

**Role of Public Policy in Providing Sustainable Consumption Choices:****Resource Saving Society and Green Growth****23-25 June 2006, Beijing, China****Draft summary of conclusions****Background**

The Second Green Growth Policy Dialogue on the Role of Public Policy in Providing Sustainable Consumption Choices: Resources Saving Society and Green Growth, held from 23 to 25 June 2006 in Beijing, China was organized by UNESCAP in collaboration with the National Development and Reform Commission of China (NDRC) and the China Standard Certification Centre (CSC) and with the generous funding from the Government of the Republic of Korea, Government of Norway, the Swedish International Development Cooperation Agency (SIDA), the Institute for Global Environmental Strategies (IGES).

It was attended by more than 80 participants from Ministries of Finance, Ministries of Planning, Ministries of Industry and Development, and Ministries of Environment of 15 member states, representatives of UN Organizations and development agencies, NGOs, private sector and research institutions.

The 2<sup>nd</sup> Green Growth Policy Dialogue focused on the less debated role of the public sector in sustainable consumption. Public sector could provide sustainable consumption choices by investing in physical infrastructure such as public transport as well as by stipulating regulatory frameworks such as standards and regulations. Public sector could also internalize environmental costs into the products and resources by using economic instruments, such as taxation or charges; as well as by applying demand side management.

A review of the eco-efficiency of contemporary consumption patterns of the countries in the Asia and Pacific region was presented. The Policy Dialogue also took stock of a vast range of experiences, successful national examples and models, as well as lessons learned in the area of eco-efficiency of the consumption patterns.

**Resource Saving Society and Green Growth**

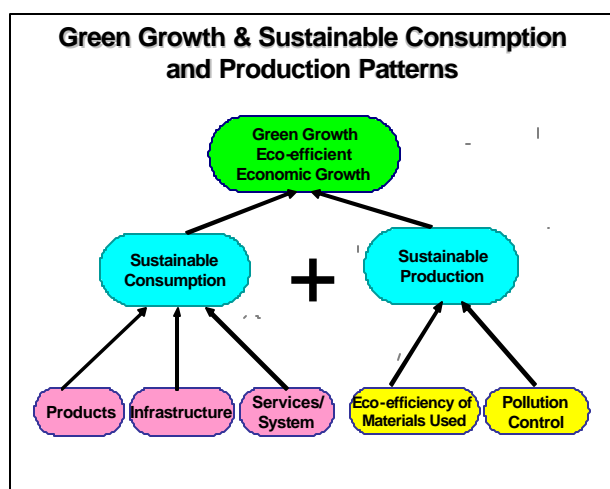
The overarching theme of the 2<sup>nd</sup> Green Growth Policy Dialogue was the Resource Saving Society Initiative of China and Green growth. The Resource Saving Society Initiative developed and promoted by the Department of Environment and Resource Conservation of the National Development and Reform Commission (NDRC) is currently implemented by the Government of China through the National 11th Five-Year Plan (2006-2010). At the policy dialogue, the NDRC announced the following six major national measures in pursuit of green growth and resources saving society:

- To establish sound legislation, regulation and standardization framework;
- To speed up optimization of the industrial structure, including improvements of energy consumption and use of high quality and alternative energy;
- To promote improvement of technological processes and scientific research for energy efficiency and recycling technologies;
- To improve energy consumption management;
- To develop appropriate and further improve existing incentive policies;



- To develop new tools and mechanism such as energy efficiency labelling and energy and water conservation product certification to guide and provide sustainable consumption choices for consumers

### Importance of Pursuing Sustainable Consumption in Asia and the Pacific



The Policy Dialogue also reviewed whether sustainable consumption is also relevant to developing countries. The meeting concluded that though sustainable consumption is well promoted in the Western part of the world, it is a concept embedded in the traditional Asian value system. Moreover it is not only an environmental concept, but a necessary economic condition for pursuing eco-efficient economic growth in developing countries in the region.

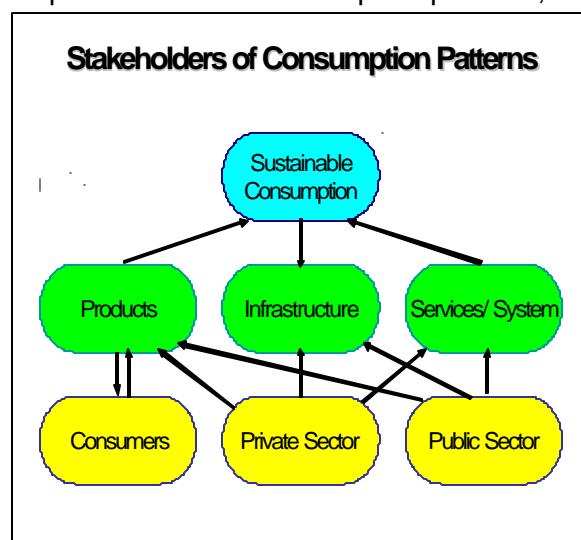
Current sustainable consumption and production debate has been more focused on the production patterns; such as cleaner production and less attention has been devoted to

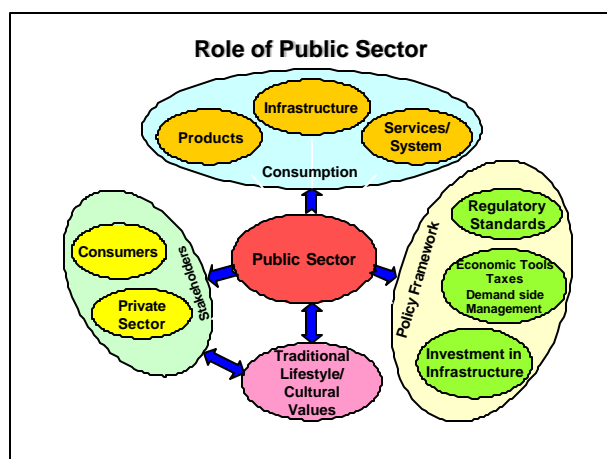
sustainable consumption. Sustainable consumption is left to the choice of the consumer and often this choice is not provided by the production side.

### Eco-efficiency of Sustainable Consumption and Economic Growth

As the growth pattern is defined by the sum of production and consumption patterns, the importance of Sustainable Consumption outgrows the current views that it is only a matter of an individual consumer choice. In reality, today SC is becomes a necessary condition for economic growth in the Asian and Pacific region, which is heavily influenced by the current rising prices of natural resources, such as for oil and other important production materials.

Eco-efficiency of production and consumption patterns has not been adequately addressed and there is a need to expand the scope of SCP debate beyond products alone to encompass the infrastructure and services as well. Public policy that provides for improved, eco-efficient infrastructure with increased access to resources would also improve the eco-efficiency of consumption of the society. There should be careful consideration when making long-lived investments in oil-intensive infrastructure.





When the production patterns are reviewed, pollution control exhibits some improvements in general in relation to income increase as the Environmental Kuznetz Curve hypothesis suggests. However there is no empiric evidence that the eco-efficiency of consumption improves, or will improve with income increase. During the Policy Dialogue some presentations pointed out at evidence for deterioration of eco-efficiency of consumption with economic growth. Therefore the Policy Dialogue concluded that it is necessary for the public sector to provide consistent policy interventions to steer and enhance the eco-efficiency of consumption

patterns. In addition to regulating and stimulating sustainable consumption, public sector creates a conducive environment for more investments necessary to provide for sustainable consumption choices, such as sustainable infrastructure.

Sustainable consumption can be an opportunity for improving the eco-efficiency of economic growth. Economic incentives and pricing policy could be important tools to enhance that. Pricing policy can include reform of taxes and subsidies, economic incentives for renewable energy, energy price policy, polluter/ user fees, and/or higher interest rates for poor environmental performers.

In comparison with changing production patterns, which is relatively straightforward in setting targets, to enhance the consumption patterns of the society there is a need for a change of lifestyle and consumer behaviour.

### Public Policies as a Tool to Promote Sustainable Consumption

Several types of policies were discussed during the 2<sup>nd</sup> Green Growth Policy Dialogue. These include but are not limited to: the need for increased access to resources, improved consumer information on environment; implementation of economic tools (mainly pricing policy), effective pollution control, green procurement by governments, 3Rs (reduce-reuse-recycle), resource saving society energy conservation, provision of sustainable transport options and appealing to traditional values, lifestyles and/ or religions.

Additionally, the 2<sup>nd</sup> Green Growth Policy Dialogue concluded that:

- As unsustainable consumption pattern is rapidly spreading out through the globalization process, developing countries should take action even in the early stage of development to prevent unsustainable levels of consumption from locking in.
- Infrastructure has to be built in an eco-efficient way and eco-efficiency should be a criteria for infrastructure investment. Strategic Environmental Impact Assessment of the impact of long term use of transport system need to be applied when making infrastructure development plans. Eco-efficient transportation systems are feasible and there are many best practices available in the region.
- Suggestions on provision of sustainable transport included promoting bicycle usage, subsidizing/ providing public transport, consider future price of oil when making investments in roads, introduction of cleaner fuels such as LPG and gasohol, switching to unleaded gasoline, imposing a congestion charge in downtown areas and it was recognized that issues of relocation need to be considered seriously when planning transport.

- Provision of product information and raising the awareness of the consumer through education, public disclosure and eco-labelling will significantly influence the eco-efficiency of the consumption and economic growth. Consumer attitude translate into purchasing decisions.
- As sustainable consumption is about changing lifestyles, directly related to consumer behaviour which is very difficult to influence, there is a need to link with cultural values and traditional lifestyles. The role of the public policy is to promote and support non-monetary values and value systems, which cater for the wellbeing of the society through enhanced eco-efficiency of consumption of resources, harmony with nature and environmental stewardship to meet the needs and enhance the wellbeing of all..
- Many of the country initiatives presented at the policy dialogue draw on traditional Asian views that are similar to sustainable consumption and which are imbedded in Hinduism, Buddhism, Taoism, Confucianism, Christianity and Asian life philosophy. The most concrete example of tradition being used in the formulation of public policy is that of the Gross National Happiness in Bhutan.. Other similar initiatives such as, Mottainai and recycling in Japan and the Sufficiency Economy of Thailand were also recognized as important.
- There is a need to examine the entire life-cycle of products and services from concept and design, to production, distribution, use and disposal of goods and services. As unsustainable consumption patterns are rapidly spreading out through the globalization process, developing countries should take action even in the early stage of development to prevent unsustainable levels of consumption from locking in. Successful examples of reduce, reuse and recycle throughout the region presented at the policy dialogue included the phase out of polythene shopping bags, various recycling schemes, and conversion of waste to products.
- Green procurement by government can make a substantial difference especially in countries where government expenditures represent 10 to 15% of gross domestic product. Also, it can be useful for governments to lead by example.
- In terms of energy conservation suggestions included energy auditing, installation of meters, research, standard setting for energy efficient products and buildings. It was recognized that there is a need for a trans-Asia Pacific Energy Forum and System. However, it was recognized that energy efficiency standards need to be supported by policy tools to achieve eco-efficiency of energy consumption.

### **Establishment of a Regional Help Desk on Sustainable Consumption in Asia and the Pacific**

The participants at the 2<sup>nd</sup> Green Growth Policy Dialogue have welcomed the establishment of the regional Help Desk on Sustainable Consumption and Production in Asia and the Pacific by UNESCAP and UNEP and to be hosted by the China Standard Certification Centre, which is expected to provide increased opportunities for networking, information sharing and capacity building in the area of sustainable consumption and production. The participants expressed their willingness to provide support to the regional Help Desk and to promote its activities in their respective countries.