



## ● CCICED UPDATE 2014

### ■ CCICED Holds the Upfront Conference for Task Force on National Governance Capacity for Green Transformation in Beijing

On June 5, CCICED held the upfront conference for Task Force on National Governance Capacity for Green Transformation in Beijing. Mr. Ren Yong, CCICED Assistant Secretary General and Deputy Director General of Human Resources and Institutional Arrangement of MEP chaired the conference, and Mr. Xu Qinghua, CCICED Deputy Secretary General, Mr. Shen Guofang, CCICED Chinese Chief Advisor and Academician, and Dr. Arthur Hanson, CCICED International Chief Advisor, delivered speeches. More than 20 persons attended the conference, including invited experts and representatives from CCICED Chief Advisors' Supporting Team and CCICED Secretariat.

CCICED Chief Advisors' Supporting Team introduced the concept note on the Task Force. The invited experts and scholars made comments and suggestions on the scope and content of the Task Force.

The meeting agreed that China was at a critical transitional stage towards modernization and green development and confronted with various challenges. A comprehensive integration of ecological civilization with political, economic, cultural and social aspects is a practical issue to be addressed, but also an underlying call of modernization and green transformation. The key to the success of this transformation depends on the development of national governance system and governance capacity. As far as the task force is concerned, it is necessary to clearly define green transformation, and assess the current governance capacity for green transformation, and on this basis, put forward macro strategic design and implemental policy recommendations for capacity building.

Among the experts attending the conference are Mr. Wang Yuqing, Chairman of Chinese Society for Environmental Sciences, Mr. Fan Bi, Deputy Director General of the State Council Research Office, Mr. Xia Guang, Director General of MEP Policy Research Center for Environment and Economy, Mr. Zhu Lijia, Professor of National School of Administration (NSA), Mr. Wang Canfa, Director of Institute of Environmental and Resources Law at School of Civil and Economic Law of China University of Political Science and Law, Mr. Wang Yi, Leader of the Sustainable Development Strategy Study Group of Chinese Academy of Sciences, Ms. Gong Xiaojun, Associate Professor at NSA Department of Political Research, and Dr. Qin Changbo from Chinese Academy for Environmental Planning.

The task force is scheduled to kick-off in 2014, with the final results to be reported to CCICED 2015 AGM.

## ■ CCICED Holds the Scoping meeting for New Task Force on Environmental Finance Reform and Green Transformation

On June 8, CCICED held the Workshop for the new Task Force on Environmental Finance Reform and Green Transformation in Beijing. Mr. Ren Yong, CCICED Assistant Secretary General and Deputy Director General of Human Resources and Institutional Arrangement of Ministry of Environmental Protection (MEP) chaired the conference. More than 20 persons attended the conference, including Mr. Xu Qinghua, CCICED Deputy Secretary General, Dr. Arthur Hanson, CCICED International Chief Advisor, Ms. Fang Li, CCICED Assistant Secretary General and Deputy Director General of MEP Foreign Economic Cooperation Office, as well as invited experts, CCICED Chief Advisors' Supporting Team and CCICED Secretariat.

Experts gave their comments and suggestions based on the background and preliminary framework design for the Task Force on Environmental Finance Reform and Green Transformation and discussed the orientation and role of green finance in promoting ecological civilization and the research content. It was agreed that green finance was the call of green transformation, market-based instrument to ecological protection, but also the internal need of financial institutions to reduce the risk. The Task Force would encompass the definition of green finance, evaluation and analysis of existing practices, and in-depth study of financial instruments centering the hot issues related to government departments, such as green credit, funds, securities, and insurance. Special attention should be attached to role and function of multiple players in green finance reform, including the government, market, business, and society. It was necessary to explore the application of financial means to guide economic activities, promote green transformation and draw international experience in risk management and policy incentives. On this basis, the task force was expected to put forward forward-looking, strategic, actionable policy recommendations to promote the reform of Chinese financial system favorable for green transformation and ecological civilization.

The experts attending the conference including Mr. Zhou Maoqing, Deputy Director and Research Fellow of Department of Finance, Graduate School, Chinese Academy of Social Sciences (CASS), Mr. Luo Ping, former Deputy Director General of the International Department of China Banking Regulatory Commission, Mr. Huang Ming, Deputy Director and Researcher Fellow of the Research Center at China Securities Regulatory Commission, Mr. Cheng Bingcai, former Vice President of Wuhan Branch of the People's Bank of China and Deputy Director and Professor of Policy Advice at National School of Administration, Mr. Ma Zhong, CCICED member and ,Dean of School of Environment and Natural Resources at Renmin University of China Ms. Xuan Xiaoying, Assistant Researcher at CASS Institute of Finance and Banking, Ms. Sheng Xiaoyue, Director and Associate Researcher of Economic Policy Research Office, Policy Research Center for Environment and Economy, Ministry of Environmental Protection, as well as Mr. Daniel Dudek, CCICED member and Vice President and Chief Economist of Environmental Defense Fund, and Ms. Mu Lingling, General Manager of Tianjin Green Supply Chain Center.

The task force was scheduled to kick-off in 2014, with the final results to be reported to CCICED 2015 AGM.

## ■ CCICED Holds the Forum on Ecological Civilization Institutional Innovation through Cooperation of Government, Enterprises and Society in Shanghai



On June 23, the Forum on Ecological Civilization Institutional Innovation through Cooperation of Government, Enterprises and Society hosted by CCICED and organized by Shanghai Environmental Protection Bureau (Shanghai EPB) and World Wide Fund for Nature (WWF) was successfully held in Shanghai. Ms. Fang Li, Assistant Secretary-General of CCICED and Deputy Director General of Foreign Economic Cooperation Office of the Ministry of Environmental Protection attended and chaired the Forum. Mr. Wang Yuqing, Chinese Chair of Task Force on Ecological Civilization and Innovation of Environmental Management System and Chairman of Chinese Society of Environmental Sciences, Mr. Zhang Quan, Director General of SEPB and Ms. Li Lin, Chief Project Director of WWF China addressed the Forum.

Ms. Fang Li firstly introduced the background of the Task Force on Ecological Civilization and Innovation of Environmental Management System. She pointed out that the Forum is aimed to, firstly, based on CCICED's research and China and Shanghai's demand for pushing forward the reform in ecological civilization system and mechanism, share the successful cases of establishing and improving environmental governance cooperation mechanism among enterprises, NGOs and the public. Secondly, to discuss how to support and encourage stakeholders to improve social participation through more open and closer cooperation for environmental governance as well as social governance level, so as to work out policy recommendations for modernization of environmental protection and governance system. During the Forum, Ms. Hu Jing, Deputy Director of Low-carbon Development Research Center, Shanghai Academy of Environmental Sciences, introduced the background and progress of the sub-project of the Task Force conducted in Shanghai. Mr. Ren Wenwei, Director of WWF China Shanghai Office, gave a speech on participation of social organizations in eco-environmental protection and introduced relevant cases concerning cooperation mechanism among interested parties. Mr. Wang Limin, Executive Deputy Secretary-General of Alxa Society of Entrepreneur & Ecology (Alxa SEE) delivered a speech titled "Join Together in Entrepreneurial Spirit, Work Together for Saving Our Green Water and Blue Sky". Representative from Dairy Research Institute of Bright Dairy & Food Co., Ltd. introduced the cases of Bright Dairy Group concerning eco-environmental protection, followed by discussions among participants.

The Forum was held to work out scientific and feasible recommendations for establishing ecological civilization construction system through sharing the corresponding cases by different interested parties, including governments, social organizations and enterprises. Furthermore, the Forum set out to establish equal cooperation relationships among governments, enterprises and NGOs through their mutual participation in order to achieve innovation and development in China's environmental governance system. The reports of this Forum will provide a foundation for the Task Force's further study on innovation in environmental protection system.

Mr. Bai Guoqiang, Deputy Chief Engineer of Shanghai EPB, along with more than 60 guests from relevant organizations, NGOs and enterprises, Chief Advisor Support Team of CCICED, SEPB, Chinese Academy of Governance, China Executive Leadership Academy Pudong, WWF, Environmental Defense Fund, World Resources Institute, Alxa SEE, Tongji University, Bright Dairy, Lenovo and Greentech were also invited to the Forum.



### ■ CCICED Holds the Third Chief Advisor- Secretariat Joint Working Meeting

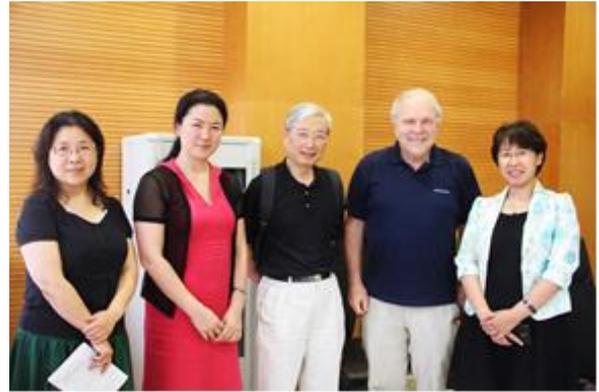


On July 7-8, 2014, the Third Chief Advisor- Secretariat Joint Working Meeting of CCICED was held in Beijing. It was co-chaired by Mr. Shen Guofang and Dr. Arthur Hanson, CCICED Chief Advisor, and Ms. Fang Li, CCICED Assistant Secretary General and Deputy Director General of the Foreign Economic Cooperation Office of the Ministry of Environmental Protection (MEP-FECO). More than 40 representatives attended the meeting, including leaders and representatives of the

six ongoing researches (including Mr. Hao Jiming, Academician of the Chinese Academy of Engineering (CAE) and Professor of the School of Environment at Tsinghua University, Mr. Fan Gang, Director General of the National Economic Research Institute at China Reform Foundation, Mr. Li Xiaojiang, President of the Chinese Academy of Urban Planning and Design (CAUPD), Mr. Xia Guang, Director General of MEP Policy Research Center, Mr. Wang Jinnan, Vice President and Chief Engineer of Chinese Academy for Environmental Planning (CAEP), Mr. Ouyang Zhiyun, Deputy Director General of the Research Center for Eco-Environmental Sciences (RCEES) of Chinese Academy of Sciences (CAS), and Mr. Thompson, Former Vice Minister for Environment, Land and Park in British Columbia of Canada), as well as CCICED Chief Advisor Support Team (ST), CCICED donors and partners, and members of the CCICED Secretariat and the Secretariat International Support Office.

At open sessions on the morning of July 7, a representative from Department of Policies, Laws and Regulations of MEP briefed on the amendment to the Environmental Protection Law. The CCICED Secretariat reported the work progress in the first half and the work plan in the second half of the year. The CCICED Chief Advisor Support Team put forward suggestions on the theme of the 2015 Annual General Meeting (AGM) and research projects. The meeting also listened to the presentation on the interim results and further work arrangement of the six ongoing researches: "Evaluation and Prospects for a Green Transition Process in China", " Ecological Civilization and Innovation of Environmental Management System", " Good City Models of Urbanization under the Concept of Ecological Civilization", " Institutional Innovation of Eco-Environmental Redlining", "Government Environmental Audit System", and "Performance Evaluation on the Action Plan on Air Pollution Prevention and Control and Regional Coordination Mechanism". Experts at the meeting discussed and shared views on the projects.

In the subsequent meeting of internal discussions, CCICED Chief Advisors and the Support Team, and the CCICED Secretariat entered into discussion and made appropriate working arrangements. Topics include the theme, content, and task force of the research projects / special policy studies reported to the 2015 AGM, concept papers of the new policy demonstration projects, preparatory work and arrangements for the 2014 AGM, theme and advocacy strategy for 2016, and work priorities in the next step.



The Fourth Chief Advisor- Secretariat Joint Working Meeting is tentatively scheduled for September 9-10.

### ■ CCICED Holds the Working Meeting of the Chinese Task Force on Ecological Civilization and Innovation of Environmental Management System

On July 18, the working meeting of the Chinese Task Force on Ecological Civilization and Innovation of Environmental Management System was held by CCICED in Beijing. Mr. Wang Yuqing, Chinese Co-chair of the Task Force and Chairman of Chinese Society for Environmental Sciences chaired the meeting. More than 20 people attended the meeting, including Mr. Zhao Hualin, Director General of Department of Planning and Finance of Ministry of Environmental Protection (MEP), Mr. Zou Shoumin, Director General of MEP Bureau of Environmental Supervision, Mr. Xia Guang, Director General of MEP Policy Research Center, Ms. Fang Li, CCICED Assistant Secretary General and Deputy Director General of MEP Foreign Economic Cooperation Office, Ms. Zhou Guomei, Deputy Coordinator of CCICED Chief Advisor Support Team and Deputy Director of China-ASEAN Environmental Cooperation Center, Chinese experts and advisors, and representatives of the CCICED Chief Advisor Support Team and the CCICED Secretariat.

The meeting reviewed the research progress, listened to the research report summary, and discussed in-depth the research report and the draft on policy recommendations. Leaders and experts believe that the Task Force has summed up the current situation and challenges facing the Chinese environmental management system and put forward targeted ideas, measures and recommendations for the reform. Since the national environmental governance system is an important component of the national governance regime, the Task Force should further clarify the concept of national environmental governance in the context of ecological civilization based on the newly revised Environmental Protection Law, and focus on the application of institutional means to specify government environmental responsibility, strengthen environmental performance audit, raise public environmental awareness, promote public participation in environmental decisions, and strengthen the role of business in environmental protection as one of the subjects under government leadership.

After the meeting, the Task Force will mobilize experts to revise the report based on feedback and submit the report to the CCICED Secretariat in mid-August.



## ● CCICED Council Members Update

### ■ Elizabeth Dowdeswell , International Co-chair of CCICED TF was appointed as Lieutenant Governor of Ontario

Prime Minister Stephen Harper announced the appointment of Elizabeth Dowdeswell, O.C., as Lieutenant Governor of Ontario.

Ms. Dowdeswell has served as the International Co-chair of CCICED Task Force on Environment and Social Development from 2012 to 2013. Under the leadership of Ms. Dowdeswell and her Chinese Co-chair Mr. Fan Bi, Deputy Director General of the State Council of China, the Task Force proposed policy recommendations on the Environment Protection and Social Development to the Chinese Government.

Ms. Dowdeswell has had a number of successful careers in public policy, the energy industry, education and the public service. She is currently the President and CEO of the Council of Canadian Academies. Prior to that, Ms. Dowdeswell was the founding President and CEO of the Nuclear Waste Management Organization, an Adjunct Professor at the University of Toronto, the Under Secretary General of the United Nations, Executive Director of the United Nations Environment Programme and Executive Director of UN-Habitat. She has also occupied senior positions within Environment Canada, federal Treasury Board Secretariat and the Government of Saskatchewan.

Ms. Dowdeswell is an internationally-recognized executive who is actively involved in community service aimed at promoting a healthy environment, sustainable energy and development, and a better quality of education both at home and abroad. She is chair of the board of directors of the Higher Education Quality Council of Ontario, a member of the board of directors of Grand Challenges Canada, a member of the Standing Advisory Group on Technical Assistance and Cooperation of the International Atomic Energy Agency, a Life Member of the International Water Academy, and a member of both Women in Nature and the Canadian Pugwash Group. She serves on the board of the new Alberta Energy Regulator and the corporate social responsibility boards of Dow Chemical International and Barrick Gold.



*Ms. Dowdeswell Attended CCICED 2013 Annual General Meeting*

## ● Hot Topics

This is an unofficial translation of the Environmental Protection Law of the People's Republic of China (published on 24 April 2014), compiled by the EU – China Environmental Governance Programme for the convenience of international observers.

The EU – China Environmental Governance Programme takes no liability for any errors in this

translation. An official translation of the Law is expected to be published by the Chinese government in due course.

The EU – China Environmental Governance Programme is a project funded by the European Union.

## **Environmental Protection Law of the People's Republic of China**

**24 April 2014**

The Environmental Protection Law of the People's Republic of China is a national law formulated for the purpose of protecting and improving environment, preventing and controlling pollution and other public hazards, safeguarding public health, promoting ecological civilization improvement and facilitating sustainable economic and social development.

The amended Law, adopted at the 8th Meeting of the Standing Committee of the Twelfth National People's Congress of the People's Republic of China on April 24, 2014, is hereby promulgated and shall enter into force on January 1, 2015.

### **Chapter I General Provisions**

**Article 1.** This Law is formulated for the purpose of protecting and improving environment, preventing and controlling pollution and other public hazards, safeguarding public health, promoting ecological civilization improvement and facilitating sustainable economic and social sustainable development.

**Article 2.** "Environment" as used in this Law refers to the total body of all natural elements and artificially transformed natural elements affecting human existence and development, which includes the atmosphere, water, seas, land, minerals, forests, grasslands, wetlands, wildlife, natural and human remains, nature reserves, historic sites and scenic spots, and urban and rural areas.

**Article 3.** This Law shall apply to the territory of the People's Republic of China and other sea areas under the jurisdiction of the People's Republic of China.

**Article 4.** The protection of environment is a basic national policy for China.

The state shall adopt economic and technological policies and measures favorable for conservation and circulatory use of resources, protection and improvement of environment and harmony between human and nature, so as to coordinate economic and social development with the work of environmental protection.

**Article 5.** Activities concerning environmental protection shall adhere to the following principles: according priority to protection, emphasis on prevention, integrated governance, public participation and liability assumption of damages.

**Article 6.** All units and individuals shall have the obligation to protect the environment.

Local people's governments at various levels shall be responsible for the environment quality

within areas under their jurisdiction. Enterprises, public institutions and any other producers/business operators shall prevent and reduce environmental pollution and ecological destruction, and shall bear the liability for their damage caused by them in accordance with the law.

Citizens shall enhance environmental protection awareness, adopt low-carbon and energy-saving lifestyle, and conscientiously fulfill the obligation of environmental protection.

**Article 7.** The state supports scientific and technological research, development and application of environmental protection, encourages the development of environmental protection industry, facilitates the environmental protection information technologies and improves the scientific and technological level of environmental protection science.

**Article 8.** The people's governments at various levels shall increase their fiscal input in environmental protection and improvement, as well as the prevention and control of pollution and other public hazards, and improve the efficiency of fiscal funds.

**Article 9.** The people's governments at various levels shall strengthen environmental protection publicity and dissemination, encourage self-governing grassroot organizations, social organizations and environmental protection volunteers to carry out the publicity of environmental protection laws, regulations and knowledge, so as to facilitate a favorable atmosphere for environmental protection.

Educational departments and schools shall incorporate environmental protection knowledge into the curriculum of school education so as to cultivate the environmental protection awareness among students.

News media shall carry out the publicity of environmental protection laws, regulations and knowledge, and facilitate the exercise of public supervision on environmental violation activities.

**Article 10.** The competent department of environmental protection administration under the State Council shall conduct unified supervision and management of the environmental protection work throughout the country.

The competent departments of environmental protection administration of the local people's governments at or above the county level shall conduct unified supervision and management of the environmental protection work within areas under their jurisdiction.

Other relevant administrative departments of the people's governments at or above the county level and the environmental protection departments of military units shall conduct supervision and administration over resources conservation and environmental pollution prevention and control in accordance with applicable laws.

**Article 11.** The people's government shall give awards to units and individuals that have made outstanding achievements in protecting and improving the environment.

**Article 12.** June 5th is designated as Environment Day.

## **Chapter II Supervision and Management**

**Article 13.** The people's governments at or above the county level shall include environmental protection work into their respective economic and social development planning.

The competent environmental protection administration under the State Council shall develop national environmental protection plan in accordance with national economy and social development plan, and submit to State Council for approval and issuance for implementation.

The competent environmental protection administrations of local people's governments at or above the county level shall, in conjunction with other relevant departments, develop the environmental protection plans applicable for their respective jurisdictions in accordance with the national environmental protection plan, and submit to people's governments at the same level for approval, and thereafter the promulgation for implementation.

The environmental protection plans shall include objectives, tasks and safeguarding measures, etc. for ecological environmental protection and environmental pollution prevention and control, and shall align with the planning on main functional zones, overall land use, and urban and rural development.

**Article 14.** When developing economic and technical policies, relevant departments of the State Council and people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall take into full account their environmental impacts, and solicit opinions from experts and relevant stakeholders.

**Article 15.** The competent department of environmental protection administration under the State Council shall establish national standards for environment quality.

The people's governments of provinces, autonomous regions and municipalities directly under the Central Government may establish their local environment quality standards for items not specified in the national standards for environment quality, and develop more stringent standards with regard to items already specified in the national standards. Local environmental quality standards shall be reported to the competent department of environmental protection administration under the State Council for the record.

The State encourages researches and studies of environmental baselines.

**Article 16.** The competent department of environmental protection administration under the State Council shall, in accordance with the national standards for environment quality and the country's economic and technological conditions, establish the national standards for the discharge of pollutants.

The people's governments of provinces, autonomous regions and municipalities directly under the Central Government may establish their local standards for the discharge of pollutants for items not specified in the national standards; and develop more stringent standards with regard to items already specified in the national standards. Local pollutants discharge standards shall be reported to the competent department of environmental protection administration under the State Council for the record.

**Article 17.** The State shall establish and improve the environmental monitoring system. The competent departments of environmental protection administration under the State Council shall formulate monitoring standards, and shall, in conjunction with relevant departments, organize a monitoring network, unify the planning of national environmental quality monitoring stations (posts), set up information sharing system for monitoring data, and strengthen the management of environmental monitoring.

Environmental quality monitoring stations (posts) of relevant industries and professions shall be established in compliance with relevant laws, regulations and monitoring standards.

Monitoring agencies shall use monitoring equipment in conformity with national standards, and comply with monitoring standards. The persons in charge of the monitoring agencies shall be responsible for the truthfulness and accuracy of their monitoring data.

Article 18. The people's governments at or above the provincial level shall organize relevant departments or entrust professional institutions to make an investigation and an assessment of the environmental situation, and establish a monitoring and warning system for environmental resources carrying capacity.

Article 19. Compilation of draft development plans and construction of projects with environmental impacts shall be subject to environmental impact assessment in accordance with the law.

Development plans without environmental impact assessment developed in accordance with the law are prohibited to be implemented. Construction projects without environmental impact assessment developed in accordance with the law shall not commence to construct.

Article 20. The State shall establish inter-jurisdiction joint prevention and control coordination mechanism for environmental pollution and ecological damage of key regions and river basins to implement unified planning, standards, monitoring and prevention and control measures.

Inter-jurisdiction environmental pollution and ecological damage other than defined in the preceding paragraph of the provisions shall be resolved by coordination at higher level people's government or consultation from relevant department of local people's governments.

Article 21. The State adopts policies and measures in terms of fiscal assistance, taxation, prices and government procurement to encourage and support the environmental industries such as environmental protection equipment, comprehensive utilization of resources technics, environmental services and etc.

Article 22. Where enterprises, public institutions and other producers and business operators achieve further pollution reduction beyond statutory discharge standards, relevant people's governments shall extend encouragement and support thereto with policies and measures in terms of fiscal assistance, taxation, prices, government procurement, etc. in accordance with the law.

Article 23. Where enterprises, public institutions and other producers and business operators, with the aim of improving the environment, shift business lines or relocate business premises or close down in accordance with the requirements, relevant people's governments shall provide support.

Article 24. Competent environmental protection administrations of the people's governments at or above the county level, environmental supervisory institutions entrusted thereof and other departments that are responsible for environmental supervision and administration shall be entitled to carry out on-site inspection of the enterprises, public institutions and other producers and business operators that discharge pollutants. The units inspected shall truthfully report relevant situations and provide necessary information. The departments, institutions and staff thereof that conduct on-site inspection shall keep confidential the business secrets of the units

inspected.

**Article 25.** Where enterprises, public institutions and other producers and business operators discharge pollutants in violation of laws and regulations, which may cause potential severe pollution, competent environmental protection administrations of the people's governments at or above the county level and other departments that are responsible for environmental supervision and administration may seal up and detain the facilities and equipment that discharge pollutants.

**Article 26.** The State adopts environmental protection target accountability and performance evaluation system. People's governments at or above the county level shall incorporate the fulfillment of environmental protection target as an appraisal criteria into the performance evaluation system for the departments with environmental supervision responsibilities at the same level government and their responsible persons, as well as performance evaluation for the lower level governments and their responsible persons. The evaluation results shall be made public.

**Article 27.** The people's governments at or above the county level shall report, on an annual basis, the environmental conditions and the completion of environmental protection targets to the people's congress at the same level or its standing committee. They shall also promptly make reports to the standing committee of the people's congress at the same level on major environmental incidents, and receive supervision in accordance with the law.

### **Chapter III Protection and Improvement of the Environment**

**Article 28.** Local people's governments at various levels shall take effective measures to improve environmental quality according to environmental protection goals and governance tasks,

Local people's governments of key regions and river basins that fail to meet national environmental quality standards shall formulate plans to reach relevant standards within a prescribed time period, and take measures to achieve the compliance target on time.

**Article 29.** The State defines ecological redline for strict protection on key ecological functional zones, areas of sensitive and fragile ecological environment.

The people's governments at various levels shall take measures to protect regions representing various types of natural ecological systems, regions with a natural distribution of rare and endangered wild animals and plants, regions where major sources of water are conserved, geological structures of major scientific and cultural value, famous regions where karst caves and fossil deposits are distributed, traces of glaciers, volcanoes and hot springs, traces of human history, and ancient and precious trees. Damage to the above shall be strictly forbidden.

**Article 30.** Exploitation and utilization of natural resources shall be developed in a rational way that conserves biological diversity and safeguards ecological security. Ecological protection and restoration programs shall be developed in accordance with laws and be implemented.

For introduction of exotic species as well as the research, development and utilization of biotechnology, effective measures shall be taken to prevent destruction of biodiversity.

**Article 31.** The State shall establish and improve ecological protection compensation mechanism. The State will increase fiscal transfer to areas of ecological protection. Relevant local people's

governments shall secure compensation funds for ecological protection, and ensure its use on ecological compensation.

The State provides guidance to the local people's governments of beneficiary areas and ecological protected areas on ecological compensation through consultation or market rules.

**Article 32.** The State shall strengthen the protection of atmosphere, water and soil, establish and improve the corresponding investigation monitoring, assessment and remediation systems.

**Article 33.** The people's governments at various levels shall enhance the protection of the agricultural environment, promote the application of new technologies for agricultural environmental protection, strengthen the monitoring and early warning system for agricultural pollution sources, and coordinate relevant departments to take measures to prevent the occurrence and deterioration of soil pollution, desertification, salinization, impoverishment, rocky desertification, and ground subsidence, prevent and control vegetation damage, soil erosion, water eutrophication, water depletion, provenance extinction and other ecological imbalances, and promote integrated plant pest management.

The people's governments at the county and township level shall raise the level of public services for rural environmental protection, and implement comprehensive rural environment management.

**Article 34.** The State Council and the people's governments at various levels in coastal areas shall provide better protection for the marine environment. The discharge of pollutants and the dumping of wastes into the seas, and the construction of coastal projects and marine projects shall be conducted in compliance with provisions of laws and regulations and relevant standards, so as to guard against and reduce the pollution and damage of the marine environment.

**Article 35.** In urban and rural construction, vegetation, waters and the natural landscape shall be protected and attention paid to the construction of gardens, green land and historic sites and scenic spots in the cities in the light of the special features of the local natural environment.

The State encourages and guides citizens, legal persons and other organizations to procure environmental-friendly products and recycled products to reduce waste generation.

State authorities and other institutions financed by fiscal funds shall give priority to the purchase and use of energy-efficient, water-saving, materials-saving products, equipment and facilities that support environmental protection.

**Article 36.** The State shall encourage and guide citizens, legal persons and other organizations to use environmental-friendly products and recycled products to reduce waste generation.

**Article 37.** Local people's governments at various levels shall take measures to organize the sorting and separation, as well as the recycling of municipal solid waste.

**Article 38.** Citizens shall abide by environmental protection laws and regulations, support the implementation of environmental protection measures, conduct sorting and separation of municipal solid waste in accordance with relevant regulations, and reduce damage to environment of daily life.

**Article 39.** The State shall establish and improve environment and health monitoring, investigation and risk assessment systems; encourage and organize researches on environmental

quality impacts to public health, and adopt measures to prevent and control diseases related to environmental pollution.

#### **Chapter IV Prevention and Control of Pollution and Other Public Hazards**

**Article 40.** The State shall promote clean production and resources recycling. Relevant departments of the State Council and local people's governments at various levels shall adopt measures to promote the production and use of clean energy.

Enterprises shall give priority to the introduction of clean energy, adopt process and facilities with higher resource efficiency as well as low pollution discharges, and apply comprehensive waste utilization technologies and waste disposal technologies to reduce pollutant generation.

**Article 41.** Installations for the prevention and control of pollution at a construction project must be designed, built and commissioned together with the principal part of the project. Installations of the pollution prevention and control facility shall comply with the requirements of the approved environmental impact assessment report, and shall not be dismantled or left idle without authorization.

**Article 42.** Enterprises, public institutions and other producers and business operators that discharge pollutants shall take measures to prevent and control the environmental pollution caused by waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances and noise, vibration and electromagnetic radiation generated during production, construction or other activities.

Enterprises and public institutions that discharge pollutants shall each establish an environmental protection accountability system to identify the responsibilities of their persons-in-charge and relevant staff.

Key pollutant-discharging entities shall install and use monitoring equipment in accordance with relevant national provisions and monitoring guidelines, guarantee their normal operations, and shall properly keep the original monitoring records.

Discharging of pollutants by setting up concealed drains, making use of seepage wells or pits, perfusion, tampering or forgery of monitoring data, abnormal operating of pollution prevention and control facilities, or any other means that evade regulation, is strictly prohibited.

**Article 43.** Enterprises, public institutions and other producers and business operators that discharge pollutants shall pay pollution fees in accordance with relevant state provisions. Pollution fees collected shall be exclusively used for environmental pollution prevention and control, and shall not be withheld, misappropriated or diverted for any other purposes by any entity or individual.

Pollution fee does not apply to those that are subject to environmental protection tax.

**Article 44.** The State shall adopt total emission control system for key pollutants.

The total discharge quota of key pollutants is assigned by the State Council, and allocated to provincial, autonomous region and provincial-level municipality governments for implementation. While conforming to national and local pollutants discharge standards, enterprises and institutions shall also fulfill the total emission control quota for key pollutants

as assigned to them.

For regions that fail to fulfill the total emission control quota or achieve the environmental quality targets assigned by the State, environmental departments at or above provincial level governments shall suspend the EIA approval for their new construction projects that may cause increase of the total key pollutants emission in the region.

**Article 45.** The State shall adopt pollution administrative permit system in accordance with the law. Enterprises, public institutions and other producers and business operators pursuant to pollution permit system shall discharge pollutants in accordance with the requirements of their permits; No pollutant discharge is allowed without a pollutant discharge permit.

**Article 46.** The State shall implement elimination system for pollution-intensive techniques, equipment and products. No entities or individuals shall produce, sell, transfer or use techniques, equipment and products that seriously pollute the environment. Technology, equipment, material or product that fails to meet national environmental protection standards are prohibited of importation.

**Article 47.** The people's governments at various levels, their relevant departments, enterprises and public institutions shall, in accordance with the Emergency Response Law of the People's Republic of China, conduct proper risk control, emergency preparation, emergency response and post-emergency restoration for environmental accidents.

The people's governments at or above county level shall establish public monitoring and warning system for environmental pollution, and organize the development of early warning scheme; in the event of pollution emergency with impact to public health and environmental security, timely announcement of warning information and emergency response measures shall be taken by the competent government administrations in accordance with the law.

Enterprises and public institutions shall formulate emergency response plans in accordance with relevant national regulations to submit to competent environmental protection administrations and other relevant departments for record-filing. In case of occurrence (or potential occurrence) of environmental accidents, enterprises and institutions shall take immediate measures to handle the situation, timely inform units and residents that are potentially affected and report to the competent environmental authorities and other relevant departments.

After the completion of the emergency response work, the relevant people's government shall immediately organize the assessment of the environmental impacts and loss, and disclose the assessment results to the public in a timely manner."

**Article 48.** The production, storage, transportation, sale and use of toxic chemicals and materials containing radioactive substances shall comply with the relevant state provisions so as to prevent environmental pollution.

**Article 49.** The people's governments at various levels and their agriculture and other relevant departments and agencies shall guide agricultural producers and operators to conduct scientific cultivation and plantation, rationally apply cultivating additions such as pesticides and fertilizers, and properly handle agricultural wastes including agricultural films and crop straw and prevent non-point sources agricultural pollution.

It is prohibited to apply solid waste and wastewater that do not conform to standards on agricultural use and environmental protection to farmland. When conducting pesticides, chemical fertilizers and other cultivating additions or irrigating, measures shall be taken to prevent pollution from heavy metals and other toxic and hazardous substances.

The site selection, construction and management of livestock and poultry farms, breeding zones, designated slaughtering enterprises shall be in compliance with laws and regulations. Entities and individuals engaged in livestock poultry breeding and slaughtering shall take effective measures to dispose of manure and carcasses of livestock, sewage and other wastes in a scientific manner to prevent environmental pollution.

The people's governments at the county level shall be responsible for organizing the disposal of rural household waste.

**Article 50.** The people's governments at various levels shall allocate funds in their fiscal budgets to support protection of rural drinking water sources, treatment of domestic sewage and other waste, pollution prevention and control for livestock and poultry breeding and slaughtering, prevention and control of soil pollution, management of rural industrial and mining pollution and other environmental protection work.

**Article 51.** The people's governments at various levels shall, in a coordinated manner, plan for treatment facilities and supporting pipeline networks for urban and rural construction sewage, environmental and sanitary facilities such as those for the collection, transportation and disposal of solid waste, centralized facilities and sites for hazardous waste disposal, as well as other public facilities for environmental protection, and ensure the normal operations thereof.

**Article 52** The State encourages participation in environment pollution liability insurance.

## **Chapter V Information Disclosure and Public Participation**

**Article 53.** Citizens, legal persons and other organizations shall have the right to obtain environmental information, participate and supervise the activities of environment protection in accordance with the law.

The competent environmental protection administrations of the people's governments at various levels and other departments with environmental supervision responsibilities shall disclose environmental information pursuant to the law, improve public participation procedures, and facilitate citizens, legal persons and other organizations to participate in, and supervise, environmental protection work.

**Article 54.** The competent department of environmental protection administration under the State Council shall release national environmental quality, monitoring data of key pollutant sources and other major environmental information.

Competent environmental departments of governments at or above provincial levels shall regularly publish environmental status bulletins.

The competent environmental protection administrative departments of the people's governments at or above the county level and other departments with environmental supervision responsibilities shall incorporate environmental violation behaviors of enterprises, public institutions and other producers and business operators into social credit archives system

and promptly disclose the list of lawbreakers to the public.

**Article 55.** Key pollutant-discharging units shall truthfully disclose the names of their major pollutants, the ways of emission, the emission concentration and total volume, the standard-exceeding emission status, as well as the construction and operation of pollution prevention and control facilities, so as to be subject to social supervision.

**Article 56.** The project owner of a construction project for which an environmental impact report should be prepared pursuant to the law shall explain relevant situations to the potentially-affected public when preparing the environmental impact report, and solicit public opinions.

The competent department that is responsible for the examination and approval of environmental impact assessment documents for the construction project shall make public the full text of environmental impact reports of the construction project upon receipt thereof with exception of commercial secrets and confidential circumstances as specified by the State.

In the case of a construction project failing to solicit sufficient public comments, they shall request the project to fulfill the task.

**Article 57.** Citizens, legal persons and other organizations shall be entitled to report and complain environmental pollution and ecological damage activities of any units and individuals to competent environmental protection administrations or other departments with environmental supervision responsibilities.

In the event the local people's government and its environmental protection administrations or any other relevant departments fail to fulfill their responsibilities in accordance with the law, any citizen, legal person or other organizations have the right to report it to the competent higher level governments or the supervisory department according to law.

The authorities receiving the report shall keep confidential the relevant information of the informant, and protect the legitimate rights and interests of the informant.

**Article 58.** For activities that cause environmental pollution, ecological damage and public interest harm, social organizations that meet the following conditions may file litigation to the people's courts:

- (1) Have their registration at the civil affair departments of people's governments at or above municipal level with sub-districts in accordance with the law;
- (2) Specialize in environmental protection public interest activities for five consecutive years or more, and have no law violation records.

Courts shall accept the litigations filed by social organizations that meet the above criteria

The social organizations that file the litigation shall not seek economic benefits from the litigation.

## **Chapter VI Legal Liability**

**Article 59.** Where an enterprise, public institution or other producer or business operator is fined due to illegal discharge of pollutants, and is ordered to make correction, if the said entity

refuses to make correction, the administrative organ that makes the punishment decision pursuant to the law may impose the fine thereon consecutively on a daily basis according to the original amount of the fine, starting from the second day of the date of ordered correction.

The fine prescribed in the preceding paragraph shall, pursuant to relevant laws and regulations, be enforced in accordance with considerations of operating cost of pollution prevention and control facilities, direct loss or illegal gains caused by such violations.

Local regulations, based on actual demand of environmental protection, may extend the coverage of types of violation activities to be subject to the daily-based fine as stipulated in the first paragraph.

**Article 60.** Where an enterprise, public institution or other producer or business operator discharges pollutants in excess of emission standards, or in excess of the total emission quota of major pollutants, the competent environmental protection administrations of the people's government at or above the county level may order it to restrict production or emission or to suspend production for rectification; under grave circumstances, it shall be reported and be ordered by competent people's government with approval authority to suspend its operations.

**Article 61.** For construction projects that proceed to commence the construction of the projects prior to submitting EIA reports or having such reports approved, competent government departments with environmental protection supervision responsibility shall order them to stop the construction, impose fine penalty, and may require restoration of the construction sites.

**Article 62.** For key pollutant-discharging units that violate this Law and fail to disclose at all or disclose false environmental information, environmental departments of government at or above county level shall order them to disclose such information, impose fine penalty, and issue public notice on their violation.

**Article 63.** Where an enterprise, public institution or other producer or business operator commits any of the following acts and where no crime has been constituted, in addition to punishment pursuant to relevant laws and regulations, the case shall be transferred to the public security authority by the competent environmental protection administrations of the people's government at or above the county level or other relevant departments, and the person directly in charge and other personnel subject to direct liabilities shall be imposed a detention of 10 days to 15 days; in case the circumstances are relatively minor, a detention of 5 days to 10 days shall be imposed:

- (1) Where the said entity's construction project has not been subject to environmental impact assessment in accordance with the law, and is ordered to stop construction, but it refuses to carry out;
- (2) Where the entity, in violation of the law, discharges pollutants without a pollutant discharge permit, and is ordered to stop discharging pollutants, but it refuses to carry out;
- (3) Where the said entity discharges pollutants through concealed drains, seepage wells or pits, perfusion, tampering or forgery of monitoring data, abnormal operating of facilities used for prevention and control of pollution, or other means that evade regulation;
- (4) Where the said entity produces or uses pesticides that are expressly prohibited by the State, and is ordered to make correction, but it refuses to correct.

**Article 64.** Those who cause damages due to environmental pollution and ecological destruction shall bear tort liability in accordance with provisions of Tort Liability Law of the People's Republic of China.

**Article 65.** Those environmental impact assessment agencies, environment monitoring authorities and those institutions engaged in the operation and maintenance of monitoring equipment and pollution prevention and control facilities that resorts to deception when providing environmental service, and are responsible for the environmental pollution and ecological damage as a result of their fraud, shall bear joint liability with others responsible for pollution and damage, in addition to punishment pursuant to relevant laws and regulations.

**Article 66.** The validity period for prosecution with respect to compensation for environmental pollution damage shall be three years, counted from the time when the party becomes aware of or should become aware of the damage.

**Article 67.** The people's governments at higher levels and their competent environmental protection departments shall strengthen the supervision and inspection over the environmental protection work of the people's governments at lower levels and their relevant departments. Where relevant staff members are found violation behavior of laws and should be subject to administrative sanctions pursuant to the law, suggestions for imposing sanctions shall be proposed to the appointment and removal organs of such staff members or the relevant supervisory authorities.

Where competent environmental protection departments fail to issue administrative punishments despite being so required in accordance with the law, the competent environmental protection departments of higher-level people's governments may directly make the decision on administrative punishments.

**Article 68.** Where the local people's governments at various levels, competent environmental protection administrative departments of people's governments at or above county level or other departments with environmental supervision responsibilities commit any of the following acts, the persons directly in charge and other personnel subject to direct liabilities shall be given a demerit, a serious demerit or be demoted; where grave consequences are caused, the foregoing persons shall be removed from office or be dismissed, and the primary persons in charge of the relevant departments shall take the blame and resign from office:

- (1) Where they grant administrative permits to applicants that fail to meet requirements;
- (2) Where they cover up environment-related illegalities;
- (3) Where they fail to make decisions on suspension of production or closure despite being so required pursuant to the law;
- (4) Where they fail to promptly investigate upon discovery or receiving reports on acts of excessive discharge of pollutants and discharge of pollutants through means that evade regulation that cause environmental incidents, failure to enforce ecological protection measures that causes ecological damage, etc.;
- (5) Where they violate this Law and seal up and detain the facilities and equipment of enterprises, public institutions and other producers and business operators;
- (6) Where they tamper or forge, or instigate others to tamper or forge the monitoring data;

(7) Where they fail to disclose environmental information that should be disclosed in accordance with the law;

(8) Where they withhold, misappropriate or divert for other purposes the pollutant discharge fees collected;

(9) Where they have committed other illegal acts as prescribed by laws and regulations."

Article 69. Those violate this Law and constitutes a criminal offense shall be investigated for criminal liabilities in accordance with the law.

### Chapter VII Supplementary Provisions

Article 70. This Law shall enter into force since January 1, 2015.

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