



CHINA WATER  
**RISK**

# The Social Impact of Water

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## Contents

1.	Introduction .....	1
	1.1 Advocating for Public Participation .....	1
	1.2 The Need for Transparency .....	1
2.	Water Crises Impacting Communities .....	2
3.	Growing Public Unrest .....	3
4.	Public Participation .....	5
	4.1 Avenues for Participation .....	5
	4.2 Communication Technology & Public Participation.....	6
5.	NGOs Play a Critical Role .....	8
	5.1 China's Environmental NGO Landscape.....	8
	5.2 Key Players.....	8
	5.3 Case Study: IPE: Transforming the Water Agenda.....	12

# 1. Introduction

## 1.1 Advocating for Public Participation

Public participation has long been recognised as an essential contribution to environmental regulation and policymaking, given the immediate and often severe impact that poorly framed regulations can have on communities; the low-income groups often being disproportionately affected.

In 1998, 35 countries from Europe and Central Asia signed the Aarhus Convention in Denmark, specifically to address public participation in decision-making and access to justice on environmental issues. As of November 2009, 44 countries had ratified the convention, not including China.

Despite its reluctance to sign the Aarhus convention, the Chinese government is fast realising the economic and social ramifications of the country's burgeoning environmental threats and in particular those affecting water. Pan Yue, formerly deputy director of the State Environmental Protection Administration (SEPA) and now vice minister of the Ministry of Environmental Protection (MEP), openly advocates for greater public participation when it comes to environmental protection. Pan has said that public participation is the right and interest of the people endowed by law and that the government has the obligation to respond to and to protect this right.

In other words, it is in the interests of the government as well as the public to encourage participation since continuing environmental degradation is clearly a threat to social stability.

This section expands on the development of public participation in China with specific reference to the water crisis and the implications for companies and investors.

## 1.2 The Need for Transparency

A central tenet of successful public participation is transparency, with respect to both government authorities and the corporate sector. Recent Government legislation in China clearly recognises that people have a right to be informed when it comes to their environment and that both government officials and corporate management are accountable. This effectively introduced public participation into the decision-making process, granting civil society new rights. It has also laid the groundwork for collaboration among communities, NGOs, government officials, media and the corporate sector toward bringing otherwise largely unregulated industries into compliance.

Facing increasing unrest and protests, polluting companies that maintain the status quo may well be placing their license to operate at risk.

- New laws enhancing public participation via transparency and litigation measures are already:
- increasing the visibility of polluting companies
- increasing scrutiny of companies by a growing and more educated middle class
- increasing pressure on government agencies to enforce existing environmental laws

As a result, investors and companies alike would be wise to anticipate greater reputational as well as regulatory risk. Leading companies will engage local communities, safeguard local water supplies in areas where they operate and ensure that they, and their suppliers, comply with environmental regulations.

“By increasing the transparency of environmental information, the force of public opinion can put pressure on those who destroy the environment.”

Source: Pan Yue, Chinadialogue, 2005.

## 2. Water Crises Impacting Communities

China's local communities have much to lose as the country's water crisis deepens:

- An estimated 300 million rural Chinese lack access to safe drinking water
- The OECD estimates that hundreds of millions are drinking water contaminated with pollutants such as arsenic and excessive fluoride, as well as toxins from untreated wastewater, agricultural chemicals and leaching landfill waste<sup>1</sup>
- In 2006, nearly half of China's major cities did not meet state drinking-water quality standards<sup>2</sup>
- Pollution incidents have resulted in the periodic suspension of water supplies to millions
- The World Bank forecasts that if present water quality and quantity trends are not reversed, by 2020 there will be 30 million environmental refugees in China fleeing water stress
- Additional data and statistics are provided in the Big Picture and in the booklet "Introduction to China's Water Crisis" which can be downloaded from the China Water Risk website.

There is no shortage of evidence that China's polluted waters are poisoning local communities. Along the country's large lakes and major rivers, reports of health impacts, such as diarrheal diseases, tumours, leukemia, stunted growth, spontaneous abortions, diminished IQs and what have been dubbed "cancer villages," are emerging with increasing frequency. Today 190 million Chinese are reported sick from drinking contaminated water<sup>3</sup>.

The effects of the water crisis clearly extend beyond these direct physical ailments, affecting the livelihoods of farmers and rural communities. According to renowned water expert Peter Gleick<sup>4</sup>, water quality is so bad in some regions that local farmers sell their contaminated grains, grown with polluted water, and then purchase grain for themselves grown in areas with supposed trusted water supplies. Farmers' livelihoods are further compromised by water scarcity. In northern Hebei province, for example, it is reported<sup>5</sup> that villages are digging 120 to 200 meters to find clean drinking water, versus the 20 to 30 meters required just a decade prior. Deep wells are costly, in some instances accounting for nearly half the annual income of farmers.

Despite alarming water pollution statistics, many factory owners and local officials remain in favour of business as usual. Environmental requirements are typically circumvented if they are perceived as an impediment to investment. Refer to the Litigation and Enforcement sections under 'REGULATIONS' on the China Water Risk website ([www.chinawaterrisk.org](http://www.chinawaterrisk.org)).

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<sup>1</sup> Organization for Economic Cooperation and Development (OECD), Environmental Performance Review of China, Paris, France, July 2007

<sup>2</sup> Ibid.

<sup>3</sup> Economy, Elizabeth C., "The Great Leap Backwards? The Costs of China's Environmental Crisis" *Foreign Affairs* 86.5, Sept-Oct 2007: 37-59

<sup>4</sup> Gleick, Peter H., *China and Water, The World's Water 2008-2009: The Biennial Report on Fresh Water Resources*, Island Press, Dec. 2008: 79-100

<sup>5</sup> Ibid.

### 3. Growing Public Unrest

The fallout from government and corporate inaction when it comes to addressing water pollution and scarcity is, not surprisingly, deep public resentment (see Box 1). While communities have little sympathy for polluting companies, they also have limited understanding of their legal rights as well as lack sufficient access to essential pollution data to support their case.

Historically, barriers to the public seeking redress have included:

- limited government and corporate transparency
- a weak and constrained NGO sector
- inadequate mechanisms to facilitate participation
- lack of public awareness concerning laws and rights
- problems surrounding enforcement and implementation of environmental laws

In the absence of a transparent and well-functioning system for the public to “watchdog” polluting industries, citizens act by lodging complaints to local officials primarily through letter-writing, environmental hotlines and calls to government agencies. Complaints are mounting in tandem with the rise in environmental problems. From 2001 to 2006, Chinese environmental authorities received more than three million letters and five hundred thousand visits by petitioners seeking environmental redress<sup>6</sup>.

Beyond these channels, the public is increasingly participating in protests. Prolific cell phone and Internet use is adding fuel to the fire and providing the means to mass organisation.

In 2005, China’s State Environmental Protection Administration (SEPA) reported 50,000 protests around pollution incidents. Recent research shows that mass riots and anti-pollution protests have been increasing by one third every year<sup>7</sup>, some drawing as many as 30,000 people. It is not unusual for factories to be shut down in the wake of protests but some argue this post facto model of punishment accomplishes little in the long term. Were citizens given better access to environmental information and effective avenues for voicing complaints, damage would likely be minimised to communities and companies alike.

For more information on pollution incidents, operational disruptions and civil unrest explore the ‘Big Picture’ on the China Water Risk website.

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<sup>6</sup> Ge, Junjie, Bi, Jun and Wang, Shi, Building Effective Governance for Water Environment Conservation in China – A Social Experiment in Community Roundtable Meetings in the Tai Lake Basin Chapter 2, Public participation in Environmental Protection, 2009

<sup>7</sup> Responsible Research, China Water: Issues for Responsible Investors, February 2010

**Box 1:****Tens of thousands participate in angry demonstrations in Dongyang**

In the spring of 2005, villagers from the town of Huashui blocked the main road leading to the town's chemical park and mounted slogans on the factory walls that read: 'Give us back our land' and 'We want to survive'<sup>1</sup>. When police forces attempted to clear the road, mayhem ensued. In the largest reported environmental protest to date, 30,000 to 40,000 villagers stormed 13 chemical plants, overturning buses, breaking windows, torching police cars and attacking local officials. The government sent in 10,000 members of the People's Armed Police in response. The Dongyang government ordered factories to move out of the industrial park. By September 2006, the last plant of the chemical factories was shuttered.

Villagers resorted to such extreme measures after four years of government inaction in the face of birth defects and crop failures linked to water contamination stemming from local chemical factories. In 1999, the government of Dongyang City, Zhejiang Province approved the establishment of a chemical industrial park in Huashui Town without requiring an Environmental Impact Assessment (EIA). According to local media reports, the EIA was deliberately avoided because the region has limited environmental capacity, and therefore was not a suitable site for a chemical park.

**Demonstrations result in factory closures in Liuyang**

In August 2009, Chinese media reported that at least five people were killed and 500 poisoned in Liuyang City by a chemical cocktail of cadmium and indium—metals used illegally at the Changsha Xianghe Chemical Factory that had contaminated local soil and water<sup>1</sup>. Frustrated by years of inaction, a thousand villagers descended upon the police station and local government headquarters to lodge complaints. Following this event, the responsible party, Changsha Xianghe Chemical Factory, was permanently closed and responsible parties were punished.

Events in Liuyang City were soon eclipsed by reports of a lead pollution scandal in Changqing, linked to a Dongling Lead and Zinc Smelting Co. plant<sup>1</sup>. When 615 of 731 children from two villages tested positive for lead poisoning, furious villagers stormed the factory, clashing with police as they tore down fences, smashed coal trucks and blocked traffic. Environmental authorities said that soil and water samples showed increased levels in lead density from the previous year. On August 6, the plant's lead and zinc operations were suspended by the environmental protection authorities, which reportedly led to losses of more than RMB 10 million (US\$1.47 million)<sup>1</sup>.

## 4. Public Participation

### 4.1 Avenues for Participation

In 2007 President Hu Jintao and Premier Wen Jiabao proclaimed China's commitment to enlisting the public, proclaiming the "four big democratic rights": "right to be informed," "the right to participate," "the right of expression," and the "right to supervise."

In 2006 MEP Vice Minister Pan Yue famously commented: 'In the face of the complicated and arduous environmental-protection work, it is impossible to rely on environmental authorities alone. The only way to break the deadlock is to enlist the power of the public.'

Source: ABA, Rule of Law Initiative, 2008 newsletter

Since the passage of the Environmental Impact Assessment (EIA) law in 2003, which established the legal basis for public participation in environmental decision-making processes, the central government has initiated further regulations and measures that promise greater transparency and community involvement.

- In 2004 the Guidelines for Full Implementation of the Rule of Law were introduced. These guidelines created a policy basis for information disclosure. They encouraged environmental groups to become involved in the decision-making processes of large projects.
- The 2003 EIA Law included provisions to engage the public through public opinion surveys, local and provincial public hearings, and for the solicitation of expert opinions and reviews of development projects and commentary on technical papers. In 2006, **The Provisional Measures on Public Participation in Environmental Impact Assessment** provided teeth to the law, including the provision for the disclosure of basic information regarding the project, as well as the contact details of the developers and the EIA institution.
- In 2008, the **Measures for the Disclosure of Environmental Information** granted the public access to previously undisclosed information from government agencies and corporations. The stated purpose of the regulation is to provide increased transparency and participation by the public in environmental rulemaking and on substantive issues.
- Also in 2008, the **Water Pollution Prevention and Control Law** was amended to specify that MEP is responsible for releasing information about national water quality in a standardised way so as to avoid confusion and ensure that the public is provided with accurate and reliable information. It also lays the groundwork for environmental public interest litigation through Article 88, which some believe may be the most specific and clear provision in environmental legislation that says NGOs have an active role to play in environmental litigation<sup>8</sup>.

For more information on these laws, please refer to 'REGULATIONS' on the China Water Risk website ([www.chinawatererrisk.org](http://www.chinawatererrisk.org)).

While it is still early to assess the effectiveness of these measures, it seems that transparency remains limited and many local officials are not readily adapting to the public's newly granted rights. The government's commitment to enhancing

<sup>8</sup> Li Jingyun and Liu, Jiangxi, Quest for Clean Water: China's Newly Amended Water Pollution Control Law, Normal University Law School and Vermont Law School's China Environmental Law Programme, January 2009

environmental protection should not however be underestimated. In addition to the passage of key laws, government is supporting the maturation of environmental litigation, for example, through the establishment of “green courts” and by showing more leniency toward NGO activities and allowing media (see Box 2) to report on pollution incidents. Please refer to ‘EXPERT VIEWS AND OPINIONS’ in the ‘RESOURCES’ section on the China Water Risk website ([www.chinawatererrisk.org](http://www.chinawatererrisk.org)) for more information on green courts.

## 4.2 Communication Technology & Public Participation

China’s communication technology boom has given citizens a powerful new tool to express their grievances.

At more than 220 million users as of February 2008, China has already surpassed the United States as the country with the most Internet users. While many still lack Internet access, the number of cell phone users in China is over 430 million<sup>9</sup>. In June 2007, students and professors at Xiamen University, among others, are said to have sent out a million text messages, calling on fellow citizens to protest the planned construction of a giant petro-chemical plant, which was approved without the required EIA public hearing. As word spread, 7,000 to 20,000 people gathered peacefully in the city center<sup>10</sup>. News of the protest, via videos and reports posted on the Internet, attracted national attention. Following the event, the central government advised Xiamen authorities to stay construction of the plant, but also launched a campaign to discredit the protesters and their video footage<sup>11</sup>.

More recently, China’s burgeoning middle class used the micro-blogging website Twitter, in addition to posting pictures on the Internet, to document a protest in real time that drew 1,000 people on November 23, 2009 in Guangzhou. Although Twitter is blocked in China there are means to access the site, through private servers abroad. According to the UK-based Telegraph, a protester who wished to remain anonymous but was using Twitter throughout the day said: “The matter didn’t directly concern us but we were pursuing the public interest and we wanted to show our friends and other people what was going on so we took pictures and used all the modern technology we could to show a protest in real time<sup>12</sup>.”

<sup>9</sup> Go, Kimberly Go and Suzuki, Maya. Trial By Fire: A Chinese NGO’s Work on Environmental Health Litigation in China, July 2008. This research brief was produced as part of the China Environment Forum’s partnership with Western Kentucky University on the USAID-supported China Environmental Health Project

<sup>10</sup> Ibid.

<sup>11</sup> Economy, Elizabeth C. The Great Leap Backwards? The Costs of China’s Environmental Crisis. Foreign Affairs 86.5 Sept-Oct 2007: 37-59

<sup>12</sup> Telegraph.com.uk, China’s middle-class rise up in environmental protest, November 23, 2009.

## **Box 2: Is the Chinese Media Serving as Catalyst for Environmental Change?**

While media is not viewed as part of the public per se, it does play a critical role in supporting public participation. In the absence of legal mechanisms to help the public organise its efforts, NGOs and community activists are much more dependent on the media to spread ideas and information. And, because the media has official status in China, environmental information reported by the press is often regarded as quasi-official.

Media organisations conduct their own investigations of issues but they also benefit from working closely with government offices, NGOs, law firms and other organisations that represent public interests to generate environmental news stories.

Source: CLSA, "China Greening and individual research reports, 2008."

Environmental reporting would appear to enjoy more leeway from the government when compared to other politically sensitive issues. Media reports citing widespread illness following consumption of polluted water are on the rise. In August 2009 alone, six separate water pollution incidents leading to death and illness were reported, accounting for nearly 5,000 individuals (including a small number from two, non-water pollution events).

## 5. NGOs Play a Critical Role

### 5.1 China's Environmental NGO Landscape

Public awareness of environmental pollution is growing, due in part to media and NGOs, who now enjoy more access and freedom to report pollution incidents and publish environmental data. At the close of 2008, there were 3,600 registered independent NGOs in China, representing the largest segment of the country's civil society<sup>13</sup>. The country's economic boom, coupled with a more robust environmental framework and increased government support for environmental NGOs, has helped the sector grow in scope and capacity. Beijing now recognises that NGOs can be an ally in safeguarding environmental and community health. MEP works closely with such organisations, both publicly and behind the scenes, to achieve shared environmental objectives. Some perceive NGOs to be a driving force for political and environmental reforms.

Many NGOs now weigh in on environmental legislation, help to educate local environmental and natural resources agencies and engage the public through grassroots activities, providing access to environmental information and offering legal advice/assistance. The number of Chinese NGOs involved in environmental legislation, a formerly contentious arena for NGOs because of procedural and legal hurdles, has steadily risen since the passage of the 2003 EIA law and 2008 Environmental Information Disclosure Measures.

While environmental NGOs have made much positive headway and represent the largest sector of China's civil society they still face fundamental challenges and, while growing, remain small in number. Many NGOs are not registered because of the strict requirements of official registration. Unregistered NGOs cannot set up bank accounts, which in turn disallows partnership with certain foundations, multilateral organisations and government funders<sup>14</sup>. NGOs operate only with permission from the Chinese government, and under the lingering threat of being shut down at any time. They also grapple with insufficient resources, as Chinese tax law does not encourage financial donations to NGOs. Additionally, while NGOs enjoy more government support now than in the past, local authorities remain cautious of their involvement in environmental affairs, not least because of the potential NGOs have to expose government corruption.

### 5.2 Key Players

#### **Center for Legal Assistance to Pollution Victims (CLAPV)**

Established in October 1998, CLAPV provides free legal assistance and volunteer attorneys to citizens whose lives and livelihoods have been damaged by pollution. The Centre also operates a telephone hotline that fields environmental complaints from the public in conjunction with China Environmental News, the "Lawyer's Mailbox," which publishes answers to readers' environmental legal questions. Its work also extends to strengthening China's environmental legal system; CLAPV provides free professional training to lawyers and judges on environmental law and has set up a network of environmental protection lawyers.

<sup>13</sup> Responsible Research, Water in China: Issues for responsible investors, February 2010

<sup>14</sup> Wang, Alex, One Billion Enforcers, The Environmental Forum vol. 24, no. 2, March/April 2007



### **Green Banking Innovation Award**

In light of the growing role of sustainable finance, the Green Banking Innovation Award was established by a number of NGOs working together in July 2008. The first of its kind in China, the award aims to encourage banks and other financial institutions to consider the role they play in promoting environmental protection.



### **Green Camel Bell**

In China's western Gansu Province, Green Camel Bell (GCB)—the Province's first environmental NGO—works on Yellow River water pollution control, through industrial pollution monitoring, community and government engagement and awareness building. Among other activities, GCB also builds eco-villages in Southern Gansu and organises public environmental education.

TIME Magazine named GCB founder, Zhao Zhong, a 2009 environmental hero, primarily for his water pollution monitoring work.

### **Green Choice Alliance**

Thirty-four prominent NGOs joined forces in February 2010 to launch the Green Choice Consumer Action (GCA) campaign. GCA intends to improve corporate environmental practice by urging consumers in China to make more environmentally-responsible choices. To help consumers avoid products that have significant environmental footprints, GCA will release regular reports through online and print media that name companies in violation of China's environmental standards. GCA's first report, produced in February 2010, lists 20 major consumer brands owned by Chinese, Taiwanese and foreign companies that have been blacklisted for environmental non-compliance issues. GCA engages with these companies providing them with the opportunity to clear their name from the list by taking appropriate corrective actions.



### **Greenlaw**

Greenlaw, a joint service of the Natural Resources Defense Council (NRDC) China Program and the China Environmental Culture Promotion Association (CECPA), is a comprehensive resource helping to bridge the information gap on environmental legal issues. Via its website, Greenlaw provides useful information and links to recent laws and public participation news, MEP State of the

Environment Reports, citizen guides to environmental protection and relevant reports issued by other environmental websites.



### **Greenpeace**

Greenpeace's China Clean Waters Campaign aims to eliminate the most hazardous chemicals threatening China's rivers and lakes. Greenpeace calls on the government and industry to protect China's water resources by committing to eliminate discharges of the most hazardous substances through clean production.

In order to achieve this, Greenpeace monitors the environmental performance of companies and their factories, visits local victims of water pollution and monitors water quality in the Yangtze, Yellow and Pearl River Delta regions. They use extensive field visits and in-depth research to expose the culprits of industrial water pollution and work with experts to showcase best industry and legislative practices. Photo credit: GREENPEACE



#### **Green Watershed**

Green Watershed, founded in southwestern Yunnan Province, advocates for sustainable watershed management programs. Green Watershed seeks to empower local communities that are affected and will be potentially impacted by dam construction, through workshops and training programs. The group believes that developers should be required to consider the ill effects of dams on local communities as well as mitigate impacts through ensuring poverty alleviation, local education support and restoration of livelihoods. Director Yu Xiaogang, a 2006 recipient of the prestigious Goldman Environmental Prize and 2009 Ramon Magsaysay award (Asia's Nobel Prize equivalent), made a name for himself in 2004, when he successfully led a campaign to persuade the government to put a halt to a series of planned dams along the Nu, China's last wild river.



#### **Institute of Public and Environmental Affairs (IPE)**

The Institute of Public and Environmental Affairs (IPE) is a registered non-profit organization based in Beijing. Since its establishment in May 2006, the IPE has developed two pollution databases (water & air) to monitor corporate environmental performance and to facilitate public participation in environmental governance. The aim of IPE is to expand environmental information disclosure to allow communities to fully understand the hazards and risks in the surrounding environment, thus promoting widespread public participation in environmental governance.

#### **Transparency Index**

NRDC and IPE have developed a Pollution Information Transparency Index (PITI). Released on June 3, 2009, the PITI study benchmarks over 100 cities across China on various aspects of their environmental information disclosure performance. Only four of the 113 evaluated cities scored over 60 of a possible 100 points, with 32 cities falling under 20 points.

#### **Anhui Federation of Student Environmental Groups (Green Anhui)**

Green Anhui was established in 2003, it is a local environmental NGO in Anhui Province. As the first NGO focusing on environment in Anhui, Green Anhui puts more efforts on the emerging environmental issues in social development and to advocate recycling economy as well as ecological consumption in order to achieve the ultimate goal of sustainable development. Website: [www.green-anhui.org](http://www.green-anhui.org)

#### **Huaihe River Guardian**

Huaihe River Guardian was established in 2001 in Yunnan and registered in the local civil affairs departments as a "private non-enterprise units" in 2003. The organisation aims to promote mechanisms for public participation to speed up the control work of Huaihe River water pollution in order to realize the economic and social sustainable development in Huaihe River basin. Website: [www.huaihe.org](http://www.huaihe.org)

#### **Global Environment Institute**

Global Environment Institute (GEI) is a Chinese nonprofit, nongovernmental organization established in Beijing in March 2003. This NGO aims to make

conservation profitable and economic development ecologically sound by supporting conservation efforts with market-oriented solutions. GEI emphasizes economic viability in conservation efforts, promoting the adoption of environmentally sound practices and technologies and engaging the private sector as major stakeholders in the conservation projects. Website: [www.geichina.org](http://www.geichina.org)

#### **Green Earth Volunteers**

Green Earth Volunteers is one of China's oldest indigenous environmental NGOs. Founded in 1996 by radio journalist Ms. Wang Yongchen, Green Earth Volunteers serves as a vehicle for grass-roots participation and we remain dedicated to expanding Chinese citizens' active understanding of environmental issues. The group works on multiple fronts. Through the educational trips and activities, many thousands have personally experienced the challenges China faces as pollution, environmental degradation and climate change affect our water, air and land. Green Earth Volunteers' monthly "Journalist Salons" bring key environmental journalists and specialists together to discuss breaking issues. Many more benefit from the transcripts of lectures and discussion among participants at each session available through Green Earth Volunteers' website. Through the salons and this digest, Green Earth Volunteers is fostering a nation-wide network of concerned journalists, which now constitutes a potent force in China's indigenous environmental moment. Website: <http://eng.greensos.cn>

#### **The Green Volunteer Union of Chongqing**

China Chongqing Green Volunteer's Union (CCGVU) is an environmental NGO dedicated to environmental protection and sustainable development in the upper reaches of the Yangtze River in central China's Sichuan province. This project's aim was to prevent hazardous solid waste pollution and maintain water quality in the Three Gorges region of the Yangtze River near Chongqing. Website: [www.greenu.org.cn/](http://www.greenu.org.cn/)

#### **Green Hanjiang (Xiangfan Environmental Protection Association)**

Green Hanjiang registered with the civil administration bureau of the city of Hanjiang in September 2002. It is the first environmental NGO in Hubei Province and the only environmental organization in the Hanjiang Basin. It currently has 45 group members and 105 individual members from all walks of life, including teachers, engineers, government officials, businessmen and reporters. The major activities organized by Green Hanjiang include field trips to investigate environmental problems and assisting the government with environmental law enforcement and improvement. Green Hanjiang also brings environmental education workshops to villages, campuses, businesses, and communities. Website: <http://www.greenhj.org.cn/>

#### **Green Friend Association**

Established in 1996 in Hebei Province, Green Friend Association works at improving the public's environmental awareness and promoting sustainable development. Its main activities include environmental education, environmental publicity in the mass media, corporate environmental management, and international environmental communications.

#### **Green Jilin Environmental Protection Association**

Green Jilin is a regional youth environmental protection association that was established with college environmental groups throughout Jilin Province. Its mission is to promote communication and cooperation among individual college groups, coordinate regional project activities, as well as contribute to the conservation of ecosystems and biodiversity. Website: <http://cer.jlu.edu.cn/students/second/third/10/17.htm>

### **Green River**

Green River is an environmental NGO approved by the Sichuan Provincial Environmental Protection Bureau and registered in the Sichuan Civil Administration Office. The goals of Green River are to: (1) promote environmental protection in the headwaters of the Yangtze and Yellow rivers; (2) foster public environmental awareness and the conservation ethic; (3) encourage citizen participation; and (4) ensure environmentally sustainable economic and social development of the headwater areas. Currently, the main activities of Green River include operating environmental protection stations in the source area and upper parts of the Yangtze River, organizing scientists, inviting domestic and international environmental protection groups to conduct research in the headwater areas, and publishing literature and audio-visual media about environmental protection. Green River has also carried out its own pilot projects in some communities. These activities help Green River create workable solutions and implementation plans with the government and both domestic and international NGOs. Website: <http://green-river.org/Article/Index.html>

### **Green Stone City**

Green Stone City is an environmental NGO in Jiangsu Province. The main environmental protection activities carried out by Green Stone are providing environmental education for children, carrying out environmental protection activities in communities, surveying the types and effectiveness of environmental protection associations in Chinese universities, investigating the pollution situation of the Yangtze River, and improving the capacity of student environmental groups through training programs. Website: [www.green-stone.org/](http://www.green-stone.org/)

### **Global Village of Beijing**

Founded in 1996 as one of the first NGOs in China, Global Village of Beijing is a non-governmental, nonprofit organization dedicated to improving environmental education and strengthening civil society. Global Village Beijing's mission is to advance sustainable development in China by creating community environmental awareness and enhancing public participation. Its main functions include the production of environmental television programs and publications, the organization of journalist trainings, the development of green communities, and the organization of public forums on sustainable development and consumption. Website: [www.gvbchina.org.cn/](http://www.gvbchina.org.cn/)

## **5.3 Case Study: IPE: Transforming the Water Agenda**

In 2007, the UK's Observer newspaper praised the pollution map as: "a symbol of a new kind of social activism in China: pragmatic rather than idealistic, and relying more on maps and data than votes and speeches to lobby for change."

Capitalising on increased public disclosure of pollution data by government agencies, the Institute of Public and Environmental Affairs ([www.ipe.org.cn](http://www.ipe.org.cn)), a Beijing-based, non-governmental organisation (NGO), launched the China Water Pollution Map ([www.ipe.org.cn/En/pollution/index.aspx](http://www.ipe.org.cn/En/pollution/index.aspx)). The map (made available in 2006) provides water quality information from the nation's 31 provinces and over 300 of its cities. By clicking on different regions on the map, website users can determine an area's water quality, pollutant discharges and sources of contamination, including information on enterprises and sewage treatment facilities that exceed pollution standards. Site visitors can also view rankings of provinces and municipalities, based on levels of industrial wastewater discharge, domestic sewage discharge and a multitude of other toxic discharges. One noteworthy feature of the website is that it allows viewers literally to see how close factories are to lakes and rivers, and where communities are situated in relation to polluting entities.

This cross-comparative view of environmental performance helps inform the public and NGOs as to the location, severity and potential cause of water pollution. The Map lists companies that are in breach of environmental regulations. Through it, the public can access thousands of environmental quality, discharge and infraction records released by various government agencies.

When the public has access to such data it places greater pressure on polluting companies to come into compliance. Many of those named in the polluters list choose to approach IPE to explain what went wrong and how they intend to remedy the situation. IPE then inputs companies' statements, along with follow-up government monitoring data, side by side with the original records of violations so that the public has access to an updated view of companies' performance.

Companies also have the chance to remove their names from the list by agreeing to an independent auditing process, under the Green Choice Alliance Environmental Supply Chain Management Programme (see Box 3). So far, more than 30 such audits have been conducted. Most of these companies are multinationals and they represent just a tiny proportion of the total number of violators. In order to expand the effort and put pressure on polluting factories to improve environmental performance, it is key for companies to begin reviewing the environmental compliance of companies in their supply chains.

### **Box 3: Promoting Responsible Manufacturing**

In August 2008, IPE launched its Green Choice Alliance Environmental Supply Chain Management Programme (GCA corporate programme). The GCA corporate programme is an environmental supply chain management tool that uses the principles of transparency and stakeholder participation to promote and facilitate responsible manufacturing.

Companies joining the GCA programme undertake a two-step process:

- 1) Review their supply chain against the IPE polluters list to identify any polluting suppliers; and
- 2) Work with any non-compliant suppliers to undergo a supervised, third-party audit process involving the participation of skilled and credible NGO members as observers.

The GCA programme fills a 'credibility' gap in environmental auditing and compliance practice, where historically the submission of false records and accounting to auditors has been prevalent. The programme- enables transparent audits by having an experienced NGO participate in the process- and by having the audit reports or the summaries of relevant reports uploaded onto the IPE website. The programme was developed with members of the corporate sector, NGOs, government agencies, leading scholars and foundations including ADM Capital Foundation and the Rockefeller Brothers Fund.

The GCA programme is already proving to be successful in promoting responsible manufacturing. At its launch during Coca-Cola's global suppliers' conference in August 2008, GCA was introduced to heads of corporations and suppliers by IPE. 37 companies have since undergone the GCA audit process, and 31 have been removed from the polluters list as a result of taking corrective action. Such action has included building new pollution control facilities, repairing failed equipment, introducing water recycling, reuse and improving environmental management systems.

In parallel, Ma Jun has also engaged in a dialogue with leading companies such as Wal-Mart, General Electric and the Esquel Group who all now use the water and air pollution databases to screen their existing supply chain and potential suppliers.

As of December 2009, IPE's website ([www.ipe.org.cn](http://www.ipe.org.cn)) listed 50,000 non-compliant enterprises, including many multinational companies and registered 2,567,233 web visitors. As a result, pressure on companies to meet environmental standards is mounting. Now companies such as GE, Wal-Mart, Nike and Esquel are using IPE's list to monitor the environmental compliance records of their suppliers.

### **A positive response**

Since its inception, the Water Pollution Map has been widely applauded by the public and accepted<sup>15</sup> by the Chinese Government. The map is helping to improve transparency and ultimately pave the way for appropriate, informed and government-sanctioned actions to protect the environment.

Following its launch in 2006, the Water Pollution Map received numerous accolades and has been widely covered by the media, including international papers. In 2007, the UK's Observer newspaper praised the pollution map as:

"A symbol of a new kind of social activism in China: pragmatic rather than idealistic, and relying more on maps and data than votes and speeches to lobby for change."

In late 2006 he was named "Green China Man of the Year," an award sponsored by seven ministries, primarily for heading up efforts to develop the China Water Pollution Map, and in August 2009, IPE's director, Ma Jun was awarded the Ramon Magsaysay Award, Asia's equivalent of the Nobel Prize.

### **Benchmarking the government's environmental disclosure practices**

The Pollution Map has helped NGOs benchmark local government's performance on environmental information disclosure. In June 2009, IPE, in collaboration with the Natural Resources Defense Council (NRDC), released the Pollution Information Transparency Index (PITI), which reviewed environmental disclosure practices in over 100 cities across China. Only four of the 113 cities scored over 60 out of a possible 100 points, with 32 cities falling under 20 points. The full report can be found in 'RESOURCES' on the China Water Risk website ([www.chinawaterrisk.org](http://www.chinawaterrisk.org)).

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<sup>15</sup> While the Chinese government has not made an official statement in support of IPE's work, the fact that the website and all related corporate outreach has been allowed to continue can be viewed as a tacit sign of its support. IPE's programme responds to the Ministry of Environmental Protection's call for more public participation in addressing China's environmental problems.