

Information-based Instruments of Compliance Promotion in China

Presentation at the OECD International Conference on
“Environmental Compliance Assurance: Trends and Good Practices”

Paris
17-18 November 2008

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Outline

- Environmental performance information disclosure (EPID)
- Environmental recognition programs
- Institutionalizing information-based instruments

Global Trend

- U.S.: Toxic Release Inventory (TRI) in 1989
- EU: The Council Directive 90/313/EEC on the freedom of access to information on the environment
- E.U.: The Aarhus Convention (1998) became legally binding for the European Union member countries which ratified the convention
- Indonesia: Program for Pollution Control, Evaluation and Rating (PROPER) started in 1995 and generated positive results

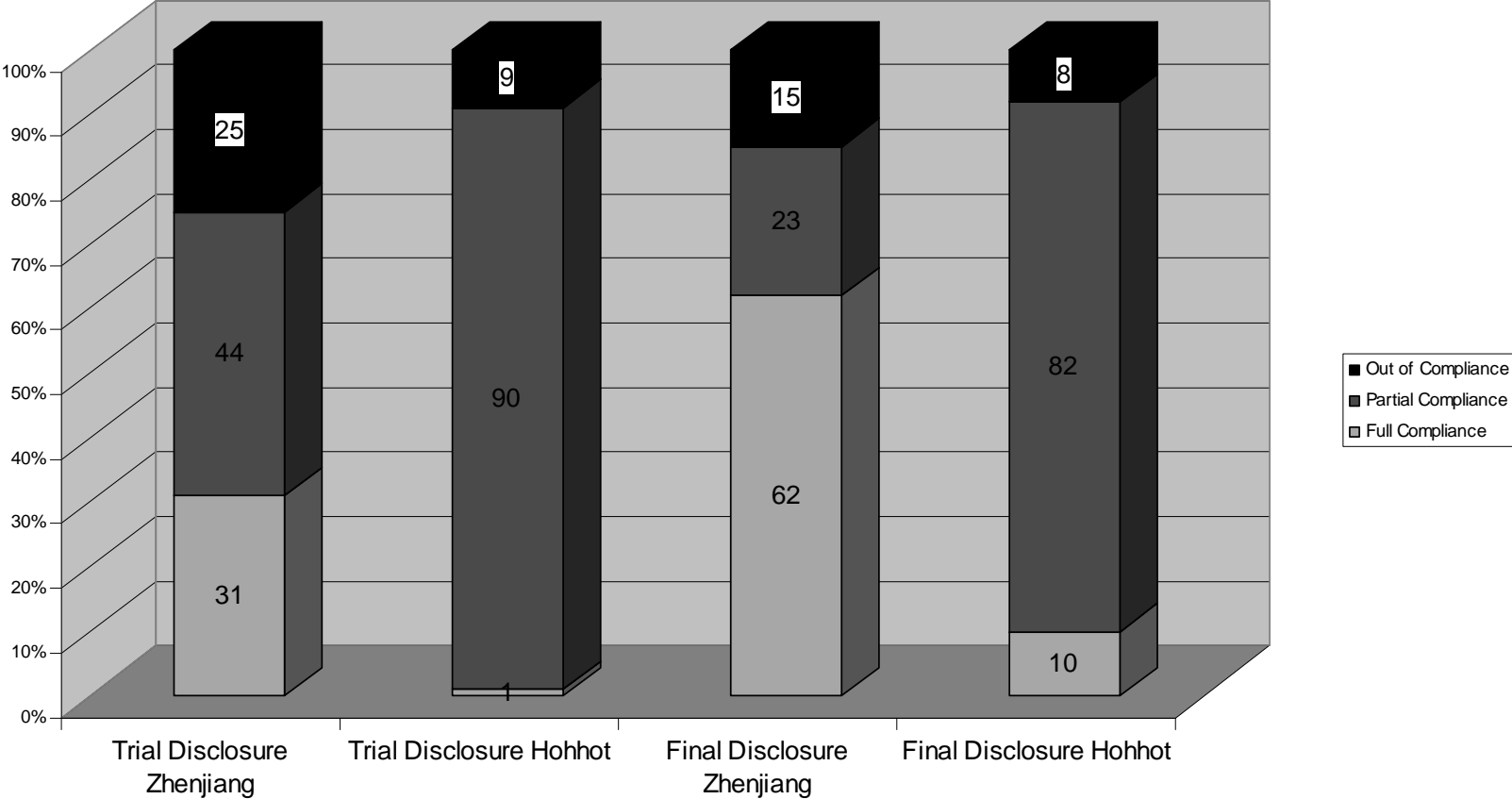
China: Green Watch

- Green Watch program
 - Color rating of firms' environmental performance from best to worst: green, blue, yellow, red, and black
 - Information disseminated to the public through the media
- Purposes
 - To bring public help with environmental protection
 - Improve the management capacity of local EPB
- Adapted from Indonesia's PROPER program
- Pilot projects
 - Zhenjiang (Jiangsu Province) & Hohhot (Inner Mongolia)
 - 1998-2001

Disclose or Not? A Value Judgment

- The Cleaner Production Promotion Law (2002) *encourages* provincial governments to regularly publish names of significantly polluting enterprises with pollution discharges exceeding national standards
- To protect industry, government could choose not to disclose environmental information (Hohhot).
- Zhenjiang: building capacity of Environmental Protection Boards to facilitate industry performance disclosure.
 - Quantity and quality of environmental information
 - Staff time
 - Technical support

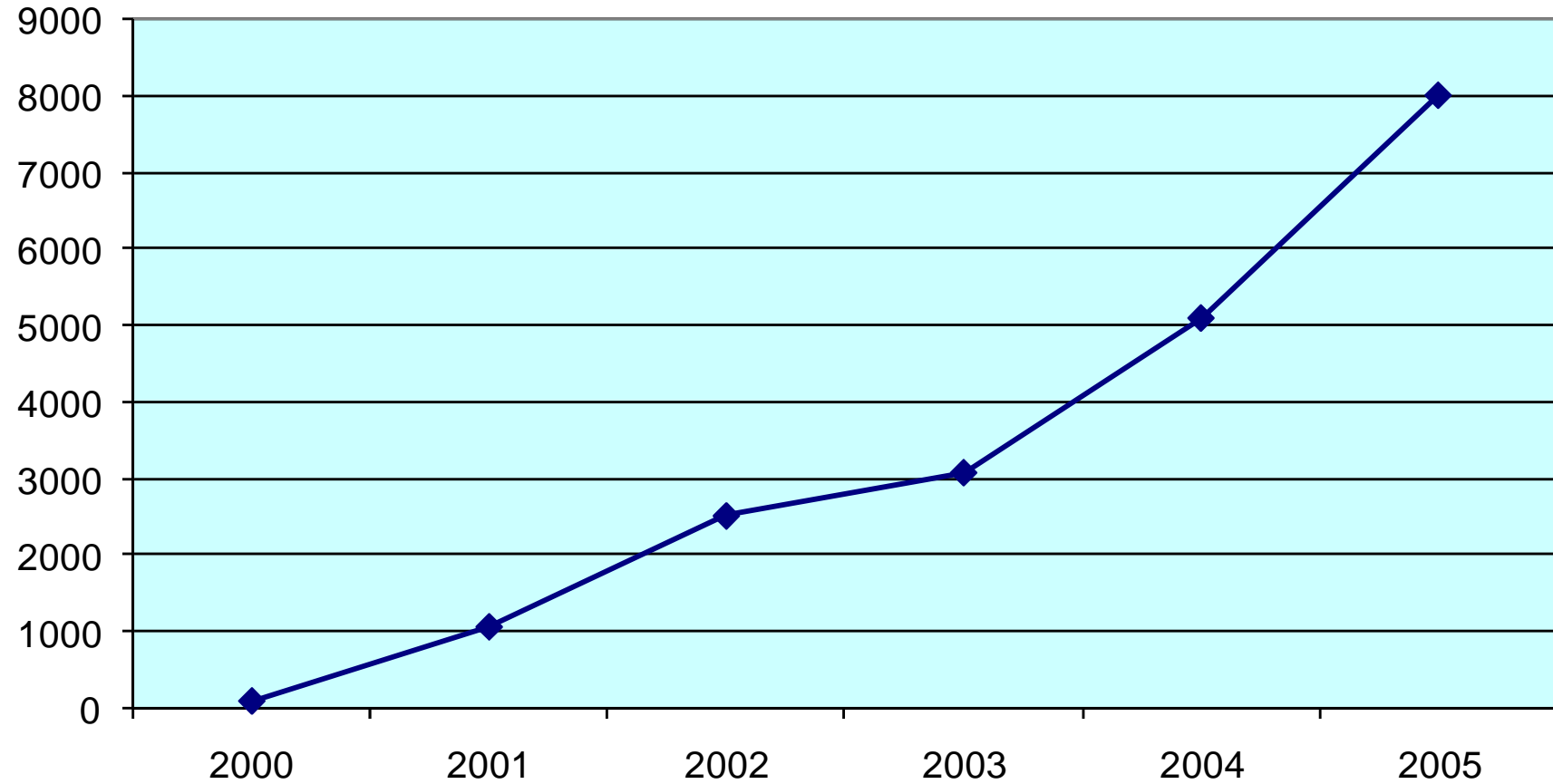
Pilot Project Results, 1998-2000



Successes

- Some industries were concerned about their black ratings and took measures to improve their environmental performance
- Some government officials learned to make use of the industrial environmental performance information in their development decision-making

Trend of the EPID Participation in Jiangsu Province



Cities Experimenting with EPID



Challenges

- Industry: what benefits can we gain from good performance being made public?
- EPB: how to make use of rating results to pick up “bad apples” and reward good ones?
- Public: we are not in the game yet.

Environmental Recognition Programs

- National Excellence Enterprises for Environmental Protection
- National Excellence Units for Energy-Saving
- Clean and Civilized Enterprises in the chemical industry
- Garden Enterprises distinguished in Beijing and Shanghai
- Top Ten Worst Environment Enterprises and Best Environment Enterprises appraised in Shenyang

Lessons Learned

- Enterprises competing in the global market tend to participate more actively in the Environmental Recognition Programs than domestic market oriented enterprises
- Still an one-way flow of environmental information, from government to the public
- Still a challenge to facilitate and empower the public to take private enforcement actions

Institutionalizing Information-based Instruments

- April 2008, the State Council Directive “Disclosure of Government Information”
- MEP Measures on Open Environmental Information (for Trial Implementation) effective on 1 May 2008
 - Disclose 17 different kinds of environmental information
 - Lists of enterprises violating discharge standards, causing major pollution accidents, or refusing to obey compliance orders
 - Mandatory corporate disclosure of violations of discharge limits in the local media

Reactions from the Regulated Community and the Public?

- Active dissemination of information on environmental regulations and standards to the regulated community
- Trade associations cultivate voluntary compliance by the regulated community
- Public environmental education
- Free legal constraints on establishing NGOs