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Development (CCICED)**

**Sustainable Consumption and
Green Development**

CCICED Task Force Summary Report

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Summary of key findings

Chapter 1 of this report provides definitions of Sustainable Consumption (SC) and Green Development (GD). It was identified that SC is a central component of any Green Development strategy. Furthermore, SC is closely aligned with China's unique approach of creating an Ecological Civilisation and is important for China's on-going urbanisation process. As China's emerging urban middle class will become the main driver for economic growth over the next decades, SC needs to be integrated into urban development strategies to ensure that the urbanisation process will be a sustainable one. SC will also be an important component to finding solutions for the current environmental challenges of China's cities. Furthermore, SC can be an approach to bridge the gap between the rich and poor and differences in living standards between urban and rural areas.

Chapter 2 looks at existing laws and policies in China and how SC is reflected in them. The Task Force found that SC has been on the Chinese policy agenda as early as China's Agenda 21 and that a number of policies aim at promoting SC. However, a systematic policy approach that strongly pushes for SC could not be identified. Such a policy approach would include an overarching framework and perhaps a national action plan. Chapter 2 concludes with a number of opportunities for China that would result from making SC a policy priority, including low-carbon urbanization, changes in household and individual consumer behaviour, innovative business models, high-quality green products, enhanced international competitiveness, and enhanced opportunities for social development among others.

Chapter 3 provides an overview of international experiences on SC and their relevance for China. It identifies the current unsustainable consumption patterns of the industrialized countries as too high, which should not be taken as examples to follow. A range of policy approaches are being applied in various countries to address the issue of high ecological footprints. Best practice policy approaches include Action Plans for SC, stringent product certification and labelling systems, independent comparative product information and testing, local consumer advisory centres, the development of indicators for SC, local community pilot initiatives and the engagement of the retail sector.

Summary of key recommendations

Chapter 4, the final section of this report, provides a set of policy recommendations. The recommendations are presented in three thematic clusters: Recommendation 1 proposes to integrate sustainable consumption into national political and socio-economic development frameworks, Recommendation 2 advises to enable institutional innovations for SC in the administrative system and society and Recommendation 3 encourages initiating multi-stakeholder partnerships for SC.

The Task Force concludes that to successfully promote SC in China, the government should take an overall strategic approach. Strategic goals should be formulated and gradually carried out to integrate with China's medium-term and long-term social and economic development planning, as well as with the existing resource management and environmental policy objectives under the 12th Five-Year Plan (FYP).

Furthermore, measures to establish SC patterns need to be differentiated according to different development levels of Chinese regions. They need to reflect the high level of development and the already high consumption levels of China's eastern regions and major cities, the low level of development of Western and Central China, and the urgent needs of China's rural people—many of whom eventually will become higher-income consumers in urban settings.

It is recommended to feature SC prominently in the 13th FYP (2016-20) and to include SC into existing legal frameworks, particularly the Environmental Protection Law, the Consumer Rights Protection Law and the Public Procurement Law. The recommendations provided address three levels including macro level political frameworks, meso level policies for smooth implementation and specific initiatives and action items to be initiated on local levels. It is further recommended to initiate a SC Roadmap Process and Action Plan in order to establish a solid basis for SC over three stages: now until 2015, until 2020, and after 2020. Furthermore, policies should target specific consumption domains with the highest impacts, namely housing, mobility and food. SC should also become integrated into China's low-carbon urban development strategies.

Concerning the necessary institutional innovations in the administrative system and society, the Task Force recommends the establishment of an inter-ministerial cooperation mechanism and working group on SC. Of high importance is the need to enhance the credibility and independence of China's product certification and labelling systems. Furthermore, the initiation of pilot projects for SC on local level is recommended to generate practical experiences for scaling-up. Indicators for measuring progress towards SC should be developed and used. Regarding multi-stakeholder partnerships, which will be necessary to bring about the required socio-

technical innovations, it is recommended to focus on the following: building capacity on the part of local governments to establish local SC practices, engaging the private sector (particularly retailers and financial institutions), enabling civil society initiatives and public participation, and collaborating more closely on SC with the international community.

In addition, concerning the demand area of mobility, the Task Force strongly supports the recommendations provided by the Task Force on Green Commuting.

Introduction

It is reasonable to expect that the impressive economic growth that China has experienced over the past three decades will continue in the foreseeable future as the country continues to urbanize and rebalance its economy. The traditional economic development model, based mainly on exports and investments, is set to shift significantly in favour of increased domestic consumption. This realignment will be an opportunity to further improve the resource use and energy efficiency of China's economy. Furthermore, boosting domestic consumption could contribute to the achievement of a moderately well-off *Xiaokang* Society by increasing quality of life and contributing to the creation of a socially just and politically stable "Beautiful China" (*mei li zhong guo*).

There are encouraging indications that China is revising its course so that it can continue its economic and social development reform process and move towards pathway of sustainable urbanization. The concept of an Ecological Civilization was added to the CPC constitution during the 18th National Congress of the Communist Party of China (CPC), which has catalysed numerous national initiatives to facilitate the advancement of a circular economy as well as the design of low-carbon technologies and cities. The relationship to China's urbanisation process has also been noted in China's 2013 UNDP Human Development Report: *China is revising urban planning policies and implementing important new initiatives to focus them more on sustainable development in the midst of continued economic expansion...Resource consumption, energy security and critical environmental issues are increasingly integrated in urban planning.*¹

However, sustainable urbanisation and Green Development cannot be achieved only through technological solutions without paying great care to avoid unsustainable consumption patterns. China's recent experiences with worsening urban air pollution and increasing municipal solid waste in many major cities are, to a large degree, direct results of unsustainable consumption practices. These include the soaring use of private automobiles, fast growing energy consumption of buildings and lack of waste

¹ UNDP China. 2013. *China National Human Development Report 2013. Sustainable and Liveable Cities: Toward Ecological Civilization*. UNDP: Beijing

separation at the household level. Seeing as China's new urban middle classes will become the main driving engine for China's future economic growth, it is necessary to integrate Sustainable Consumption into the urbanization process. This means that consumers will opt for high-quality green goods and services with low environmental impact instead of spending on resource and energy intensive goods and services with little social benefits. Another challenge concerns China's rural citizens who will need to benefit from the next phase of China's economic growth by increasing their levels of consumption.

The benefits of establishing as early as possible the conditions for Sustainable Consumption patterns in conjunction with urbanization are numerous. In addition to solving the immediate environmental issues and health concerns of Chinese citizens, Sustainable Consumption will also be a driver for innovation and experimentation. It will be a driver for education and health services, and create important economic and trade benefits. The shift towards sustainable green products will bring new advantages to China's export economy, and simultaneously reduce China's dependence on foreign imports.

This report introduces and discusses the concept and practical approaches of Sustainable Consumption, its relationship to Green Development, sustainable urbanisation and the resulting implications for China. Chapter 1 introduces the principles and definitions of Sustainable Consumption and Green Development and the consumption challenges that China is facing. In Chapter 2, the current status of policies for SC in China is described and existing gaps, challenges and opportunities are identified. Chapter 3 provides a summary of the most relevant international experiences in the area of SC, including policy instruments and best practice examples. Chapter 4 provides a list of detailed recommendations for the Chinese government on how to successfully foster SC before China's emerging consumers become locked-in to unsustainable consumption patterns.

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1. PRINCIPLES OF SUSTAINABLE CONSUMPTION AND PRODUCTION

1.1. Definitions of Sustainable Consumption (SC)

The concept of Sustainable Consumption was first formulated at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992 and has been further refined over the following twenty years. Numerous countries (especially in Europe) have prepared Sustainable Consumption action plans and identified both macroeconomic and household-level interventions to achieve quantitative reductions in resource use. Governments have been compelled by the desire to reduce greenhouse gas emissions, enhance competitiveness by limiting dependence on resource-intensive products and services, and to improve quality of life by breaking the linkage between consumerism and perceived well-being. The United Nations Environment Program (UNEP) launched a Ten-Year Framework of Programs on Sustainable Consumption and Production (10YFP) in 2013. Since then, various regional country-groups have been working to design geographically tailored Sustainable Consumption strategies.²

These activities at national, regional, and international levels are evidence of committed interest in Sustainable Consumption and have inspired a variety of different definitions of the concept. A particularly notable one was formulated in the United Nations' *Guidelines for Consumer Protection (2003)*:

Sustainable Consumption includes meeting the needs of present and future generations for goods and services in ways that are economically, socially, and environmentally sustainable...Governments should promote the development and implementation of policies for Sustainable Consumption and the integration of those policies with other public policies...Governments, in partnership with business and relevant organizations of civil society, should develop and implement strategies that promote Sustainable Consumption through a mix of policies that could include regulations; economic and social instruments;...removal of subsidies that promote unsustainable patterns of consumption and production.

Green Development is closely connected with efforts to foster SC. As early as 2002, the UNDP-China³ provided valuable insights into the definition of Chinese Green

² The activities of the Asia-Pacific Roundtable on Sustainable Consumption and Production are particularly prominent. Refer to <http://www.aprscp.net>.

³ UNDP China. 2002. *Making Green Development A Choice. China's 3rd National Human*

Development. The Report suggested that *Green Development stresses unified and harmonious development of the economy and environment, a positive path of people-centered sustainable development*. The notion that it should be people-centered development makes a particularly strong connection to SC.

1.2. Consumption challenges facing China

Linking SC and Green Development highlights China's unrelenting demand for energy and materials. This idea also offers a way to alleviate pressure on global resources in a way, as illustrated by the following examples, that is consistent with Chinese preferences.

First, SC in the building of new housing can reduce China's growing need for primary metals, steel, timber and concrete in urban construction. SC principles applied in the usage of edifices will considerably reduce energy, and thereby China's coal and electricity consumption.

Second, promoting SC in mobility patterns, could substantially reduce China's oil consumption which has been rising exponentially since 1990. Currently oil consumption exceeds ten million barrels per day and is expected to grow by a further 50% by 2030⁴.

Third, China's emphasis on household goods and their energy and material efficiency is already one of the best efforts at providing better product choice to consumers—but more needs to be done. Establishing SC patterns in the demand for food, will contribute to both food security and food safety as well as lowered demand on the environment including the use of air, water and soil. China is already the world's top consumer of wheat and rice. Another trend is the increasing dietary reliance on beef and pork.

China's per capita usage of natural resources is increasing rapidly. Though the average per person has not reached the same levels as the United States, Europe, and other industrialized countries, this rapid increase is still of major concern. China first

Development Report. Available at:
<http://hdr.undp.org/en/reports/national/asiathepacific/china/name,2761,en.html>.

⁴ BP. 2013. *BP Energy Outlook 2030*. Available at: www.bp.com/statisticalreview

exceeded the world average for per capita domestic material consumption in 1995, and by 2008 was consuming materials at a rate over 160% of the world average.⁵ This also demonstrates China's rapidly growing per capita ecological footprint.⁶ In some urban areas, parts of the population are major consumers.

Current and on-going efforts to restructure the Chinese economy may cause these trends to worsen. The country's economic transformation to reduce its dependence on public infrastructure investment and production for exports while increasing domestic consumption creates an urgent need to ensure that the emphasis is on *sustainable* consumption.

It is projected that by 2030 China will have the largest population of consumers in the world, with an urban middle class of over half a billion people.⁷ While this transition is arguably necessary to balance the national economy, the sweeping changes that it entails will create new—perhaps even unprecedented—resource demands, especially in household-energy use, transportation, and food consumption. In order to manage these trends, the government has set ambitious targets to enhance efficiency. However, the pace of these improvements will likely be inadequate to offset more than modest increases in consumption.

Overall resource use will continue to rise, perhaps quite markedly over the next several decades. Enhanced efficiency will likely lower the price of resources which may spur more consumption. China's commitment to reduce its economic reliance on infrastructure development and labour-intensive manufacturing, and to instead foster mass consumption, will require a diverse array of interventions to minimize potential adverse consequences.

The absence of full coverage in retirement pensions, medical insurance, and public education in China has led to high levels of savings in urban households. During

⁵ UNEP. 2013. *Recent trends in material flows and resource productivity in Asia and the Pacific* Available at: <http://www.unep.org/pdf/RecentTrendsAP%28FinalFeb2013%29.pdf>

⁶ WWF-China. 2012. *China Ecological Footprint 2012 Report*. Beijing: WWF-China.

⁷ See, for example, J. Woetzel, X. Li, & W. Cheng. 2012. *What's Next for China?* Shanghai: McKinsey and Company.

1996-2009, disposable income increased from 19 to 30 percent.⁸ The inclination to save, combined with exceptionally high rates of public investment and production of exports, has led to what many economists consider ‘insufficient consumption’ as a proportion of gross domestic product (GDP).

The Chinese government is enhancing pensions, improving access to health care and good education, while encouraging household spending. These initiatives increase access to middle-class lifestyles and are expected to stimulate consumption. China will partially replace its reliance on exports to other countries with newly emboldened domestic consumers. The absence of policies which mitigate the social and environmental impacts of more an increase of private cars, air conditioning and materialistic lifestyles could prove to be overwhelming. The likelihood of these outcomes suggests the need to formulate a Sustainable Consumption policy program with short, medium and long term objectives. In the short term, consumers must be encouraged to purchase and use energy efficient products which are not resource-intensive. Over the medium to long term, lifestyles should adapt to using dematerialized services and shared goods rather than accumulating more consumer goods.

2. SUSTAINABLE CONSUMPTION POLICIES AND TRENDS IN CHINA

Frugality and modesty have traditionally been regarded as virtues in Chinese culture. These sensibilities are reflected in the country’s savings rate which is among the highest in the world. China has entered a new development stage and the combination of its large population and increasing prosperity is driving energy and material consumption to new levels. The consumption levels of private households for both urban and rural residents, but particularly the urban middle classes, will continue to increase. This trend will not only influence the economy, society, resources, and environment of China, but will also significantly influence consumption and production around the world. Enabling the establishment of a SC strategy and framework from the outset is therefore crucial for the success of China’s new economic reform. The following section will provide an overview of the current status of SC related policies, the existing policy gaps for successfully promoting SC, and the challenges and opportunities for SC in China.

⁸ International Monetary Fund. 2011. *Targets, Interest Rates, and Household Saving in Urban China*. IMF Working Paper. WP/11/223.

2.1. The status of current policies with relevance for SC in China

The concept of SC has already been featured in some policies which promote China's sustainable development. An overview is provided below:

In *China's Agenda 21*, released in April 1994, China began to draw attention to the need for the country to *establish a Sustainable Consumption pattern*. China was one of the first countries to propose SC, and this development occurred at approximately the same time as UNEP began to formulate its first efforts in this area. At the Fourth National Conference on Environmental Protection in 1996, President Jiang Zemin emphasized two "insistences" for sustainable development. The first insistence was to *save water, land, energy, material, grains and other resources*. The second insistence focused on *taking the virtuous circle of the biological environment as foundation* and it became the guiding thought for promoting SC in China.

The 2005 Resolution on Implementing the Scientific Outlook on Development and Strengthening Environmental Protection by the State Council stated that *in the consumption link, the government should vigorously advocate an environmentally friendly consumption pattern and implement environmental labelling, environmental verification and government green purchase system*. In June 2007, the National Development and Reform Commission developed the National Action Plan on Climate Change. This document advanced the objective of *enhancing the whole society's awareness of energy efficiency, accelerating the construction of resource-conserving society and slowing down the emissions of greenhouse gases*.

Also in 2007, the 17th National Congress of the Communist Party of China (CPC) set the goal of creating a well-off society that would include building an ecology-conscious culture and formulating a new consumption pattern. The CPC Central Committee for formulating the Eleventh Five-Year Plan (FYP) stated that the government should promote greater awareness in economizing, encourage the production and use of fuel-efficient automobiles and products conducive to energy and water conservation, develop energy-and-space-saving constructions and develop consumption patterns that use resources efficiently.

The 18th CPC National Congress in 2012 emphasized that China should drive economic growth by increasing its consumption capacity. The Congress suggested that consumption become one of the top three drivers for economic growth. At the same time, it was proposed that China should simultaneously promote *a resource efficient and environment-friendly lifestyle, improve people's consumption rate, increase the incomes of urban and rural residents, and release the consumption potential of the residents*. In the 12th FYP, China's government mentioned the concept of green consumption as an approach to promote Green Development. To summarize, SC is in various ways, part of China's sustainability agenda, but is not yet

incorporated in a comprehensive and consistent way.

In recent years, in addition to macro-level guidance frameworks, the implementation departments of the State Council have issued several policies related to stimulating SC. These include the financial subsidy policy for new energy, the investment policy for energy-saving service industries, the establishment of a fund for the development of renewable energies, the provision of subsidies for alternative fuel (mainly electric) automobiles, and the adjustment of taxes for passenger cars. A detailed overview is provided in Table 1.

Table 1. Selected laws and support policies for Sustainable Consumption in China

Title of law or policy document	Enacted/Issued by	Time
Environmental Protection Law	National People's Congress	1989
Law on the Protection of Consumer Rights and Interests	National People's Congress	1994
Government Procurement Law	National People's Congress	2003
Energy Conservation Law (revision)	National People's Congress	2008
Notice on reducing the consumption tax on passenger cars with low pollution emissions	Ministry of Finance	2003
Notice on encouraging the development of the energy-saving and environmentally-friendly automobiles with small emissions	[State] General Office	2005
Implementation plan for pilot work of sales of appliances in rural areas	Ministry of Finance and Ministry of Commerce	2007
Notice on implementing pilot of subsidy to personal purchasing of new energy automobiles	Ministry of Finance	2010
Notice on adjusting and improving consumption tax policy of the State Administration of Taxation	State Administration of Taxation	2006
Notice on distributing the promotion of the financial subsidies of high-efficiency lighting products (first group)	Reform and Development Commission	2008
Notice on implementing the 'people-benefit project with energy-saving products'	Ministry of Finance and the Reform and Development Commission	2009
Notice on adjusting the financial subsidy policy of energy-saving air-conditioners	Ministry of Finance	2010
Notice on further implementing the energy-saving and new energy automobile demonstration and promotion	Ministry of Finance	2011
Rules of implementing the people-benefit project of promoting high-efficiency and energy-saving flat-panel TV	Ministry of Finance	2012
Rules of implementing the people-benefit project of promoting high-efficiency and energy-saving refrigerators	Ministry of Finance	2012
Rules of implementing the people-benefit project of promoting high-efficiency and energy-saving electric washing machines	Ministry of Finance	2012
Rules of implementing the people-benefit project of promoting high-efficiency and energy-saving water heaters	Ministry of Finance	2012

These policies demonstrate that to date, the Chinese government has been primarily using financial incentives to encourage the consumption of more energy-efficient products. For example, the *Implementation Plan for Pilot of Appliance Sales in Rural Area* issued by the Ministry of Finance and the Ministry of Commerce has stipulated that financial subsidies shall be provided at a rate of 13% of the sales price of relevant household appliances, 80% of which are provided by the central government budgets

while the remaining 20% are contributed by the local government budgets. Further details are listed in Table 2.

Table 2. Subsidies for household appliances and their effects from 2007 to 2013

Programme	Appliance sales in rural areas	“Get new appliance for old one”	Energy saving and people-benefit project
Time frame	2007.12 Start 2013.01 End	2009.06 Start 2011.12 End	2012.06 Start 2013.05 End
Items	TVs, refrigerators, washing machines, air-conditioners, mobile phones and PCs	TVs, refrigerators, washing machines and air-conditioners	Flat-panel TVs, refrigerators, washing machines and air-conditioners
Subsidy limit	13% (with upper limit)	10% (with upper limit)	RMB 70-600/set
Effect	298 million appliances were sold in rural areas, totalling RMB 720.4 billion.	92.48 million sets of appliances were sold, totalling RMB 342 billion	Driving the sales of the energy-saving appliances, totalling RMB 250 billion

Another important piece of legislation is the *Government Procurement Law*, which was issued in 2003 and establishes a legal framework by government entities for green purchasing. As of 2012, twelve energy-saving products and twelve products with an environment label have been issued. Some central and local government departments have gradually implemented green procurement practices and the scale has been regularly expanded. This policy has had some impact on the consumer behaviour of public authorities, but sustainable procurement practices have not yet become mainstream.

Government statistics suggest that during the 11th Five-Year period, the central and local governments spent RMB 272.6 billion on energy-saving and environmentally-friendly products. This accounted for 65% of total government procurement. Many local governments have increased awareness about sustainable practices among the public and in the private sector. Strategies used for companies have included training enterprises to establish green supplier databases, evaluate the enterprises participating in green government procurement activities, guide and encourage enterprises to improve the quality of green products and promote the supply of green products.

Box 1. Green government procurement and green supply chains in Tianjin

The Tianjin Municipal Government Procurement Center has been conducting compulsory or prioritized procurement of the products listed in the *Energy-Saving Products List for Government Procurement* and the *List of Products with Environmental Label for Government Procurement* strictly in accordance with regulations. Furthermore, it actively engages with stakeholders such as businesses and other local procurement centres in China to develop and apply a set of well-developed and workable standards and systems for public green procurement. In addition, a Tianjin International Trading Center for Green Products is under development.

2.2. Deficiencies of existing policies promoting SC in China

It has been almost twenty years since China first articulated a need to establish Sustainable Consumption patterns. However, SC as a strategic approach to sustainable development has neither been integrated into national development plans and major laws nor has it been systematically instituted into national policy frameworks. SC has yet to become a well recognized part of industrial reforms and innovative policy programs. Compared with technological approaches to pollution control and energy efficiency, SC has played a relatively minor role. Consequently, SC has not been leveraged as an incentive for enterprises to provide greener products and it has not been used as a priority to shape the behaviour of consumers.

Furthermore, existing policies related to Sustainable Consumption do not sufficiently consider differences in China's regional economic development- most notably the comparatively lower consumption in the Western part of the country and higher levels in the Eastern part. Policies regarding consumption have not balanced the needs of poor rural residents or moderated the impacts of relatively affluent people in urban areas.

One reason for limited effectiveness in promoting SC to date is that levels of consumption are not key features in legislation. For instance, the current Environmental Protection Law makes no mention of the concept or how SC policies could effectively be used to reduce industrial pollution and protect natural resources. The Consumer Rights Protection Law neither includes any provisions on the rights of consumers to green products nor provides guidance on how consumers can take responsibility for their choices. Furthermore, these laws do not make the link between access to affordable ecological products and consumer rights.

SC policy also lacks effective enforcement. For example, the Government Procurement Law from 2003 has not been fully effective in popularizing the choice for sustainable goods by public authorities. Product-selection criteria and the development of procurement practices lag behind and cannot fully steer the public into choosing to make sustainable purchases. In addition, the consumption of green

products is still only voluntary for local authorities. Mandatory product standards have improved over the last decade but they also lack effective enforcement. Food safety continues to be a hot-spot in China even though the legislation and food-safety standards have been in force for many years. The current system to ensure transparent and trustworthy product information and certification remains deficient.

To secure the implementation of Sustainable Consumption in China, proper institutional support and structures are needed. The national government must assign clear responsibilities to the multifarious stakeholders involved in Sustainable Consumption: local government agencies, businesses, industries, nongovernmental organizations, research institutes and the public. The awareness and education on SC, especially among the future generation of consumers, is not yet a strong enough part of China's regulatory and policy landscape, but is mainly promoted by the media and civil society. China's official national consumer associations lack capacity and have not yet made strong enough efforts to promote SC.

2.3. Challenges for promoting SC in China

At present, consumption per capita in China is the lowest among large economic powers. Consumption accounts for only 36% of China's gross domestic product (GDP) and is half of American consumption, and two-thirds that of Japan and the European Union. Between 2000 and 2011, China's consumption rate as percentage of GDP of both urban and rural residents dropped from 46.4 per cent to 34.4 per cent, which is a reduction of 11.6 per cent. The detailed numbers are displayed in Table 3. The reason for the drop is not a decline in absolute consumption, but the very high growth rates in investments with which domestic consumption could not keep up. Promoting SC as strategy for sustainable economic growth will therefore also need to take on the challenge of curbing unsustainable investment.

Table 3. Change of consumption rate as percentage of GDP for rural and urban residents in China between 2000 and 2011 (%)⁹

Year	Consumption rate of rural and urban residents	Consumption rate of urban residents	Consumption rate of rural residents
2000	46.4	31.3	15.3
2001	45.2	30.7	14.5
2003	41.7	29.7	12.0
2005	37.7	27.6	10.2
2007	35.6	26.5	9.1
2009	33.9	27.7	8.5
2011	34.4	27.0	8.0

At the same time, the consumption power of both rural and urban residents has increased substantially in recent years. From 2006 to 2011, the annual per capita disposable income of urban residents increased from RMB 11,760 to RMB 21,810, an increase of 115%, while that of rural residents increased from RMB 3,587 to RMB 6,977, an increase of 105%.¹⁰ Despite these marked improvements, the gap between urban and rural consumption levels remains significant. Therefore, the challenge for policy, is on one hand to continue to increase the consumption levels and living standards of the rural population according to SC principles while reducing the already high ecological footprint of urban consumers by shifting their consumption patterns.

Fostering SC requires a multi-stakeholder approach because of the need to involve the government, businesses, academics, civil society organisations, communities, households and individual consumers. The challenge is to mobilise these different stakeholders. In China, the role of communities and consumers in such processes remains weak, but their involvement is crucial to the process of shifting the country onto a SC trajectory. Consumers are increasingly concerned about environmental, social, and economic issues, and are willing to act on these concerns. Obstacles including the availability, affordability, convenience, product performance, conflicting priorities, scepticism, and force of habit of consumers do not directly translate into changes in behaviour.¹¹

⁹ Data source: 2012 *China Statistical Yearbook*

¹⁰ Data source: 2012 *China Statistical Yearbook*

¹¹ World Business Council for Sustainable Development. 2008. Sustainable Consumption Facts and Trends: From

Furthermore, business must participate in the conception and promotion of sustainable products and lifestyles. Platforms which would support SC have not yet been established as a regular and powerful base. Leading industries such as the food and building sectors have the capacity to mainstream SC towards safe and ecological food and energy efficient buildings. Businesses need to be encouraged to eliminate unsustainable and unsafe products through stricter product standards and regulations. They must also be supported so that they can provide greener goods and services through market-based mechanisms and supplementary voluntary actions.

2.4. China's opportunities for SC

Major opportunities were identified to advance SC in China:

1. By reducing the gap between rural and urban lifestyles, SC can contribute to bridging disparities between rich and the poor, thereby contributing to social equity, and to helping China realize the establishment of a Harmonious Society. Enabling access to green and safe products (see Box 2) for China's emerging urban consumers and rural population will contribute to enhanced satisfaction.
2. Mainstreaming sustainable public procurement practices will be a crucial driver for upgrading consumption practices and greatly increasing the share of green products in the market. The basis for effective sustainable public procurement by the Chinese administration is already established and best practice examples exist. These must now need to be scaled-up to become business-as-usual practices across China.
3. Linking SC and China's rapid urbanization is essential, since it is the emerging middle class of cities of all sizes and in all parts of the country that will make the crucial difference in whether SC practices become widespread. Specifically, low-carbon urbanization will enable China's new urban residents to practice SC from the outset. By developing policy interventions that integrate SC and low-carbon urbanization, it will be possible to reduce lock-in effects related to problematic transportation infrastructures and energy-inefficient residential buildings. SC will also stimulate innovative low-carbon approaches to urban design and new forms of communication and individual mobility. SC can be deployed as a way to reduce the growing volume of municipal solid waste. By fostering sustainable food

consumption, which accounts for as much as 50-70 per cent of the solid-waste flow in many Chinese cities, and establishing food-waste collection for food-to-energy generation or composting, the need for new landfills and incinerators can be greatly reduced.¹²

4. Setting advanced green standards for goods and services, resource use, and energy efficiency, as well as developing a trustworthy certification system for ensuring product quality, go hand in hand. If well formulated and enforced, these measures could contribute greatly to increasing product quality, reducing environmental impacts, making Chinese products more competitive in the international market, and enhancing the quality of life for Chinese consumers. They would build trust in government-supervised regulatory systems. There is also a role for enhanced public participation in the independent third-party supervision of green product standards and comparative product testing. Furthermore, in addition to government regulations, public awareness campaigns to advance SC are required so that the public can be actively involved.
5. Expanding the market for green products will open new economic opportunities. It also will expand the share of green consumption in the GDP. Sustainable Consumption necessitates the creation of innovative business models that improve resource efficiency and that shape consumer behaviour in a sustainable direction by providing better choices. SC will also increase opportunities for green job creation. Businesses taking a leadership role in promoting sustainable patterns of production and consumption and meeting societal needs within ecological limits will be very well positioned in the future to pursue opportunities within China and in export markets through China's *Going Out* strategy. Business can reach these goals through responsible environmental management which will lead to enhanced competitiveness and more profitable operations.
6. SC also has an international dimension and offers China the opportunity to shape up its international image. Moving quickly on SC will enable China to become a leader on issues of immense importance to global and regional trade and investment, and, if it desires, to help drive Green Development and Ecological Civilization globally.

¹² Tai, J., W. Zhang, Y. Che, and D. Feng. 2011. Municipal solid waste source separated collection in China: A comparative analysis. *Waste Management* 31(8):1673

Box 2. Community-based organic agriculture and eco-tourism in rural Sichuan

Anlong village is a farming community, located about 30 km to the west of Chengdu city. Since 2005 farmers have successfully started a transition towards 'ecological food production'. The practices applied are basically the same as organic farming, though organic certification is currently still too expensive for small farmers in Anlong. A program was introduced to recycle as much as possible, including human waste. 160 composting toilets have been installed together with 160 household bio-digesters. Communal gardens were set up so that Chengdu urbanites and their families can plant and maintain their own organic vegetable gardens with the help of the local farmers. This addresses the needs for organic food and interaction with nature of Chengdu residents. Teahouses, small restaurants and home stays have been established. Local food processing businesses are showing a strong interest in locally-produced 'ecological food'.

3. INTERNATIONAL EXPERIENCES AND INSPIRATION FOR SUSTAINABLE CONSUMPTION IN CHINA

This chapter provides an overview of the most relevant international experiences and best practices for SC as well as a comparison of different consumption patterns and their environmental impacts. After this technical introduction, international developments and policy instruments for SC are summarised, followed by experiences from several regions including the EU, Japan, North America and Latin America. Chapter 3 concludes with a summary of approaches which are deemed to be very relevant for China.

3.1. Global consumption patterns

The effects of consumption on the economy, environment and society become increasingly important. For this report we selected three indicators—per capita ecological footprint, per capita ecological carrying capacity¹³ and per capita carbon-dioxide (CO₂) emissions—to demonstrate the effects of current consumption patterns in different regions. In 2008, the global average per-capita ecological footprint¹⁴ was

¹³ See WWF. 2012. *Ecological Footprint Report – Biodiversity, biocapacity and better choices*. WWF International, Switzerland.

¹⁴ The ecological footprint is a measure of human demand on the Earth's ecosystems. It is a standardized measure of demand for natural capital that may be contrasted with the planet's ecological capacity to regenerate. It

2.70 global hectares (gha), while the global per-capita ecological carrying capacity declined to 1.70 gha. The WWF data show that ecological per capita footprints of countries vary greatly. For instance, the USA had a per capita footprint of 7.19 gha, while that of Germany was 4.57, Japan, 4.17, Brazil, 2.93 and China was 2.13. Countries with ecological footprints within the carrying capacity, such as Nepal (0.76) or Kenya (0.95) struggle to meet the basic needs of their population. Likewise, the per capita CO₂ emissions in the world stood at 4.44 tonnes in 2010, but are not distributed equally. The CO₂ emissions of the United States was 17.3 tonnes per capita, Canada was 15.7 tonnes, Germany was 9.3 tonnes, Japan was 9 tonnes, China was 5.4 tonnes, Brazil was 2 tonnes, Nepal was 0.1 tonnes and Kenya was 0.2 tonnes. Although the per-capita CO₂ emission in China are low compared to the US and Canada, they are already on par with European countries like Sweden (5 tonnes) and Switzerland (5.6 tonnes).

Based on these indicators it is possible to differentiate four types of consumption patterns: Excessively high consumption patterns, high consumption patterns, medium consumption patterns which are still above carrying capacity of the planet and low consumption patterns. Countries such as the USA, Germany and Japan have unsustainable high consumption patterns with large footprints which need to be reduced significantly in order to become sustainable. The relatively low indicators in China show that there are 'insufficient consumption' levels for a large proportion of the population. Emerging economies including China and Brazil must consider that urban consumers are already consuming on par with those in industrialized countries. The ecological footprint per capita in Beijing and Shanghai was close to 4 hectares in 2008, which indicates that the consumption patterns for these residents have already reached levels comparable to Germany and Japan. In contrast, people in the western provinces of Gansu, Guizhou and Yunnan had ecological footprints between 1 and 1.5 hectares.

represents the amount of biologically productive land and sea area necessary to supply the resources a human population consumes, and to assimilate associated waste. For more information about ecological footprint please refer to the Long Technical Report of the CCICED Task Force on Sustainable Consumption and Green Development.

Table 4. Comparison of various consumption patterns and indicators of selected countries

	Global average	Very high consumption USA and Canada	High consumption Germany and Japan	Low to Medium consumption China and Brazil	Very Low consumption
Per capita ecological footprints (gha), global average and different consumption modes (2008)	2.70	USA 7.19 Canada 6.43	Germany 4.57 Japan 4.17	China 2.13 Brazil 2.93	Nepal 0.76 Kenya 0.95
Per capita ecological carrying capacity (gha), global average and different consumption modes (2008)	1.78	USA 3.86 Canada 14.92	Germany 1.95 Japan 0.59	China 0.87 Brazil 9.63	Nepal 0.53 Kenya 0.53
Per-capita CO ₂ emissions from fuel combustion (tonnes of CO ₂), global average and different consumption modes (2010)	4.44	USA 17.31 Canada 15.73	Germany 9.32 Japan 8.97	China 5.40 Brazil 1.99	Nepal 0.12 Kenya 0.27

Tabulated according *Ecological Footprint Report* of WWF in 2012 and the *IEA Statistics 2012 edition CO₂ Emissions from fossil fuel combustion*

The relationship between high ecological footprints, high incomes and high consumption patterns is clear. In industrialized countries, per capita gross national incomes are high as are consumption levels. While the world average per capita gross national income in 2011 was USD 9,491, those of the US, Germany and Japan were USD 48,450, 43,980 and 45,180 respectively. In contrast, the average gross national income of middle-income countries was USD 3,631 and that of low-income countries only USD 567¹⁵. Furthermore, the relatively comprehensive social welfare systems and availability of credit have provided the consumers in richer countries with a sense of social and financial security, which encourages consumer spending which can sometimes reach unsustainable levels.

Looking at these issues from a consumption or demand side perspective, **three areas of consumption—housing, transportation and food—account for the largest**

¹⁵ Data according to WDI data base of the World Bank and data from *International Statistical Yearbook 2013*

impacts. For instance, in the EU-27 countries, private consumption is 2 to 3 times the level of public sector consumption. Housing, transportation and food/drink are the private consumption realms which have the greatest impact on the environment, are responsible for 74% of EU greenhouse gas emissions, 74% of acid emissions, 72% of troposphere ozone precursor emissions, and 70% of the direct and indirect material inputs.¹⁶

3.2. Policy frameworks and instruments for SC

In the past 20 years, SC has become better understood and attracted the attention of policymakers. A lot of research has been conducted at the global, regional, national and local levels which has led to the creation of a variety of policy initiatives. At the global level, the United Nations Conference on Environment and Development (the Earth Summit) held in Rio de Janeiro in 1992, and the World Sustainable Development Summit held in Johannesburg in 2002, established an international foundation for the promotion of Sustainable Consumption at the regional and national levels. During the 2002 World Summit on Sustainable Development, a call to formulate a ten-year framework of programmes on Sustainable Consumption and production led to the establishment of the Marrakesh Process which was a multilateral dialogue and cooperation platform. This initiative was formalized at the Rio+20 Summit in 2012. To implement these macro-level political agreements, a variety of policies and tools for encouraging SC patterns are available to policymakers. The policy instruments are categorised according to their different approaches and are briefly described in Box 3.

¹⁶ European Environment Agency (2012) Consumption and the environment — 2012 update. Copenhagen: European Environmental Agency. Available at: <http://www.eea.europa.eu/publications/consumption-and-the-environment-2012>

Box 3. Common Policy instruments to encourage SC

Strategies and action plans set out the processes that public bodies or government agencies take to implement targets, strategic objectives and goals set by the national or local government. Examples include, urban waste management strategies at the local level, or Action Plans on SCP which are initiated by a number of governments worldwide.

Regulatory instruments have been used by governments for a long time and have been the basis for effective environmental policy making all over the world. For the promotion of SC, regulations can mandate or prohibit specific consumption behaviours or the use of certain products. Regulations that are of relevance to SC can be divided into the following three categories: environmental quality standards, technical/emission standards and restrictions/bans.

Economic instruments enhance the efficiency and effectiveness of environmental policy making. Most prices for products and services are set by the market and do encourage overconsumption of natural resources and not properly reflect environmental and social impacts.

Information-based policy instruments have become increasingly popular in recent years, partly due to the IT revolution which decreases the costs of information collection, analysis, and dissemination. There are instruments which provide information about a product or service (e.g. product qualities, certification, how to use and discard the product) to consumers, with the hope that informing the consumer or raising awareness about certain product attributes will influence consumer behaviour. Important information-based tools for SC which are currently used are product labels awarded through third-party verification procedures.

Voluntary agreements between a government authority and one or more private parties in order to achieve environmental objectives or to improve environmental performance beyond compliance to regulated obligations. Voluntary agreements can include rewards and/or penalties or sanctions. The negotiation aspect makes these policies different from typical top-down regulatory approaches.

3.3. Country experiences on SC and SCP policy approaches

European Union: At the EU level, Sustainable Consumption and production (SCP) have been the priority in many policy strategies, such as the *Lisbon Strategy*¹⁷ and the *Sixth Environmental Action Programme of 2002-2012*. Sustainable Consumption and production is recognized as one of the ten key objectives of the *2008-2010*

¹⁷ The Lisbon Strategy for growth and jobs, launched in 2000 by the European Council, was the EU's joint response to facing the challenges of globalisation, demographic change and the knowledge society. It aimed at making Europe more dynamic and competitive to secure a prosperous, fair and environmentally sustainable future for all citizens. More info at: http://ec.europa.eu/education/focus/focus479_en.htm

Community Lisbon Programme and is among the seven key challenges to be tackled within the *EU Sustainable Development Strategy*. In 2008, the *EU Sustainable Consumption and Production and Sustainable Industrial Policy (SCP/SIP) Action Plan*¹⁸ was adopted to improve the environmental performance of products and increase the demand for sustainable products. The Action Plan includes eight key building blocks: 1) creating eco-design requirements for more products; 2) reinforcing energy and environmental labelling; 3) devising incentives and public procurement for high-performance products; 4) designing green public procurement practices; 5) ensuring consistent product data and methodologies; 6) working with retailers and consumers; 7) supporting resource efficiency, eco-innovation and the environmental potential of industry; 8) promoting SCP internationally.

The EU has experienced some progress in promoting Sustainable Consumption patterns. The market for organic products in Europe has grown rapidly and accounted for more than 50% of the total income of the world organic product market in 2007. Yet it has still not reached 2% of the total expenditure of food consumption in Europe. Household energy and water consumption in Europe is decreasing, and the output of household waste has decreased due to the introduction of effective recycling systems. Products that are harmful to human health and the environment are gradually being eliminated. An example is the phase-out throughout Europe of incandescent light bulbs. The strategies used in different Member States comprise the use of eco-labels, green public procurement (GPP), education of consumers on environment, pollution and waste. Voluntary information instruments are used widely in Europe and include the ecological marking of products (ISO Class I), environmental product statements (EPDs, ISO Class III), organic food labels, and educative material provided to consumers. The EU Ecolabel is a noteworthy voluntary label promoting environmental excellence which is recognised throughout Europe. This label was developed by scientists, NGOs and stakeholders as a reliable way to make environmentally responsible choices. Although it is voluntary, hundreds of companies across Europe have joined because of the competitive edge and demonstration of commitment to the environment which are exemplified by this label.

¹⁸ European Commission (2008) Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan http://ec.europa.eu/environment/eussd/pdf/com_2008_397.pdf

Box 4. Initiatives for Sustainable Consumption in Germany

Although there is no overarching policy framework, Germany adopted a variety of effective measures to promote Sustainable Consumption:

Germany issued the first *Circular Economy and Waste Disposal Law* in the world in 1994. The concepts and practices of recycling have been integrated into the minds of the producers and consumers and have guided the production processes of various industries and the consumptive behaviour in households.

The “Blue Angel” eco-label is the world’s first environmental label for products and services. It was created in 1978 by the German Federal Minister of the Interior and was approved by the federal Ministers of the Environment. More than 11,700 products and services in 125 product categories carry the Blue Angel eco-label today.

Local consumer information and advisory centres operate nationwide. The centres are funded by public contributions to ensure that they are not influenced by commercial interests. These centres have increased the knowledge of consumers and improved their trust in green products and consumption policies.

An independent product comparison testing system (Stiftung Warentest) was established in 1964 to provide and publish the results of independent comparative tests of products and significantly increase knowledge among consumers, influence their choice in products, and improve the performance of many products.

In order to promote energy efficient housing, the German Kfw Bank offers low-interest loans (1,41 % p.a.) for the purchases of energy efficient apartments and houses and for the retrofitting of existing buildings. This financial support resulted in the construction of 1.5 million energy efficient housing units worth over 25 billion Euro between 2010-2012.

Japan: Sustainable Consumption in Japan has the following unique features: 1. The green purchasing system is implemented strictly. The *Law on Promoting Green Purchasing* has designated procurement items and environmental selection criteria for each item. 2. The Fundamental Plan for Establishing a Sound Material-Cycle Society, issued in 2000, has the objective of restraining the consumption of natural resources and minimizing the environmental burden. 3. The country announced its intention to establish a low-carbon society in 2008 and accordingly implemented 12 major actions. Measures in the energy efficiency of buildings and appliances, green public procurement, environmentally friendly enterprises, product labelling and carbon footprinting are particularly advanced in Japan.

Box 5. Twelve major actions for the creation of a Low-Carbon Society in Japan

1. Constructing buildings with green and comfortable living environment
2. Using energy-saving devices whenever and wherever possible
3. Promoting the supply of seasonal and local food
4. The use of sustainable and energy-saving construction materials
5. Expanding environmentally-friendly enterprises
6. Providing networks with rapid supply
7. Constructing low-carbon cities
8. Developing and using high-efficiency and low-carbon appliances
9. Developing and providing renewable energy
10. Developing the new generation of low-carbon fuels
11. Implementing low-carbon labels for goods and services
12. Strengthening the organization and leadership to build a low-carbon society

North America: The federal and state governments of the United States rarely issue Sustainable Consumption policies to restrict consumer behaviour. As per the Marrakech Process, the United States and Canada constitute North America. Since 2002, both countries have held two meetings in support of this initiative, but SC has limited visibility in the United States because few programs promote SC at the federal or state level. American policy makers continue to address the adverse effects of resource utilization almost exclusively from the standpoint of efficiency standards, dissemination of information, and public education. To date, the USA has adopted policies and measures which encourage reasonable growth, promote the integrated development of land in cities and suburbs, encourage non-automobile travelling, and implement plans for community agriculture.

The core areas for SC in the United States are the alternative systems of food cultivation and distribution. Farmers markets, community-supported agriculture (CSA) schemes, home gardening and barter networks have enabled small networks to forge innovative arrangements that transcend the customary agro-food supply chains. Similar structures are now developing to support the reuse and sharing of clothing, children's toys, tools, and other household items. The term "collaborative consumption" is increasingly used to describe these developments. In 2008, the United States issued the financing plan of Property Assessed Clean Energy (PACE) to encourage the installation of solar photovoltaic systems on the roofs of buildings. City governments and other government departments have issued bonds with high interest rates to encourage investors to deal with the high cost of purchasing and installing rooftop photovoltaic systems.

Latin America: The Latin American (LA) region has joined the international community commitment to establish more sustainable production and consumption patterns. The LA region was the first to host a regional consultation meeting on the international Marrakech Process on SCP in 2003. During the meeting, a regional SCP strategy was developed which defined priorities, concrete actions and specific pilot projects to be implemented. The strategy emphasized the importance of strengthening the capacity of government institutions as well as the importance of implementing SCP-related policies and activities in the production and financial sectors. A Regional Council of Government Experts on SCP was set up in 2003 to support the implementation of the SCP regional strategy.

Brazil has developed a National Action Plan for Sustainable Consumption and Production (2010-2013) in coordination with other national policies and multi-stakeholder engagement processes. The National Action Plan builds linkages with other strategic plans such as the National Plan for Climate Change and the National Plan for Solid Waste. The plan will be implemented between 2011 and 2013 and identifies six main priorities: Education for Sustainable Consumption; Sustainable Buildings; Sustainable Retail; Green Public Procurement; Implementing an

Environmental Agenda in Public Administration; and the Increased Recycling of Solid Waste.

3.4. International SC and GD experiences as examples for China

Although the global challenge of creating SC patterns has not yet been solved, there are a number of initiatives which have been successful. While it might not be possible to emulate these experiences in China, the experiences listed below can serve as examples for China's path towards SC and GD.

SCP Action Plans set the macro-level framework for SC: The EUSCP Action Plan and the Brazilian SCP Action Plan demonstrate that establishing such strategies place SCP on the agenda of policymakers. These plans set a roadmap, provide specific goals and policies to be implemented and measure the achievement of these goals. These frameworks guide the design of specific policy instruments to be implemented at local levels across various sectors.

Establishing legal provisions for SC: Establishing laws, regulations and policy mechanisms for SC can influence public consumer behaviour to shift towards SC, whilst influencing the private sector to provide sustainable products and services.

Product labelling and providing product information from independent sources: Ensuring the availability of credible and transparent information about products which is trusted by consumers is very important. In many countries, such access to information has already contributed to more and better quality green products in the market. For instance, the Danish organic food label has been firmly established and is accepted by 93% consumers. Strict criteria have made Danish dairy products an important sector for export. In Germany, the "Blue Angel" eco-label, the world's first and oldest environment-related label, is widely trusted.

Indicators for SC: The development of indicators has proven necessary to measure progress. These indicators go beyond simple GDP measurements and include well-being and social progress. Experiments with alternative indicator systems started in communities in the USA. The European Environment Agency has developed a sophisticated set of SCP indicators.

SC pilot initiatives: There are many local community initiatives promoting different methods of SC. Examples include community gardens, car-free neighbourhoods and sustainable housing. The One Planet Living communities in the UK and the sustainable mobility and energy efficient housing initiatives in the district of Vauban (Freiburg) in Germany are successful pilot initiatives.

Engagement of private sector through voluntary agreements: These have proven successful in promoting SC and increasing the quality and availability of green products in the market. The European Retail Forum engages retailers to enable sustainable choices for

their customers and influence their suppliers to improve the quality of their products by reducing the environmental impact generated over the life cycle. The EU Food Roundtable successfully promotes healthy and ecological food consumption habits in many European countries.

Increasing awareness about SC and lifestyles: Consumers in industrialized countries are aware of the need for sustainable products and services. However, this awareness needs translate into the establishment of concrete actions to promote SC.

Synergies between government and civil society initiatives: The experiences of industrialized countries suggest that initiatives by enterprises and non-government organizations could supplement, improve and assist government policies. The proposals from enterprises and NGOs are supplementary in nature as the promotion of the Sustainable Consumption still requires the guidance and promotion of the government. Experiences of the EU, North America and Latin America strongly suggest that advocacy for Sustainable Consumption and green development requires building alliances with a number of stakeholders and opening up channels for various stakeholders to participate and create opportunities. The role of civil society organizations (CSO) has shifted from playing the role of a watchdog to becoming an important collaborative partner in managing societal challenges. In this capacity, the role of CSOs is to ensure that other stakeholders are following the principles of accountability, transparency, participation and equal opportunity.

Municipal waste management: There are many successful international experiences regarding how municipalities manage waste. Germany's "Green Dot" waste sorting and recycling system and the waste sorting program in the city of Londrina, Brazil, which is followed by 100% of the households of the city are two successful examples.

Economic measures to reduce traffic obstruction and eco-taxes are promising approaches: The economic measures to change the driving behaviour of citizens in Sweden and the UK have produced good effects. In Stockholm and London, traffic congestion charging systems are used to effectively reduce the traffic jams during rush hour and resulting high air pollution and PM2.5 levels. Despite initial scepticism, the measures are now widely accepted by citizens.

4. RECOMMENDATIONS FOR CHINA’S SUSTAINABLE CONSUMPTION AND GREEN DEVELOPMENT STRATEGY

Based on the findings in Chapters 1 to 3, the task force suggests three main recommendations to promote and foster SC in China. The proposals and their relationship are summarized in Figure 1 below and explained in detail in the remainder of the Fourth and final chapter.

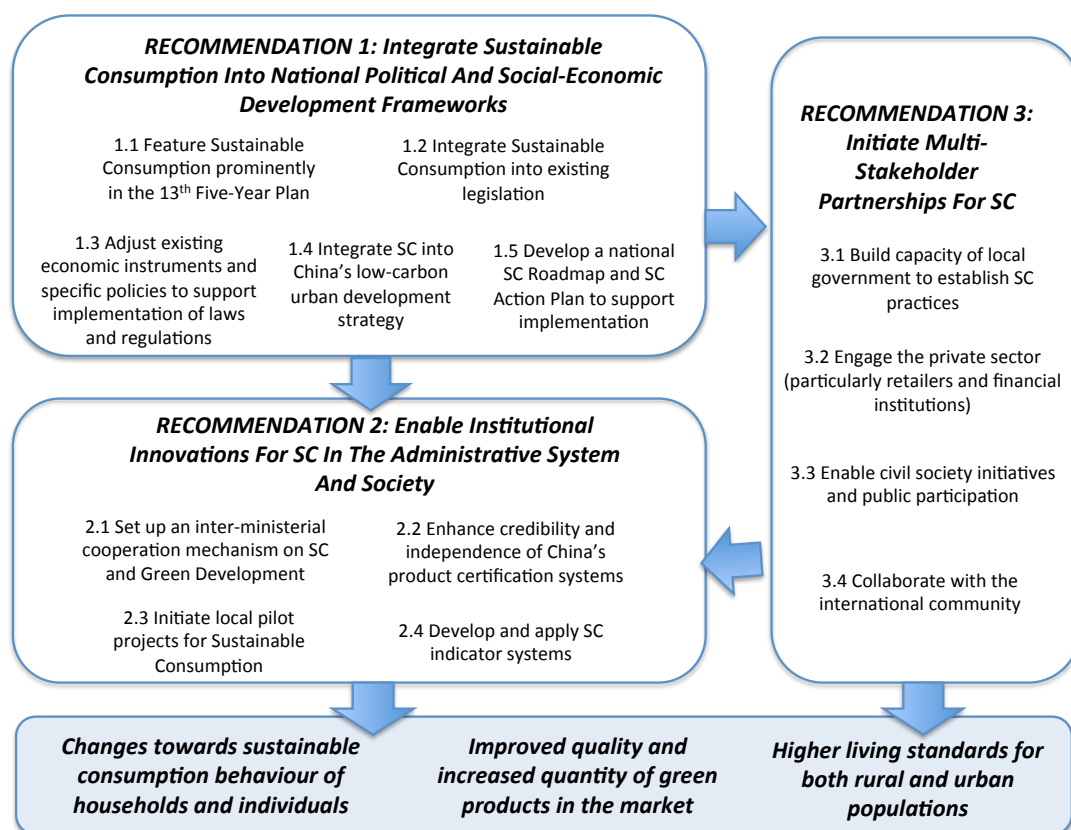


Figure 1: Policy recommendations for advancing Sustainable Consumption and Green Development in China and expected results

4.1. RECOMMENDATION 1: Integrate Sustainable Consumption into National Political and Social-Economic Development Frameworks

Establishing SC patterns will be crucial for the realization of China’s Ecological Civilization. The promotion and achievement of SC at a strategic political level will ensure the responsible use of resources and the reduction in energy consumption by the public and private sector, and through the consumption choices of citizens. Sustainable Consumption is also important to ensure that the income gap and consumption levels between the rich and poor do not widen and jeopardize social

stability. This first set of recommendations proposes to include SC into the next Five-Year Plan. Furthermore, the relationship between the protection of consumer rights, food safety, environmental protection and SC should be emphasized by including SC into existing laws which are currently being revised. Stronger efforts should be made to use Sustainable Public Procurement as an instrument for the promotion of SC across society. To ensure the effective implementation of these laws, policies including pricing mechanisms, taxes and subsidy schemes should be included. SC should also be used as strategic approach for sustainable urbanisation and to support the development of China's low-carbon city pilots. Finally, a SC Roadmap and Action Plan should be designed to guide the process in the next decade.

Recommendation 1.1: Feature Sustainable Consumption prominently in the 13th Five-Year Plan

For the next Five-Year Plan, it is recommended to emphasize the link between SC and the establishment of a moderately well-off and Harmonious Society by the end of 2020. The concept of Green Consumption has already been mentioned in the 12th Five Year Plan. Greater attention to SC is needed in the 13th FYP. The focus SC should be on SC as national strategy, including key SC strategies in the housing, transportation and food sectors, and on differentiated SC strategies in China's regions. The 13th Five-Year Plan should use SC as an economic pillar to link China's target to reduce carbon intensity by 40-45 per cent by 2020 over 2005 levels with the economic restructuring and increase in domestic consumption.

Recommendation 1.2: Integrate Sustainable Consumption into existing legislation

The Task Force recommends updating laws and regulations that can help to guarantee a national and local transition to SC. Integrating SC into the legislative process, with the main goal of constraining wasteful consumption patterns and excessive consumer spending, should be enacted as soon as possible since often there is a lag of several years before changes take effect. At present there is only very limited legal guarantee for the mainstreaming of Sustainable Consumption. In particular, SC should be featured in the revised version of the Environmental Protection Law (or in regulations related to the revised law), in the Consumer Rights Protection Law and the in the Public Procurement Law.

The revisions of the **Environmental Protection Law should include specific provisions to curb the environmentally unsustainable consumption behaviour of industry, households and the public.** Furthermore, specific provisions to encourage SC behaviour and lifestyles should be included as important element for environmental protection. In particular, the issue of urban household waste can be addressed through SC approaches, in order to reduce the amount of waste produced,

and to encourage waste citizens to separate, reuse and recycle.

The Public Procurement Law should be amended to ensure that more Sustainable Consumption practices are incorporated, including restrictions on excessive government consumption among China's public authorities at the national and local levels. A number of important additional regulations have passed in recent years, but the implementation of sustainable procurement is insufficient. The legal system of government procurement needs to be completed and environmental goals should be clearly defined. The Task Force therefore recommends setting a mandatory share of green products and services purchased by local governments in the Public Procurement Law. Additional support regulations to ease implementation should be issued. It is necessary to revise the two existing procurement lists for energy-saving products and environmental labelling. This would entail improving green procurement standards in the lists, including new sustainable product groups and deleting out-dated low-performance products from the lists. Government business trips should be reduced and substituted with virtual meetings when possible. Sustainable transportation should be chosen whenever possible. Furthermore, green hotel standards for business trips and meetings in hotels should be included into government procurement standards. Bidding systems, bringing new energy and low-emission cars into government procurement lists, need to be revised. Finally, additional measures such as capacity building for local procurement staff on life-cycle costing methodologies are necessary. Green market supply chains, like the pilot program in Tianjin, should become part of the legal criteria for procurement.

The Consumer Rights Protection Law should include specific provisions for SC as a key approach to guarantee product safety and consumer protection. All instruments that promote progress towards SC patterns provide the added bonus of increasing the protection of consumer rights. SC changes should aim to enhance consumers' rights while reducing negative social and environmental impacts. The updated law should include the right for consumers to choose high quality green products and sustainable lifestyles. In addition, SC revisions to this law should emphasize consumer responsibilities, focused on eliminating unsustainable consumption practices in the housing, transportation and food sectors.

In the medium term, the Task Force recommends **passing a specific Sustainable Consumption Promotion Law, which should contain goals for consumption in specific sectors and target values for per capita consumption levels of resources, food, energy and water.** These targets must be interrelated with the targets set in other regulations and plans (e.g. China's greenhouse gas reduction plan). The two main objectives of the Promotion Law should be the elimination of unsustainable excessive consumption in urban areas and poverty reduction in rural areas by increasing incomes and access to affordable green products. Furthermore, the Sustainable Consumption Promotion Law would have to be oriented towards specific

sectors such as agriculture and sub-sectors such as iron, steel and cement to promote green supply chains. The levels of resource consumption in cities should be targeted by the Promotion Law, which would also affect household consumption levels. The Sustainable Consumption Promotion Law should target specific product groups with high negative environmental impacts, e.g. large automobiles, oversized household appliances or furniture from uncertified sources. Discussions on the design of this proposed SC Promotion can commence at the Thirteen Five-Year national planning with stakeholders and others so that it is broadly acceptable.

Recommendation 1.3: Adjust existing economic instruments and specific policies to support the implementation of laws and regulations

The policy framework to support the effective and efficient implementation of the laws mentioned above should be facilitated by various methods (coercive, economic and informative) to build synergies among policy measures. A significant number of specific SC approaches exist to support the implementation of legislation. **The Task Force recommends greater use and improvement of existing pricing and taxation systems and financial incentives mechanisms in ways that will support SC.** Mechanisms to improve energy efficiency of buildings, encourage household energy conservation and support the uptake of green products are particularly required.

The promotion of high quality, energy efficient appliances and the phase out of inefficient appliances currently in use should be a priority. Both positive and negative lessons can be drawn from previous experiences of the *Home Appliances Going To The Countryside* policy, and the *Old For New* policy. **Subsidy schemes need to be designed in such a way that these subsidies are only provided for the purchase of the most efficient appliances and also to ensure that they help poorer households.** It is recommended that subsidies should be provided only to the top ten per cent of products with the best performance. The goal of this subsidy scheme should be targeted at low and middle income families which would otherwise not be able to afford efficient appliances. The subsidy should prioritize low-income households and first-time buyers of appliances (e.g., young families) to promote SC in households from the start.

In the specific case of air conditioning units, most small businesses (e.g. small restaurants, shops) and small service provider offices currently have very inefficient air conditioners installed. A specific subsidy policy should encourage small businesses to change their air conditioners. This will encourage their utilization and encourage manufacturers to improve their product standards. Furthermore, take-back schemes need to prevent so-called rebound effects through purchases of new larger appliances which have better efficiency ratings, but increase overall energy consumption. Oversized appliances and luxury consumer electronics such as large screen TVs should be excluded from receiving subsidies.

In addition, pricing policies will be important for the promotion of SC. In particular, **it is recommend to complete and perfect the tiered electricity price policy for households, which was introduced in 2012.** Overall, the current electricity price for higher consumption users of the third-tier, currently paying only about RMB 0.3 per kilowatt hour more than average consumers, is not yet high enough to discourage wasteful consumption. Furthermore, in order not to be regressive, the pricing policy must consider the constraints of low-income households.

Consumption taxes have a vital role to play in reducing overall resource consumption, and specifically in shifting consumption to low energy-usage or less polluting products. The Task Force recommends expanding the scope of consumption taxes and improving the collection methods of taxes. Taxation on resource and emission intensive consumer goods that are currently not covered by consumption taxes should be introduced to include the environmental and social externalities in the prices of these goods. Life-cycle assessments should be the basis for identifying such products. The expanded consumption tax could already be implemented during the current 12th FYP period. In addition to consumption taxes for high impact products such as cars with high fuel consumption, oversized home appliances, furniture and wood products made from tropical timber, or seafood from overfished marine areas, it is suggested to link household tax breaks to SC. For instance, **to encourage recycling, tax reductions can be given to households that demonstrate high recycling levels or produce little household waste.**

To encourage the construction and uptake of energy efficient and green residential buildings, **it is recommended to provide low-interest credits or mortgages to homebuyers for such buildings. Government subsidies should be complemented by green credit systems of financial institutions.** This low-interest mortgage scheme needs to be implemented in conjunction with an independent verification process that the buildings are indeed low-energy buildings. Furthermore, such credits can be extended to include solar energy technologies, particularly roof top solar photovoltaic (PV) and solar water heaters, heat pump systems, household biomass power generation technology and new energy vehicles. For solar PV products in particular, credits for end-users should replace current subsidies given to PV manufacturers to encourage domestic use of the technology.

In order to simultaneously ensure the uptake of green products and increase the incomes of rural residents, economic mechanisms to promote eco-tourism and organic agriculture are recommended. To encourage these new rural business models, a special fund for Sustainable Consumption and subsidies for environmentally certified products and services in rural areas could be established.

Recommendation 1.4: Integrate SC into China’s low-carbon urban development strategy

SC approaches are the key to ensuring that greenhouse gas emissions from households and industry will not grow exponentially when shifting the driver for China’s future economic growth from investment to consumption. Considering China’s low-carbon city initiatives and pilot projects, **the implementation of SC strategies will be crucial to ensure the reduction of the cities’ carbon emissions and contribute to improving air quality.** It is recommended to review the current low-carbon development strategies of the “Five Provinces and Eight Cities” low-carbon pilots and to identify areas for SC and its contribution to emission reductions. Furthermore, in current efforts to clean up urban air pollution, particularly PM 2.5 levels, the regions of Beijing, Hebei and Shandong will be required to reduce coal consumption by 10 per cent within the next five years. While this can be partly achieved through efficiency improvements, reducing electricity demand through SC will be necessary for the regions to achieve this target. It is recommended to include SC into the strategic air pollution reduction plans of these three regions.

Recommendation 1.5: Develop a national SC Roadmap and SC Action Plan

At the moment there is no national Sustainable Consumption Action Plan or a comprehensive roadmap for such a Plan. Both of these are needed to clearly specify relations among Sustainable Consumption, economic development and social development. **China’s Action Plan for SC should aim to advance SC not only by making markets more sustainable and limit excessive consumption, but also by ensuring access to Sustainable Consumption choices for both urban and rural consumers in all parts of the country.** To be operational the national Sustainable Consumption Action Plan should focus on consumption sectors with the highest environmental impacts. The priority areas are: housing (including energy use), appliances (including all types of electronics), transportation, and food.

The national government needs to create spaces for opportunity among various stakeholders in order actively participate in implementing a national SC Action Plan through engagement mechanisms that speak most effectively to different actors. Drawing on international experiences of the EU and Brazil, China’s SC Action Plan could adhere to the following principles:

- (a) **Take a comprehensive life cycle perspective** which considers all impacts from resource extraction, production, transport, retail, consumption and end-of-life disposition. Only in this way can a shift of environmental impacts from one phase to another be avoided.
- (b) **Enable participation of all stakeholders, including manufacturers, government, consumers, civil society organisations and academia.** Other stakeholders, including representatives of the

retail industry, the advertising industry and the financial industry, can play an important role in creating conditions and opportunities for China's Sustainable Consumption and Green Development.

- (c) **Identify and use synergies with existing initiatives for sustainable development in China, particularly low-carbon and circular economy approaches.** To facilitate employment and the acceptance of specific SC policy instruments (e.g. product labelling) and governmental initiatives (e.g. low-carbon cities, sustainable government procurement) parallel processes should be synchronized.

The implementation of China's SC Action Plan should be implemented in three phases:

Phase I (present to 2015, improvement period): Develop and establish the institutional basis for SC by including it into the 13th Five-Year Plan, revise existing laws and policy frameworks by including SC. Focus is on the four priority areas of implementation: housing (including appliances), transportation, food and clothing. This first phase combines the expansion of green products and the improvements in their quality, the advancement of non-material consumption and services, and the enhancement of the spending power for the rural "lower-consumers". At end of Phase I, the aspects of energy conservation and climate protection for SC in the four priority areas are fully understood.

Phase II (2015 to 2020, consolidation period): Improve and expand the legal and policy frameworks to actively promote Sustainable Consumption patterns among China's emerging urban middle classes. Fine-tune and customise policy packages for local contexts and stakeholders. By 2020 Chinese consumers and companies should be fully aware to ensure broad support and active participation in the implementation of the policy interventions for advancing Sustainable Consumption.

Phase III (after 2020, continuous advancement): Continuously improve capacity and degree of SC in the whole society. The aim should be a peak of impact levels of consumption in housing, transportation, food and clothing. Overall per capita consumption impacts are declining and the gap between rural and urban income and consumption levels are closing. China's SC strategy is on par with those of other regions including the EU, Japan and Brazil. China as a whole should then be on track to implement a Sustainable Consumption and production system.

4.2. RECOMMENDATION 2: Enable Institutional Innovations for SC in the Administrative System and Society

Innovation is crucial for the advancement of SC. Innovation includes not only technological, but also that of various institutional levels in public administrations and society. In most countries, including China, some existing administrative and social institutions are geared towards perpetuating unsustainable consumption patterns. To advance innovation for SC in these two important areas, the following recommendations are provided:

Recommendation 2.1: Set up an inter-ministerial cooperation mechanism on SC and Green Development

The task force recommends setting up an inter-ministerial cooperation mechanism or working group on SC. As consumption-related policies are cross-cutting and often touch upon the domains of various ministries. It is necessary to coordinate SC policies, particularly those relating to financial incentives or pricing mechanisms, but also those relating to urbanisation and construction, supervision of standards and education. It is recommended that a senior member of the State Council leads the inter-ministerial working group. The working group comprises members of the following ministries and agencies: National Development and Reform Commission and Ministry of Environmental Protection (to take the lead), Ministry of Agriculture, Ministry of Commerce, Ministry of Education, Ministry of Finance, Ministry of Housing and Urban-Rural Development, Ministry of Land and Resources, Ministry of Transport, Ministry of Science and Technology, Ministry of Water Resources, State Administration for Industry and Commerce, State Forestry Administration and State Administration of Taxation.

The working group should be established as soon as possible and become involved in including the topic of SC in the 13th Five-Year Plan. The working group should report directly to the State Council and be put in charge of developing the SC Action Plan and SC Roadmap. Furthermore, the working group should be involved in the design and feasibility and effectiveness assessment of existing and new policy instruments for the promotion of SC. There should be close coordination with the existing Leading Group on Climate Change and other related working groups on the economy and environment.

Recommendation 2.2: Enhance credibility and independence of China's product certification systems

The task force identified the strong need to reconcile an international and Chinese green product certification that is credible. In order to avoid an unreliable and non-transparent product information that is not credible among consumers, **it is necessary to strengthen the existing institutions such as the China Quality Certification Centre** which supervises the standards of products. The China Environmental Labelling Program should be further extended with the goal of increasing the number of certified products and gaining consumer trust and recognition. Strong efforts should be made to mainstream successful international experiences from product certification and labelling in China. In addition to official certification bodies, independent consumer information associations need to be established. These proposed associations should be allowed to carry out independent comparative product testing and provide information to consumers. The independent product testing will increase consumer trust in product-related information and potentially

lead to increased sales of these products and services. Furthermore, support should be provided for the establishment of independent consumer associations and consumer advisory committees, which could offer sustainability-related advice to consumers and provide information from the independent testing panels. In addition, **an open-access green product information platform for consumers should be established. Green product information should be collected in a national database, which is operated and controlled by an independent third-party organization.** Furthermore, relevant departments should improve the efforts to make product life-cycle information widely available to manufacturers and consumers.

Recommendation 2.3: Initiate local pilot projects for SC

China is already implementing pilot projects to build eco-cities (e.g., in the Tianjin Binhai area) and has initiated a number of low-carbon pilot cities and provinces. **To complement these efforts, small-scale community pilots and local demonstration projects for SC should be implemented.** Ideally, these model communities are not built from scratch, but are existing communities that include SC initiatives as part of their transformation process. The pilots should combine local knowledge and international best practices. For example, **one or more communities for “One Planet Living” can be set up in China, leading community residents to adopt lifestyles within the carrying capacity of our planet Earth.**

Buildings could be zero-energy buildings (equipped with solar PV, heat pumps and according to highest efficiency standards). In addition, they should be equipped with waterless toilets, grey water recycling systems and constructed with local, renewable building materials. New buildings should be designed in such a way as to be able to be used for rooftop farming. Community-based gardening should be encouraged, combining local food production with food waste recycling, composting systems and biogas generation. In terms of mobility, urban design should prioritise highly efficient transport, cycling and walking. Furthermore, pilots should be a ‘living lab’ where experiments for collaborative consumption such as electric car sharing systems can be tested. Every project should set up a visitor and training centre, in order to show to the interested public and other external stakeholders how this community works, and what sustainable lifestyles look like in practice. The SC pilot community can also be linked with existing initiatives for low-carbon cities. In addition, sharing economy approaches and the use of alternative indicators for social well-being should be experimented. Local government should participate by implementing strict sustainable public procurement practices. Progress of the pilot projects should be

measured by a SC indicator system. This proposal would be based on the successful model of One Planet Living, which is based on ten principles of sustainable living.¹⁹

Recommendation 2.4 Develop and apply SC indicator systems

It is recommended that China designs, tests and implements a SC indicator system for tracing progress on SC and the contribution of SC to Green Development. It is proposed that indicator systems of SC be closely linked with indicator systems currently used to measure low-carbon urban development and social progress beside GDP. These initiatives, which have vital significance for the development of an Ecological Civilization, have already started. **For It is suggested that local indicator systems in addition to traditional GDP indicators should be developed and used by local authorities.** These would measure people's happiness and life satisfaction based on indexes such as the OECD Sustainable Consumption Index Framework, and monitor whether implementation of SC policies is on track. Furthermore, the European Environment Agency has developed a highly sophisticated SC indicator system, which should be used as reference.²⁰ To advance the understanding of SC indicators, it is recommended to establish a specialized working group within the CCICED.

4.3. RECOMMENDATION 3: Initiate Multi-Stakeholder Partnerships for SC

To successfully implement SC policies mentioned above and to promote SC beyond government requirements within business and society, multi-stakeholder partnerships are necessary. The following section contains recommendations on how to engage the most influential stakeholders to become pro-active partners for fostering SC in China.

Recommendation 3.1: Build capacity of local government to establish SC practices

Local governments should ensure the implementation of Sustainable Consumption strategy and practices. Sustainable procurement practices on the part of local

¹⁹ The principles were developed by BedZED ecological village in London, which was selected as the world's fourth most influential green building area in 2012 by American architects. At present, similar projects have formed an international network. More such communities can be built throughout China, then be expanded in scale, and promoted to other cities.

²⁰ European Environment Agency (2010) **Towards a Set of Indicators on Sustainable Consumption and Production (SCP) for EEA reporting.** Available at: http://sep.eionet.europa.eu/publications/SCP_Indicator_frame

governments, creating infrastructure that enables sustainable lifestyles, and establishing local centres for awareness raising are some of the most direct ways through which local governments can show their commitment to SC. Sustainable public procurement not only stimulates the market for sustainable products and services, but also legitimizes sustainable norms in social behaviour. Capacity building on methods like life cycle assessments will be necessary. Local governments will also have the task to ensure quality and safety of green products by following the standards set by the national government. Technological innovation should be encouraged to reduce power consumption and improve product quality. Increases in the number of staff in local quality supervision departments will be necessary.

Recommendation 3.2: Utilize the power of the private sector (particularly retailers and financial institutions)

All types of businesses should assume responsibility for shaping consumption patterns into a sustainable direction by incorporating SC into their codes of conduct. Retailers play a critical gatekeeping role in supply chains, since they chose product which enter the market supply and control the information flow between consumers and manufacturers. Retailers should support creation of markets which encourage sustainable products by:

- Placing demands on and stimulating producers to manufacture and offer sustainable products and services,
- Choosing and offering sustainable products in retail shops, and
- Providing information in shops to consumers on food safety, quality and nutritional value, as well as on the environmental and social features of products. Besides having access to information, consumers also need incentives and support to choose and use products and services in a sustainable manner.

To enable easy access to credible information about SC products and services during and after sales, retailers will have to employ innovative technologies through ICT supported platforms and devices, e.g., smart-phone scanners of RFID tags, bar codes and quick response codes. And, to assist the creation of sustainable markets, **retailers should support independent and credible 3rd party certification schemes for products and services that could help to increase trust of environmental and ethical products.** The retailers must practice responsible and pro-sustainable marketing and advertising and offer the appropriate training to customer support staff.

In order to undertake this wide range of tasks, retailers need to be educated. **The government should support Sustainable Consumption actions in the retail sector by organizing an on-going multi-stakeholder forum on SC operating at all levels of government, and by strengthening the capacity of retailers to build demand**

for SC. In addition, the government at both national and local levels could facilitate alliances between retailers and consumer organisations in order to increase transparency and to foster environmental and social quality assurance in supply chains. These steps are essential to raise consumer trust in sustainable products and services.

Through the integration of Sustainable Consumption goals into core business, financial institutions, including banks, insurance companies, funding agencies, investors, etc., should fundamentally contribute to shaping consumption practices of individual consumers and institutional customers, and make long-term investments in infrastructure more sustainable. Financial institutions play a catalysing role in facilitating the incorporation and mainstreaming of Sustainable Consumption practices at various levels of society and among different stakeholders.

Specifically, **financial institutions should engage in providing mortgages and loans only for energy efficient buildings, which would ensure long-term sustainability. Financial institutions should take the lead and encourage investments in infrastructure that facilitate sustainable lifestyles**, e.g. ‘10-minute neighbourhoods’ (all necessary services are within 10 minutes walk), and integrated mobility systems that encourage and enable the use of public transportation instead of private cars. In addition, they should devise innovative financial products in order to stimulate entrepreneurship for SC and lifestyles.

The government has to create an enabling environment for the financial sector to fulfil its role in promoting SC at different levels of society. Specifically, **the government has to encourage, promote and ensure that financial institutions invest in those businesses and market players that integrate SC activities in their operations and practices.** The government should commit to close collaboration with the financial sector in building the markets for long-term, sustainable lending, investment and insurance products and services. These should encourage Sustainable Consumption patterns that support and enable sustainable lifestyles for consumers. The government should also support the integration of SC goals into the portfolios of financial institutions by organizing a high-level multi-stakeholder forum to discuss SC challenges and solutions in the financial sector. This should be done at the national and more local levels, including cities. The government can assist in building capacity of financial institutions on SC and by joining the international Finance Initiative run by UNEP which acts an exchange platform for international best practices and innovative financial tools for sustainable development.

Recommendation 3.3: Enable civil society initiatives and public participation

It is important to encourage civil society, particularly environmental groups and consumer groups, to actively engage in the implementation of SC patterns at national and local levels. Input must be solicited from civil society and consumer

groups when it comes to making SC strategies operational in different geographical localities and for various stakeholders. Civil society groups have a particular role in raising people's awareness and initiating bottom-up initiatives, which stimulate social innovation for SC. Consumer CSOs can help change unsustainable practices and habits by structured approaches that are adapted to local consumer preferences. The current potential of innovative approaches from civil society organisations is in many cases restricted. One outstanding issue to tap into the full potential of civil society groups for SC is to **perfect and ease the regulations for registration and fundraising of civil society organisations.**

The Task Force recommends **enabling the establishments of local consumer advisory centres**, operated by citizens in cooperation with other stakeholders to provide independent information on products and sustainable lifestyles; and to engage in awareness raising and consumer education. To ensure independence from business interests, local governments should provide funding to cover the operations of the centres without being overly involved in implementation. The consumer advisory centres could provide information about environmental and social features of products and services that are available to consumers in shops, on local markets and through other distribution channels. Connected to these local consumer advisory centres could be facilities that provide repair services for products. The centres can also provide dialogue platforms between citizens, social entrepreneurs, local business and local governments on topics such as sustainable lifestyles, quality of life and happiness.

Internet-based initiatives that activate social entrepreneurs and consumers to change their consumption patterns should be encouraged. International initiatives are building on the idea of 'Sharing Economy and Collaborative Consumption', where individuals allow others to access their products, e.g., cars, gardening equipment, leisure sports articles or electronics. There provides an opportunity for social entrepreneurs to engage through offering shared services and to provide electronic platforms for the exchange of services.

Finally, to complement information initiatives for existing Chinese consumers, **SC should be actively promoted in schools to raise the awareness of the next generation of consumers that are very susceptible to messaging about lifestyle and consumerism.** Schools are the place to create new social norms around SC. Specific initiatives in school should focus on recycling, sharing products, saving water and energy and healthy food. School gardening activities in urban areas demonstrate that they shape students awareness of food, nutrition and understanding of ecological processes. Government can assist by mandating SC in national and local curriculum development initiatives.

Recommendation 3.4: Collaborate with the international community

China has the huge potential to promote SC and as such should actively participate in international exchanges and cooperation programmes on SC. On the international and regional level, China should actively participate in multilateral policies framework discussions for SC. An important example is **participation in UNEP's 10 Year Framework Plan on SCP, to gain global perspective on SC related issues and promote SC at a global level.** Furthermore, more attention should be given to integrating SC in the negotiation process of WTO's Agreement on Government Procurement.

It is necessary to establish institutions charged with the task of tracking international developments and trends in SC policy, research and practice. **The Task Force therefore recommends setting up an international research platform and knowledge hub on SC to enable long-term cooperation between Chinese and international experts.** Specific cooperation activities could include cooperating with UNEP on their on-going "hot spot" initiatives and collaborating on European product footprint initiatives. Furthermore, a National Sustainable Consumption Centre must be established so that it can complement the work of China's existing National Cleaner Production Centre. The Centre would lead China's national research and consultation on SC and be a focal point for international research collaboration.

Furthermore, **SC activities and initiatives of Chinese domestic industries, business associations and enterprises must be aligned with the latest international developments.** It is particularly vital to align processes for domestic products with international product standards. Chinese product certification associations should enhance their cooperation with well-recognised international organizations such as the ISO, the Forest Stewardship Council (FSC), the Marine Stewardship Council (MSC) and other national certification bodies. Aligning with certification procedures and product standards would increase the international competitiveness of Chinese products and services and would promote SC in China.

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During the survey visit to typical regions in China, the Task Force delegation held discussion forums with the Shanghai Environmental Protection Bureau, Office of the Spiritual Civilization Steering Committee of the CPC Shanghai Committee, Shanghai Environmental Education and Communication Center, Bailian Group, Shanghai General Motors Co., Ltd., IKEA Trading Service (China) Co., Ltd., Shanghai Zesheng Environmental Technology Co., Ltd., Shanghai Society for Environmental Sciences, and Environmental Protection Department of Shandong Province. These

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