

Q&A

Manish Bapna

Interviewed by Eric Nee

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MANISH BAPNA believes that the path to solving global climate change runs straight through China, which is why the World Resources Institute is putting so much effort into working closely with the country and its leaders.

MANISH BAPNA IS the executive vice president and managing director of World Resources Institute (WRI), where one of his priorities is deepening WRI's involvement in China. WRI first began working in China in the late 1980s, concentrating on helping create cleaner transportation systems in cities and on finding investors for small- and medium-size companies that sell environmentally friendly products and services. Two years ago WRI opened an office in Beijing, its first office outside of Washington, D.C. The organization has now broadened its work in China to include climate change and water.

Bapna brings a great deal of global experience to this work. Before joining WRI, he was the executive director of the nonprofit Bank Information Center (BIC), which promotes sustainability in the projects and policies of international financial institutions. Before joining BIC, Bapna was a senior economist and task team leader at the World Bank, where he led multidisciplinary teams in designing and implementing community-driven water, watershed, and rural development projects in Asia and Latin America.

WRI focuses on policy research and analysis, working with government, business, and NGOs. With more than 200 employees and an annual budget of about \$28 million, WRI has been an important behind-the-scenes player, helping Belize protect its ocean reefs and prodding the U.S. Environmental Protection Agency to create new regulations for bio-fuel greenhouse gas emissions.

In this interview with *Stanford Social Innovation Review* Managing Editor Eric Nee, Bapna explains the deliberative way that WRI went about setting up its Beijing office, the challenges of working with the Chinese government, and the lessons WRI has learned from working in China that other organizations can benefit from.



Eric Nee: Until recently World Resources Institute had only one office, your headquarters in Washington, D.C. Why did you open a second office in China?

Manish Bapna: Over the past decade there has been a fundamental shift of economic and political power away from the United States and the West to countries like India,

Brazil, and in particular, China. One striking example would be China's central role in the Copenhagen climate talks, where Europe was largely sidelined.

It's not a stretch to say that the development choices China makes over the next 20 years are going to profoundly shape the future of the planet. So we believe that to deal

with climate change it is absolutely essential to engage proactively with China.

This is also true for a wide range of other global environmental issues—for example, China's appetite for commodities. WRI has a major forest program, and we recognize that to find more effective ways to protect the world's forests, we need to deal with the buyers. And one of the biggest buyers of forest products is China.

So why can't we influence Beijing from Washington, D.C.? The main reason we opened an office in Beijing is the complexity of working in China. Not only are there time, linguistic, and cultural barriers, but understanding the political economy of how decisions are made, and engaging effectively in those processes, is not easy to do from afar.

There are many environmental issues that you could tackle in China. How did you decide what to concentrate on?

We have been active in China for quite some time, but this represented a whole new ballgame. So after making the decision that we wanted to deepen our presence in China, we spent at least a year talking with government officials, Chinese NGOs, international think tanks, and multinational companies trying to understand what the opportunities in China were for WRI. What value can we bring? Whom should we partner with? What are some of the legal issues for how we scale our presence in the country? The process was crucial for being able to articulate our identity in China.

In addition, we decided to appoint a Chinese country director and to hire primarily Chinese staff. That was important in bridging the cultural gap that otherwise would have existed. We also thought it was important to have non-Chinese staff in our Beijing office who can offer lessons from other countries. This bridge building is seen as particularly useful from a Chinese perspective. We also set up an advisory committee to help ensure that our priorities and strategies were relevant to the Chinese.

What issues did you end up focusing on?

We asked ourselves three basic questions. First, what are China's most important environmental challenges? Second, what near-term issues are Chinese decision makers

most interested in? And third, given our expertise and skills, where can WRI add the greatest value? We decided, for example, not to work on forestry. We have quite a bit of capacity in this area, but there were a lot of organizations already working on forestry issues in China and it was not clear what more we would add. We chose to concentrate on water and climate change because it was clear what value we could add, and because these areas embrace both economic development and environmental issues. We did not want to focus exclusively on climate change, because it's perceived in China to be largely a global issue. So we balanced that by selecting an issue that was of significant domestic interest within China, which is water. It was important for WRI to be perceived as understanding and responding to the day-to-day pressing challenges facing the country.

How has WRI had to change in order to be effective in China?

We work actively to promote good environmental governance around the world, framed by the universal principles of transparency, inclusiveness, and accountability. We recognize that how these principles are put into practice will vary quite a bit from country to country. And quite candidly, we're still struggling over how to advance these principles in China.

We've found that there isn't as much receptivity to these issues in China if we try to address governance head on. But if we frame these issues in the context of specific environmental challenges, like water, we can have considerably more traction. For example, we're developing a water scorecard that can provide people living near a body of water with basic information on the health of the lake or the river system. This information can be used by the government to evaluate its own performance and by the public to hold local government and businesses accountable for keeping that water body healthy.

Interestingly, China has strong environmental policies in place on paper. The real challenge is ensuring compliance with these policies at the local level. By creating tools like the water scorecard we can begin to address some of the environmental governance challenges that underpin many of the problems that China faces. We are trying to

focus on solutions rather than problems.

There's a terrific piece of advice that I received while we were developing this strategy: Be neither a panda hugger nor a dragon slayer. What that means is that we try to stay true to our values, but find ways that are not directly confrontational. We're often asked to comment on China's environmental policy positions, especially on climate change. So striking a balance between commenting on their positions and building a working, trust-based relationship with the Chinese officials can be tricky. But at the end of the day, when we have to think about how we will respond to what China is doing, our core value of maintaining independence informs what we do. I would argue that the Chinese government actually values and respects an independent view if it is premised on strong analysis.

Which plays to WRI's strengths.

Right. WRI's focus is nicely aligned with China's goal of scientific development and the values that their society places on sound science and analysis. Most Chinese government officials are engineers and scientists and that plays to the value proposition that we bring to China. For example, in China there's a premium placed on in-depth analysis, which results in an interesting difference in how we communicate and engage with policymakers. We were struck that Chinese policymakers actually prefer lengthy, rigorous reports, and that these reports are often read carefully. It's striking to contrast this with our communication efforts in the United States, where we spend quite a bit of effort distilling our work into two-page summaries for U.S. policymakers.

What has been your biggest success since opening your Beijing office?

China is a huge and complex country, and the most that a relatively small organization like WRI can do is to facilitate new, more sustainable approaches to development. So our theory of change has been to focus on creating pilot projects that demonstrate new models or approaches to a more ecologically sustainable and socially inclusive approach to growth. If these pilots are successful, they can be easily replicated or scaled.

One of our projects that we are most excited about is helping the Chinese cement

industry measure and manage its greenhouse gas output. China is the leading emitter of carbon dioxide in the world. The cement sector alone accounts for about 15 percent of China's emissions, or 3 percent to 4 percent of global carbon dioxide emissions. Given the rapid pace of urbanization in China, this is going to increase if left untouched. We played an important role in supporting the government's planning agency requirement that cement companies measure their energy use and greenhouse gas emissions.

You can manage and reduce only what you measure. A few years ago we worked with the World Business Council for Sustainable Development to create a measurement tool called the Greenhouse Gas Protocol. The Chinese government mandated that this protocol be used



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by all 5,000 cement companies in China. If the program is successful it can serve as a model for measuring greenhouse gasses in other carbon-intensive sectors such as steel or aluminum.

Earlier in the year, the Chinese government, as part of the International Climate Negotiations, made a commitment to reduce the carbon intensity of its growth by 40 percent to 45 percent by the year 2020, relative to 2005 levels. They are actively seeking opportunities to reduce energy use, especially in their heavy industry sectors.

Why is China so aggressively cutting emissions?

They are doing this for many reasons, to reduce cost, to address energy security challenges, and to demonstrate to the world that they are responsibly trying to tackle the climate change problem. For those working on environmental and social causes, framing these issues in a way that is aligned with China's national economic priorities is essential. So we framed our work on climate change as an opportunity to create high-quality jobs, improve energy security, and reduce costs. We find that provides much

better traction with the government than if we talk about greenhouse gas reductions. It is no different in the United States. At the end of the day, national interests matter, and we need to think about how to connect or align our issues with national interests.

China appears to be embracing green energy much faster than the United States and most other countries.

Thirty years of economic growth that has averaged around 10 percent a year has created tremendous change. It is difficult for those of us in the United States to fully appreciate this pace of change. In the past year more money has been invested in clean energy in China than in any other country. China has significantly scaled up wind production and is actively

deploying new solar technologies. Energy efficiency is a national priority.

Let me give you one anecdote. About two years ago, I accompanied one of our colleagues to an appliance store in China. We were shopping for a washer and dryer and wanted to see the efficiency ratings for those machines. It was virtually impossible to find any information about how efficient a washing machine was. Today, that information is available for almost every household appliance. It is remarkable how quickly the environmental issue is moving in China, not just in policy and investment, but also in public awareness and purchasing decisions, especially in the larger cities. One needs to remember that China is many countries. There are the rich cities, like Beijing and Shanghai, which are more similar to New York and Washington, D.C., than they are to the rural parts of China. But there are also many poor areas. We shouldn't forget that China is still a developing country, with 36 percent of the population still living on less than \$2 a day.

At this point, most of the new technologies and solutions for solving environmental problems originate in the West. Do you see

a time when China will provide the solutions for the West?

We are going to have to rely on the ingenuity of the engineers and the scientists in India and China to solve many of our problems. In recent years India has developed the \$2,000 car, the \$35 tablet computer, and the \$30 cataract surgery. Because they have such a significant but relatively poor population, they have taken existing products and driven down the cost radically. It's a concept called frugal innovation. There is an incredible opportunity in these countries to turn their creativity toward driving down the cost of the technologies that are needed to solve many of the world's most pressing environmental problems.

Is that happening?

It is starting to happen. If you look at the production cost for wind or carbon capture and storage in a developing country such as China, compared with Germany or the United States, there is a big difference. But we need more dramatic reductions in costs. And the nature of the markets in China and India, where you have significant populations that have relatively less purchasing power, can help create the incentives for those radical redesigns.

What's clear from our conversation is that unless you're in China interacting with people daily, it's easy to have misconceptions about what's going on there.

Yes. One of the things that I've been particularly struck by is the considerable suspicion that still exists between the United States and China, which might even be widening. If any major global challenge is going to be tackled in the near future, then building trust between the two countries is essential.

We've been trying to construct mechanisms for the exchange of ideas and perspectives in both directions, not only to ensure that ideas and solutions from the rest of the world are channeled to China, but to ensure that Chinese perspectives and solutions are shared with the rest of the world. The Chinese are keen for such a platform because they believe they have much to contribute. We believe such a platform can help build trust. And that trust is critical if more cooperation between China and the rest of the world is to emerge. ■