



# Ministry of Environment and Forests

GOVERNMENT OF INDIA

## Workshop held on Action Plan for Innovations in Environmental Regulation

Press Release – July 21, 2010  
New Delhi

The Ministry of Environment and Forests held a conference on “Innovative Instruments for Environmental Regulation” today in New Delhi. Speaking at the conference, Minister Jairam Ramesh stated, **“It is important to go beyond traditional mechanisms for environmental regulation and explore the role that can be played by online real-time databases, third-party involvement in audits and market mechanisms.”**

In the case of third-party audits, Dr. Rohini Pande, Economist from Harvard University shared some preliminary results from an ongoing study conducted by the Gujarat Pollution Control Board (GPCB) and the Abdul Latif Jameel Poverty Action Lab (J-PAL), a centre based in MIT. The study showed a **positive improvement in the quality of industrial pollution regulation by ensuring that third party auditors are assigned by the GPCB and not by the industry itself.** The study is now evaluating the efficacy of incentivising auditors based on the accuracy of their audits. Mr. Rajneesh Dube, Joint Secretary, highlighted the importance of ensuring the integrity of third-party auditors.

In addition, the Minister highlighted four other main takeaways from the conference. Firstly, **India should strive for a national online industrial pollution database system similar to the one presented by the Tamil Nadu Pollution Control Board (TNPCB) called CARE AIR.** The Tamil Nadu system measures in real time both industrial emissions and the ambient air around the industrial premises. This data is reported online every 10 seconds.

Such a **real-time and accurate database can then be used to set up a market-based system on trading pollution permits between industries.** Dr. Michael Greenstone, Economist at MIT, added, “since some industries face much higher costs of reducing pollution, they can buy pollution permits in the market from other industries that have a lower cost of emissions reduction. Such a redistribution ensures that a higher level of emissions can be achieved at the same cost”.

Another takeaway was the **need to have a deeper look into setting standards for regulating VOCs and ensuring there exists up-to-date equipment.** While this issue is complicated, its quick resolution is important for reducing damage to the environment.

The Minister also highlighted the importance of **ensuring that industries submit Environmental Statements, as mandated by law.** Further SPCBs should develop capacity to verify and use these statements to carry out their role as effective regulators.

The conference also had presentations by the Madhya Pradesh Pollution Control Board and GPCB on using online systems to increase efficiency and transparency in interactions between the Board and industry.

MoEF, SPCB, World Bank, CSE and J-PAL members attended the conference.