



## Growth, Investment and the Low-Carbon Transition in China and the World

Workshop 12 April 2017, 9:30-17:30  
Development Research Center of the State Council  
225 Chaoyangmennei Avenue, Dongcheng District, Beijing

This one-day workshop is jointly organised by the Development Research Center of the State Council (DRC) of the People's Republic of China and the Organisation for Economic Co-operation and Development (OECD), as part of the OECD's on-going project '[Growth, Investment and the Low-Carbon Transition](#)'. The project, commissioned by the German Federal Ministry for Environment, Nature Conservation, Building and Nuclear Safety (BMUB), is being prepared in support of the German G20 Presidency and will be launched in conjunction with the Petersberg Climate Dialogue in Berlin on 23 May 2017.

The main aim of the project is to explore the case for co-ordinated policy action on growth, development and climate, to better understand economic and social implications of a low-carbon, climate-resilient transition of G20 economies. The report demonstrates how pro-growth measures, including efforts to mobilise investment in low-emission and climate-resilient infrastructure, can successfully spur economic growth and development while also achieving the objectives of the Paris Agreement. The study recognises that G20 economies may face substantially different socio-economic conditions which will affect the course and speed of their transition. To this end, the OECD is seeking to tailor its findings and conclusions to specific country contexts.

The OECD in collaboration with DRC is convening a discussion on the report's emerging policy conclusions and messages to ensure that they adequately reflect China's unique circumstances. China has seen an unprecedented level of infrastructure investment, totalling USD 1.3 trillion in 2014, which is not only higher than in all other developing countries, but also in all developed countries combined. At the same time, there is recognition of the need to rebalance economy away from investment towards consumption, and as highlighted recently by Premier Li Keqiang during the opening of the National People's Congress, to address amongst others such issues as overcapacity in coal, steel and other industries, and the risk of falling into 'middle-income trap'.

Climate change and environment are also gaining increasing importance within China's broader economic policy agenda. In its 13th National Economic and Social Development Plan (2016-2020), China has included a chapter on 'Actively Addressing Climate Change' which calls for actions to control GHG emissions in the energy and industrial sectors. Further, reductions in the release of major pollutants also remain a priority.

Addressing how China's growth agenda might effectively take into account the country's low-carbon transition objectives will be the central focus of the workshop. To solicit expert views and inputs on the discussion of the opportunities and challenges of China's low-carbon transition, the workshop will bring together a number Chinese experts and practitioners in the field.

### Programme



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**09:30-9:50**     **Welcome and Opening**

- **Yiming Wang**, Vice Minister DRC.
- **Christian Kastrop**, Director, Policy Studies Branch, Economics Department, OECD

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**9:50 -11:30**     **Session 1: OECD study 'Growth, Investment and the Low-Carbon Transition'**

*The session will be moderated by **Christian Kastrop**, Director, Economics Department, OECD*

The OECD will introduce the study "Growth, Investment and the Low-Carbon Transition", conducted in support of the German G20 Presidency, and provide an overview of the emerging conclusions and policy messages.

- **Andrew Prag**, Policy Analyst, Environment Directorate

**Discussion**

The session will then proceed to solicit immediate feedback from a panel of Chinese experts and audience on the relevance of this work for China, guided by the proposed questions for discussion.

*Questions to the panel and audience*

- How do the key messages of the report resonate with the specific policy and economic context of China?
- To what extent can pro-growth policies be aligned with and compensate for the cost of climate mitigation policies?
- How can other important policy objectives (such as air pollution, water management) be better leveraged to also support climate objectives?

*Response by the panel*

Panellists will be invited to share their views, guided by proposed questions.

- **Jiahua Pan**, Director General and Professor, Institute for Urban and Environmental Studies, Chinese Academy of Social Sciences
- **Ji Zou**, Professor, School of Environment and Natural Resources, Renmin University of China (Former Deputy Director of National Center for Climate Change Strategy and International Cooperation); Professor, School of Economics and Management(SEM), Shenzhen Harbin Institute of Technology
- **Guang Xia**, Director General and Professor, Environment and Economy of Policy Research Center, Ministry of Environmental Protection
- **Huiqiang Cheng**, Assistant to the Director General and Research Fellow, Institute for Resource and Environmental Policy Studies (IREP), DRC

*Floor will open to the audience for questions and comments*

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**11:30-11:50**     **Coffee break**

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**11:50-13:15**    **Session 2: Pursuing the low-carbon transition with China's growth agenda**

The session will be moderated by **Jiwen CHANG.**, Deputy Director General, DRC.

The OECD will provide an overview of the key components of low-carbon economic growth and how government policies can help shape them.

- **Andrés Fuentes-Hutfilter**, Senior Economist, Economics Department

**Discussion**

The session will turn to the panel and audience to explore the main drivers of China's economic growth and development, and the levers that can be used to support the low-carbon transition, including the role of technology transfer and innovation, and mobilising finance for low-carbon infrastructure.

*Questions to the panel and audience:*

- How can the main drivers of China's economic growth support its low-carbon transition?
- What are the main challenges and opportunities in achieving a low-carbon, climate-resilient development pathway in China?
- What are the key policy instruments, and their relative effectiveness, to align economic growth and development with a low-carbon, climate resilient future for China? For instance, fossil fuel subsidy reform ('[G20 Voluntary Peer Review](#) by China and the United States on Inefficient Fossil Fuel Subsidies that Encourage Wasteful Consumption')

*Response by the panel*

Panellists will be invited to share their views, guided by proposed questions.

- **Li Niu**, Director and Associate Professor, Macroeconomic Research Office, Economic Prediction Department, State Information Center
- **Xianqiang Mao**, Professor, School of Environment, Beijing Normal University
- **Shengbo Feng**, Deputy Director and Associate Professor, Energy System Analysis Center, Energy Research Institute National Development and Reform Commission
- **Yuantang Lu**, Director and Professor, PPP Center, Chinese Academy for Environmental Planning, Ministry of Environmental Protection

*Floor will open to the audience for questions and comments*

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**13:15-14:15**    **Lunch break**

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**14:15-15:30** *Session 3: Managing economic and social implications of heavy industry low-carbon transition*

The session will be moderated by **Christian Kastrop**, Director, Economics Department, OECD

The OECD will provide a brief overview of the study's discussion on the levers available to manage the socio-economic implications of the low-carbon transition.

- **Andrew Prag**, Policy Analyst, Environment Directorate

**Discussion**

The session will then turn to the panel and audience explore the potential economic and social implications of China's transition away from fossil fuel intensive pathways, including the co-benefits of the transition for climate and health.

*Questions for discussion*

- What are the main structural implications of the heavy industry transition for the economy and society (e.g. in terms of employment, skills, stranded assets), and how can they be best managed?
- What has China's experience with sector-wide restructuring been in the past and which lessons learned could be applied to the low-carbon transition of the heavy industry sectors?

*Response by the panel*

Panellists will be invited to share their views, guided by proposed questions.

- **Dan Shi**, Deputy Director General and Professor, Institute of Industrial Economics of Cass
- **Hong Lan**, Deputy Director and Professor, Ecological Finance Center, School of Environment and Natural Resources, Renmin University of China
- **Hui Tian**, Director and Professor, Institute for Finance, DRC

*Floor will open to the audience for questions and comments*

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**15:30-16:00** *Coffee break*

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**16:00-17:30**    **Session 4: Land-use planning and regional development**

The session will be moderated by **Gu Shuzhong**, Deputy Director General, DRC.

The OECD will provide a brief overview of the study's discussion on the role of land-use planning in available to manage the socio-economic implications of the low-carbon transition.

- **Galina Alova**, Policy Analyst, Environment Directorate

**Discussion**

This session will then focus on convening a discussion amongst the panel and the audience on the links between land-use planning and managing emissions from different land uses, in the context of China's regional development.

*Questions for discussion to the panel and audience*

- In what ways can effective land-use planning contribute to reducing emissions from relevant sectors? What are the main policy levers to balance development objectives, such as food security, with reducing emissions from deforestation and agriculture?
- How effective has the 'red line' ecological zoning approach been to integrate environmental objectives of ecologically fragile areas into regional development?

*Response by the panel*

Panellists will be invited to share their views, guided by proposed questions.

- **Keijing Jia**, Director and Research Fellow, Institute of Land Planning, China Land Surveying and Planning
- **Li Tian**, Professor, School of Architecture, Tsinghua University
- **Xiaowei Xuan**, Director and Professor, Department for Regional Economic and Development Strategy of DRC
- **Tongsheng Zhang**, Director and Professor, World Heritage Conservation and Development Center, China Urban Construction Design and Research Institute Co.Ltd

*Floor will open to the audience for questions and comments*

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**17:30-17:45**    **Closing remarks by DG Gao Shiji and Christian Kastrop**

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**18:30**            **Dinner**

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