

Kitakyushu Initiative for a Clean Environment: Successful and Transferable Practices
**Zhang Jiagang (China): Integrating Environmental Considerations into Economic Decision-making:
*Experiences of “Three First System” in Zhang Jiagang City***

Policy Research Centre for Environment and Economy¹

Target Area: Overall environmental improvement

Time Period: 1993-

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¹ State Environmental Protection Administration (SEPA), People’s Republic of China

1. Background: Environmental Achievements of Zhang Jiagan City

Zhang Jiagan City, with territory of 998km² and population of 850,000, is located in the lower reaches of Yangtze River and the southeast of Jiangsu Province in China. Zhang Jiagan is a new industrial city with fast development; in 1998 the per capita GDP reached USD3380, much higher than the national average. Since the early development stage, the city has paid great attention to environmental protection even while the economy has grown. This was done in order to not follow the traditional approach of “pollution first, and then clean up”.

In the early 1990s, the Municipal Government of Zhang Jiagan advocated several slogans and philosophies in dealing with the relationships of environment and economy, such as “golden and silver mountains are needed but clean water and green mountains are needed all the more; well-off life shall be pursued but healthy life is preferable; fast growth is necessary but sustainable development is the most important; and environment shall be protected but environmental construction is also vital”. With these philosophies, the Municipal Government requests governmental leaders at all levels in its jurisdiction to recognize the importance of environmental protection as a political task for achieving the goal of fully service for the people, which is one of vital aims of CPC (Communist Party Committee).

As a result, Zhang Jiagan City has implemented a series of environmental measures and achieved a lot in environmental protection since 1990s. In particular, the City was nominated as the first “National Model City for Environmental Protection” in July 1996 by the State Environmental Protection Administration. And in the national campaign of “Double-meet-the-standards”² the City fulfilled all tasks set in the campaign by December 1999—one year earlier than the deadline set by the central government. The indicators in Table 1.1 show some of the City’s achievements in the campaign.

Table 3- 1 Reductions of Key Pollutant Emissions/ Discharges throughout campaign (1996-1999)

Pollutants	Reduced by, against 1995	
	volume	percent
Industrial wastewater discharge (10 ⁴ tons)	6815	60%
COD discharge (10 ⁴ tons)	1.1	40%
Emission of industrial waste gases (billion m ³)	22.27	60%
SO ₂ emission (10 ⁴ tons)	1.6	41%
Emission of Soot (10 ⁴ tons)	1.9	56%
Emission of Industrial dust (10 ⁴ tons)	0.4	33%

Among a number of policies and measures to help the City achieve a lot in environmental protection, of particular significance has been the system of “Three First”. The system was specially created in the 1993,

² In the Ninth Five-year Plan period (1996-2000), Chinese national government launched a campaign that enterprises shall meet the national emission/discharge standards of industrial pollutants and urban functional districts shall meet the national air quality standards, by the end of 2000.

in order to reinforce functions and powers of environmental administration like EPB (Environmental Protection Bureau) in Zhang Jiagang) and further to ensure the integration of environmental considerations into economic decision-making and activities. At present, this system has been directly or indirectly applied by many other Chinese cities, which is also relevant to other Asian cities.

2. Contents and Implementation of the “Three First System”

The economic boom in Zhang Jiagang was initiated by the Town and Village-ship Industrial Enterprises (TVIEs) in the early of 1980s. At that time, almost all villages ran TVIEs and all TVIEs were black smoke emitters. Hence the fast economic growth made the environmental pollution increasingly violent. For example, industrial tar polluted the water catchments of tap water in 7 July 1987 when was the first day of university entrance examination nationwide, so that the residents cooked polluted breakfast, all restaurants had to close during that time, and thousands of students went to the university entrance examination in hungry. This heavy accident alarmed the Municipal Government and made their leaders reconsidered the city pattern of economic growth. And then an increasing importance has been paid to environmental protection.

During the process of strengthening environmental management, the City government firstly encountered the same critical questions other cities are facing: how to raise the position of environmental protection on the governmental agenda and how to empower the Environmental Protection Bureau (EPB) and strengthen its managerial functions. To resolve the problems, the Municipality issued a governmental decision—*Suggestions on Further Strengthening Environmental Protection in Zhang Jiagang City*. The Suggestion creatively endowed the EPB two priorities for environmental administration: 1) first leader’s responsibility on environmental protection; and 2) first mandate for approval of new construction projects. Both have integrated environmental considerations into economic decision-making and activities. And then the third priority was also given to environmental protection soon, which is “the first mandate for veto”. Accordingly, the system of three priorities to environmental management or the “Three First” system as a local terminology includes:

- a) The first leader’s responsibility: the top (‘first’) leaders of governments and CPC at all levels shall be responsible for and have overall responsibility for environmental protection in their jurisdiction.
- b) The first mandate for approval: the EPB has the ‘first’ mandate to examine and approve the applications of new construction projects with EIA reports before other governmental sectors do.
- c) The first mandate for veto: in any governmental appraisals for official’s or business’s performance, the winner could be vetoed only by the EPB no matter how its non-environmental performance is excellent.

2.1 The first leader's responsibility

In Zhang Jiagang, the top leaders at all governmental levels in its jurisdiction (including two levels: municipality and district or town) have to take care of environmental protection and take the responsibilities for failures in environmental management. In other words, environmental protection constitutes a central concern of governmental agendas. It provides a strong institutional guarantee for successful implementations of environmental policies and programs. First, mayors and secretaries of CPC have to involve in the processes of important environmental decision-making to the implementation of significant projects. And then, the environmental tasks and goals are decomposed for all governmental sectors and districts or towns in accordance with the municipal master plans for environmental protection. In general, the upper government has duty to inspect the lowers in fulfillments of environmental tasks and goals. Consequently, the governmental sectors and towns under the municipality take on their own tasks and responsibilities as well as pressures in environmental protection. In order to ensure the carry-out of “the first leader's responsibility for environmental protection”, the Zhang Jiagang Government annually makes goal-responsibility agreements on environmental protection with its district and town governments and with relevant governmental sectors, in which include their commitments to achievement of certain environmental goals and implementation of environmental measures.

In order to consolidate the achievements of its 1996 voluntary campaign for creation of the National Model City of Environmental Protection, for example, the City Committee of Environmental Protection was reorganized and headed by the mayor, and the chief of each town government was asked to be in charge of environmental affairs. The reorganizations have evidently strengthened the leadership network for environmental protection in the city. Moreover, the officials above the middle-level in the EPB were assigned to take care a certain number of key pollution enterprises in the city, so that industrial pollution control could be enhanced.

In order to complete the tasks of “Double-meet-the-standard” ahead of the national schedule, the city government set up a special leadership group. The group leader was the vice mayor responsible for the environmental protection. The group members were composed of heads of relevant governmental sectors in the City, such as Committee of Development and Planning, Committee of Economy and Trade, Committee of Construction, EPB, and Bureau of Supervision. The special group was responsible for the organization, inspection and assessment of all relevant activities in the campaign of “double-meet-the-standard”. And at the same time, a special supervision group was also set up, which consisted of heads from the Committee of Economy and Trade, EPB and Bureau of Supervision. The supervision group often conducted irregular inspection on the real situations of the campaign implementation without any notification in advance. The similar working groups at the town level were also established. The CP C at all levels paid great attentions to the environmental protection and made great efforts to control industrial pollution sources and to improve the environmental quality in urban areas. Directors of CPC, People's Congress and city government jointly conducted a lot of spot work and many

special inspections, and coordinated various concrete problems in time. During the strict enforcement process of laws and regulations, all related functional departments improved their awareness of providing services and effective guidance for enterprises according to enterprises' demand and assisted enterprises to set down their pollution control schemes elaborately, and to carry out all measures for pollution control seriously. For instance, No.2 Municipality Fireproof Materials Plant smoothly completed its tasks to meet national standards with the assistance of its town government who compared and chose many pollution treatment facilities or the optimal technology. At the level of enterprises, the similar working groups headed by their managers as those in governments were set up to meet the national standards in a given period. For example, Zhaofeng Smelting Firm set up a working group that was headed by a responsible director and included special teams on design of production process, on construction and installation, and on equipment facture, which went all out for the pollution control.

2.2 The first mandate for approval

It requires: the location, layout, environmental impacts assessment and integrated benefit assessment of all new construction projects must be firstly examined and approved by EPB and then by other government sectors, which could not be intervened by any top leader; any project which has not been approved by EPB is not permitted to start its design and construction by any other government sectors.

In order to put this system into effects, Zhang Jiagang EPB strengthened the overall management of construction projects with strong supports from Committee of Economy and Trade, Committee of Foreign Trade and Cooperation, Business Departments and Financial Departments at the city level. Zhang Jiagang EPB established the responsibility agreement on environmental management of new construction projects. Firstly, the environmental management of new construction projects was listed as one of the most important contents in the goal-responsibility agreement of government at all levels and implemented widely and completely; then a good working atmosphere that the whole society jointly control the pollution was developed so well that no projects was constructed before or without the approval of EPB. Secondly, a strict approval procedure and a system of responsibility sharing within EPB in Zhang Jiagang City was established to avoid faults of individual decision-making and to make the approval procedure stricter and more efficient. Those projects without any pollution and with little pollution could be approved by the functional offices within Zhang Jiagang EPB directly. Those projects with light pollution should be approved by (Deputy) Director General (DG) of Zhang Jiagang EPB who was responsible for the environmental impact assessment (EIA). Those projects with heavy pollution or located at key or sensitive areas should be reported to the DG who was responsible for the EIA; then the DG collected all opinions of related directors in districts of this city and presented his assembled proposal to deal with such kind of projects at the weekly meeting of all EPB heads; finally, the project should be approved by such a meeting and issued by DG of EPB. The results from examining construction projects of all EPB heads were informed to all participants of the weekly meeting. This mechanism ensures the EIA of construction

projects more scientific and more rational, which is very helpful for both the economic development and the improvement of environmental quality.

The competitive mechanism was introduced into EIA to make the system of “First” examination and approval by EPB more effective. The public participation into EIA of construction projects, such as the process of examination and approval, was more practical so that the comments from local residents and related sectors could be considered.

All industrial zones and key construction projects should conduct EIA from the beginning of their argumentation stage in order to make a scientific decision. The national industrial policies encourage the development of high-tech sectors and enterprises with low pollution. The projects with heavy pollution or with pollutants that could not be treated should be refused to locate in Zhang Jiagang absolutely.

To reduce the pollution transfer through the foreign direct investment (FDI), Zhang Jiagang EPB intervened the primary business negotiation in order to prevent the possible heavy pollution of FDI from the very beginning. For example, a refinery plant with a capacity of 100 thousand tons was planned to locate near the Yangtze River in October 1992. It was predicted that its economic benefit would be rather considerable. However, its EIA results showed that such a project might influence the tap water sources in Gangqu Town. So, this project was rejected due to the environmental reason. In 2000, 123 projects were rejected by EPB among total 1069 projects reported to EPB.

2.3 The first mandate for veto

The environmental performance is regarded as “First” key content for annually final examination of officials and for enterprises to get awards on economic performance in Zhang Jiagang City. No matter how great are enterprises’ economic contributions, the qualification of their award based on economic performance can be called off if only their environmental performance cannot meet the national environmental standards.

Zhang Jiagang city government brought the environmental protection into a “Xinfeng Cup” competition and an appraisal through comparison of units for “Double Civilization” (including business spirit and civic spirit) award. Any unit who had not fulfilled their goal-responsibilities or had caused environmental pollution accidents would be deprived of qualification to get any award.

The first mandate for veto on environmental performance of EPB was carried out widely and strictly. About 13 units were deprived of qualification to get advanced titles and any award from 1993 to 1997. For instance, one of key TVIEs was awarded “Famous Star Enterprise” twice in succession and “Double Civilization” award at the regional level. However, one of its branch plants discharged wastewater above national standards and broke the environmental law. So, the city government decisively cancelled all above awards of enterprises.

Simultaneously, the environmental performance was taken as one of key standards for examining officials’ achievements in Zhang Jiagang city. The officials with less environmental achievements would

not have been put in a very important position and promoted to a higher position. The officials with the least achievement might be dismissed from his position. From 1993 to 1997, 5 key managers of enterprises were dismissed due to their less achievement in environmental protection. For example, major directors of a provincial enterprises group with total sale of 250 million RMB were dismissed because this group could not well execute “Three Synchronization” system and discharged wastewater to natural water bodies.

Based on the “Three First” system, the working mechanism has been developed in which the city government is responsible for environmental protection in general, all related departments share responsibilities and cooperated with each other, the environmental functional departments conduct the overall supervision and management, and the public actively participates in the environmental protection process. This mechanism has further improved the integrated decision-making on trade and development. Moreover, the integration of environmental elements into policies, planning and management and the establishment of integrated decision-making system on environment and development, are very necessary choice for governments to change their decision-making system under the new historical conditions. The implementation of the “Three First” system is characterized the transit of government functions. The system is not only about effective measures to control the spread of environmental pollution and the ecological deterioration, but also a very important for guarantying scientific and rational decision-making.

3. Implications of Environmental Management Experiences in Zhangjiagang

1. The environmental protection involved many related departments, but the functions of them were so weak that it is very difficult to carry out the environmental measures related to economic development. The facts in Zhang Jiagang proves that it is the most important to reinforce functions of all related environmental departments for realizing all achievements. The experience in Zhang Jiagang shows that the “Three First” system is very good for reinforcing functions of environmental departments and ensured the enforcement of environmental measures in related departments and sectors.
2. The first leader should be responsible for environmental protection so that the government could pay more attention to the environmental protection. The experience in Zhang Jiagang shows that, through the “Three First” system, the environmental awareness of directors at all levels has been raised and the position of environmental protection in the government has been upgraded.
3. The “Three First” system has fully integrated the decision-making on economy and environment so that the EPB in Zhang Jiagang could get strong supports of all related government departments and use their resources. So, Zhang Jiagang has always reached its environmental goal in time while lacking of finance and other resources, and has realized the urban sustainable development in Zhang Jiagang.
4. The characterized “Three First” system has been spread through the whole China and been applied widely. However, the effective results of this system must be achieved through different methods and institutional arrangements. The system should be used in other cities in a flexible way under different institutions. In general, the important position of environmental protection in the government and the practical operation of integrated decision-making are common and universal for the success of environmental protection