

CHINA

GREEN GROWTH TRANSITION IN CHINA



GGGI Project Results Report



OVERVIEW

Owning division	GGPI
Country / region / Global implementation	China Upper Middle Income Country (UMIC)
Thematic area	Multi-sectoral
Project start date	Q1 2016
Funding source	Core
Approved budget for 2015-16	USD 1,254,002
% of budget disbursed	78%

HIGHLIGHTS

- Informed China's foreign policy towards green investments in developing countries with analysis of green growth demand data across seven GGGI country programs.
- Contributed to policy recommendations supporting Chinese government's South-South Cooperation and One-Belt-One-Road initiative for national policy adoption review.

CONTEXT

After three decades of resource-intensive growth, China is now the world's second largest economy. China's growth has been driven by the traditional fossil-based growth model, which has made the country the world's largest Greenhouse Gas (GHG) emitter. Maintaining China's growth in an environmentally sustainable way presents a number of challenges, both domestically and internationally, including:

- Ecosystems under severe pressure due to rapid and energy intensive industrial and urban development
- Integration of sustainable development planning across industries and consumption sectors, especially regarding China's vast outbound investments in industrial development across the developing world.

- Integration of renewable energy, energy efficiency and cross-cutting clean technologies, and supporting policies
- Regional development disparities in cities and communities, between inner and coastal provinces;
- Equitable distribution of growing prosperity and social inclusion in rural areas cities and communities

OVERALL OBJECTIVE

Through the program, GGGI is supporting the Chinese government with its aim to green South-South Cooperation (SSC) and One Belt One Road (OBOR) initiatives, including overseas investments, and introduce a green growth approach in Chinese provinces.

RESULTS FOR 2016

OUTPUT 1.1

STATUS **ACHIEVED**

Pilot test green growth implementation approach in selected province(s)/cities

- GGGI developed green growth policies to inform a pilot project and green community design in Shishou City, a rural municipality in Hebei Province, China.
- Development Research Center (DRC), GGGI's local Chinese counterpart, validated GGGI's work to support in designing sustainable communities, developing green indicators for rural development, and setting long-term green growth research agenda to analyze China's rural development.

OUTPUT 1.3

STATUS **ACHIEVED**

Develop green strategic guidance for China's overseas investment

- GGGI, together with Energy Research Institute (ERI), produced a recommendation report to explore safeguards, industry-standards and data-based recommendations to green China's substantial overseas investments, up to 30% of which are carbon-related.

OUTPUT 2.1

STATUS

China's best practices identified, summarized and shared via SSC and green growth knowledge enhanced

- GGGI in cooperation with China Council for International Cooperation on Environmental Development (CCICED) and China Academy of International Trade and Economic Cooperation (CAITEC) captured China's green growth best practices in renewable energy deployment and sustainable cities policies.
- The findings were shared with 15 participating African country representatives at a knowledge sharing workshop in Nairobi, Kenya in September 2016 jointly hosted with Chinese partner institutes and UNEP, WWF and GIZ.

ADDITIONAL RESULTS

- GGGI made substantial progress towards a trilateral green growth collaboration between China, Japan and Korea. Based on the working-level discussions facilitated by GGGI, Minister-level officials from the three countries proclaimed support for the collaboration at the side event at COP23. This event strongly enhanced GGGI's relationship with National Development and Reform Commission (NDRC), as well as GGGI's role as a facilitator to promote green growth collaboration.

OUTPUT 1.2

STATUS **ACHIEVED**

Develop and share innovative, evidence-based green growth model for policymakers

- GGGI captured best-practices on Green City administration and design through a workshop hosted together with China ASEAN SCO Center on Environmental Cooperation (CSEC) on Green Cities.
- Workshop findings were incorporated into CSEC's policy recommendation on Green City Development along the One Belt One Road path, which was subsequently reviewed for national policy adoption by the Minister of Environmental Protection of China.

OUTCOME 1

STATUS **DELAYED**

Green growth approach integrated into China's policies and overseas investment decisions

- The report GGGI produced with CSEC was published and released by the end of 2016 and has been submitted to China's State Council and the Office of the Vice-Premier for policy adoption review, which is likely to be adopted in 2017.
- GGGI-ERI report will inform the National Development and Reform Commission (NDRC) and China's financial institutions on their overseas investment activities under SSC, and also likely, the \$3.1 billion China South-South Cooperation Climate Fund.

OUTCOME 2

STATUS **ACHIEVED**

South-south cooperation and dialogue enhanced

- GGGI developed policy recommendations for South-South Cooperation and Ecological Civilization, which explored green growth assessments from 20+ developing countries in Latin America, Africa and Southeast Asia.
- Recommendations were published and released at the end of 2016 and has been submitted to China's State Council and the Office of the Vice-Premier for policy adoption review.

PARTNERS

LOCAL

- Energy Research Institute (ERI) under National Development and Reform Commission (NDRC)
- China Council for International Cooperation on Environmental Development (CCICED) under the Ministry of Environmental Protection (MEP)
- China Academy of International Trade and Economic Cooperation (CAITEC) under the Ministry of Commerce (MOFCOM)
- Development Research Center (DRC) under China's State Council
- China Public Research Center on Energy and Environment (PRCEE) under MEP
- China ASEAN SCO Center on Environmental Cooperation (CSEC) under MEP
- National Center for Climate Change Strategy and International Cooperation (NCSC) under NDRC

INTERNATIONAL

- Korea – Ministry of Environment
- Japan – Ministry of Environment, Institute for Global Environmental Strategies (IGES)
- World Wildlife Fund (WWF)
- United Nations Environmental Programme (UNEP)
- German Federal Enterprise for International Cooperation (GIZ)
- Asian Development Bank (ADB)

LESSONS LEARNED

- **Stakeholder relationships:** GGGI best utilized its convening ability to gather stakeholders from various groups depending on the theme and purpose of events. In the case of workshop in Shishou, stakeholders from several Chinese municipalities, including cities from Northwestern China, and Guangdong Province, as well as urban sustainability experts from Sweden, Japan, Korea and the USA participated. A full needs assessment was conducted during this workshop for training module development and use in capacity building workshops in 2017-2018. GGGI also plans to build on the progress made for trilateral collaboration between China, Japan and Korea in 2017-2018 including an MOU signing.