that were “affiliating without managing” (gua er bu guan) their special fund programs, hinting that there may be less leniency for organizations that effectively rent out their public fundraising privileges with minimal fiduciary and political oversight.<sup>[13]</sup>

The slow growth of support platforms with social (rather than State) roots is producing a noticeable effect. Interviewees from both cities that worked with State-

backed institutions admitted that new players in the world of charity and public welfare were creating new competition to attract donors, which in turn was forcing older, state-backed charities to “wake up” and reform. As several pointed out, this can lead to the positive by-product of traditional charity leaders, like the city Charity Federation, to modernize and professionalize the way they link donors to social organizations.

But if new layers of support are arriving for China’s nonprofits, is the sector on the verge of witnessing a new revival? Many grassroots groups remain skeptical, and in some cases, intermediary organizations can contribute to the problem. As government contracts out evaluation and training services for nonprofits, many of the smallest organizations are witnessing an explosion of administrative work.

For example, Organization A is based in a government-sponsored incubator that is run by an operating contractor (also a nonprofit). They receive training from a consulting “platform” style organization and liaison with a public fundraising foundation to launch a funding drive on TenCent Foundation’s “Lejuan” platform. They also receive government contracts that are evaluated by a third-party organization that is contracted by the government in turn. Organization A now faces a daunting mountain of monitoring and evaluation paperwork from six different organizations, including the government. Legal and financial reporting burdens for nonprofits remain far more intense than for organizations registered as businesses and it always seems like new pastures bring new paperwork.

### A new era of resource diversity?

In many ways, it is still too early to tell, but many leaders in the Pear River Delta’s energetic nonprofit sector feel that the gradual expansion of fundraising options is still a good thing for the survival of the sector, even as foreign sources of funding are being phased out and running in so many different directions makes it hard to be efficient. Certain politically charged issue areas also remain sensitive, but for the vast majority of organizations focusing on education, environmental sustainability, eldercare, and other relatively benign issues, many social organizations are redoubling efforts to find money in new corners of society.

Whereas foreign actors in China frequently deploy a



political lens centered on expression, many of China's seekers for social justice and compassion have adopted a more dialectical and pragmatic approach when shaping the future of how the Party, government, society, and business might collaborate in the future to optimize services. Whether figures are closely attached to government or they stress rootedness in communities, the overwhelming majority of industry insiders I spoke with agreed that platforms were the future of cross-sector collaboration and sustainable, diversified revenue streams. The question going forward will be, which platforms will stake out the most space in the sector?

In both the West and in China, platforms still face a few key challenges. The first is their struggle to stay visible in their communities. After all, if they do not directly provide services to the people, how do they ever establish any brand awareness? This key vulnerability creates another problem, that platforms are occasionally viewed as proxies of a few, large-scale donors. As one interviewee put it, borrowing from Chinese traditional culture, platform organizations often act like a subservient “daughter-in-law” (*xifu*) for the government, a wealthy family, or a trade association. Another interviewee remarked that “every platform has a sugar daddy.” Ironically, the very platforms that grow the capacity of grassroots organizations to establish their independence by diversifying revenue sources usually depend on one or two main revenue sources themselves. In the end, they struggle to practice what they preach.

In spite of the challenges, the efforts of China's organizations in the middle – whether incubators, institutes, foundations, or hub associations – look like they may be paying off. A June 2019 report found that professionalism in the nonprofit sector is on the rise, attributing much of the gains to increased participation in training and capacity building, especially among nonprofit leaders.<sup>[14]</sup>

Training and other forms of in-kind donations are important to capacity building, but the most important new shift may be that organizations are finding in the process of increasing their sophistication is that platform organizations are guiding much of the sector to new forms of sustainable fundraising. Young nonprofit employees are attending seminars and workshops throughout China on how to reach new donors through new media, apply to grants from foundations, and bring in more government contracts. Whatever the funding source, it has become

increasingly clear in China that nonprofits will need every kind of resource they can get to heed the government's call to take on a more active role for collaborative social governance. Now on the rise, platform organizations are the new unavoidable meeting places for government, nonprofits, and enterprise as they struggle into a new era together.

## Notes

- [1] 46 interviews were conducted in all, with 22 being conducted with representatives of Guangzhou-based organizations and 24 being conducted with Shenzhen-based organizations.
- [2] [http://www.gov.cn/xinwen/2019-03/15/content\\_5373799.htm](http://www.gov.cn/xinwen/2019-03/15/content_5373799.htm)
- [3] ABC, <https://www.itopia365.org/news/Details/20>
- [4] Chen Deming, “Shenzhen Social Organization Talent Building Report”, Shenzhen Social Organization Development Report, 2018.
- [5] Qiu Zhonghui, She Hongyu & Chen Fahua, *Conceptual Fundamentals of Support-style Social Organizations*, Blue Book, 2019.
- [6] Beijing Municipal Ministry of Civil Affairs, “Opinion on accelerating the promotion of social organization reform and development”, 2008.
- [7] [http://www.gov.cn/jrzq/2010-07/06/content\\_1646850.htm](http://www.gov.cn/jrzq/2010-07/06/content_1646850.htm)
- [8] Guangzhou Ministry of Civil Affairs, July 24, 2018, “Guangzhou Social Organization Cultivation and Development Base Management Measures.” <https://www.gz.gov.cn/gzswjk/2.2.17.1/201807/59ba1ab12ef64f5abf3589ac767ef124.shtml>. This policy is an update on an earlier version that had been active since 2013.
- [9] [https://www.pishu.com.cn/skwx\\_ps/tail?SiteID=14&contentId=10983341&contentType=literature&subLibID=](https://www.pishu.com.cn/skwx_ps/tail?SiteID=14&contentId=10983341&contentType=literature&subLibID=)
- [10] Anke Schrader and Mingxia Zhang, “Corporate Philanthropy in China,” *The Conference Board Report*, 2012
- [11] [Data.chinanpo.gov.cn](http://Data.chinanpo.gov.cn)
- [12] <http://chinadevelopmentbrief.cn/news/the-new-draft-on-the-registration-of-social-organisations-15-points-of-note/>
- [13] 民政部：基金会对外开展合作不得“挂而不管”、“顾而不问”，<http://www.chinadevelopmentbrief.org.cn/news-23018.html>
- [14] <http://www.chinadevelopmentbrief.org.cn/news-22917.html>

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## Temporary Activities: the New Normal for International NGOs in China?

2019-05-14

Gabriel Corsetti



### In Brief

*While it remains complicated for overseas NGOs to register a representative office in China, conducting “temporary activities” is becoming a popular solution even for organizations that want to work in the country for the long-term.*

The Overseas NGO Law that passed into effect in 2017 represented a crucial turning point for the community of international NGOs working in China. Over two years since the law came into force, the full impact of the new legal framework on the country’s NGO sector is arguably still to be seen.

The law stipulates that there are only two ways for overseas NGOs (a designation that covers any non-profit not from the Mainland, including ones from Hong Kong, Macau and Taiwan) to operate legally in Mainland China. The first one is to register a representative office in China with the Ministry of Public Security (MPS), and the second one is to conduct a “temporary activity”.

Article 9 of the law makes it very clear that there is no other legal avenue for overseas NGOs to work in China: “It is prohibited for overseas NGOs that have not registered and established a representative office or filed for temporary activities to conduct or covertly conduct activities within China, or commission or covertly commission any domestic Chinese units or individuals to conduct activities within China.”

Since the law came into force, in January 2017, a total of 475 overseas NGOs have successfully registered representative offices in China. It should be noted, however, that over half of that number is made up of commercial and trade-promotion associations, which are regarded as NGOs under Chinese legislation. Perhaps around 200 of the registered NGOs are actually involved with fields more traditionally linked to civil society, such as environmental protection or poverty alleviation. These include globally recognized names like the WWF, World Vision, Oxfam and the Bill and Melinda Gates Foundation.

Many other overseas NGOs with a long-term presence in China, however, have been unable to register a representative office under the new legislation. The law stipulates that before being able to register with the MPS, NGOs are required to find a government department willing to act as their Professional Supervisory Unit (PSU). It is this step of the process that most often constitutes an obstacle for NGOs seeking to register. Organizations whose field of work is considered to be in some way sensitive may find that no department is willing to take on the responsibility of acting as their supervisor, while smaller NGOs may simply find that they lack the prestige and the

human resources necessary to navigate the bureaucratic obstacles and find a PSU.

Once an overseas NGO has registered its office it faces certain administrative requirements, including the submissions of an annual plan and an annual work report to its PSU in December and January. The annual work report also has to include an audited accounting report. Especially for smaller organizations, these requirements can constitute a significant administrative burden.

*There has been a certain confusion regarding the scope and definition of “temporary activities” for overseas NGOs*

The other option for overseas NGOs wishing to conduct a project in China is to file a temporary activity. The administrative process is significantly simpler than in the case of registering a representative office. The overseas NGO has to team up with a local organization that will act as the Chinese Partner Unit (CPU), and the CPU has to “file” (备案) the necessary documents with the Public Security Bureau within 15 days from the start of activity. No supervisory unit is necessary.

The second draft of the Overseas NGO Law, which was made public to solicit feedback, stated that conducting a temporary activity would also necessitate a PSU. This was however changed in the final version, possibly as a response to negative feedback from the sector and from experts, who warned that this would set an unreasonably high bar. Temporary activities may only last up to one year, but the law adds that “when there is a genuine need of an extension, a new filing must be made”.



*An overseas NGO receives its registration certificate in Beijing*

There has been a certain confusion regarding the scope and definition of “temporary activities” for overseas NGOs. The law does not contain a specific definition of temporary activities, although in the beginning it does set some general criteria for the activities that overseas NGOs can carry out in China, specifying that they must not fund for-profit or political activities. The confusion relates mostly to whether meetings or short-term trips also have to be regarded as temporary activities that need to be officially filed.

Jessica Batke, senior editor of ChinaFile’s China NGO Project and an expert on Chinese civil society, has analyzed this issue in depth. When reached, Ms. Batke explained that based on her understanding the PSB may use a number of different considerations when determining whether something constitutes a temporary activity or not. In her own words, “factors I have heard about include whether or not an overseas NGO is providing the funding for an activity, whether or not the overseas NGO is going to publicize the activity, and whether or not the overseas NGO employees are taking part in the activity in their personal or professional capacity. It’s possible that only one of these factors being present is enough for a PSB to decide that something does count as a temporary activity. It’s also possible that different provincial PSBs use different standards to make this judgment; I’m not entirely sure how formal these considerations are and whether they are coordinated across different PSBs.”

In spite of this ambiguity, the statistics demonstrate that the popularity of carrying out “temporary activities” has been growing among overseas NGOs that work in China. Professor Jia Xijin, from Tsinghua University, made this point in the talk she delivered at CDB’s forum for overseas NGOs on the 5th of November 2018. Professor Jia noted that in 2018 there was a sharp increase in the number of filings for temporary activities compared to 2017, while conversely the number of new registrations of representative offices declined considerably.

In 2017, the first year of the Overseas NGO Law’s implementation, 305 overseas NGOs registered representative offices, and 494 temporary activities were filed. By the 4th of November 2018, the day before Professor Jia’s talk, the total number of registered offices had risen to 427, while the number of temporary activities had grown much faster, reaching 1,179. The Ministry of

Public Security’s website currently (May 2019) lists 1,740 temporary activities filed by overseas NGOs since the law was passed, showing that in the intervening time the number of temporary activities has been increasing faster than ever.

Based on the figures, Professor Jia suggested that many overseas NGOs that had encountered difficulties in officially registering an office in China were turning to temporary activities as a solution to achieve legality for their projects. She also predicted that filing temporary activities would continue to get more common in the coming years, and “could turn into a normalized channel towards legality.”

Contacted for this article, Professor Jia further expounded that “for some organizations, filing temporary activities may become a long-term operational method, but this will still only be for a definite period, because it cannot solve the issue of the organization’s legal identity, so if an organization has plans to work in China comprehensively and long-term, relying on filing temporary activities will not be able to entirely fulfil its needs, since this is project-based. Perhaps for some organizations it can be a routine choice for a certain period of time, but it cannot substitute the function of registering a representative office.”

It is instructive to look at the data on the temporary activities of overseas NGOs collected on the Ministry of Public Security’s website, and translated into English by ChinaFile. One fact that stands out is that quite a high proportion of the temporary activities recorded were scheduled to last an entire year (or just a few days short of a year). It would appear that many of these “temporary activities” actually stand for long-running projects, and after a year has passed a new filing is conducted to extend the activity for one more year.

Some overseas NGOs are noticeable for the large number of times that they have filed temporary activities, particularly activities lasting an entire year. One example is the Grace Charity Foundation, an organization based in Hong Kong that works to establish schools in remote districts of Southwestern China. It is recorded as having filed 93 temporary activities in Mainland China, out of which 44 last or have lasted for one whole year. Most of the year-long activities consist in providing financial aid to impoverished students, or providing “construction assistance” to specific elementary schools.

In most cases the Chinese partner units are organs of the local bureaucracy, but for some activities it is individual schools that serve as the local partners. It appears that in cases such as this one, filing for temporary activities has become a way of continuing to carry out an organization’s routine work in China without actually registering a representative office, either because it is considered too onerous to do so or because this has not yet been possible.



There are also cases of overseas NGOs that have in fact registered a representative office in China, and yet continue to conduct large numbers of temporary activities. This can be explained by the fact that each representative office is allocated a permitted area of operations, which is sometimes limited to the province or municipality where the office is registered, but other times may include various provinces or even the whole country. If an NGO wants to work in a province which is not included in its official area of operations, it may still have to resort to filing temporary activities.

A good example of this would be Sowers Action, another charity based in Hong Kong that focuses on education in rural China. The organization runs programs in Southern and Western China that include providing financial aid for students and teachers, assisting in the construction of rural schools and donating cotton clothing to children in impoverished communities.

In December 2017 Sowers Action registered a representative office in Yunnan Province, with the office’s permitted area of operations limited to that province, but they have continued to carry out their work in other Chinese provinces as well. Up to now they have filed a total of 24 temporary activities across nine provinces, including 15 lasting for a full year. Chinese partner units include provincial branches of the China Youth Development Foundation, county-level Communist Youth League

Committees and other local state organs.

When contacted for this article, a representative of Sowers Action explained that conducting temporary activities could set clear guidelines and legality for project implementation in Mainland China, and provide better protection and legitimacy to their projects and volunteers. They added however that foreknowledge of the projects is required by the authorities at the beginning of the year, and this can affect the projects’ flexibility. They also cited the administrative costs and the time spent in applying and running the projects in different provinces as disadvantages, claiming that in the beginning some government departments or local partners may not be especially familiar with the law when they have to deal with the approval process. They said however that although the pace varied in different provinces, all of their temporary activities were eventually approved.

### *Temporary activities have allowed some overseas NGOs to forge strong links with their Chinese partners*

Another NGO that has carried out a large number of temporary activities in China over the last two years is Greenpeace. The international environmental organization based in the Netherlands officially opened its first office in Mainland China in 2002. As of yet, Greenpeace has been unable to register a representative office under the new legal framework, but it has filed 23 temporary activities.

These temporary activities have been quite diverse, including capacity building programs, a survey of urban air pollution and population health, and an ad campaign in the Beijing subway to raise awareness of the need to protect the South Pole. The Chinese partners have mostly been universities, but also government departments and NGOs. Greenpeace is currently partnering with a grassroots NGO from Shanghai, BlueSky4Children, in a one-year temporary activity to encourage consumers not to make any new clothes purchases for one full year.

When contacted, Greenpeace’s communications officer explained that the constant use of temporary activities was indeed imposing a heavy burden on the organization in terms of the time and administrative costs needed to apply for such activities. She pointed out however that this new work mode did provide one major benefit: since



every temporary activity necessitates a local partner, it had allowed Greenpeace to build up many valuable connections with local organizations. She also added that in some ways working through temporary activities allows more flexibility, since it means that every project constitutes an independent entity, while registered overseas NGOs have to make sure that all of their activities are included in the work plan they present to their PSU at the start of the year.

During the talk she gave at CDB's Overseas NGO Forum in November, Greenpeace's chief representative in China Li Yan spoke widely about Greenpeace's use of temporary activities to run its work in China, stressing how important it had been to establish an atmosphere of trust with their Chinese partners. She also pointed out that the authorities in different places have different work styles and different ways of operating concerning the new law, meaning that a lot of situations cannot be foreseen and there is always a necessity to discuss things in detail.

On the positive side, Li Yan said that applying for temporary activities had allowed Greenpeace to form closer and more equal connections with its Chinese partners, whereas in the past, cooperation with local NGOs or universities had felt more like a contractual relationship. She ended the talk by affirming that Greenpeace's long-term goal in China remains the registration of a representative office, and that resorting to temporary activities had only strengthened their determination to register.

This is certainly a complicated time for international civil society organizations in China, one in which flexibility and patience are paramount. While the new legal framework presents its own set of unique challenges, the over 1,700 temporary activities officially filed since the new law came into force are proof that overseas NGOs are finding new ways to work in the country, while forging new partnerships with local organizations in the process. This bears testament both to their adaptability, and to the resilience of the links between Chinese and international civil society.

