Cleaner Production Promotion Law of the PRC

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of promoting cleaner production, increasing the utilization rate of resources, reducing and preventing the generation of pollutants, protecting and improving the environment, safeguarding human health, and promoting sustainable economic and social development.

Article 2 — For the purposes of this Law, "cleaner production" means the continuous application of measures involving improved design, the use of clean energy and raw materials, the adoption of advanced processes, technologies and equipment, improved management, and comprehensive utilization to reduce pollution at the source, increase the utilization rate of resources, and reduce or avoid the generation and

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discharge of pollutants in the processes of production, provision of services, and use of products, so as to alleviate or eliminate harm to human health and the environment.

Article 3 — This Law shall apply to organizations engaged in production and the provision of services (hereinafter referred to as "enterprises") and to the relevant administrative departments within the territory of the People's Republic of China.

Article 4 — The state encourages and promotes cleaner production. The relevant administrative departments of the State Council and local people's governments at or above the county level shall incorporate cleaner production promotion into their national economic and social development plans, annual plans, and plans for environmental protection, resource conservation, comprehensive utilization of resources and the development of related industries.

Article 5 — The comprehensive economic macro-control department of the State Council shall be responsible for organizing and coordinating the work of cleaner production promotion nationwide. The environmental protection administrative department of the State Council and other relevant administrative departments shall be responsible for the work related to the promotion of cleaner production in accordance with their respective duties. The relevant departments of the local people's governments at or above the county level shall be responsible for the work related to the promotion of cleaner production within their respective administrative areas in accordance with their respective duties.

Article 6 — The state encourages social organizations and the general public to play a supervisory role in cleaner production, and encourages scientific research, technology development, and international cooperation for cleaner production, and the organization and dissemination of cleaner production technologies, and the universal popularization of knowledge about cleaner production to enhance citizens' awareness of cleaner production. The state encourages and supports the adoption of production methods and consumption patterns that save energy and reduce pollution, and promotes the use of resource-conserving and environment-friendly products.

Chapter II — Promotion of Cleaner Production

Article 7 — The State Council shall formulate fiscal and taxation policies conducive to the implementation of cleaner production. The State Council and its relevant departments and the relevant departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall formulate policies for the guidance of cleaner production industries and the development of cleaner production technologies, and promote comprehensive utilization of resources and the reduction and treatment of pollutants.

Article 8 — The comprehensive economic macro-control department of the State Council shall, in conjunction with the relevant administrative departments of the State Council, formulate and publish national policies and guidance catalogues for cleaner production technologies, processes, equipment and products on a regular basis. The relevant administrative departments of the State Council and governments of provinces, autonomous regions and municipalities directly under the Central Government shall organize and implement cleaner production technical guidance catalogues and guidelines for key industries and key fields, formulate guidance catalogues and guidelines accordingly, and be responsible for their implementation.

Article 9 — People's governments at or above the county level shall make overall plans for the construction of infrastructure such as comprehensive utilization of resources, centralized treatment of wastewater and household waste, reuse of reclaimed water, and allocation of water from other sources.

Article 10 — The relevant administrative departments of the State Council and the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall organize and support the establishment of cleaner production information systems and technical consulting service systems, and provide the public with information and services regarding cleaner production methods and

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technologies, supply and demand of renewable resources, and cleaner production policies.

Article 11 — The comprehensive economic macro-control department of the State Council shall, in conjunction with the relevant administrative departments of the State Council, regularly publish directories of technologies, processes, equipment and products that are obsolete, cause serious pollution to the environment, or waste resources, and such technologies, processes, equipment and products shall be phased out within a prescribed time limit. Producers, sellers, importers and users shall, within the time limit prescribed by the State Council's comprehensive economic macro-control department in conjunction with relevant departments, cease the production, sale, import and use of the equipment, processes, technologies and products listed in such directories.

Article 12 — The state shall provide special support to the following cleaner production projects, including through small and medium-sized enterprise development funds:

(1) — Generic and key cleaner production technology research, development, and demonstration projects;

(2) — Projects for the demonstration and extension of technologies, processes and equipment for comprehensive utilization of resources and prevention and control of pollution that align with cleaner production objectives;

(3) — Other projects determined by the state as requiring support.

Article 13 — The comprehensive economic macro-control department of the State Council shall, in conjunction with the relevant departments, formulate cleaner production promotion plans for key industries and key fields, and promote cleaner production efforts tailored to key industries and fields.

Article 14 — In respect of products and packaging whose design or use would waste resources or cause serious environmental pollution, the State Council's comprehensive economic macro-control department, in conjunction with relevant departments, shall determine a compulsory time period during which enterprises may not continue to produce, sell or import such products or use such packaging.

Chapter III — Implementation of Cleaner Production

Article 15 — Construction projects involving new construction, renovation or expansion shall be subjected to an environmental impact assessment, and raw materials used, techniques and processes adopted, and equipment selected shall undergo an assessment with respect to resource consumption and comprehensive utilization of resources. Priority shall be given to techniques, processes and equipment adopting cleaner production with a high utilization rate of resources and low pollutant generation.

Article 16 — Enterprises shall continuously adopt cleaner production practices such as improved design, the use of clean energy and raw materials, the adoption of advanced processes, technologies and equipment, improved management and comprehensive utilization of resources through technological transformation and self-inspection to improve their cleaner production level.

Article 17 — Enterprises shall conduct cleaner production audits according to the following provisions:

(1) — Enterprises discharging pollutants in excess of the national or local pollutant discharge standards, or exceeding the total discharge control indicators for key pollutants determined by the relevant people's governments, shall undergo cleaner production audits;

(2) — Enterprises that use toxic or hazardous raw materials in production or discharge toxic or hazardous substances shall conduct cleaner production audits periodically, and report the results to the environmental protection administrative department and the comprehensive economic macro-control department of the local people's government at or above the county level.

Article 18 — Enterprises shall establish and improve a cleaner production management system, formulate cleaner production implementation plans, improve cleaner production management, and implement cleaner

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production technologies.

Article 19 — Enterprises shall, in the course of technical transformation and product design, adopt the following cleaner production measures:

(1) — Adopt non-toxic, harmless, or low-toxicity and low-harm raw materials to replace toxic and hazardous raw materials;

(2) — Adopt processes and equipment that use resources efficiently, generate few pollutants and are recycling-oriented, to replace processes and equipment with low resource utilization efficiency and heavy pollutant generation;

(3) — Carry out comprehensive utilization of waste generated in the production process, or recycle such waste;

(4) — Adopt pollution prevention and control technologies commensurate with national economic and technological levels and suitable for the characteristics of the enterprise to ensure that the discharge of pollutants complies with national and local discharge standards and total volume control requirements.

Article 20 — Enterprises producing products and packaging shall design the products and packaging in a rational manner that reduces the use of packaging materials, recycles packaging materials, and avoids excessive packaging. Enterprises shall label products with material composition information, particularly in relation to toxic or hazardous substances contained or likely to be released during use.

Article 21 — Enterprises engaged in agriculture, construction, mining, and services shall adopt cleaner production measures in accordance with their respective industry characteristics.

Article 22 — Enterprises shall monitor resource consumption and waste generation in their production and service activities, and conduct cleaner production audits of their production and service processes when necessary.

Article 23 — Enterprises shall, as required by relevant provisions, report on the implementation of cleaner production to the administrative departments designated by the people's governments at or above the county level.

Article 24 — Enterprises that discharge pollutants in excess of the standards or that discharge toxic or hazardous substances shall make public the information on their discharge of major pollutants and their cleaner production status in accordance with relevant provisions, and accept public supervision.

Chapter IV — Incentive Measures

Article 25 — The state shall establish a cleaner production commendation and reward system. Units and individuals that have made outstanding contributions to cleaner production shall be commended and rewarded by the people's governments.

Article 26 — Enterprises that engage in research and development of cleaner production technologies, implement cleaner production projects, and purchase equipment for cleaner production may enjoy tax preferences in accordance with law.

Article 27 — Enterprises producing products made by comprehensively utilizing waste under the catalogue of comprehensive utilization of resources shall be entitled to tax reductions or exemptions as provided for by the state.

Article 28 — Enterprises implementing cleaner production projects specified by the state shall be entitled to priority loans and other preferential treatment from financial institutions.

Article 29 — The costs of cleaner production audits and training shall be included in the operating costs of the enterprise.

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Article 30 — The state shall encourage enterprises to carry out cleaner production cooperation and exchange with foreign countries, introduce foreign capital and advanced technologies, and participate in international cleaner production technology research and development.

Article 31 — Enterprises purchasing equipment for cleaner production may be entitled to accelerated depreciation in accordance with relevant national provisions.

Article 32 — The state shall support enterprises in applying cleaner production technologies, processes and equipment to transform traditional industries, and promote the transformation of the mode of economic growth.

Article 33 — People's governments at all levels shall give priority to purchasing products that save energy, save water, recycle waste, and are environment-friendly, thereby assisting the promotion of cleaner production.

Chapter V — Legal Liability

Article 34 — Where an enterprise fails to meet the requirement for compulsory cleaner production audits, the environmental protection administrative department of the local people's government at or above the county level shall order it to make corrections within a prescribed time limit; where it refuses to make corrections, a fine of not more than RMB 100,000 shall be imposed, and the administrative department shall make this information public.

Article 35 — Where an enterprise fails to disclose information on its discharge of major pollutants or its cleaner production status in accordance with provisions, the environmental protection administrative department of the local people's government at or above the county level shall order it to make a public disclosure, and may impose a fine of not more than RMB 100,000.

Article 36 — Where an enterprise fails to phase out equipment and materials that cause serious environmental pollution within the prescribed time limit, or produces, sells, imports, or uses equipment, technologies, processes, or products the use of which is prohibited by the state, the comprehensive economic macro-control department of the local people's government at or above the county level shall order it to make corrections; where the circumstances are serious, the comprehensive economic macro-control department of the people's government at or above the county level shall make a proposal to the people's government at the corresponding level to order the suspension of its operations or closure in accordance with the authority prescribed by the State Council.

Article 37 — Where cleaner production service institutions issue false audit reports, environmental protection administrative departments and other relevant departments shall order corrections and impose penalties in accordance with the law; where losses are caused to others, they shall bear compensation liability in accordance with the law.

Article 38 — Where a staff member of any relevant administrative department abuses his or her power, neglects his or her duty, or engages in malpractice for personal gain, and the case constitutes a crime, criminal liability shall be pursued in accordance with law; where the case is not serious enough to constitute a crime, administrative sanctions shall be imposed in accordance with law.

Chapter VI — Supplementary Provisions

Article 39 — This Law shall come into force on January 1, 2003.

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