



REALIZING SDGS THROUGH LOCALIZATION: THE CASE OF CHINA

LAN XUE, PROF. AND DEAN
SCHOOL OF PUBLIC POLICY AND MANAGEMENT
TSINGHUA UNIVERSITY

**2017 Symposium on
Building Effective, Accountable, and Inclusive Institutions
And Public Administration for Advancing the 2030 Agenda
For Sustainable Development
5-8 December, 2017**



Content

Introduction

Governance challenges in central-local relations

The three cases of SDG implementation in China

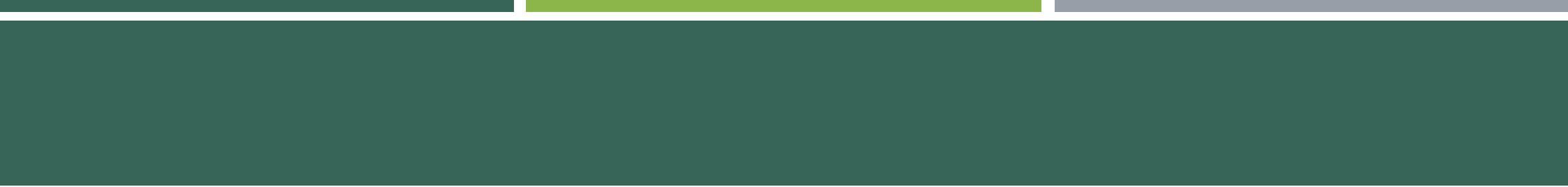
Conclusion

I. INTRODUCTION—SDGS IS THE GREATEST PUBLIC POLICY EXPERIMENT IN HUMAN HISTORY



I. INTRODUCTION-IMPLEMENTATION CHALLENGES

- Goals are ambitious and complex
 - Complexity—the substantive issues involved are very complex, such as climate change
 - Diversity—the development stages and priorities of countries are extremely diverse
 - Connectivity—co-benefits and contradictions among different goals; coordination among different parts of the society; international spill-over effects:
- Capacity for implementation is limited
 - Financing—Development aid; green financing
 - Government capacity—Leadership, analytical capacity.....
 - Policy coordination within and across national borders
 - Coordination between central and local government
 - Coordination among different countries for cross-boundary issues
 - Coordination at global level.



- Policy environment is uncertain

- How to communicate the SDG to the public and mobilize the public?
 - Not individual goals, but in its totality;
- How to persuade people to make individual sacrifices for the greater goods when they are suffering?

- Measurement for improvement/performance is incomplete:

- Methodology and data availability
 - Tier 1, Tier 2, and Tier 3 (no proper methods nor data)
 - SDSN is rolling out an index and dashboard, and found that many proposed official SDG indicators lack data for the majority of countries.
- Quantitative vs qualitative
 - how to avoid the dominance of quantitative goals?

-

II. GOVERNANCE CHALLENGES IN CENTRAL-LOCAL RELATIONS

**SUSTAINABLE
DEVELOPMENT
GOALS**

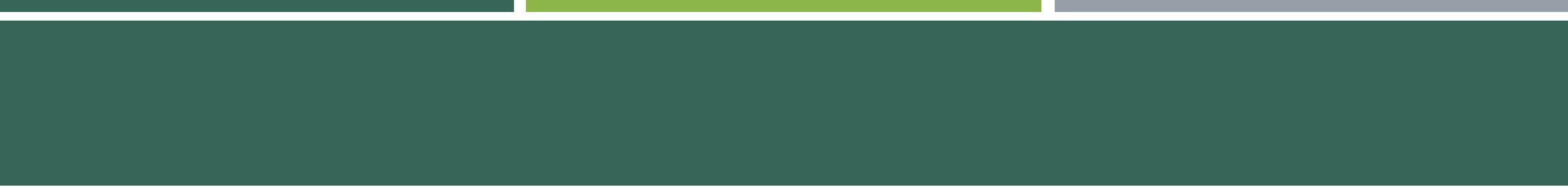


GOVERNANCE CHALLENGES—CENTRAL-LOCAL RELATIONS

- Conflicting Interests between central-local governments
 - Federal system—inconsistent policies due to local autonomy;
 - Unitary system—dual principles-agent problem for local government officials;
 - Central Gov't=>Environmental concerns; Local People=>Jobs
- Information asymmetry between central and local governments
 - In a country with many layers of governments, this issue becomes more prevalent;
- Coordination among different stakeholders are also challenging
 - Roles of NGOs, transnational agents and others in central-local relations.

THE KEY QUESTION:

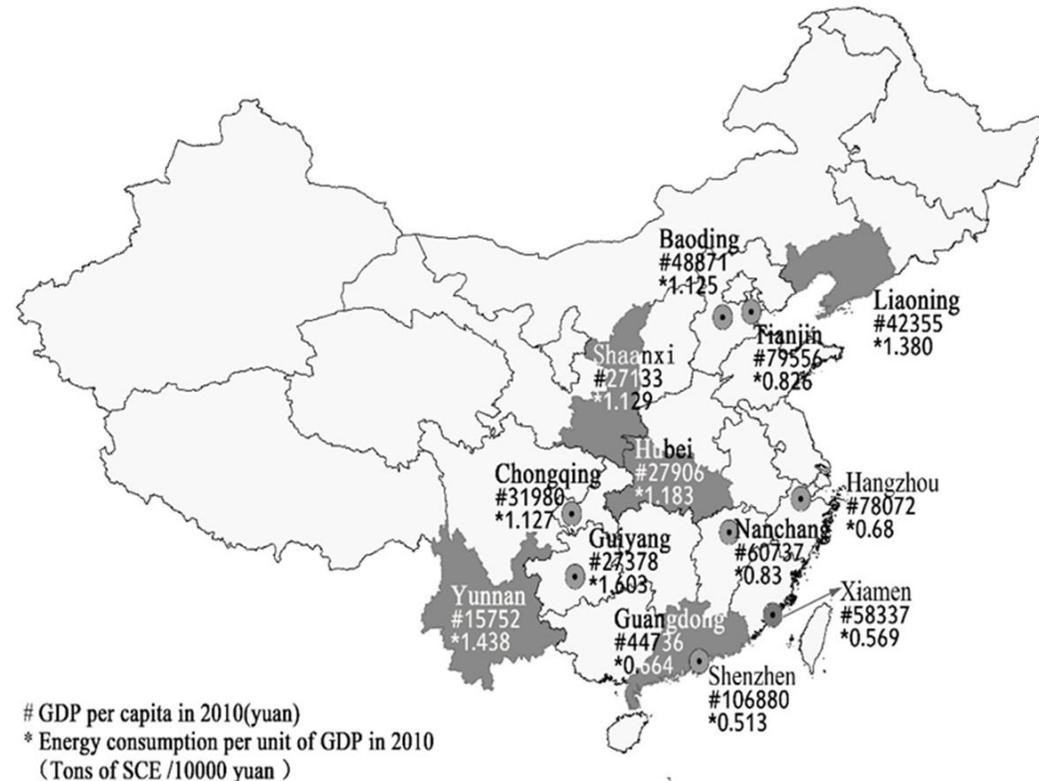
- How to overcome these problems in central-local relations to ensure the outcome of SDGs?
- Governance Innovation!



Case I

Local Competition through Pilot Scheme: Low-carbon Province and City (LCPC)

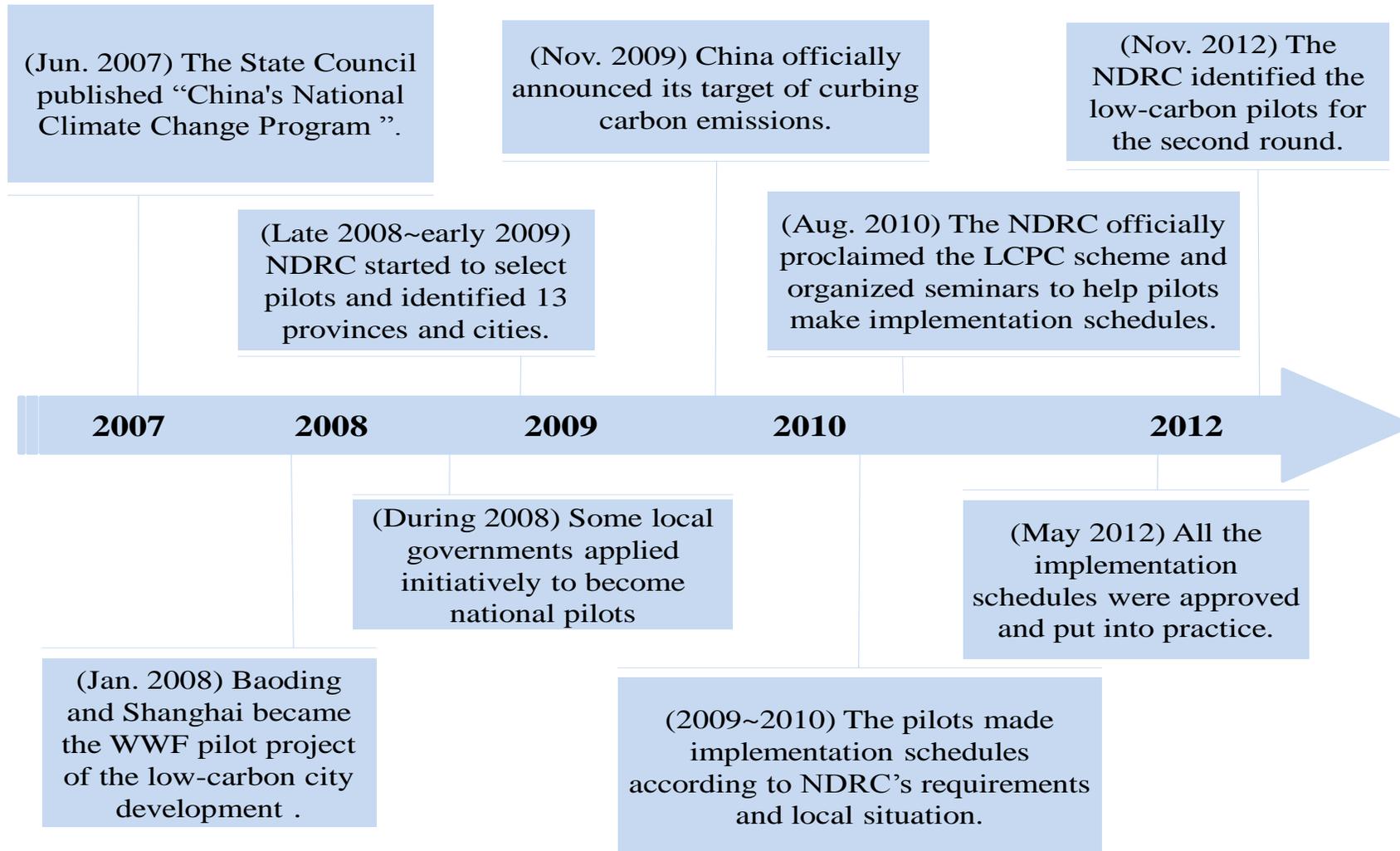
- The low-carbon province and city (LCPC) pilot scheme launched by The Chinese National Development and Reform Commission (NDRC)
 - In Sep. 2010, the first round regional low-carbon pilots, including five provinces and eight cities;
 - In Dec. 2012, second round of low-carbon pilot scheme in one province and 28 cities;
 - In Jan. 2017, the third round of low-carbon pilot scheme in 45 cities (districts or counties).



- **Pilots Selection**

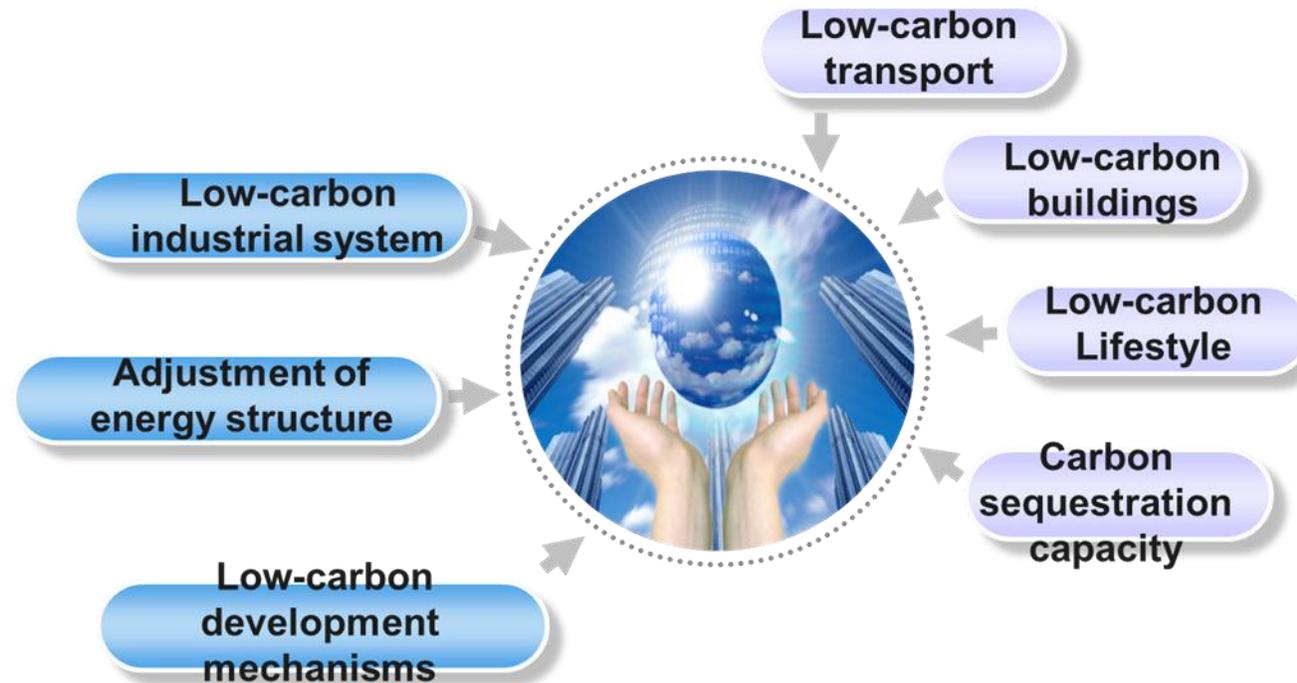
The selected areas are **representative** of their geographical condition, economic development and resource endowments, among other factors.

Policy Process of the LCPC Pilot Scheme



Regional Variations of Practices of LCPC Pilots

- Regional policy innovations are also encouraged
 - The work of LCPC pilots generally covers seven areas



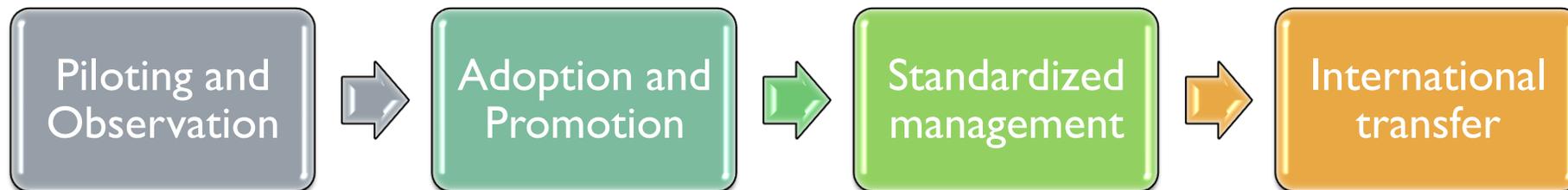


Case 2

**Learning from international experience-
Micro-credit Poverty Alleviation Program**

Micro-credit poverty alleviation program

- Micro-Credit Policy
 - Various models throughout the world
 - Most popular: Grameen Bank model (GB model, Bangladesh)
- China's microcredit poverty alleviation programme developed with the help of international organizations such as UNDP.



Phase 1: Piloting and Observation (1994-1996)

UNDP

- The leading agent of the transfer of micro-credit policy
 - introduced of micro-credit policy to China
 - participated directly or financially in China's pilot projects
 - Copy GB model

Chinese government

- The observer
 - observed, researched and learned
 - Pilots
 - Several pilots in different provinces (Yunnan, Sichuan, Shaanxi, Qinghai)
 - To show the policy effects in poverty alleviation.
 - To show the advantages and disadvantages of the policy.

Phase 2: Adoption and Promotion (1996-1999)

The development of micro-credit policy developed from a small-scale trial sponsored by international organizations, non-governmental organizations or social groups to operations of Chinese government and appointed banks using domestic poverty-alleviation funds.

- **The central government of China**
 - Micro-credit policy was adopted by the central government as a poverty alleviation policy.
 - The central government was involved in funding, HR and organizations.
- **The local governments of China**
 - Continued the pilot work in order to attract attention and payment transfer of the central government
 - Previous pilots carried out pilots with their local poverty-aid funds earlier than the central policy
- **UNDP**
 - Interacted with the local governments based on its experience and results of micro-credit project

Phase 3: Standardized management (1999-2005)

China's central government

- Implemented the reform of the credit fund management system.
 - implemented and promoted the micro-credit activities.
- The central government introduced several policies on developing the micro-credit policies.

UNDP

- More cooperation and interaction with the central government
- Developed projects with China International Center for Economic and Technical Exchanges (CICETE)
 - build a new poverty index system
 - explore the use of participatory approaches
 - address the specialization of operational institutions and the sustainable development of institutions
- UNDP has shifted its focus from the operation issues in grass-roots level to the decision-making issues at a national level.

Phase 4: International transfer (2005-)

China

- Micro-credit policy has been widely promoted throughout the country as a national poverty alleviation program.
- People's Bank and the China Banking Regulatory Commission encouraged to set up pilots of building commercial micro-credit institutions.

UNDP

- participated in pilot projects of building commercial micro-credit institutions
- introduced China's successful experience to other developing countries
 - "Secondary transfer"

Summary: The role of international organizations in policy transfer

International organizations help and promote the transfer of micro-credit policies to China by playing three roles.

Information carrier

- concept introduction
- technical assistance, HR training and development
- experience summary and communication

Technicians in Policy laboratory

- proves the effectiveness of micro-credit policy through practice
- adopt policy innovations and policy adjustments to adapt to China's situation

Policy advisors

- more obvious in phase 3 and the national policy process

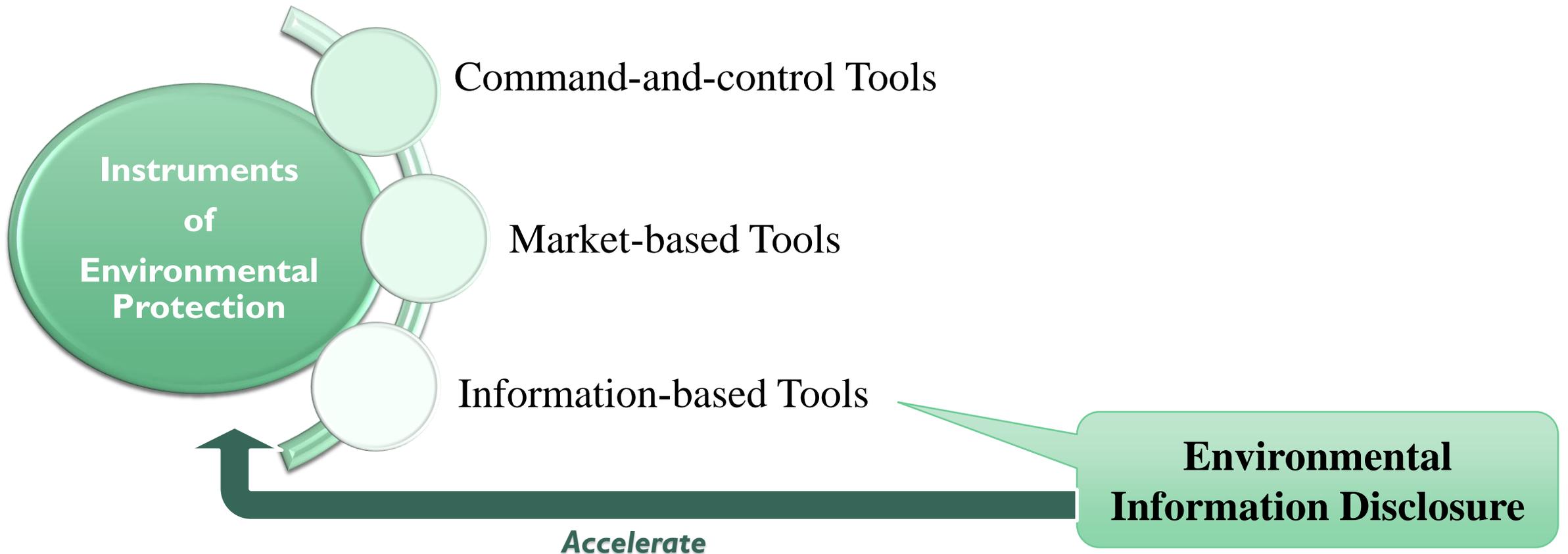


Case 3

**NGOs monitoring policy implementation
with ICT tools-**

**Environmental Information Disclosure
(EID)**

THE CASE OF EID IN CHINA



1997 → 2017



0

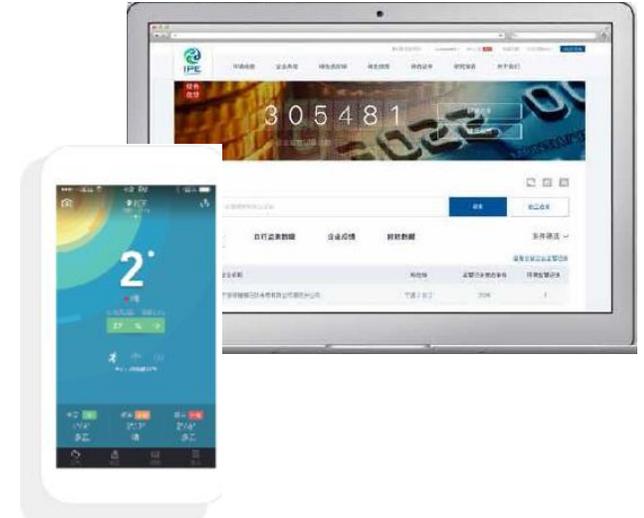
0

0

338 cities

SO₂ NO₂ PM₁₀
PM_{2.5} O₃ CO

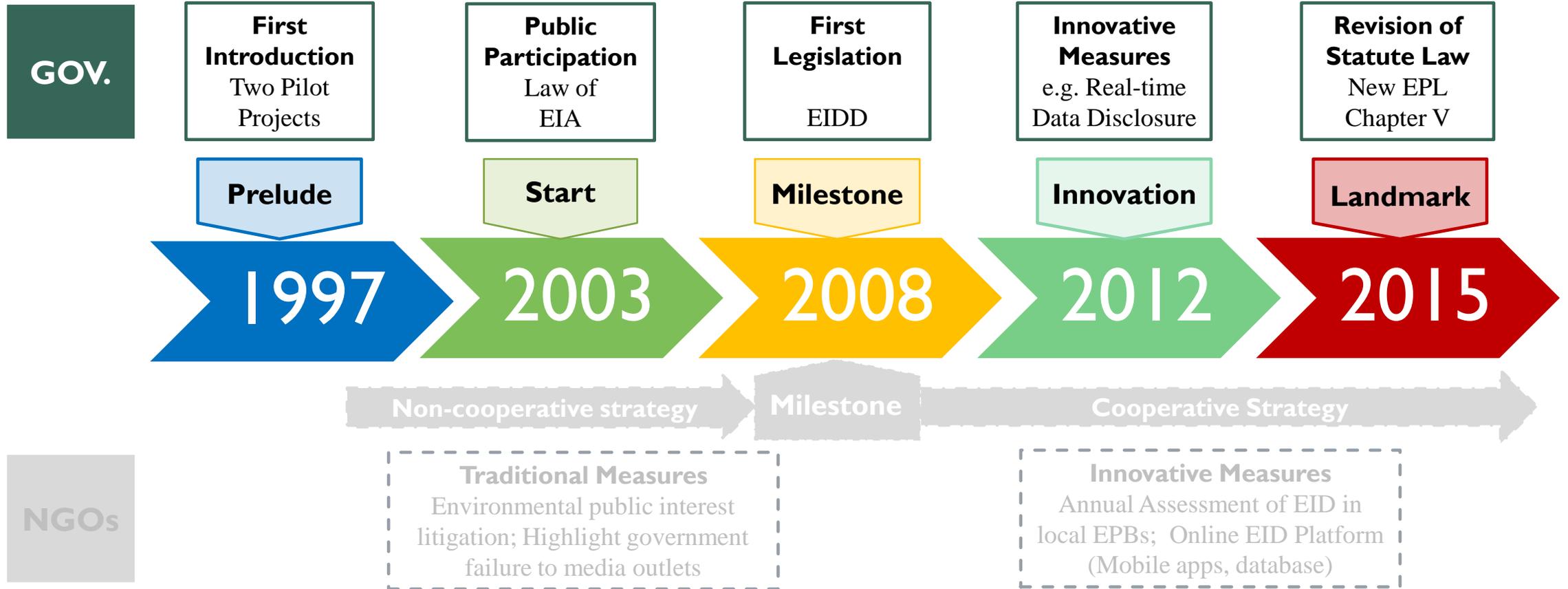
14,312 enterprises



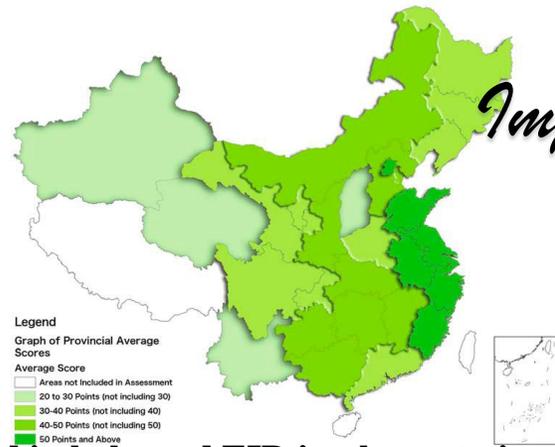
1997 → 2017



1997 → 2017



IMPLEMENTATION CHALLENGES



Implementation Challenge!



◆ Poor and imbalanced EID implementation by local EPBs

◆ Incomplete data disclosure

Why?

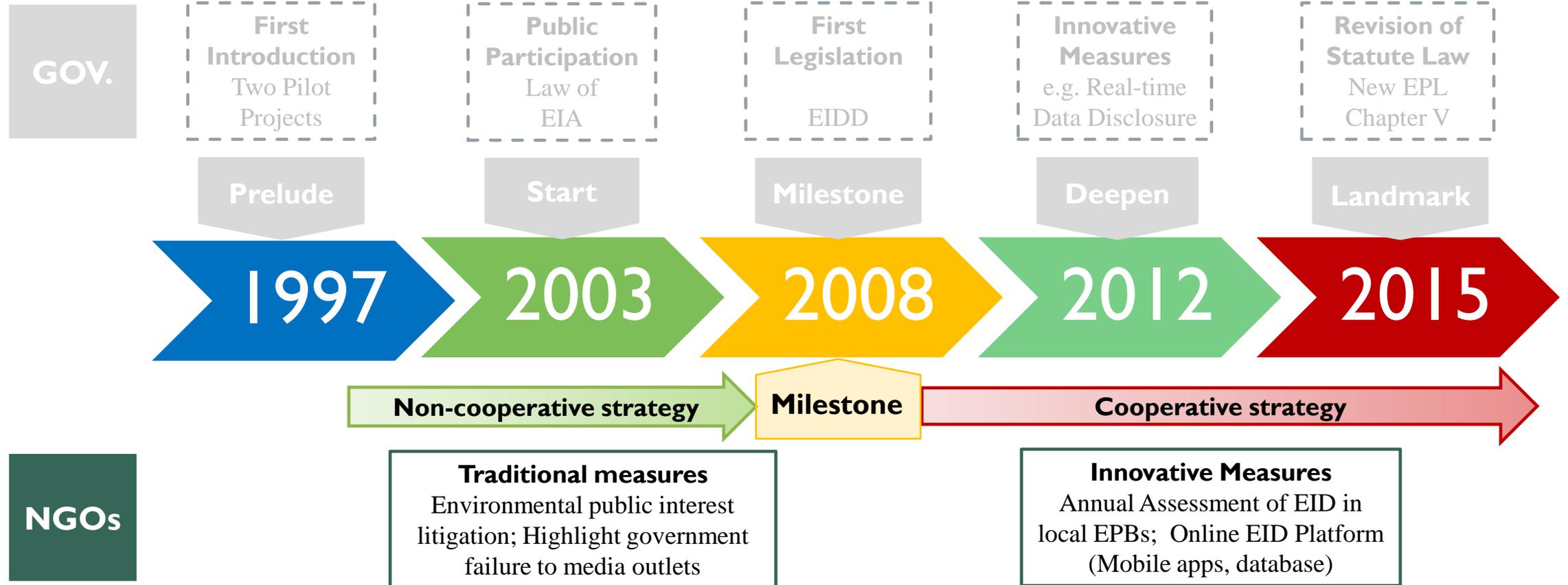
- *Bureaucratic fragmentation within the government*
- *Internal tension within varied targets*
- *Different development priorities*
- *Varied implementation capacity*
- *Business secret*
-



1997 → 2017



1997 → 2017



INNOVATION BY SOCIAL ACTORS

Traditional Measures

◆ Highlight the Failure of Governments

- Southern Weekend. May 20, 2010, delivered requests to 29 EPBs, 12 provided the information
- Friends of Nature. 2009-2010. Shanghai Water Project requests >10 times on EID. failed to provide enterprise information

◆ Environmental Public Interest Litigation

- Sun Nong's case. Nov. 7, 2008.-Dec. 17, 2009 Sun requests information on the disposal of old batteries. The court stated that Sun have no standing for the case.

.....



INNOVATION BY SOCIAL ACTORS—EID ON EID (IPE)

Innovative Measures

◆ Annual Assessment of EID implementation in 120 cities by IPE (2008-2017)

2009: 2
2017: 44



Rank	City	Total Score (100)	Routine Supervision Records (30)			Self Disclosure from Pollution Sources (26)		Interactive Response (15)		Emissions Data (14)		EIA Information (15)
			Disclosure of Daily Excessive Emissions and Other Violation Records (23)	Disclosure of Enterprise Environmental Performance /Credit Ratings (5)	Discharge Fee Break-down Disclosure (2)	Automatic Monitoring Data Disclosure (20)	Information Disclosure of Key Polluting Entities (6)	Complaints & Reports Information Disclosure (7)	Disclosure Upon Request (8)	Emission Data Disclosure of Key Polluting Enterprises (12)	Cleaner Production Audit Data Disclosure (2)	EIA Information Disclosure (15)
1	Beijing	77.1	21.4	1	1.6	18	4.8	6	8	4.8	0.7	10.8
2	Tianjin	48.7	4.6	1	1.5	13	1.2	2.8	7.2	7.2	0	10.2
3	Shijiazhuang	54.4	9.2	0	1.7	18	0	3.8	6.8	7.2	0.7	7
4	Tangshan	54.1	9.2	0	1.8	18	0	2	5	7.2	0.7	10.2
5	Qinhuangdao	45.3	11.4	0	1.6	18	0	1.4	7.2	0	0.7	5
6	Handan	54.5	13	0	1.6	18	0	1.4	6.8	4	0.7	9
7	Baoding	44.3	15.2	1	0	18	0	1.4	8	0	0.7	0
8	Taiyuan	47.9	13	0	1.1	14	0	6.2	1.4	5.2	0	7
9	Datong	15.6	4.6	0	1.6	4	0	2.4	0.6	2.4	0	0
10	Yangquan	30.4	18.4	0	1.6	4	0	0	1.2	5.2	0	0
11	Changzhi	50.8	9.2	0	1.5	16	0	6	4.6	5.2	0.7	7.6

INNOVATION BY SOCIAL ACTORS—EID ON EID (IPE)

Innovative Measures

◆ Easy Access by the Public (Mobile Apps; Computer)

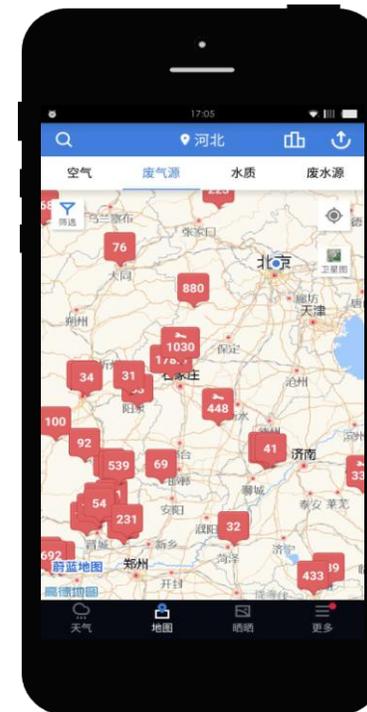
3,000,000



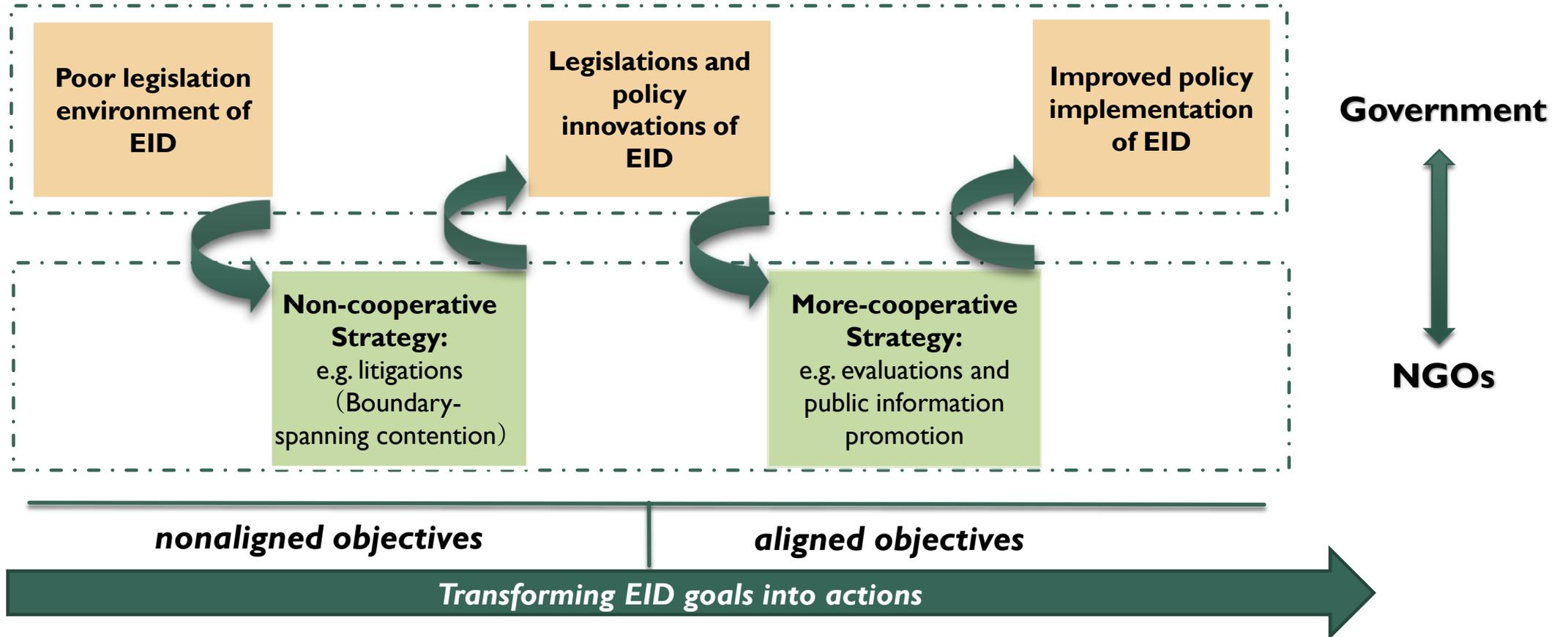
Core One Database



Platforms Two Platforms



A Mutual Adaption on policy implementation



SUMMARY

- The challenges of central-local relation are manifested in different ways for different governance system—Maximize the intrinsic strength and minimize the impact of weaknesses;
- Overcoming challenges in central-local relation requires governance innovation that is adaptive to local social-economic-political environments;
- An environment conducive to change is critical (China's reforms);
- Mutual learning and adaptation by all stakeholders are needed;
- Consistent leadership is critical.