## ChinaFAQs The Network for Climate and Energy Information



### **Key Points**

- China is implementing measurement and compliance requirements for its energy industry. These measurement / compliance policies vary in scope and maturity, but provide a foundation for future systems for sharing credible climate-related information.
- A key element of any international climate regime will be the ability to measure compliance with policies designed to slow climate change. To build global trust, statistics and statements will need to be reliable and credible.
- China already participates in global regimes, such as the World Trade Organization and the Montreal Protocol, that have extensive data measurement and compliance requirements. It is building on that experience in developing systems for collecting energy and emissions data.

# China's Measurement & Compliance Initiatives

# MEASUREMENT AND COMPLIANCE POLICIES IN CHINA

In China, officials are ramping up efforts to ensure that they have the accurate numbers they need to implement effective climate and energy policies – and earn international credibility.

It's a road they've traveled before, as China is already a member of a global pact to regulate ozone-depleting chemicals (Montreal Protocol) and, more recently, the body that mediates trade disputes (World Trade Organization). Both have extensive data reporting requirements.

Now, as part of a push to improve energy efficiency and curb greenhouse gas emissions, China's leaders are seeking to beef up systems for collecting statistics. In part, the push is designed to close statistical gaps that have complicated past efforts to make sure local governments and industries comply with new rules. But China also has its eye on emerging global efforts to combat climate change, which are likely to increase the demand for timely measurement of its energy use and emissions.

To signal just how seriously Beijing views the need for good numbers,

China's top decision-making body, the State Council, has been put in charge of tracking compliance with rules aimed at improving the nation's "energy intensity" by 20% by 2010. And regional and municipal leaders have been told that they will be accountable for delivering progress reports every six months.

To verify the reports, Beijing periodically dispatches teams to inspect major energy-using facilities. It also cross-checks the numbers reported by governments with those reported by industry, looking for consistency. And to improve transparency, the government releases the statistics at monthly press conferences where journalists can ask questions. There are also "sticks and carrots" to encourage compliance: officials who deliver accurate reports and can show they are improving efficiency, for instance, can get salary raises and promotions. Those found to have misrepresented the numbers, however, can face punishment under Chinese law."

### COLLECTING DATA ON ENERGY EFFICIENCY AND EMISSIONS

China's 2007 Climate Change
Action Program calls for collecting
a range of data used for assessing
compliance. Some of these "metrics"
are focused on outputs or results
– such as the total acres reforested,
the amount of energy saved, or the
quantity of biofuel produced. Others
focus on "inputs," such as the amount
of money spent on efficiency projects
or R&D.<sup>iii</sup>

In general, the task of collecting and analyzing the data is given to China's National Bureau of Statistics (NBS) and its National Development and Reform Commission (NDRC). And in some areas, these and other agencies are getting technical help from U.S. and European experts. These collaborations have helped China expand its real-time monitoring of smokestack emissions from coal-fired plants, and to develop systems for measuring the operating efficiency of new wind turbines.

Eventually, these rich and diverse streams of data should help China – and the rest of the world – decide which climate policies are working, and which need to be revised.

This ChinaFAQs brief was largely adapted from: "Mitigation Actions in China: Measurement, Reporting and Verification." (June 2009 working paper). Fei Teng, Yu Wang, Alun Gu, Ruina Xu, Hilary McMahon and Deborah Seligsohn. Tsinghua University and World Resources Institute.

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 See ChinaFAQs fact sheet: "Energy and Emissions Data in China."
- ii Andrew Batson, (August 10, 2009), "China's Stats Bureau Boosts Transparency," http://blogs.wsj.com/chinajournal/2009/08/10/chinasstats-bureau-boosts-transparency/.
- iii Seligsohn, Heilmayr, Tan, and Weischer. "China, the United States, and the Climate Change Challenge." October 2009. WRI Policy Brief.
- iv For more information on U.S.
  Programs, visit http://www.epa.
  gov/oia/air/chinaair.html; also
  see: ChinaFAQs fact sheet: "U.S.China Collaboration on Energy and
  Climate" at http://www.chinafaqs.
  org/files/chinainfo/ChinaFAQs\_U.S.China\_Collaboration\_on\_Energy\_and\_
  Climate.pdf.

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