

From Recovery to Green Prosperity:  
Accelerating the transition toward high-quality green development during the 14th Five-Year  
Plan period

**2020 policy recommendations of the China Council for International Cooperation on  
Environment and Development (CCICED)**

The 14th Five-Year Plan (FYP) period will see the timeframes of the “two centenary goals” converge. Therefore, the choice of the path, policy arrangements, and key targets during the period will set the stage for the medium- and long-term development and goals vital to the realization of the Chinese dream. At present, getting out of the COVID-19 quagmire and getting on with economic recovery have become top priorities for all governments. The international community will closely follow China’s economic, social, ecological, and environmental strategies laid down by the 14th FYP, which, in the era of globalization, is not only key to China’s sustained and stable growth but also related to global green prosperity and well-being.

CCICED members highly appreciate Chinese President Xi Jinping’s reiteration of the new development concept that “green is gold” during important speeches in Zhejiang, Shaanxi, Shanxi, and other provinces. President Xi’s great attention and continued emphasis on green development has not only cemented domestic confidence and conviction, but it has also instilled hope in the international community for a successful green transition starting with the green recovery

CCICED members believe that, during the 14th FYP, China should further advance the comprehensive framework for green development to set up strategic concepts, concrete policy targets, priority areas, and delivery institutions and mechanisms. This will provide a solid foundation for high-quality development and green prosperity and set an example of sustainable development for the rest of the world.

**Strategic Concepts:** These concepts include ensuring steadfast progress toward Ecological Civilization. This will involve seeking to achieve people-first, high-quality, and green development while promoting socioeconomic green transition by putting into practice the concept that “lucid waters and lush mountains are invaluable assets.” In addition, through integrated economic, social, and environmental improvement, this progress will make full use of material capital, human resources, and natural capital harmoniously to reshape the historically conflicting relationship between environmental protection and economic growth into one that is inclusive of both and mutually reinforcing. The ideal includes a shift toward a green development model, including green consumption, to create innovative and sustainable new economic drivers to realize more vigorous, competitive, sustainable, and resilient economic growth. Another key concept is the promotion of effective measures for both COVID-19 and environmental issues, given the close relationship of public health, pollution, and waste management. The ideal will also require the promotion of multi-stakeholder governance, poverty alleviation, and gender mainstreaming and achievement of social equity and justice.

**Concrete Policy Targets:** These targets include maintaining the strategic focus of building an ecological civilization. Also, the UN 2030 Development Agenda and its Sustainable Development Goals, including actions for mitigation and adaptation to climate change, should be integrated into the 14th FYP. The groundwork for high-quality development in the medium to long terms through green economic recovery plans must be laid. Additional concrete policy targets include setting integrated green indicators around the enhancement of human health and well-being while maintaining or elevating the level of ambition for specific existing indicators. This should provide

clear policy signals for a comprehensive and integrated green transition. China should continue contributing to multilateral environmental and developmental processes, fulfill its obligations as a responsible major developing country, and join global green partnerships in fostering a shared future for all life on Earth.

**Priority Areas:** A critical area is progressing toward a green way of life and production that is people-centric, driven by the innovation of green technologies, supported by sustainable production and consumption, and practiced in urban green development. It is necessary to seize the opportunity of post-pandemic recovery to promote major green technologies that are readily scalable, to strengthen the development of green infrastructure, and to enhance socioeconomic resilience. In addition, it is a priority to implement the strategy of major function-oriented zoning, and promote green urbanization (starting with city clusters and counties) to tap the potential of structural shifts; expand and upgrade domestic consumption, promote green consumption and the greening of soft commodity supply chains, while accelerating green development, transition, and upgrading of manufacturing as engines to green transition. All of this is important, along with promoting the interconnectivity between land and sea and taking holistic nature-based approaches to addressing ecological challenges.

**Delivery Institutions and Mechanisms:** Green development requires integrated approaches to advance policy coherence. Short-, medium-, and long-term goals should be better aligned. Additionally, focus should be placed on creating synergies among the legislative, judicial, and administrative organs in the practice of ecological civilization, and establishing and improving a modernized environmental governance system. Other mechanisms include exploring more science-based, rational, and practical assessment methods and payment mechanisms for natural capital accounting while formulating policies and plans with a broader vision. It will also be important to integrate environmental considerations into broader economic and social planning and policies, along with establishing and developing green market mechanisms such as the carbon trading market. There also need to be improvements in green standards, green fiscal and taxation systems, and a green finance system. Policy incentives should be aligned with the goals of green development and strengthened by compliance promotion and regulatory enforcement.

The following sections elaborate more detailed recommendations.

## Section One

### **Green Economic Recovery: Seize the opportunity presented by the post-pandemic economic recovery to promote green development and pivot toward socioeconomic resilience**

After pressing the reset button on economic and social development to survive COVID-19 in 2020, the world once again faces a crossroads. The COVID-19 economic recovery presents a strategic opportunity to advance green development, which will be a testament to the vision and commitment of governments. Recommended concepts and measures of a green recovery include:

1. **Bolster green elements in “New Infrastructure Stimulus”:** The economic recovery presents an opportunity to further expand clean energy and avoid high-carbon lock-in. China’s “New Infrastructure Stimulus” program should be well designed to strengthen green development by including renewable energy, low-carbon and resilient infrastructure, building efficiency and upgrading, green urban centres, green technologies, and other relevant areas. In order to promote a green and resilient stimulus package, the drive to stimulate the economic recovery should be guided by the principle of “no significant harm” to the environment, ecology, and

climate. Economic recovery planning should also apply environmental impact assessments to green recovery programs and projects.

2. **Support green jobs:** These include labour-intensive public works in afforestation and reforestation, wetland and coastal restoration, soil and water decontamination, green building and housing retrofitting, large training programs on sustainable agricultural practices, etc. Regions or provinces that face greater difficulties in managing the green transition should be supported to reskill their workforces.
3. **Integrated measures for community vulnerability reduction:** This would involve strengthening disease prevention by establishing a well-resourced public health infrastructure to provide early warnings and responses to emergencies. Measures should also include tackling the illegal wildlife trade, deterrence of intensive animal farming, biodiversity/ecosystem loss, and other factors that may increase the threat of zoonotic diseases. These steps will help prevent the next pandemic.
4. **Promote green production and green consumption:** Investing in pollution control, resource and energy efficiency, circular economy upgrades etc. is critical. Promotion of green consumption also involves fostering a revolutionary behavioural change away from over-consumption, toward new ways of working, as well as green, balanced lifestyles.
5. **Support multilateral initiatives and enhance international cooperation:** It is vital to support existing multilateral initiatives such as the World Health Organization/World Food Programme One Health initiative and the UN Decade of Ecological Restoration. This support could include green recovery measures through the G20 and launching of a Bretton Woods-style consultation. This would help build out the green finance system and align the green finance taxonomies through the International Platform for Sustainable Finance (IPSF) and by opening further bilateral and multilateral cooperation channels. In turn, it would set the stage for a green overhaul of the international financial system.

## Section Two

### Green Urbanization: Make progress in green urbanization and rural revitalization starting with city clusters and counties to tap the potential of structural shifts

It will be vital to advance urban green transition in line with the principles of green prosperity, low-carbon, intensive and circular development, equity and inclusiveness, as well as security and health. In 2017, China's 20 city clusters accounted for nearly 91% of the country's GDP and 74% of the population. The success of the green transition of the whole country hinges on the green transition of its city clusters. Development of the county economy will be crucial to China's rural revitalization strategy and its urban-rural integration. Urbanization at the county level will contribute to the green development of rural areas and will consolidate the progress in building a well-off society in a balanced way.

1. **Take into account rural factors in planning and work toward integrated urban and rural planning:** The traditional urban-rural dichotomy should be discarded when formulating planning and related policies. They should take a holistic approach to urban and rural planning, and, especially, pay attention to their impacts on the rural economy, ecology, health, society, and culture.
2. **Promote the free movement of factors of production between urban and rural areas:** Planning should encourage the movement of talent from the city to the countryside. This will help maximize the comparative advantages and potential market demand in urban and rural

areas and promote rural homestead transfer to urban residents in an orderly manner, facilitating a two-way flow for urban and rural residents.

3. **Align the functional city model with a “nature-loving” city model:** This alignment will integrate biodiversity and ecosystem services into planning and protect biodiversity and natural habitats in urban areas. It will involve formulating policy incentives to materialize the economic value of ecosystem services and increasing the supply of ecosystem services to expand innovative channels for growth in the future.
4. **Accelerate the broad application of green technology:** To accomplish this acceleration, it will be necessary to identify and select forward-looking, comprehensive, innovative, and practical green technologies in all aspects of planning, construction, operation, and maintenance. This will involve a focus on removing institutional obstacles to the promotion of emerging green technologies and establishing a life-cycle assessment framework for green technologies using a whole-life costing methodology that promotes the large-scale application of green technologies that have been proven economically and technically viable. Also important will be the periodic screening and publishing of a list of major innovative green technologies in key areas, such as urban green buildings, green transportation, clean energy, efficient use of water resources, sustainable diet, waste management, land use and planning, and remediation of brown sites.

### Section Three

#### Green Consumption: Expand and upgrade domestic consumption and promote green consumption as the transformative driver of the green transition

This will raise awareness of green consumption, starting with a green consumption revolution, and substantially increase the supply of green products and services. In 2019, domestic demand accounted for 89% of China’s economic growth, and final consumption expenditures contributed 58% to GDP growth. The growing middle class and the increased population of younger “netizens” have created an opportunity for the upgrading and transition of China’s consumption. On the whole, however, the green transition in consumption has been in decline since 2008, despite advances in green production, making the former the weak link in the overall green transformation. The following are recommended;

1. **National Green Consumption Strategic Plan:** This will involve creating a new focus and engine to improve environmental quality and high-quality development by greatly promoting green consumption. Specific measures may include implementing awareness-raising campaigns to promote high-quality green consumption; increasing the supply of green products and green services; ensuring that the values of a frugal, green, healthy and low-carbon lifestyle take hold; and building a green consumption policy system with both incentives and constraints.
2. **Improve and promote systems and mechanisms for green consumption:** Improvements to market-fostering policies and economic incentive policies for green consumption are vital. Also important will be measures that focus on creating economic incentives and establishing a market-driven system in the aspects of pricing, financing, and taxation, credit, supervision and market credit to encourage the supply of (and demand for) green products and services. A statistical and index system of green consumption should be established, and the development of green product and consumption standards accelerated. The whole-process supervision of standardization and third-party certification of green products and services should be strengthened. It will also be important to implement

government preference and mandatory procurement programs to source green and energy-efficient products and set binding rules for public green procurement.

3. **Promote Circular Economy Solutions and Implement Extended Producer Responsibility (EPR):** This will involve implementing the early 2020 Ministry of Ecology and Environment–National Development Reform Commission joint announcement on plastics, as well as setting guidelines to reduce plastics, and packaging waste in e-commerce, logistics, and related systems; implementing waste separation and sorting to improve the plastic waste recycling system; and reducing and eliminating single-use plastics. Strengthening corporate social responsibility related to green consumption, waste reduction, and improve waste recovery will also be crucial in this respect.
4. **Prioritize green consumption sectors.** To accomplish this, it will be necessary to increase the supply of green products and green services, including clothing, green food, green housing, transportation, and tourism.
  - **Green clothing:** Strengthen the environmental labelling and certification of textiles and clothing.
  - **Green food:** Promote more sustainable diets, cut food waste in all links from warehousing, food processing and transportation to retail and consumption; fully implement the green takeout scheme; and set up uniform and rigorous certification systems and standards for green organic food.
  - **Green building:** Comprehensively promote the design, construction, and operation of green and healthy buildings; strengthen the environmental certification and labelling of green household products—especially low-carbon, energy-efficiency labelling—and increase the supply of energy-efficient green household products.
  - **Green mobility:** Encourage low-carbon mobility such as walking, cycling, and public transport, and develop a green policy system for the entire automotive industry chain; roll out a national electric vehicle (EV) recharging infrastructure and formal EV battery recycling infrastructure; enhance the role of taxation in encouraging emission reduction and energy saving in the automobile sector; expand economic incentives for the purchase and use of green vehicles. Supply- and demand-oriented support for the automotive and aviation industries must be linked to ecological requirements. Strengthen rail freight transport and sustainable urban logistics, e.g., digitalization and automation of cargo railway.
  - **Green tourism:** Enact and enforce conventions and guidelines on green tourism and consumption; encourage hotels and scenic spots to award green tourism and consumption behaviours; enact and revise the evaluation measures for green services such as green markets, green hospitality, green catering, and green tourism; and incorporate biodiversity conservation into tourism-related standards and certification schemes.

#### Section Four

#### Ecological Integrity: Enhance ecological integrity and connectivity to tackle environmental challenges

The lessons emerging from the COVID-19 pandemic reinforce the importance of comprehensive measures. The concept of “One Health”—which connects and coordinates public health, economic activities, and ecosystems changes (including climate, the sea, and rivers) with the management of

other areas—must be strengthened. In tackling the environmental changes, the terrestrial and marine ecosystems must be connected, and climate action should be aligned with biodiversity conservation.

- 1. Pursue ambitious climate targets with energy transition at their core to build a low-carbon society:** This will involve building a clean, low-carbon, safe and efficient-energy system while setting more ambitious and binding targets for greenhouse gas emission reductions—e.g., setting an absolute cap on carbon emissions for 2025 and 2030. Emission caps should also include non-carbon dioxide emissions, notably methane and hydrofluorocarbons (HFCs). It will be necessary to update China’s Nationally Determined Contributions targets based on the actual circumstances; encourage key regions and sectors to set plans for carbon emission peaking as soon as possible; mainstream climate resilience into national/local government planning and budgets; accelerate a national carbon pricing system; incorporate climate indicators into the Central Environmental Inspection Program; enhance multilateral climate coordination with Europe and with other developing countries through the Ministerial Climate Action (MOCA) and other initiatives, to forge new global climate leadership; eliminate fossil fuel subsidies and avoid stranded assets by gradually phasing out fossil fuel investments; include environmental and climate protection aspects in financial risk assessments and further include sectors in the Chinese emissions trading system (ETS) to internalize external costs; reinforce economic evaluation of coal power generation and prepare a roadmap for the reduction and eventual phase-out of coal-fired electric power generation. At the same time, it will be important to expand investment in renewable energy-based power infrastructure and pursue green power market reforms. Also critical will be decarbonizing energy-intensive industries (i.e., steel, chemicals, and cement) while expanding large offshore wind power, smart grids, and battery storage capacity as well as rolling out hydrogen economy policies at the national level and promoting the use of fuel cells in transportation and cogeneration. Finally, ambitious climate targets should include increasing the proportion of sustainable biomass gasification in the energy mix and expanding carbon capture, use, and storage for the power generation, petrochemicals, and metallurgical sectors.
- 2. Host a successful UN Convention on Biological Diversity (CBD) 15th Conference of the Parties (COP 15) in 2021 to galvanize ambitious multilateral cooperation and step up national action to protect nature and human well-being.** To do so, work proactively with the international community to raise COP 15 ambition levels by setting clear, quantified targets for land and marine ecosystem restoration and conservation (including ecological corridor and ecological security targets) to build an efficient and stable ecological security network and enhance ecological integrity. This will involve promoting transformative and ecosystem-based approaches to support high-quality green growth; strengthening the conservation of different types of ecosystems with a focus on restoration and regeneration of natural vegetation and ecological processes in priority-degraded areas. Also necessary will be the promotion of nature-based climate adaptation and the prioritizing of adaptation within integrated water and river basin management systems, building codes, infrastructure, and sustainable agricultural systems, within the context of sustainable use to mainstream nature conservation. It will also include the conservation and management of socio-ecological production landscapes as well as tackling alien invasive species as a national priority within the Post-2020 Global Biodiversity Framework. Galvanizing multilateral cooperation will require expanding forests, wetlands, and grasslands as the basis of nature-based climate resilience and prohibiting and actively prosecuting activities that seriously harm biodiversity, such as the illegal wildlife trade, illegal pesticide production and use, illegal fishing, and illegal land conversion. Stopping the habit of eating wild animals and regulating wildlife parts in traditional medicine—as well as promote greater private sector action in biodiversity conservation—will be key in this area.

3. **Enhance comprehensive marine governance to promote the resilience of marine ecosystems and support the sustainable growth of the blue economy.** This will involve the strict controlling of sea reclamation, strengthening the restoration of coastal wetlands and re-establishing key habitats. It will also be necessary to delineate marine ecological red lines and marine protected areas—they have critical long-term benefits for biodiversity and fisheries. Comprehensive marine governance also requires strengthening scientific knowledge, monitoring, and legal enforcement to advance the protection and restoration of ocean ecosystems and high-quality development of ocean economies — as well as fully leveraging the inter-ministerial coordination mechanism and national-level science advisory body for the ocean. Also necessary will be the development of integrated marine management policies based on ecosystems, along with green fishing vessels, green fishing ports, and green marine aquaculture, while establishing a traceability system for seafood and promotion of green shipping.
4. **Improve the assessment methods and payment mechanisms for natural capital and ecosystem services to advance high-quality development of the Yangtze River and Yellow River basins.** To do so, it will be necessary to adhere to the principle of staying within the carrying capacity of resources and environment, boost the application of natural capital accounting in spatial planning, and ensure the integrity, health, and sustainable development of river basin ecosystems. It will also be essential to establish a well-regulated and standardized natural capital accounting system and develop an ecosystem monitoring network. A pricing mechanism for ecological products that consists of market pricing, government pricing, and regulated market pricing will need to be built. Improvements in this area will also require innovating the ecological compensation mechanism and speeding up the process of horizontal compensation for river basins from ecosystems in terms of water resources, water environment, and water ecology.
5. **Incorporate biodiversity conservation into China’s Framework for Green Finance and mainstream conservation finance.** To do so, establish a market-based mechanism for the pricing of natural assets and develop financial tools such as payment for ecosystem services, access, and benefit-sharing compensation systems and the introduction of private capital to support the financing of ecological and environmental protection. It will also be important to promote enhanced transparency and disclosure of financial risks related to climate change and ecological risks. This will be helped by the promotion of the “no net loss” principle in major economic plans and an increase in the weight of factors related to ecological conservation in strategic environmental impact assessment, and in the assessment of large-scale infrastructure projects. Incorporating biodiversity conservation also involves compensating ecological losses with “ecological protection behaviour” to complement monetary-based compensation.

## Section Five

### Green Belt and Road Initiative (BRI) and the Supply Chain: Achieve global green prosperity through green cooperation

1. **Carry out pilot cooperation projects and promote green development concepts and practices in BRI countries.** To do so, maximize the role of the BRI International Green Development Coalition, the Belt and Road Sustainable Cities Alliance, and other platforms, and carry out joint pilot projects for the construction of the Green Belt and Road and sustainable demonstration countries, cities, and projects. Ecological redlines and nature-based solutions should be promoted among the participating BRI countries. There should be reduced investments in coal-fired power projects accompanied by expansion of clean energy infrastructure projects. It will be vital to give full play to the role of international

organizations, professional institutions, multinational companies, and civil organizations, and attract the active participation of social capital in greening BRI. To do so, strengthen case studies on the green transition of BRI countries and accelerate the broad application of good experience.

2. **Improve green assessment and classification of BRI projects:** This will be accomplished by developing positive and negative lists to provide green development solutions for projects and green credit guidelines for financial institutions, through environmental impact assessment tools, clear standards, and financing safeguards. It will also involve enhancing the application and alignment of green standards and developing more green and high-standard demonstration projects to guide enterprises to effectively bear the responsibility of ecological and environmental risks. Ultimately, it will be necessary to apply more environmentally friendly practices in projects harvesting natural resources, and pursue world-class green mining, forestry, marine transportation and ports, fishing, and aquaculture.
3. **Adopt measures to promote the systematic greening of global soft commodity value chains to avoid deforestation and ecological degradation:** To do so, develop a long-term inclusive mechanism for common efforts to promote the green development of global value chains, including the establishment of a coordinating and supporting institution that involves the participation of multiple players—for example, the government, companies, research institutes, and other organizations. Improving the existing policy and technical support system to avoid incentives for deforestation and promoting a global standard to complement the work of global traders and consumer goods companies to avoid deforestation will be important—as well as implementing relevant demonstration projects and duplicating their experience. It will be valuable to enhance synergies of existing bilateral and multilateral mechanisms to share the theory and practice of green value chains. Other steps to take include research to develop a traceability system for commodity trades and related due-diligence requirements as well as supporting the sustainable production transition through South–South collaboration.
4. **Green overseas development:** It is recommended to explore ways for the China International Development Cooperation Agency to mainstream green practices in all project finance; adopt “do no harm” principles; and increase the proportion of green and environmental assistance in foreign aid for green development in BRI countries.