



China approves world's first Cleaner Production Promotion Law

January 1 2003: CP Promotion Law came into effect

On June 29, 2002 the National People's Congress of the People's Republic of China promulgated the world's first Cleaner Production legislation. This legislation, the Cleaner Production Promotion Law came into effect on January 1, 2003. Companion legislation relating to small and medium enterprises also was passed.

Definitions, Roles and Responsibilities

The Law defines Cleaner Production as, "The continuous application of measures for design improvement, utilisation of clean energy and raw materials, the implementation of advanced processes, technologies and equipment, improvement of management and comprehensive utilisation of resources to reduce pollution at source, enhance the rates of resource utilisation 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."

The primary responsibilities for promoting the implementation of CP fall to the State Planning and Development Council and the State Economic and Trade Commission (SETC) and its provincial counterparts. The law also specifies roles and responsibilities for other government departments such as the State Environmental Protection Administration, and other levels of authority, in keeping with their respective mandates.

Promotion

As the name suggests, the role of government under the new law is to create an environment conducive to Cleaner Production through "promotion" of CP. This will include planning; fiscal and tax incentives; special funds; coordination; creating



standards, inventories, directories and guidebooks; organising information systems; and supporting research, as well as a number of specific initiatives, such as "brown" lists, and "green" purchasing. In all a total of 19 government policies, initiatives or systems are identified in the legislation (see page 4 for details).

CP Implementation

Under the new law, all enterprises are required to monitor consumption and waste, and conduct a CP audit "if neces-

sary." Enterprises using or generating toxic or harmful materials must conduct a CP audit and report the results. Serious polluters must publish their discharge status regularly. Enterprises may be required to substitute less toxic materials, or adopt pollution prevention technologies that could enable them to comply with the national or local pollution discharge standards or control the total amount of pollutant discharge.

Other features of the law are requirements for life cycle assessment when designing products and packaging; and rating systems for energy and water consumption, and pollution associated with large equipment, motor vehicles, and other designated products. It encourages on-site reuse and recycling.

While focusing on industrial enterprises, the requirement to implement CP also extends to agricultural producers, service enterprises, construction, and mineral exploration.

Incentives and Legal liabilities

The new law establishes incentives, tax benefits, as well as legal liabilities, including fines up to 100,000 RMB.

Mary Ellen MacCallum

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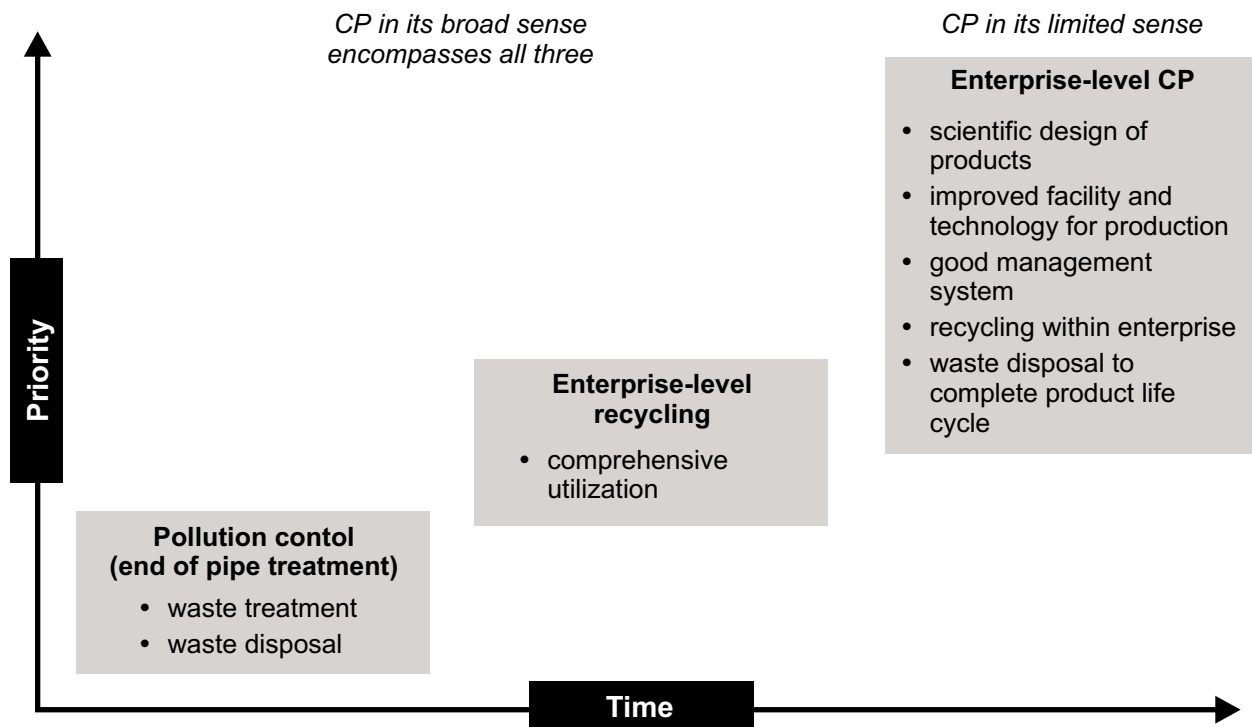
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Winter 2003

Cleaner Production, pollution control, and the circular (recycling) economy

What is the difference among Cleaner Production, pollution control and the circular economy? This question was the subject of extensive late night discussion at a CP workshop in Beijing. The seminar was co-sponsored by SETC and CCCP-CP. Mr Wang, head expert of the WBS 100 CP Working Group and a key organizer for the seminar, explained to all the participants how the concepts are being used in China. His explanation is summarised in the figure below.

Trends in the Development of Cleaner Production



Based on original by Mr. Wang Hanchen

Ready, set, go

SETC has prepared for the new CP Promotion legislation with activity in four priority areas.

A document of 100 Question and Answers is being prepared to enable SETC to respond quickly to queries about the law and to provide widespread information. These Q and As will be posted on the Chinese website (www.chinacp.com.cn) as soon as they are available.

SETC is preparing to launch its voluntary action program with demonstrations

in three sectors: electroplating, steel, and fertiliser. Draft Performance Indicators are being developed and initial discussions with the sectors are underway. The Canadian and Chinese CP offices are assisting in the preparation of indicators.

CP Audit protocols are being prepared by SETC, to be followed by training in these protocols.

Awareness-raising is also a priority. A full slate of activities is scheduled. Materials are being prepared: posters are being

distributed and a video is under production, to be shown on State television. SETC officials are also raising awareness of government officials and industry through a series of workshops throughout the country.

These are just some of the activities being undertaken by SETC to prepare for the law coming into effect.

SETC staff

CP on the web

Hosted in China

Main page of the project web site www.chinacp.org.cn
 Chinese language site www.chinacp.org.cn/newcn
 English language site www.chinacp.org.cn/eng

Hosted in Canada

Main page of the project web site www.chinacp.com
 Chinese language site www.chinacp.com/newcn
 English language site www.chinacp.com/eng

Beijing Municipality to lead the way in implementing CP Promotion Law

Beijing Municipal Economic Commission is giving high priority to drafting Beijing's plan for CP implementation, with discussions already underway for a demonstration in the electroplating sector. This announcement came at the conclusion of a one and a half-day seminar, The seminar was co-sponsored by SETC and CCCP-CP to raise awareness about the new CP Promotion Law. The CCCP-CP Resident Project Manager describes the seminar for municipal authorities and representatives of industry as "unprecedented" in the number and high level of officials and Canadian experts making presentations.

The workshop had the privilege to invite some of the best-known Chinese authorities in CP. Speakers included Professor Qian Yi, Department of Environmental Engineering, currently a member of the Chinese Academy of Engineering, Deputy of the People's National Congress (PNC) and Chairman of the CP/Circulation Economy Task Force of the CCIECD; Dr Y. Sun, Director of the Legal Affairs Office of the PNC; and Mr H. Liu, Director of the Pollution Control Division, SETC. They provided information about the evolution of CP in China, its relationship to China's commitment to sustainable development, and key features of the new law. Canadian advisors from the CCCP-CP provided in-



Beijing Service Center for Energy Saving and Environmental Protection, Beijing Municipal Economic Commission

High-level Chinese authorities and Canadian experts participated in CP seminar launching new CP Promotion Law in Beijing.

sight into Canadian experience. Mr Peter Higgins spoke about implementing Canada's environmental legislation; Ms. Mary Ellen MacCallum summarised approaches to CP awareness-raising, especially some used to promote the Canadian Environmental Protection Act. Mr Arthur Fitzgerald of Export Development Canada provided information about international financing of CP. All the speakers fielded a large number of questions.

Day 2 focused on practical aspects of implementation. An academic discussion was presented by Prof. H. Wang of the Beijing University of Political Sciences and Law on the legal implications for implementation, while representatives from three industrial sectors outlined the current status of CP in their sectors and plans for implementation.

Dr. Bob Lao

The evolution of CP in China

The evolution of CP in China was outlined by speakers at a recent CP seminar in Beijing. The seminar was co-sponsored by SETC and CCCP-CP.

Technological modification and improvement began in about 1983 and continued through 1992. It was referred to variously as Good Management and Three R's (reduce, reuse, recycle). 1992 saw the first use of the term CP in China: it was identified as a strategy at a UN Conference in Brazil, and UNEP provided the definition of CP that is now widely adopted.

The following decade, 1993–2002, was one of rapid spread of the concept, and growing experience with CP in China. It

included many CP demonstrations, awareness raising and training, and policy development. International cooperation played an important role in supporting the emergence of CP. Landmark events included the designation in 1997 of Taiyuan City as the first CP demonstration city. The city produced the country's first CP regulations. This was followed in 2000 by China's 10 Cities 5 sectors CP Policy, which set priorities for the dissemination of CP across China. Training and awareness-raising were conducted nationwide. Information was accessed and shared via the new SETC website. A number of successful technical demonstrations were completed

and sector-specific technical support developed. By this time China had accumulated sufficient experience that it was possible to analyse that experience was consolidate the lessons learned. With this basis in practical experience, policy development progressed rapidly. The contribution of international CP experts, and CCCP-CP in particular was noted. Finally, with increased national emphasis on sustainable development, the bid for the Beijing Olympics, and admission to WTO, CP caught the attention of the country's leaders. The National People's Congress decided to develop CP legislation. The world's first CP law was passed in June 2002.

From speakers' notes

Foreign delegation learns from China's experience in Cleaner Production

China's CP Promotion Law was only a week old when SETC received its first delegation eager to learn about the world's first CP law. A 13 member delegation from Vietnam spent ten days in the People's Republic of China learning from China's experience.

The delegation from Vietnam's National Environment Agency, seven provincial environment agencies, and Ministry of Industry met with SETC, Beijing Municipal Economic Commission, Anhui Province ETC and Environmental Protection Bureau, numerous technical support centres, an industrial association, and four industries to learn more about the world's first CP Law and how industry is implementing CP.

In almost every case presenters included people who had participated in similar technical missions to Canada; they have become catalysts for change within their organisation, and sources of information about CP in China. The delegation was particularly interested to note the leading role taken by SETC, to learn how the State Environmental Protection Administration interacts with SETC in implementing CP, and to hear from industry about reasons for implementing CP.

The CP Technical Mission was supported by the CIDA-funded Vietnam Environment Project, executed by ESSA Technologies and SNC-Lavalin Consortium. The Technical Mission was undertaken with the cooperation of the CIDA-funded CCCP-CP, and serves as an example of cross-fertilization between CIDA-funded projects.

Mary Ellen MacCallum

Government initiatives under CP Promotion Law

The following list identifies policies, initiatives or systems that the government will use to promote CP under the new law. (Numbers in brackets correspond to articles under the new law.)

1. Fiscal and tax policies (A7)
2. Industrial development policies, and technology development and popularisation policies (A7)
3. Plans for popularisation of CP (A8)
4. Regional economic blueprints and readjusted industrial structures (A9)
5. Support for CP information system and technical consulting services (A10)
6. Guidance catalogues, CP guidelines and technical manuals (A11)
7. Directory of obsolete technologies, techniques, equipment, and products, and timetable for their elimination (A12)
8. Product labelling system (A13)
9. Guidance and support for research and demonstrations (A14)
10. CP awareness- raising and training, (A15)
11. "Green" purchasing (A16)
12. List of heavily polluting enterprises (A17)
13. Enforcement (A21, 24, 27, 28, 31)
14. National standards for toxic contents (implied) (A24)
15. Recycling directory and methods (A27)
16. Voluntary action program for industry (A29, 30)
17. Commendation and reward system (A32)
18. Technological Development Funds (A33)
19. Small Medium Enterprises Development Fund (A34)

Contacts

Chinese Project Office

Contact: Mr. Qi Hongwei
Environmental Protection Research Institute
Beijing Research Inst. of Chemical Industry
China Petroleum & Chemical Corporation
P.O. Box 1442
Beisanhuan Donglu, Chaoyang District
Beijing, P.R. China 100013
Ph: 86 10 6428-7757
86 10 6421-6131 ext. 2203
Fax: 86 10 6428-7757
86 10 6422-8661
cccpcp@public.bta.net.cn

China-Canada Cooperation Support Unit Office

Contact: Dr. Robert Lao
(new address, phone and fax numbers)
C712/C713 Beijing Lufthansa Center
50 Liangmaqiao Road, Chaoyang District
Beijing, P.R. China 100016
Ph: 86 10 6465-1520
Fax: 86 10 6465-1573
cleanpro@cloudnet.com.cn

IBM Business Consulting Services

(new company name and numbers)
Contact: Ken Parent, Project Director
Suite 800, 99 Bank St.
Ottawa, ON Canada K1P 1E4
Ph: 1 613 755-4329
Fax: 1 613 237-4025
kenneth.r.parent@ca.ibm.com

ESSA Technologies Ltd.

Contact: Mary Ellen MacCallum
Suite 300, 1765 West 8th Avenue
Vancouver, BC Canada V6J 5C6
Ph: 1 604 904-9618
Fax: 1 604 904-9619
memaccallum@essa.com

SNC-Lavalin

Contacts: Mark Osterman or
Dr. Marcel Pineau
2 Place Felix-Martin
Montreal, PQ Canada H2Z 1Z3
Ph: 1 514 393-1000
Fax: 1 514 392-4758
mark.osterman@snclavalin.com
marcel.pineau@snclavalin.com

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