Cleaner Production Promotion Law

Approved by the Standing Committee of the National People’s Congress (NPC) of the People’s Republic of China in the 28th Session on June 29, 2002

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Chapter 1 General Provisions

Article 1

This Law is enacted in order to promote cleaner production, increase the efficiency of the utilization rate of resources, reduce and avoid the generation of pollutants, protect and improve environments, ensure the health of human beings and promote the sustainable development of the economy and society.

Article 2

Cleaner production as used in this Law means the continuous application of measures for design improvement, utilization of clean energy and raw materials, the implementation of advanced processes, technologies and equipment, improvement of management and comprehensive utilization of resources to reduce pollution at source, enhance the rates of resource utilization efficiency, reduce or avoid pollution generation and discharge in the course of production, provision of services and product use, so as to decrease harm to the health of human beings and the environment.

Article 3

Within the territory of the People’s Republic of China, any units or individuals engaged in activities relating to production or provision of services and their corresponding management agencies must organize and implement systems for cleaner production in accordance with the provisions therefor.
Article 4

The nation is committed to encouraging and promoting cleaner production. The State Council and the local people's governments at or above county level must infuse cleaner production into plans and programs for national economic and social development, annual plan, as well as environmental protection, resources utilization, industrial development and regional development.

Article 5

The general departments of cleaner production subject to the authority of the State Council shall bear the responsibility for undertaking the work of organizing and coordinating the promotion of cleaner production throughout the nation.

The relevant administrative departments responsible for environmental protection, industry, science and technology, finance under the State Council shall assume the responsibility for promoting cleaner production in accordance with and pursuant to their respective functions and responsibilities.

The local people’s governments at or above county level shall be responsible for taking the initiative to promote cleaner production in the areas under their administration. The general departments of cleaner production under the local people’s governments at or above county level shall bear the responsibility for organizing and coordinating cleaner production in the areas under their administration. The other relevant administrative departments under the local people’s governments at or above county level shall be responsible for promoting cleaner production in accordance with and pursuant to their respective functions and responsibilities.

Article 6

It is the policy of the nation to encourage scientific research, technical development and international cooperation to develop cleaner production, and to organize the dissemination of information with respect to and to popularize cleaner production and extend the range of cleaner production technologies.

The nation is committed to encouraging social groups and citizens to participate in the dissemination of public awareness with respect to cleaner production through education, popularization, implementation and supervision.
Chapter 2  Realization of Cleaner Production

Article 7

The State Council shall formulate fiscal and tax policies conducive to the implementation of cleaner production.

The State Council and other relevant administrative departments having corresponding responsibility and the people’s governments of provinces, autonomous regions and municipalities directly under the central government shall formulate and implement beneficial industrial development policies and technological development and popularization policies and undertake supervision and management measures conducive to the implementation of cleaner production.

Article 8

The general departments of cleaner production subject to the authority of the State Council shall formulate national plans for the popularization of cleaner production jointly with departments of the State Council responsible for environmental protection, industry, science and technology, and other relevant departments, according to plans and programs for national economic and social development, and the national requirements of resource conservation, energy consumption reduction, and energy-saving, emission reduction of major pollutants. The plans shall be published promptly after authorized by the State Council.

The national plans for the popularization of cleaner production shall include: goal, primary mission and safeguard measures of the popularization of cleaner production, as well as to confirm intensive region, intensive industry and intensive engineering of cleaner production implementation, according to levels of resource and energy consumption, and pollutant emission.

According to the national plans for the popularization of cleaner production, relevant industry administrative departments of the State Council shall confirm priority projects of cleaner production, formulate industry special plans for the popularization of cleaner production, and organize the implementation.

According to the national plans for the popularization of cleaner production, special plans of relevant industry for the popularization of cleaner production, and the local requirements of resource conservation, energy consumption reduction, and energy-saving, emission reduction of major pollutants, the local people’s governments at or above county level shall confirm local priority projects of cleaner production, formulate implementation plans for the popularization of cleaner production,
and organize the implementation.

Article 9

The budget of central government shall enhance investment on the promotion of cleaner production, including central finance cleaner production special fund and other cleaner production funds arranged by the budget of central government, be used for supporting cleaner production implementation and its technology popularization of intensive region, intensive industry and intensive engineering confirmed by the national plans for the popularization of cleaner production, as well as supporting cleaner production projects implemented in fragile ecological region. The specific measures for the use of funds from budget of central government in applied to support promotion of cleaner production shall be formulated by the departments of finance of the State Council, general departments of cleaner production jointly with relevant departments of the State Council.

The local people’s governments at or above county level shall head up funds used for promotion of cleaner production arranged by local finance, guide social capital, and support intensive projects of cleaner production.

Article 10

The relevant departments in the State Council and the people’s governments of the provinces, autonomous regions and the municipalities directly under the central government shall exert their organizational efforts and provide support for the establishment and promotion of cleaner production information systems and technical consulting and services system to provide the public with information with respect to methodologies and technologies relating to cleaner production, and information and services relating to supply and demand for renewable and recyclable waste products and cleaner production policies.

Article 11

The general departments of cleaner production subject to the authority of the State Council jointly with relevant departments responsible for environmental protection, industry, science and technology, construction and agriculture in the State Council shall periodically release guidance catalogues on cleaner production technologies, processes, equipment and products.

The general departments of cleaner production subject to the authority of the State Council jointly with departments responsible for environmental protection in the State Council and the general departments of cleaner production jointly with departments responsible for environmental protection in
provincial people’s governments, autonomous regions and municipalities directly under the central
government and the relevant departments at the same level shall organize the compilation of intensive
industry or intensive region cleaner production guidelines for the implementation of cleaner
production.

Article 12

The nation shall implement a time-limited system for the elimination of obsolete or obsolescent
production technologies, processes, equipment and products gravely hazardous to environments and
wasteful of resources. In accordance with the division of responsibilities the relevant departments
under the State Council shall issue a directory of production technologies, processes and equipment
and products to be eliminated within the time limit, jointly with other relevant administrative
departments in the State Council.

Article 13

The relevant departments under the State Council may approve the establishment of a product
labeling system in accordance with need in the fields of environmental and resource protection such
as energy conservation, water conservation, waste reuse and recycling, and devise the relevant
standards according to the national requirements.

Article 14

The relevant departments responsible for science and technology and other relevant departments
under the people’s governments at or above county level shall guide and support research into and
development of cleaner production technologies and products beneficial to protection of the
environment and resources, as well as demonstrating and popularizing cleaner production
technologies.

Article 15

The relevant departments responsible for education under the State Council shall integrate relevant
courses of study on cleaner production technologies and management into higher education,
professional education and technical training programs.

The relevant departments under the people’s governments at or above county level having
responsibility in this area shall organize to engage in the dissemination of information and training
relative to cleaner production, in order to raise the level of awareness regarding cleaner production
among government officials, enterprise managers and the public and provide training in cleaner
production to management and technical personnel.

News publishers, TV and film broadcasters, and units engaged in the dissemination of cultural content and related social organizations shall avail themselves of their respective advantageous positions to disseminate information regarding cleaner production.

Article 16

Governments at all levels shall give priority to purchase products conducive to energy and water conservation, waste reuse, environmental protection and resource conservation.

Governments at all levels shall engage in the measures of publicity, education or training to encourage the public to purchase and use products conducive to energy and water conservation, waste reuse, environmental protection and resource conservation.

Article 17

The general departments responsible for cleaner production and relevant departments responsible for environmental protection in the people’s governments of the various provinces, autonomous regions and municipalities directly under the central government shall enhance their supervision of the process of implementation of cleaner production. In accordance with their needs of promoting cleaner production, these governments may publish a list of the names of enterprises in local primary media not achieve energy consumption control index or major pollutants discharge control index, in order to provide the public with a basis for policing enterprise implementation of cleaner production.

The enterprises included on the preceding paragraph list shall publish the situation of energy consumption or major pollutants production and discharge. In accordance with the provisions of the general departments of cleaner production subject to the authority of the State Council jointly with departments responsible for environmental protection in the State Council, and shall subject to public supervision.

Chapter 3 Implementation of Cleaner Production

Article 18

New construction, construction renovation and expansion projects shall conduct environmental impact assessments with respect to analysis and assessment of use of raw materials, resource consumption, comprehensive utilization of resources, as well as generation of pollutants and their treatment; shall accord priority to adopting cleaner production technologies, processes and equipment, which
maximize the resource utilization rate and generate few pollutants.

Article 19

Enterprises in the course of technological upgrades shall adopt the following cleaner production measures:

1. Adopting toxin-free, non-hazardous or low-toxin and low-harm raw materials to replace toxic and hazardous raw materials;

2. Adopting processes and equipment with high resource utilization rates and little pollutant-generation to replace processes and equipment with high resource consumption and significant generation of pollutants;

3. Comprehensive use or recycling of materials such as waste products, waste water and heat generated from production procedures.

4. Adopting pollution prevention and control technologies sufficient to permit the enterprises to comply with national or local pollution discharge standards and total volume control quotas for pollutants.

Article 20

When products and packaging are designed, their influences on mankind and natural environments during their life-cycle must be considered and priority accorded to selecting toxin-free, non-hazardous, easily degraded and easily recycled options.

Enterprises should package the products in a reasonable manner to reduce the overuse of packaging materials and reduce the generation of packaging wastes.

Article 21

Any enterprise producing large-sized electromechanical equipment, motor-driven transport apparatuses, and other any products designated accordingly by the relevant departments for industry under the State Council shall place the standard label listing material composition on a main structural component of the product in accordance with the technical specifications therefor devised by the relevant administrative department responsible for such standardization under the State Council or its duly authorized organizations.

Article 22
Agricultural producers shall use chemical fertilizers, pesticides, agricultural films and feed additive compounds in accordance with scientific principles, improve planting and breeding techniques so as to bring about high-quality, non-hazardous agricultural products and generate resources from wastes from agricultural production and prevent and control agricultural environmental pollution.

The use of toxic or hazardous wastes as fertilizer or as fill to build up fields is prohibited.

Article 23

Enterprises purveying services, such as restaurants, places of entertainment, hotels, etc., shall adopt measures for energy and water conservation and other environmentally-friendly technologies and equipment and reduce or avoid the use and consumption of goods which waste resources and pollute the environment.

Article 24

Construction projects shall adopt the design options, construction and decoration materials, construction structures, fixtures and equipment resulting in energy and water conservation and other environmentally-friendly and resource-conserving construction planning options.

Construction or decoration materials must comply with national standards therefor. The production, sale and utilization of any construction or decoration materials containing toxic or hazardous content exceeding national standards therefor are prohibited.

Article 25

Mining exploration and exploitation activities shall adopt methods and technologies geared towards reasonable utilization of resources, environmental protection and pollution control and prevention, to increase the utilization level of resources.

Article 26

To the extent economically and technically feasible, enterprises shall recover and utilize their own wastes or wasted heat generated from the processes of production and/or provision of services or transfer these wastes to other enterprises or persons with the ability to do so.

Article 27

Enterprises shall monitor resource consumption and generation of wastes during the course of
production and provision of services, and conduct cleaner production audits with respect to production
and service procedures according to need.

Enterprise has one of the following cases, shall conduct mandatory cleaner production audit:

I. Exceed the national or local discharging standards, or not exceed the national or local discharging
standards but exceed the total volume control targets for major pollutants;

II. Exceed unit product energy consumption limit standard resulting in high energy consumption;

III. Using toxic and hazardous materials in production or discharging toxic and hazardous substances.

Enterprises that exceed the national or local discharging standards shall be administered according to
environmental protection relevant laws.

Enterprises that conduct mandatory cleaner production audits shall report the audit results to the
general departments for cleaner production and relevant departments for environmental protection
under the local people’s government at or above county level, and publish in local primary media, and
subject to public supervision, except that involving business secrets.

The relevant departments under the local people’s government at or above county level shall
supervise the situation of mandatory cleaner production audits, as occasion requires may organize
assessment and acceptance to the implementation effect of cleaner production audits. The cost into
budget of the local people’s government at the same level. The departments or organization
undertake the assessment and acceptance shall not charge any fees from assessed and checked
enterprises.

The specific implementing measures of cleaner production shall be formulated by the general
departments of cleaner production subject to the authority of the State Council, jointly with
departments responsible for environmental protection and relevant departments in the State Council.

Article 28

The enterprises not included in the second paragraph of Article 27 of this Law may enter into a
voluntary agreement or agreements for further resource conservation and pollution discharge
reduction with the general departments responsible for cleaner production, and the departments
responsible for environmental protection. The general departments responsible for cleaner production
and the departments responsible for environmental protection shall publicize the name of the
enterprise and the results of its resource conservation and pollution control and prevention in the
primary local media.

Article 29

Enterprises may voluntarily commission for certification to the certification organizations authorized by the State Council and supervisory management departments, in accordance with the regulations promulgated pursuant to the national environmental management certification system, to improve the cleaner production level.

Chapter 4 Inducement Measures

Article 30

The Nation establishes a system of commendation and reward for cleaner production. The people’s governments shall give commendations and rewards to those units and individuals that have made conspicuous achievements in the work of realizing cleaner production.

Article 31

With respect to conducting cleaner production research, demonstration projects and training, implementing key national cleaner production technological innovation projects and implementing individual energy saving and technological innovation projects listed in the voluntary pollutant reduction agreements entered into per the provisions of Article 28 of this Law, the above activities and projects shall financially supported by local people’s governments at or above county level.

Article 32

Funding from the Small- and Medium-Sized Enterprise Development Fund established in accordance with national regulations shall be set aside to support cleaner production for small- and medium-sized enterprises in accordance with their needs.

Article 33

Wastes utilization and products produced by materials reclaimed from wastes, may enjoy preferential tax policy in accordance with relevant national regulations.

Article 34

Expenses incurred for cleaner production auditing and training may be booked as enterprise operating
Chapter 5  Legal Liability

Article 35

If any general department responsible for cleaner production or relevant department violates the provisions contained in this Law, the responsible person directly in charge and other person with direct responsibilities shall be punished according to law.

Article 36

If any enterprise or individual violates the provisions contained in the second paragraph of Article 17 of this Law, or fails to publicly publish situation of energy consumption or major pollutants production and discharge In accordance with the provisions, the general departments responsible for cleaner production and relevant departments responsible for environmental protection under the people’s government at or above county level may further impose a fine in an amount not to exceed RMB 100,000 yuan.

Article 37

If any enterprise or individual violates the provisions contained in Article 21 of this Law or fails to affix a label stating the material composition, or fails to provide such information truthfully and accurately, the relevant departments responsible for quality and technological supervision under the people’s government at or above county level shall order such party to make rectification within a specified time limit and may further impose a fine in an amount not to exceed RMB 50,000 yuan.

Article 38

If any enterprise or individual violates the provisions contained in the second paragraph of Article 24 of this Law by producing or selling toxic or hazardous construction and decoration materials whose toxicity or degree of hazard exceeds the national standards therefor, such enterprise or individual shall be prosecuted in accordance with the corresponding respective administrative law, civil law or criminal law.

Article 39
If any enterprise or individual violates the provisions contained in the second or forth paragraph of Article 27 of this Law, and fails to implement mandatory cleaner production audit or resorts to deceit, or any enterprise or individual implements mandatory cleaner production audits, but fails to report or report truthfully results of cleaner production audits, the general departments responsible for cleaner production and relevant departments responsible for environmental protection under the people’s government at or above county level shall order such party to make rectification within a specified time limit, and may further impose a fine in an amount above RMB 50,000 yuan but not to exceed RMB 500,000 yuan if the party fails to make rectification.

If any enterprise or individual violates the provisions contained in the fifth paragraph of Article 27 of this Law, and any department of individual who undertake the assessment and acceptance and charges fees from enterprises assesses untruthfully or resorts to deceit, or takes advantage of his position to seek benefits, the responsible person directly in charge and other person with direct responsibilities shall be punished according to law; the action constitutes a crime, criminal liability shall be imposed in accordance with the law.

Chapter 6  Supplementary Articles

Article 40

This law shall come into effect as of January 1, 2003.