

ChinaFAQs

The Network for Climate and Energy Information



Will China Be Able to Enforce Its Energy and Climate Policy Goals?

DATA COLLECTION AND REPORTING IN CHINA

China has had a mixed history with regards to data collection and reporting. In some areas, such as the tracking of infectious disease cases, there has been considerable improvement in the past six years. As the government absorbed the lessons of the 2003 SARS crisis it implemented a new national disease detection and reporting system and greatly increased transparency. Cases of infectious disease such as human avian influenza are now reported rapidly to the world.ⁱ In other areas, such as food safety, where effective enforcement requires monitoring of a complex and dispersed system of small producers, the Chinese government clearly has much work to do.ⁱⁱ

Energy and environmental policy administration is an area in which there has been significant change over the past five years, beginning with the enunciation of clear goals in the 2006 11th Five-Year Plan (China's economic development guidelines), the elevation of the environmental function to ministerial status and the creation of a national energy agency.ⁱⁱⁱ With the 11th Five-Year Plan came new reporting requirements, and the National Bureau of Statistics (NBS)

and the National Development and Reform Commission (NDRC) were tasked with collecting and analyzing the data. (see ChinaFAQs fact sheet: "Energy and Emissions Data in China") In early 2007, President Hu Jintao publicly made energy efficiency one of the government's highest priorities and China's State Council directed industries and provinces to report energy use data semi-annually. This is an uncommonly high level of reporting, and it enables the central government to track performance closely. This 2007 policy shift made the energy efficiency targets a "political goal" — an official's performance is evaluated and promotions are made in part on successful progress toward achieving targets (see ChinaFAQs fact sheet: "China's Measurement & Compliance Initiatives").

Key Points

- The Chinese government's ability to enforce policies, laws and regulations varies considerably, depending both on the complexity of the task and the political commitment to effective enforcement
- Recently, the Chinese government has scaled-up efforts to enforce laws and procedures related energy data and compliance.
- Energy data collection systems are improving, and China has instituted new regulations to increase quality and accuracy of data.
- Compared to some other sectors, energy data can be relatively easy to track.

MONITORING AND ENFORCEMENT OF CHINA'S ENERGY TARGETS

Energy data is relatively easy to track, as China has a limited number of import points for oil and natural gas and production areas for coal. Confidence in this data will be strengthened over time due to a number of simultaneous actions:

- The Chinese government is engaged in a major effort to improve both the quality and transparency of its data collection effort. Key moves include: sanctions for government officials who misreport data; and the issuing of major economic indicators at newly established monthly National Bureau of Statistics press conferences, where journalists will be able to ask questions about these indicators (see ChinaFAQs fact sheet: "China's Measurement & Compliance Initiatives").^{iv}
- The Chinese government collects data from both industries and provincial governments, so the data can be cross-checked.
- In addition to supply and usage data, the Chinese government also collects shipment and customs data. Almost all fuel travels by either ship or train, and thus can be monitored on the state-run rail system or when it arrives at an international seaport.
- Smaller coal mines and power plants are being shut down: the government has been actively closing smaller mines for safety reasons as well as smaller power plants and heavy industrial facilities

to increase energy efficiency and pollution abatement.^v

- Renewable energy is generally attached to the national electric grid, and power generation companies have incentives to build and report facilities.^{vi}

Thus, energy policy enforcement is relatively straightforward even in comparison to other environmental areas where multiple parameters need to be monitored and controlled. Moreover, unlike air quality, food safety or other regulations where local businesses save money by evading enforcement, government energy efficiency interests are basically aligned with those of the major firms – saving energy saves money even if it requires some firms to make institutional changes. Finally, the impacts of energy savings and GHG reductions are cumulative and occur regardless of the distribution of the reductions – if most of China's savings are among large companies rather than among smaller firms in the near to medium term, the program can still succeed as a whole.

In energy efficiency, large players contribute more to the solution. This contrasts with health risks, where the smallest players are both the most difficult to control and can cause the greatest harm.

This fact sheet is a product of ChinaFAQs, a joint project of the World Resources Institute and experts from leading American universities, think tanks and government laboratories. Find out more about the ChinaFAQs Project at: <http://www.ChinaFAQs.org/>.

Notes

ⁱ For a description of how the Chinese public health system has developed over the past 5 years, see Wang et al. (Nov 2008), "Emergence and control of infectious diseases in China," *The Lancet*, Volume 372, Issue 9649, pp. 1598 - 1605, [http://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(08\)61365-3/abstract](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(08)61365-3/abstract).

ⁱⁱ See Gordon Fairclough, "UN Criticizes China on Food Safety," *Wall Street Journal*, October 23, 2008: http://online.wsj.com/article/SB122470185058359197.html?mod=googlenews_wsj.

ⁱⁱⁱ Xinhua News Agency, "China National Energy Administration Commences Operation," 07/29/08, http://news.xinhuanet.com/english/2008-07/29/content_8841945.htm; Xinhua News Agency, "China Upgrades Environmental Administration to Ministry," 03/11/08, http://news.xinhuanet.com/english/2008-03/11/content_7766369.htm.

^{iv} Andrew Batson (August 10th, 2009), "China's Stats Bureau Boosts Transparency," Available at: <http://blogs.wsj.com/chinajournal/2009/08/10/chinas-stats-bureau-boosts-transparency>.

^v WRI, Tsinghua "Discussion Paper: Mitigation Actions in China: Measurement, Reporting and Verification," May 2008, for the schedule of closures issued by the National Development and Reform Commission; Pew Center on Global Climate Change 4/07, "Climate Change Mitigation Measures in the Peoples Republic of China" International Brief 1, <http://www.pewclimate.org/docUploads/International%20Brief%20-%20China.pdf>.

^{vi} Price, Lynn, Wang Xuejun, and Jiang Yun. (June 2008). "China's Top-1000 Energy-Consuming Enterprises Program: Reducing Energy Consumption of the 1000 Largest Industrial Enterprises in China." Lawrence Berkeley National Laboratory. Available at: http://china.lbl.gov/sites/china.lbl.gov/files/LBNL_519E_Top-1000_Energy_Consuming_Enterprises_Program_Jun2008.pdf.

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