

IMPACT SHEET • SWITCH-ASIA PROJECT  
**IMPLEMENTING SUSTAINABLE CONSUMPTION  
IN CIVIL SOCIETY OF URBAN CHINA**

**Shifting consumer spending patterns  
in urban China by engaging retailers,  
suppliers and consumer associations**



**Saving 40 petajoule of energy and reducing water  
consumption by 141 million tonnes in only three years  
by increasing sales of green products in Beijing and Tianjin**



## The Challenge

As living standards in China continue to advance, consumption behaviour changes. Spending patterns become similar to more affluent nations. Rising needs and changing lifestyles are translating into higher spending on a wide variety of categories. At the same time, the Chinese are becoming increasingly health and eco-conscious. Currently, the willingness to buy green products among consumers is relatively high, yet in practice, expenditure on green products is still fairly low. The main barriers for consumers to buying green products are availability, accessibility, and the credibility and availability of the price and information displayed on the products and services.

## Objective

The project sought to foster and mainstream citizens' sustainable consumption through business networking of stakeholders and creating a market for green products by awareness-raising, capacity building for consumer associations, and exchanging knowledge through an EU - China partnership.

### TARGET GROUPS

- Local consumer associations in Beijing and Tianjin
- Retailers
- Small and medium-sized enterprise (SME) suppliers
- Local authorities
- Consumers in the mega cities of Beijing and Tianjin

## Activities / Strategy

The project addressed sustainable consumption (SC) in Beijing and Tianjin. Activities included awareness-raising and capacity building, supporting target groups promoting SC, monitoring and enforcement, scaling-up SC to more retailers and district consumer associations and policy framing in Beijing and Tianjin. Communication and visibility activities involved the local media, schools, stakeholders and individual consumers.



### Addressing Retailers and Their Supply Chain

The project aimed at improving the supply chain by facilitating voluntary agreements between larger retailers (supermarkets) and consumer associations. The signed agreements encouraged retailers to increase the percentage of green products on their shelves. The project engaged retailers encouraging them to transfer knowledge on sustainable product labels and to disseminate tools and skills to increase market demand for sustainable products. The project used both 'pull' and 'push' strategies and addressed producers, suppliers and consumers.



### Addressing Consumers to Increase Market Pull

The project simultaneously increased market pull for green products by raising awareness, building capacity in consumer associations, and transferring knowledge on best practice in sustainable consumption in the EU and in China. SME suppliers felt an impact by having to meet improved, but realistic, SC criteria to be competitive. Increasing the market for sustainable products offered SME suppliers opportunities to take innovative technical and managerial measures to produce more sustainable products. Key owners of this action were local consumer associations, local authorities, local retailers and SMEs suppliers.



Consumer awareness raising



Launching of Tianjin Green Consumption School

# Scaling-up Strategy



## Motivating Consumers towards Ethical Consumption

The project, including the participating consumer associations and service providers, communicated with citizens to enlarge the market for green products. The associations worked with evidence-based communication campaigns, often involving product testing and putting pressure on suppliers and producers of harmful or non-sustainable products to change their supply or production approaches.



## Engaging Retailers to Increase Their Share of Green Products

One strategy of the project was to target supermarkets and retailers directly who have great power to influence the behaviour of small-scale suppliers. The project introduced a setup whereby the retailers signed voluntary agreements with consumer associations to increase the percentage of green products on their shelves. The project made the retailers aware that they could influence suppliers and had the power to and had the power to undertake choice editing, i.e. controlling the choices that would be available to consumers.



## Facilitating SME Green Product Supply Contracts

Green supply contracts were signed between retailers and SME suppliers with support from the project. The contracts supported retailers in establishing the sustainability criteria for products by introducing green labels and providing information on the energy costs throughout the product life cycle. Local consumer associations disseminated information to consumers, including that related to product quality comparison tests. By doing so,



*The central impact of this action was the change in life-style and consumption behaviour in civil society towards low-carbon living and sustainability in China; this impact is being realised by engaging supply chain business networks and encouraging the participation of all stakeholders including retailers, consumers, consumer associations, authorities as well as citizens.*



Zhang Mingshun,  
Project Manager,  
Beijing University  
of Civil Engineering  
and Architecture



demand for green products increased and SME suppliers were motivated to sign more green supply contracts.



## Aligning with Local Policies

The project sought synergy with local policies and plans launched by the regional authorities in Beijing and Tianjin, such as the Low Carbon City programme where sustainable procurement and ethical consumption were highlighted as key areas. The project offered the municipal bureaux a route to implement their policy.



## Results



### Retailer Engagement Initiated

The project facilitated voluntary agreements between consumer associations, target supermarkets and SME suppliers. In the agreements, SMEs were committed to increasing supply of sustainable products to retailers/supermarkets, and to give priority to purchasing sustainable products from their suppliers. By the end of 2014, 40 MoU had been signed (20 in Beijing and 20 in Tianjin) between local consumer association and retailers. These 40 retailers are the key retailers in Beijing and Tianjin, with total annual sales of 160 billion Chinese Yuan (EUR 23 billion), and thus they have a huge impact in SC.



### Surveys Conducted Among Consumers

Project research focused on the attitudes and willingness of local residents to buy 'green', the availability of sustainable products, and the quality of life and general awareness of SC. The surveys in both Beijing and Tianjin showed that about half of the consumers were paying more attention to the quality of products rather than sustainability aspects. Twenty-five per cent of consumers were concerned about price, and only 9% of consumers paid attention to SC and environmental issues.



### Green Consumption School Established Results

Media in both Beijing and Tianjin established programmes for communicating SC information, such as successful SC practice or national and regional SC policies. In both Beijing and Tianjin, project partners established a Green Consumption School – a weekly voluntary awareness programme open to all citizens in these mega-cities. These community green consumption schools offered various training courses and workshops to the public, raising awareness of SC and providing skills to identify green



*Local media coverage*

products and calculate the carbon footprint of e-products. More than 1 500 participants attended sessions of the Green Consumption Schools.



### SME Suppliers Signed Green Product Supply Contracts

SME suppliers worked with the target retailers/supermarkets to provide green products to the market. Project support focused on establishing business networks and communicating SC requirements of public authorities. By the end of the first year, 1 058 green supply contracts had been signed by SME suppliers and retailers.



### Surveying Green Suppliers

The project conducted a survey among SME suppliers to promote the development of green supply and green procurement in Beijing. The survey identified performance, technology, and raw material prices as the main constraints being faced by suppliers. Nearly 70% of companies were already greening their production chains from design through to recycling. Fifty-eight per cent of companies interviewed were willing to open their chains to promote technological upgrades and to increase the transparency of product information.



## Impact in Numbers

<p><b>Economic Impact</b></p> 	<ul style="list-style-type: none"> <li>Supply of green products increased by 19.4% in the 40 target retailers of Beijing and Tianjin, as compared to the 2010 baseline.</li> <li>Total of CNY 79,217 million (EUR 11,317 million) was spent by target retailers for procuring green projects, which is 19.4% higher than the baseline in 2010.</li> <li>40 contracts were signed between local consumer association and retailers increasing the demand for green products, helping to align the supply and demand sides of green product value chain.</li> </ul>	<p><b>Policy Development</b></p> 	<ul style="list-style-type: none"> <li>Organised 24 policy dialogues in both Beijing and Tianjin (12 in each city) to involve stakeholders in policy-making process and enforcement, and developed methodologies to evaluate policy implementations</li> <li>Based on the project's output, the Beijing Consumer Association submitted two policy recommendations to the People's Congress of China, contributing to the revising of Article 5 of the PRC Law on Protection of the Rights and Interests of Consumers. Now the law includes a statement, "the state shall encourage and promote the consumption behaviour that is civilised, healthy, resource-saving and environmentally sound, and shall be against over-consumption." Under this law, promoting and up-scaling sustainable consumption become key duties and functions of consumer associations throughout China.</li> </ul>
<p><b>Environmental Impact</b></p> 	<ul style="list-style-type: none"> <li>Compared to the project's baseline in 2010:                             <ul style="list-style-type: none"> <li>reduced water use by 141 million tonnes, which is higher than targeted 120 million tonnes</li> <li>reduced waste water by 112 tonnes</li> <li>reduced solid waste by 830 000 tonnes</li> </ul> </li> <li>Reduced environmental impacts by increasing resource efficiency, reducing the use of toxic materials and reducing energy consumption.</li> </ul>	<p><b>Europe-Asia Cooperation</b></p> 	<ul style="list-style-type: none"> <li>Organised 6 events involving European and Asian participants (2 per year in the 3 year project period) resulting in three new EU-Asia partnerships, and knowledge exchange of methodology to assess SC environmental impacts, European SC best practice, and European green labels.</li> <li>Promoted Europe-Asia cooperation through 6 joint workshops, 12 joint publications, and 6 joint missions to target retailers.</li> </ul>
<p><b>Social Impact</b></p> 	<ul style="list-style-type: none"> <li>Increased the demand for green products and promoted a low-carbon lifestyle among Chinese consumers. This was achieved by engaging local consumer associations and retailers, as well as working with local authorities.</li> </ul>	<p><b>“</b></p> <p><i>The success of this SC in Urban China project shows that consumers are very willing to adopt a sustainable lifestyle. The key barrier is how we can bring all stakeholders together. The SC-China project is a good example demonstrating how all stakeholders have cooperated successfully and with friendly attitudes towards each other.</i></p> <p><i>Luo Gang, Senior Advisor Beijing Consumer Association</i></p> <p><b>”</b></p>	
<p><b>Climate Benefits</b></p> 	<ul style="list-style-type: none"> <li>Reduced energy use by 40.1 petajoule and greenhouse gas (GHG) emissions by 393 000 tonnes.</li> </ul>		
<p><b>Target group Engagement</b></p> 	<ul style="list-style-type: none"> <li>Engaged 40 retailers and 3 419 SME suppliers</li> <li>Involved 42 stakeholders, i.e. local consumer associations, local mass media, local communities and schools, and local authorities in technical training sessions, networking events, policy dialogues, benchmarking and best practice.</li> </ul>		



**Legend**

- Eligible countries for the SWITCH-Asia Programme
- Non-eligible Asian countries for the SWITCH-Asia Programme

**Project implementation area**

- City
- Region
- Country

*The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.*

**OBJECTIVES**

SC in Urban China sought to foster and mainstream citizens' sustainable consumption through business networking for a variety of stakeholders and creating a market for green products by awareness-raising, capacity building for consumer associations, and knowledge exchange through an EU-China partnership.

**DURATION**



**PROJECT TOTAL BUDGET**

EUR 997 396 (EU contribution: 80%)

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