



# Environmental Compliance, Enforcement & Institutional Reform

Restoring Blue Skies: Accelerating Air Pollution Control  
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# Without Compliance, Air Pollution Rules Will Not Work

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# Integrating global good practices on enforcement and compliance into a uniquely Chinese system

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- ▶ Optimizing compliance system requires understanding of Chinese system and global best practices
- ▶ Other jurisdictions offer useful examples
  - ▶ Brazil, EU, Mexico, US, others
- ▶ Develop a common vocabulary.
  - ▶ Same terms may take on distinctly “Chinese characteristics”
  - ▶ Clarify meaning of enforcement and compliance
- ▶ Coordinate enforcement (monitoring and punitive measures) with compliance assistance and incentive strategies.

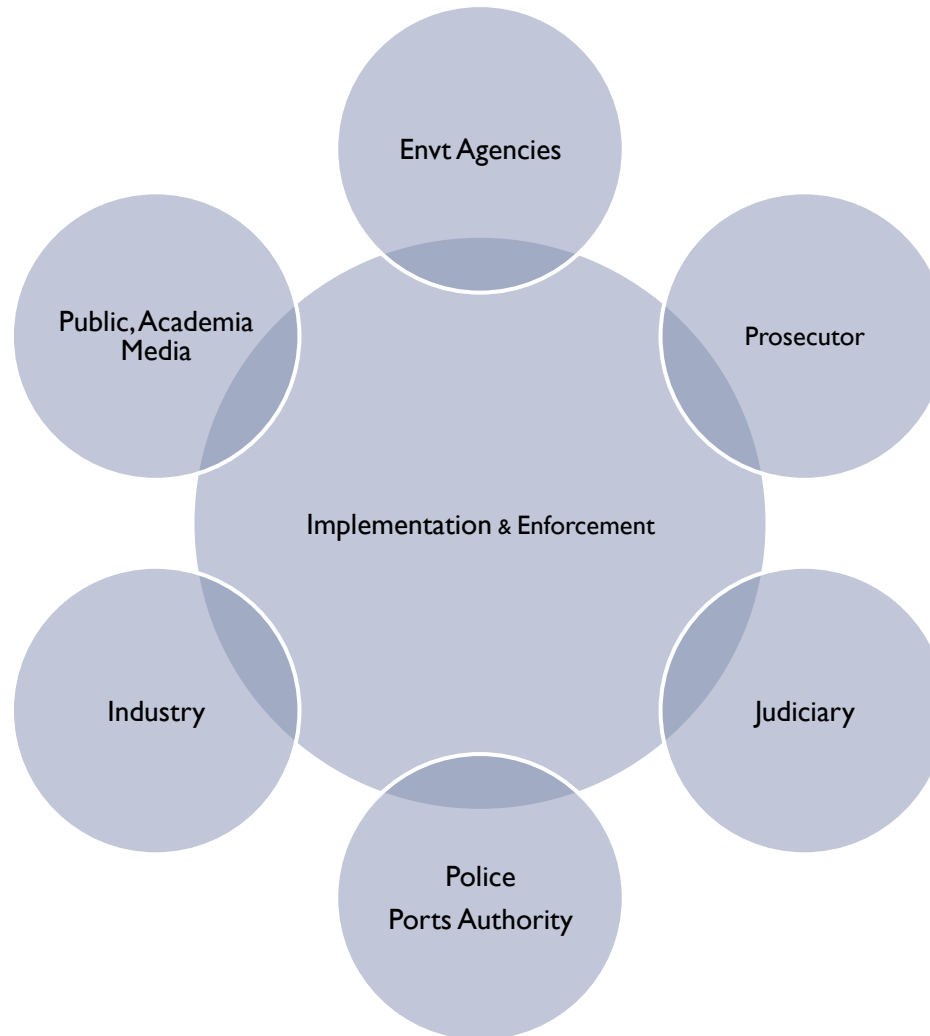
# Assembling an Inventory of Rules and Assessing their Enforceability

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- ▶ Understanding China's system for enforcement and compliance requires compilation of the relevant rules that address air pollution.
  - ▶ Direct Rules on controlling air pollution: Five year plans, the air pollution law, and proposed amendments
  - ▶ Indirect Rules: transportation, energy, climate, health, and other environmental and related areas
- ▶ Assessing the enforceability of the rules
  - ▶ Specificity of who, what, when, where is required
  - ▶ Clarity, feasibility, fairness/equity, precision, time frames, reporting requirements, and alignment with good practice.
- ▶ Accounting for Co-Benefits/Co-pollutants
  - ▶ Reciprocal: reducing air pollutants, also reduces climate pollution, and conversely reducing climate pollutants, reduces air pollution

# Coordinating Roles and Responsibilities of Compliance and Enforcement Decision-makers

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# Detecting Violation and Achieving Compliance with Air Pollution Rules

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## ▶ Monitoring Tools

- ▶ Inspection-- announced and surprise, by government
- ▶ Self-monitoring, recordkeeping, and self-reporting by firms
- ▶ Information disclosure to the public by firms and government

## ▶ Enforcement Tools

- ▶ Civil, criminal and administrative financial penalties
- ▶ Injunctive relief (take certain action, even shutdown)
- ▶ Deterrence is critical – swift, credible, predictable meaningful response, and perception these exist

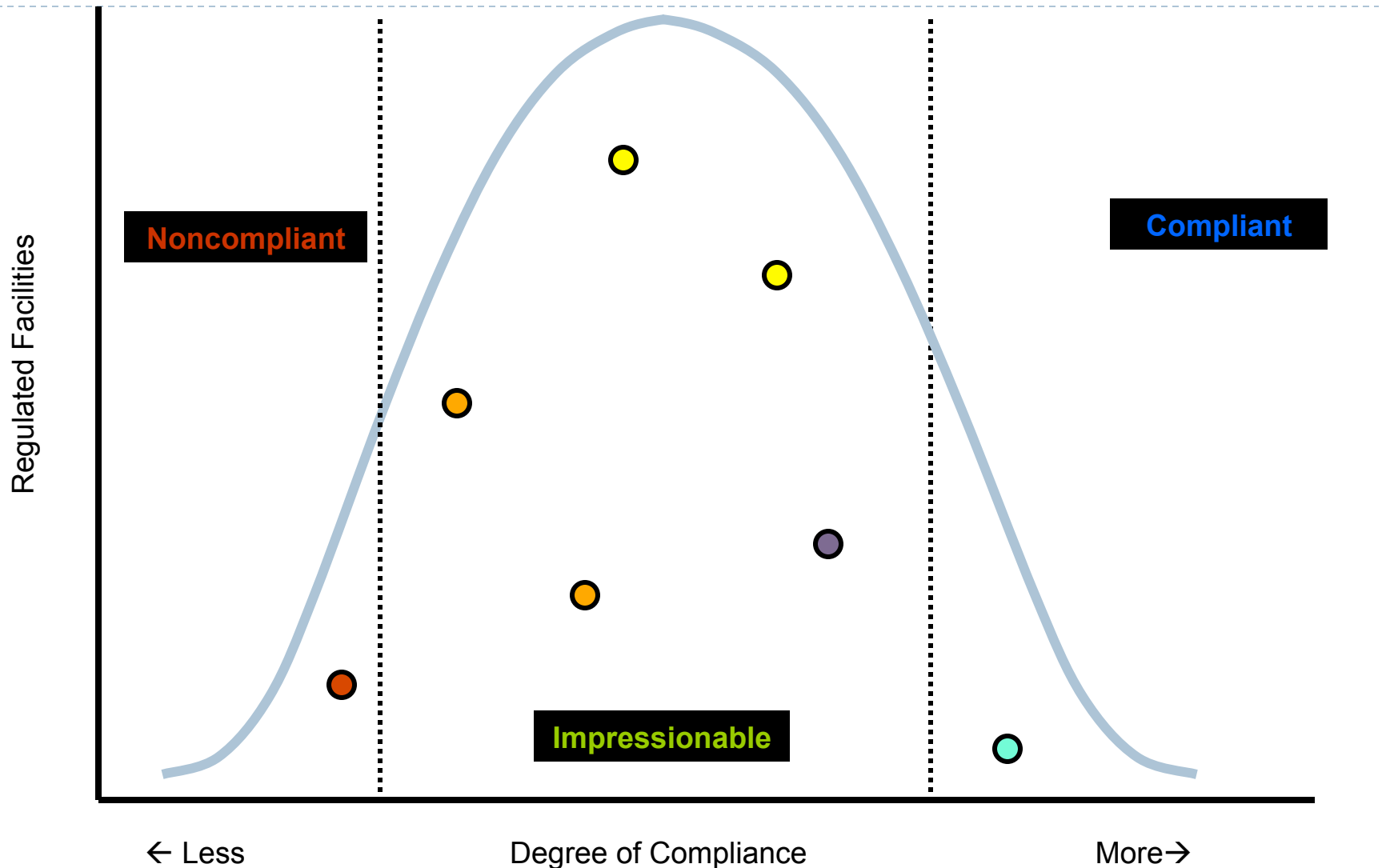
## ▶ Compliance Assistance Tools

- ▶ Capacity building, technical assistance,

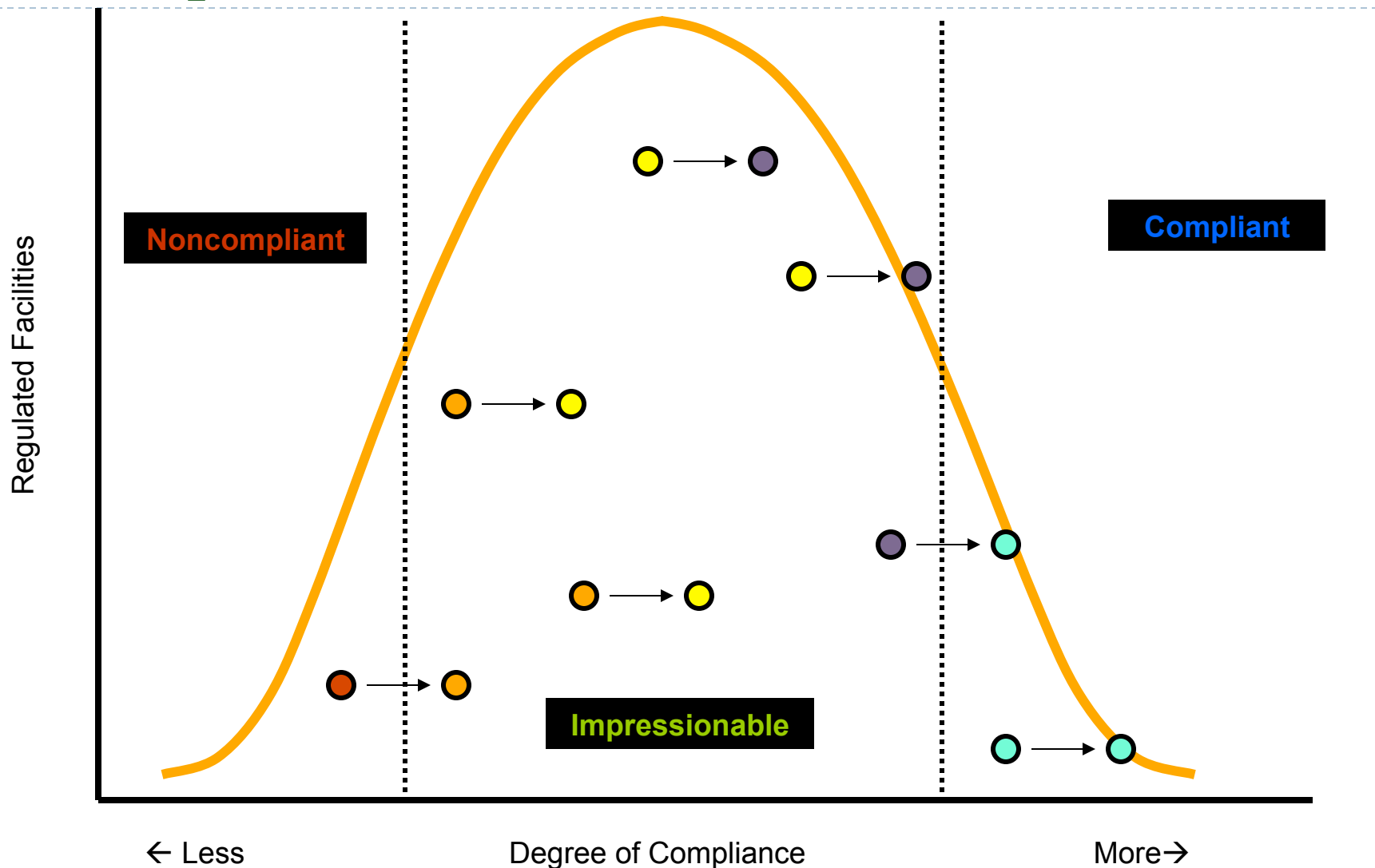
## ▶ Incentives

- ▶ Tax credits, special product labeling, loans, subsidies

# Creating an Atmosphere Favoring Compliance

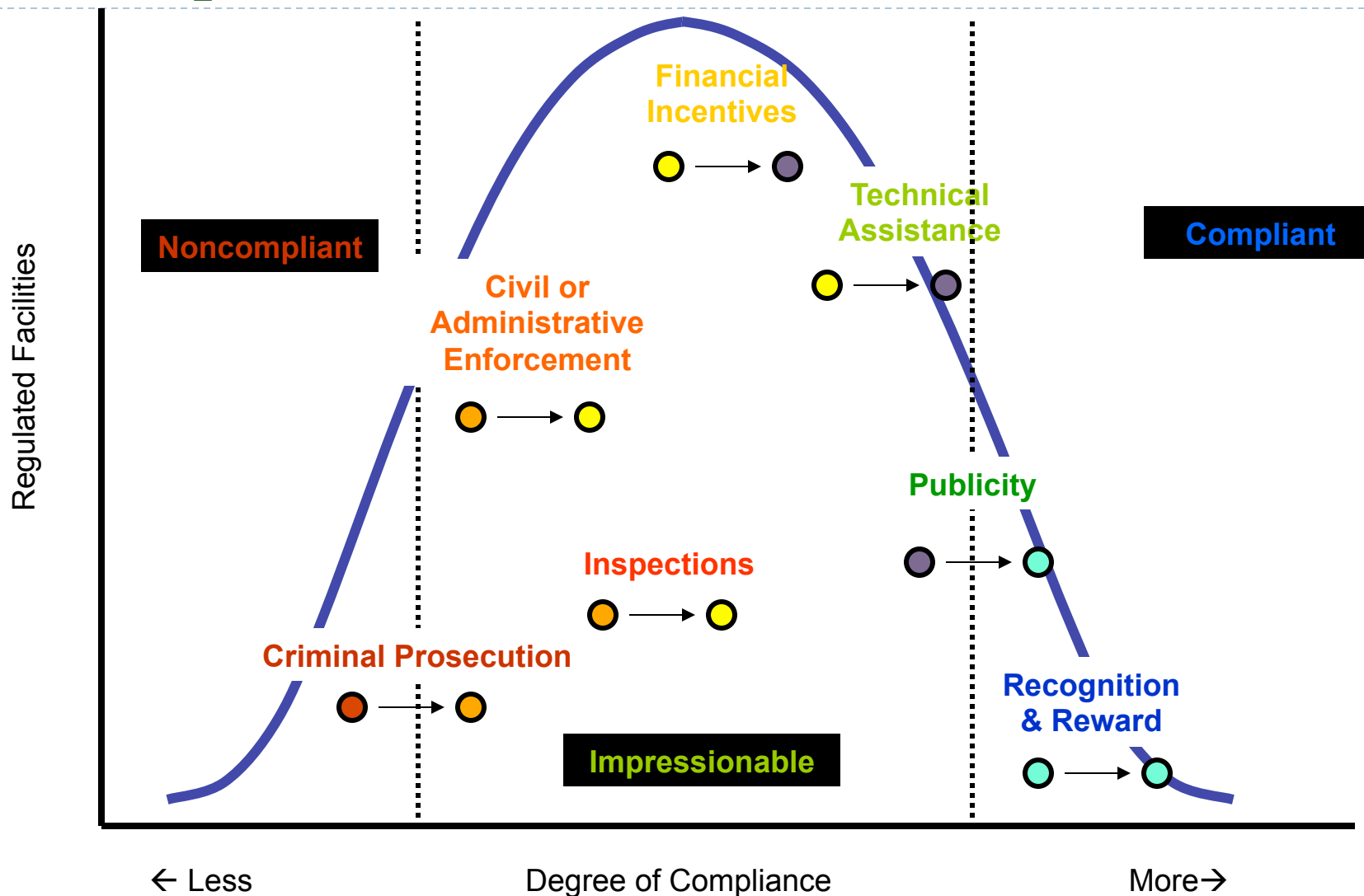


# Creating an Atmosphere Favoring Compliance

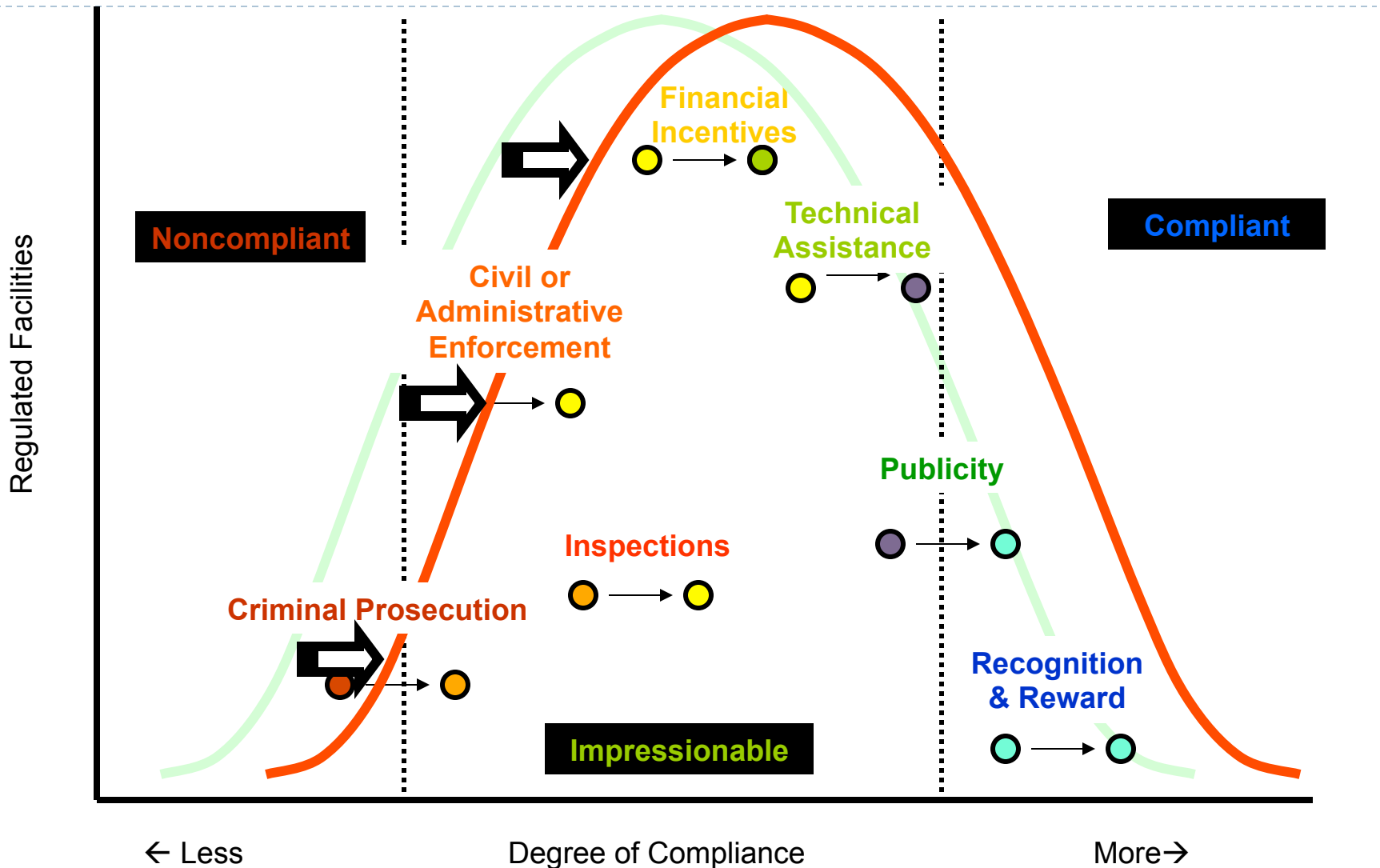




# Creating an Atmosphere Favoring Compliance



# Creating an Atmosphere Favoring Compliance



# Recommendations

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- ▶ **Inventory air pollution rules & assess their enforceability**
- ▶ **Clarify roles, responsibilities, authority of key decision-makers**
- ▶ **Detect non-compliance: traditional monitoring, inspections & mandatory self-monitoring, recordkeeping, reporting**
- ▶ **Enforce rules with swift, credible, predictable, appropriate penalties and/or other sanctions that create deterrence**
- ▶ **Coordinate enforcement with compliance assistance (capacity building, incentives)**
- ▶ **Require Information disclosure, promote public participation**
- ▶ **Measure effectiveness of enforcement responses and compliance assistance**
- ▶ **Improve as needed, through a continuous process**

# Applying the Approach to Beijing, Tianjin, Hebei air pollution challenge

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- ▶ Questions for consideration?

# Thank you!

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