

GREENING CHINA'S CITIES OF TOMORROW



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Europe's World

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EXECUTIVE SUMMARY

China is undergoing a massive process of urbanisation at a scale that is creating large economic, social and environmental challenges for Chinese policymakers and their partners in the European Union (EU) and beyond. As China moves towards its projected 'urban billion' by 2030, pressure is increasing to address the problems of resource consumption, environmental degradation and sustainable urbanisation.

Though skyrocketing urban populations have created a wealth of economic opportunities for individuals and businesses alike, Chinese policymakers and administrators have been hard-pressed to implement social policies aimed at accommodating the housing, healthcare and other needs of migrant populations and urban residents. There is a need for reforms in government and administrative structures in order to decentralise decision-making and allow regional policies to come to the fore.

To these ends, the EU-China Partnership for Sustainable Urbanisation was announced at the 14th EU-China Summit in February 2012. This partnership will allow the EU and China to work together closely towards improving the process of urbanisation in China through a set of cross-cutting issues.

To be successful, this partnership must adopt a targeted, holistic approach in order to address the complex set of issues plaguing China's cities; from social rights for migrant workers, to improving economic opportunities, to greening the construction and transportation sectors, China and the EU can benefit greatly from each others input into the process.

The recently-initiated dialogue between the EU and China must necessarily take a long view of China's urbanisation. There have been pilot projects launched by both Chinese and European organisations in the areas of social inclusion, energy efficiency and renewable energy sources, bicycle sharing and green transportation, as well as cultivating a culture of sustainable thinking in China.

These projects are important first steps. However overcoming the problems associated with China's urbanisation is likely to require great cooperation and concerted efforts for the foreseeable future. As China and the EU contemplate the looming challenges presented by urbanisation, they must consider how to best achieve mutual understanding and how to cooperate across sectors and on all levels.

A SNAPSHOT OF CHINA'S URBAN TRANSFORMATION

"The full scope of the urbanisation process in China is taking place on a scale unprecedented in human history," remarked **Shada Islam**, Head of Policy at *Friends of Europe* and co-moderator of the China Advisory Council roundtable. Held in Brussels on 8 March 2012, the roundtable is part of the Understanding China programme¹, co-organised by *Friends of Europe* and EUROCHAMBRES and co-funded by the European Commission. According to some analyses, an estimated one billion people will be living in China's cities by 2030².



"Urbanisation has changed the Chinese economy. As China's urban areas grow, so does investment and demand, providing a strong force for sustainable development."

Wu Hailong, Ambassador and Head of the Mission of the People's Republic of China to the European Union

The reality of China's massive urbanisation trend is already apparent, asserted **Wu Hailong**, Ambassador and Head of the Mission of the People's Republic of China to the European Union (EU). In 2011, the urban population surpassed the rural population in China. With more than 690 million people living in urban areas, China's urbanisation rate has increased to 51.3%, up from 19.9% in 1978.

"Urbanisation has changed the Chinese economy," he underlined. "As China's urban areas grow, so does investment and demand, providing a strong force for sustainable development." In past years, there has been growth in the manufacturing, energy, environment and service sectors due to rapid urbanisation. Furthermore, China's average personal income has shown a marked increase from 343 Renminbi (RMB) in 1978 to 21,800 RMB in 2010.

Notwithstanding these and other indicators, Wu admitted that "we in China have never made light of the challenges facing us." Today, China remains an under-

¹ The Understanding China programme is a joint initiative of *Friends of Europe* and EUROCHAMBRES, co-funded by the European Commission, that aims at improving business ties between Europe and China. For more information, please visit the website at: www.understandingchina.eu

² McKinsey Global Institute. Preparing for China's Urban Billion. March 2008.
http://www.urbanchinainitiative.org/userfiles/PdfFile/MGI_Preparing-for-Chinas-Urban-Billion_English.pdf

urbanised country. As the urban population continues to increase, the resulting over-concentration of people is pushing China's cities beyond their limits in terms of resource consumption and environmental degradation.

“In simple terms, people move to cities to find economic opportunities and to improve their quality of life. Addressing urbanisation means addressing people's expectations for a better life.”

Paula Abreu Marques, Head of Unit for International Relations and Enlargement at the European Commission Directorate General for Energy



In order to tackle the issues arising from China's urbanisation, China and its partners must address the root causes of urbanisation, remarked introductory discussant **Paula Abreu Marques**, Head of Unit for International Relations and Enlargement at the European Commission Directorate General for Energy. “In simple terms, people move to cities to find economic opportunities and to improve their quality of life. Addressing urbanisation means addressing people's expectations for a better life.”



“Chinese cities are important in that the way they are designed and managed impacts not only China's future but global urban sustainability as a whole.”

Shen Wei, Associate Dean for China of the ESSCA School of Management, France and Author of the forthcoming Understanding China Policy Briefing entitled Greening China's Cities of Tomorrow

“Chinese cities are important in that the way they are designed and managed impacts not only China's future but global urban sustainability as a whole,” noted **Shen Wei**, Associate Dean for China of the ESSCA School of Management, France and Author of the forthcoming Understanding China Policy Briefing entitled Greening China's Cities of Tomorrow.

In recent years, urbanisation in China has shifted from a 'one-man show', run by the central government, to a process involving multiple domestic and foreign stakeholders, including the private sector and civil society organisations.

"Urbanisation in China is multi-faceted and pluralistic," he concluded, "which creates ample opportunities for cooperation. China and its partners – in particular the EU – should be more pragmatic and realistic in terms of what they can offer one another and which goals can be achieved."

"We are very interested in learning what we can from Europe about how to raise the efficiency of urbanisation in China while decreasing the consumption of resources and raising the quality of services," stated [Li Tie](#), Director General of the China Centre for Urban Development of the National Development and Reform Commission (NDRC) in China.

The EU-China partnership for Sustainable Urbanisation: "Better City, Better Life"

The 2010 Shanghai Expo's slogan of "Better City, Better Life" is more than just a slogan, it is a call for credible action, said Ambassador Wu. "The Chinese people and government are serious about increasing urban growth while improving the quality of life for China's urban population," he added.



Co-moderator Shada Islam, Head of Policy at *Friends of Europe*

The EU-China urbanisation partnership is an initiative that was announced at the 14th EU-China Summit, held in Beijing on 14 February 2012. “The EU and China have formally joined their efforts at the highest political level to address the challenges posed by rapid urbanisation,” said Abreu Marques. This partnership is unique in that it aims to bring together stakeholders and initiatives from the political arena as well as business and civil society.

“Urbanisation in China will continue growing at 0.8 to one percent a year. What we are concerned about is increasing not only the quantity but also the quality of that growth.”



Li Tie, Director General of the China Centre for Urban Development of the National Development and Reform Commission (NDRC) in China

There was broad agreement at the roundtable that European nations and institutions, while not having experienced directly the scale and speed of the urban transformation taking place in China, have a great deal to offer in terms of expertise in urban development.

The partnership will be a valuable instrument to demonstrate the capacity of the EU and China to work together towards a set of quantifiable goals, said Jolita Pons, Desk Officer in the China Division of the European External Action Service

(EEAS). In this sense, urbanisation is a cross-cutting issue, allowing both parties to tackle topics that may be too sensitive for political dialogue. For example, she told the participants that the European Commission and the NDRC are set to launch a project to establish regional emission trading systems in the context of urbanisation.

The tangible advantage of this partnership is the possibility of sharing concepts and understanding within regional policies, pointed out Victor Bostinaru, Vice-Chairman of the European Parliament Delegation for Relations with the People's Republic of China.

"Many transformations are happening today in China," he added, "but the scope and scale of these transformations is global. With this in mind, we are obliged to sit together and find solutions." He suggested that the EU and China need to organise a session to discuss concrete and feasible avenues along which to share knowledge and best practices with the aim of making the whole urbanisation process globally sustainable.

From the perspective of the European Commission, there are two elements that are crucial for the success of the partnership, suggested Abreu Marques. To begin with, there must be political engagement between China and the EU, a fait accompli following the 14th EU-China Summit. Included in this engagement is the active participation and full ownership of the process from both the European Commission and the NDRC in order to put this political cooperation into practice.

Secondly, she added, both entities must work to set a level playing field in order to ensure that the EU and local actors can participate in successful urbanisation efforts in China. It was agreed that local actors shall be empowered with the necessary means to address their most challenging problems. To this end, the EU and China will convene the first EU-China Mayors' Forum in 2012.

A holistic approach to sustainable urbanism

Through a bilateral and sectoral approach, the EU and China will work together to tackle a long list of issues, including but not limited to: pollution and emissions, energy supply and efficiency, renewable energy sources, employment, economic development, ageing urban populations, social cohesion and socio-spatial



“Urbanisation is one of the most intriguing economic processes. It is important to recognise that no one yet has the knowledge on how to guide that complex process and enhance the performance of the functional urban areas. Close cooperation between China and Europe will allow us to tackle this challenge.”

Eugenio Leanza, Head of Division of the Joint European Support for Sustainable Investment in City Areas (JESSICA) of the European Investment Bank (EIB)

integration, decarbonisation and greening of the urban economy, urban mobility, waste and water management, city governance, urban-rural linkages and modelling the digital city.

“We have to rearrange city systems and adapt our efforts to a more holistic approach consisting of political, social, economic and environmental principles,” explained **Eugenio Leanza**, Head of Division of the Joint European Support for Sustainable Investment in City Areas (JESSICA) of the European Investment Bank (EIB).

JESSICA works with over 50 partners across Europe, mostly on the regional level, in order to develop and share ideas on sustainable urban development. “Urbanisation and the transformation of urban areas is one of the most intriguing processes currently happening all over the world,” Leanza stressed. “It is important to recognise that no one yet has the knowledge on how to guide this complex process. Building a city is easy,” he continued, “but managing and maintaining it is considerably harder.”

“A corporate finance approach could be perhaps applied to city asset management, casting better light on some of the patterns characterising the transformation of the city system,” he concluded. “GDP is a single concept. One cannot govern a development process of a city focussing only on GDP.” Instead, he suggested a more tailored and disciplined way of controlling dynamics of functional urban areas by integrating efforts of all urban actors, both public and private.

A tailor-made approach to the question of Chinese sustainable urbanisation is very important, the discussants agreed. Wladyslaw Piskorz, Head of Unit, Urban Development and Territorial Cohesion at the European Commission Directorate



Speakers and partners meet in the VIP room to brainstorm on the most important trends in urbanisation

General for Regional Policy (DG REGIO), places the responsibility for urban development on actors from all backgrounds; from the local to the global level as well as from various sectors. DG REGIO is currently involved in a project to create a reference framework for sustainable development; a web-based tool for the use of city managers to share experiences, he informed the participants.

“Europe needs to rethink the concept of urban sustainability,” concluded Eugenio Leanza, “the urban system is transforming and there are very important internal and external forces involved that should be analysed to better understand the key drivers.” Within Europe, he elaborated, the goals and tools of urban management are being reorganised, while externally, global linkages and economic trends are causing an increase of the importance of cities and regional cooperation.

As part of the process embodied in the new partnership, it is crucial to map out the existing initiatives and knowledge between the different Directorates General as well as the European member states in order to present the best options from Europe's long experience, suggested Pons. “This is not a project between the EU institutions and China but the EU and China,” she emphasised. “It will go two ways and we will have to learn from each other.”

“Europe has already been on the path of urbanisation for more than a century,” agreed Ambassador Wu. Over this time, European countries have accumulated knowledge with regards to city development and management. Europe's strengths, coupled with China's growing consumption and demand have set the stage for a beneficial partnership for urban sustainability.

“I have full confidence that the urbanisation partnership between China and Europe will yield more fruitful results for sustainable urban development and will contribute to new breakthroughs in EU-China relations,” he concluded.



Pedro Ballesteros Torres of the European Commission
Directorate General for Energy

MEETING THE CHALLENGES OF URBANISATION IN CHINA

China's urban areas have felt serious economic, social and environmental repercussions from the unprecedented speed with which the country has industrialised, said Wang Xining, Press Counsellor at the Mission of the People's Republic of China to the EU.

The EU-China Partnership on Sustainable Urbanisation could become a major element of China's much-needed urban reforms, if the right approach is taken. Wang recommended two perspectives from which to view the partnership.

Firstly, both sides must consider that the partnership is a "win-win situation". Although in the short-term it seems unlikely that the EU will gain as much knowledge as China, there is a large business potential represented by Chinese urbanisation.

Secondly, it is essential to start with easy steps and pilot projects. He suggested leaving out the questions of city management, politics, administration and social issues at the beginning and concentrating efforts on less sensitive and more easily quantifiable areas such as urban planning, infrastructure growth, pollution, and green technology.

Another concept which could be a useful reference point for the partnership is the concept of PPP: Profit, People, Planet, added Allan Zhang, Director for Sustainability and Climate Change at PricewaterhouseCoopers (PwC). As far as profit is concerned, there has been good economic performance – for example, high levels of GDP growth – in some cities, though the relationship between city development and the actual conditions of city dwellers is not an equal one.

People, the second criteria by which China's urbanisation could be measured, is an area which needs to be improved upon, owing to the high social tensions in China, Zhang continued, adding that "in order to fully benefit from developments in urbanisation, we need harmonious development and the support of the Chinese people."



Co-moderator Giles Merritt of *Friends of Europe* and speaker Tom Miller, Author of 'China's Urban Billion'

“If these workers are not properly integrated into urban society, the idea of China’s hundreds of millions of consumers will not become a reality. Instead, there is a considerable risk of creating a vast urban underclass.”

Tom Miller, Author of the book 'China's Urban Billion' and Managing Editor of the *China Economic Quarterly* at Dragonomics

The third area, Planet, is concerned with implementing policies and initiatives that provide benefits, or at least reduce harm, to the environment. Because of the massive scale of China’s urban population, environmental protection and green urbanisation are very high on the agenda, he said.

China’s Twelfth Five-Year Plan accords sustainable urbanisation a prominent role as a driver of economic reform, Wu informed the roundtable. Having set the goal of a 4% increase in the urbanisation rate, China intends to improve the quality of its urban areas by concentrating on four aspects of urbanisation.

To begin with, efforts will be focussed on the development of small- and medium-sized cities. These areas will take advantage of the already existing urban systems of larger cities to create large urban agglomerations.

Continuing to promote migration is also an important element of China's urbanisation goals; including meeting the challenges of providing better education, housing and health and social services to rural migrants.

The third aspect of China's plan is to work to upgrade urban capacity in order to accommodate increasing populations. This includes the development of infrastructures for transportation, communication, and waste disposal, the supply of water, power and gas, as well as investments in public space.

Finally, he concluded, there will be a greater focus on improving the quality of city management by making the process more detailed and standardised.

Tackling the issue of migrant workers in China's cities

"We recognise the tremendous number of reforms to be undertaken," admitted Li, "we are making progress but cannot ignore the challenges we face." One of the most pressing reforms needed is the inclusion of migrant workers in city systems.

Tom Miller, Author of the book 'China's Urban Billion' and Managing Editor of the *China Economic Quarterly* at Dragonomics said up to one-third of urban residents in China are migrant workers. These unregistered workers have difficulty gaining access to government benefits as well as basic amenities.

The issue of migrant workers is not only a social concern; it is a potential risk to the urban economy as well. "If these workers are not properly integrated into urban society, the idea of China's hundreds of millions of consumers will not become a reality. Instead, there is a considerable risk of creating a vast urban underclass," he elucidated.

Citing a survey made by China's Development Research Centre of the State Council (DRC), Miller offered a viable solution to this social and economic challenge. The total aggregate cost of urbanising these migrant workers would be 1.5 trillion RMB a year over the next twenty years or the equivalent of approximately 3% of China's GDP in 2010, he explained. In order to make great steps towards resolving this issue, the Chinese central government – which spent 23% of GDP in 2010 – needs to increase its expenditures to 26%.

This expenditure, aside from the very real social benefits, also makes sound economic sense, he added. As these rural migrants are integrated into society, they will contribute to boosting consumption, allowing China to benefit economically from the urbanisation process.

“It is our goal to resolve the disparity between rural and urban populations. In this regard, Chengdu can be viewed as a role model for how rural migrants can be assimilated into the urban environment.”



Zhang Jun, Deputy Director of the Chengdu Environmental Protection Bureau

The issue of migrant workers is being taken very seriously in the City of Chengdu, replied [Zhang Jun](#), Deputy Director of the Chengdu Environmental Protection Bureau. “It is our goal to resolve the disparity between rural and urban populations. In this regard, Chengdu can be viewed as a role model for how rural migrants can be assimilated into the urban environment.”

The issue of migrant workers is a key area for reform, agreed Li, adding that the government has already begun by registering 32,000 migrant workers. In the more prosperous cities, however, there remains a huge disparity between the local and migrant populations. The Chinese government is currently examining solutions to this difficult problem, he added.

The regional situation in China is very different than in Europe, said Miller. The centralised government has a disproportionate amount of control over city management and, while individual areas each have their own administrative capabilities, the question of reforming city governance and allowing more autonomy is being considered for the next stage of reforms.

Reforming China's urban fiscal system

Another area that needs to be reformed is China's fiscal system, continued Miller. Since the mid-1990s, local Chinese governments have been required to send most of their revenues to the central government. Aggravating the problem is the fact that the central government also requires local governments to cover up to 80% of the costs of public services, leading to a situation where most Chinese cities are running a perpetual fiscal deficit.

In order to combat this deficit, city governments have a fiscal incentive to expand urban boundaries into surrounding farmlands, resulting in an ever-expanding urban sprawl. In fact, he noted, urbanisation of land over the past decades has outpaced the urbanisation of people. If China is to develop compact, energy-efficient and sustainable cities, the fiscal system will need to be rethought.

Miller suggested two approaches to solving this issue. To begin with, the central government must allow local governments to issue bonds, which they currently cannot do. Another solution to this problem is that the central government must play a greater role in financing public services. "Unless China can find a way to fund municipalities, sustainable urbanisation will be impossible," he concluded.



Director General Li Tie continues the discussion with participants during the networking lunch





RECOMMENDATIONS FOR GREENING CHINA'S CITIES OF TOMORROW

As the growth of Chinese cities continues at an impressive rate, the opportunities for green developments are myriad. “Urbanisation in China will continue growing at 0.8 to one percent a year,” offered Li. “What we are concerned about is increasing not only the quantity but also the quality of that growth.” The urbanisation process, as it is now, is leading to a huge waste of resources and energy consumption as rapid industrialisation and infrastructure growth continue.

“Simply put, the example of Chongqing proves that green urbanisation in China is not idle talk. The EU can do it. China can do it.”

Wang Sheng, Deputy Director of the Development Research Centre of the Government of Chongqing and Vice-President of Chongqing Academy of Social Sciences



The question is: can China achieve green urbanisation? **Wang Sheng**, Deputy Director of the Development Research Centre of the Government of Chongqing and Vice-President of Chongqing Academy of Social Sciences, outlined some initiatives that are making his city greener.

Chongqing's greening process has already shown results in three areas: industry, transportation and construction. As the most prominent industrial area in inland China, the municipality has shifted its industrial base to strategic emerging industries, for example information and communications technologies (ICT).

Small factories using outdated technologies that do not meet green guidelines have been shut down. Over the period of the 11th Five Year Plan, industry in Chongqing has reduced its energy consumption per unit of value by 36%, a much higher rate than the 21% called for in the 11th Five-Year Plan, he noted.

In addition, he continued, Chongqing has become specialised in low-carbon transportation, with more than 50,000 liquefied natural gas (LNG) vehicles on the road and a rail transit system, with more than 140 km of tracks.

As regards transportation China is quite advanced in the area of bicycle sharing. The public bicycle sharing system in Hangzhou, for example, dwarfs even the largest systems in Europe. Now with over 60,000 bicycles in operation, the success of the program is due to government support but also a high-level of marketing and commercialisation. In this sense, bicycle sharing is a two-way highway for sharing experiences between the EU and China, he concluded.

In Chongqing's construction sector, Wang said that new building materials and enforced energy-saving standards in two million square metres of building stock have greatly reduced energy use and lowered CO₂ emissions by as much as 850,000 tonnes.

"Simply put," he concluded, "the example of Chongqing proves that green urbanisation in China is not idle talk. The EU can do it. China can do it."

Thinking Green: a new mindset for a more sustainable China

"Political will is essential for green urbanisation," offered [Erik Freudenthal](#), Green Ambassador of Sweden's capital Stockholm, "but we must also take into consideration that the public must be convinced to 'think green'." In the debate on greening cities, he continued, education is as important a factor as urban planning, energy efficiency and transport.

"Political will is essential for green urbanisation but we must also take into consideration that the public must be convinced to 'think green'."

[Erik Freudenthal](#), Green Ambassador of Stockholm



"True green urbanisation is not only physical but a greening of the mind," agreed Shen. Currently, there is a gap between China's greening objectives and the reality. "There is a lot of short-term perspective in Chinese business and industry," he explained. "For the moment, greening is not much more than a marketing concept, though this is changing."

The EU-China partnership will be a valuable tool to aid China in the necessary cultural shift, predicted Li. “During many trips to Europe, I have learned about greening buildings and public spaces but am still grasping the essence of European green culture,” he admitted. “The concept of green cities is different in China and the EU.”



“A best practice in Europe is not necessarily relevant in China. We have to understand the context in individual cities. The concept of best options, which can be tailored and applied to the local context, is therefore better suited.”

Egon de Haas, Global Director of Government and Public Services at PwC Netherlands and Author of the PwC report ‘Cities of Opportunity’

It was recommended that China take seriously a holistic approach to integrated urban planning. Referring to examples of urban greening initiatives in Stockholm, Freudenthal told the participants that one of the most important lessons learned during the last few years is the need to have a sustained dialogue between public and private stakeholders well in advance of the creation of a detailed plan. In the case of Stockholm, the creation of a framework platform to promote integrated planning³ has been an invaluable tool for better greening, he added.

A better understanding of the complicated relationships in the urban setting is the key to sustainable urbanisation, agreed **Egon de Haas**, Global Director of Government and Public Services at PwC Netherlands and Author of the PwC report ‘Cities of Opportunity.’ In addition to this increased understanding, the development of a long-term strategy for urban development is a prudent move by city management, looking beyond the next municipal elections.

As part of an integrated approach to consensus building amongst various stakeholders, it is important to consider the creation of a unitary city vision that balances the various and specific strengths of the city. “A sustainable city must achieve a balance in its environmental, cultural, technological, political and social capital in order to truly succeed,” he asserted.

³ In Sweden, the SymbioCity platform offers working models to help citizens identify synergies between urban functions and to facilitate contact between urban actors. More info: www.symbiocity.org

Finally, concluded de Haas, it is vital that both sides of the partnership for sustainable urbanisation realise that each city has its specificities. "A best practice in Europe is not necessarily relevant in China," he said. "We have to understand the context in individual cities. The concept of best options, which can be tailored and applied to the local context, is therefore better suited." He recommended that a mechanism be created for the two-way exchange of best options and case studies.

Suggestions for reforming the administrative and business climate in China

Providing solutions to such a complex situation is a daunting task, admitted Neelabh Singh, Head of Complex Cleantech Solutions, Copenhagen Cleantech Cluster, Denmark. In Copenhagen, the discussion on urban development is based on so-called 'triple helix' consultations between the public and private sectors as well as knowledge companies. The inclusion in the process of knowledge-based enterprises increases the effectiveness of solutions, he insisted.

In addition, city officials should create the position of Chief Information Officer in order to manage technology and innovation in the city. "Technology will be a key enabler in the smart cities of the future," he explained. "Cities need someone to lead these initiatives."

Discussant Christer E. Hammarlund, International Relations Officer for China, India and Latin America at the European Commission Directorate General for Information Society and Media, urged that Chinese officials make it easier for European businesses to invest in the China's digital economy. The EU's expertise in the provision of e-services could be a useful tool to combat China's administrative difficulties, he explained. However, market access in this area is effectively closed to foreigners, as the provision of ICT services is the prerogative of four state-owned Chinese enterprises.

"In the area of green business, the Chinese administration favours Chinese companies," agreed co-moderator [Arnaldo Abruzzini](#), Secretary General of EUROCHAMBRES. He expressed concerns about the capacity for European companies to enter Chinese markets unless there is a change in the culture of China's business environment.

Perhaps this was once true, replied Li, but in recent years, China has been giving preferential treatment to many foreign companies. Current investment conditions are favourable while overhead and start-up costs are low.

In addition, he concluded, while the central government has a great deal of control over economic issues, sub-national authorities are also quite powerful and, as this decentralisation trend continues, business decisions will be increasingly made by regional and municipal governments.

One sector which has seen great involvement by foreign companies is the construction sector, said Shen. The goal of the reduction of energy consumption outlined in China's Eleventh Five-Year Plan was not met, he explained, making construction – which accounts for 40% of the China's energy consumption – a high priority sector for greening.

In order to achieve the goal of green buildings, “a lot of European architects are well-represented in China,” he explained. “By 2020, it is estimated that 205 billion square metres of housing are to be developed in China's cities, turning them into architectural laboratories for the 200 actively operational European architectural firms.”

“Essentially,” concluded de Haas, “the EU and China need to reach a mutual understanding of each others' context and not try to impose a perspective on how to do business. If there is mutual understanding, the EU-China relationship can be very successful.”



Speaker Tom Miller, Author of 'China's Urban Billion' and co-moderators Araldo Abruzzini of EUROCHAMBRES and Shada Islam of *Friends of Europe*

LOOKING TOWARDS THE FUTURE

Tackling China's urbanisation challenge requires time, energy, money and effort.

Held under the auspices of the Understanding China programme, the roundtable is the first in a long series of events that will deal with the challenges common to Europe and China as China's burgeoning urban population continues to grow.

Closer cooperation and developing mutual understanding between key stakeholders ranging from policymakers, business and civil society is the way forward for the EU and China to address the complex myriad of issues.

Wu Hailong, Ambassador and Head of the Mission of the People's Republic of China to the European Union



Wang Xining, Press Counsellor at the Mission of the People's Republic of China to the EU and **Eugenio Leanza**, Head of Division of the Joint European Support for Sustainable Investment in City Areas (JESSICA) of the European Investment Bank (EIB)

By working together through a targeted and holistic approach, China and its partners in Europe can achieve great steps towards implementing sustainable urban policies and remaking Chinese cities into the green cities of tomorrow.

"Though the challenges presented by urbanisation in China appear very daunting," concluded Shada Islam, "we are making good progress. Green and equitable urbanisation in China is an achievable goal, if we remain focussed on the end result. Rome, or in this case, Beijing, was not built in a day."



ANNEX I - Programme

11.00 – 11.30 Welcome coffee and registration of participants

SESSION I **AN EU-CHINA "PARTNERSHIP FOR SUSTAINABLE URBANISATION"**
11.30 – 13.00

With an increasing number of people moving from rural to urban areas in search of jobs and a better life, China and Europe face the common challenge of ensuring sustainable urbanisation. National and local authorities must provide better basic services such as water and sanitation, housing, health services, and education to the growing number of city-dwellers. Jobs must be created and talent, creativity and innovation, fostered. China and the EU have agreed to forge a special partnership for sustainable urbanisation which will cover these issues as well as joint action to build greener, cleaner and less-polluted cities.

How will this partnership work in practice and how can EU and Chinese authorities facilitate such cooperation? Are European and Chinese enterprises ready to share know-how, experience and technology to deal with the challenges posed by China's new and old mega-cities? How is China coping with the increased migratory flows into cities? What are the key tasks that Chinese city authorities must tackle in the coming years? How can the private sector help to finance the needs and requirements of the new cities and what type of urbanisation model will China follow in developing the new cities?

INTRODUCTORY DISCUSSANTS:



Wu Hailong, Ambassador of the People's Republic of China to the European Union

Former Assistant Foreign Minister of China and Ambassador and Permanent Representative of China to the United Nations and other International Organizations in Vienna, Wu has a wealth of experience on EU-China relations. Wu was appointed as Chinese Ambassador to the EU in February 2012.



Paula Abreu Marques, European Commission Head of Unit for International Relations and Enlargement at the Directorate General for Energy

Abreu Marques represents the European Commission Directorate General Energy which is acting as the European interlocutor for the recently established EU-China partnership for sustainable urbanisation. The partnership aims to promote exchanges and cooperation on sustainable urban development.



Li Tie, Director General of the China Centre for Urban Development of the National Development and Reform Commission (NDRC), China

Li is the European Commission's counterpart on the EU-China partnership for sustainable urbanisation and the NDRC is also responsible for the implementation of China's 12th Five Year Plan reforming China towards a sustainable and inclusive economy.



Eugenio Leanza, Head of Division of the Joint European Support for Sustainable Investment in City Areas (JESSICA) of the European Investment Bank (EIB)

Leanza is responsible for JESSICA – a European-wide programme that promotes best practices in sustainable urban development across the continent. Leanza advises national, regional and local communities on how to foster sustainable city planning.



Shen Wei, Author of the Understanding China Policy Briefing entitled Greening China's cities of tomorrow

An expert on urban solutions, Shen has published widely on migration to urban centres in China and abroad. He is Research Associate of the Globalisation & World Cities Study Group & Network and Academic Expert for the European Commission Research Executive Agency (REA).

Co-moderated by **Shada Islam**, Head of Policy at *Friends of Europe* and **Arnaldo Abruzzini**, Secretary General of EUROCHAMBRES

13.00 – 14.00 Networking lunch

SESSION II THE CHALLENGE OF CHINA'S "URBAN BILLION"

14.00 – 15.30

If current trends continue, over a billion people will live in China's cities by 2030. Cities have been the major drivers of China's GDP growth over the past two decades and urbanisation is the centrepiece of China's 12th Five Year Plan. Since the "urban billion" are expected to be avid consumers, the scale of China's urbanisation promises substantial new markets for domestic and foreign providers of goods and services. Urbanisation is good news in the country's struggle to boost consumer demand, facilitating the transformation of the Chinese economy from investment towards consumption-led growth. China has made urban sustainable development a high priority but can it turn these plans and policies into reality? Will China's new cities be truly green? What actions are local and national authorities taking to reduce pollution, cut CO₂ emission and improve energy efficiency? Is business driving innovation or hindering reform? How is China dealing with the waste management and wastewater treatment? Will China focus on local technology to meet its urbanisation challenges or will it be ready to work with European companies by easing government procurement rules and improving the protection of intellectual property rights?

INTRODUCTORY DISCUSSANTS:



Tom Miller, Author of 'China's Urban Billion' and Managing Editor of the *China Economic Quarterly* at Dragonomics

Miller is author of the book 'China's Urban Billion' that explores the massive urbanisation taking place in China and will be published this year. Miller is also the Managing Editor of Dragonomics' flagship publication *China Economic Quarterly* and has written on China for the *Financial Times* and *The Guardian*.



Wang Sheng, Deputy Director of the Development Research Centre of the Government of Chongqing and Vice-President of Chongqing Academy of Social Sciences

An expert on developing a low carbon economy, Wang has extensive experience in implementing projects in sustainable urbanisation and is responsible for managing economic governance in Fengjie and Chongqing.



Egon de Haas, Author of the PwC report *Cities of Opportunity* in collaboration with the City of New York.

De Haas is Global Director, Government & Public Services at Pricewaterhouse Coopers (PwC) and has long-standing expertise on urban development and regularly assesses the strengths and weaknesses of city planning both in Europe and China.



Zhang Jun, Deputy Director, Chengdu Environmental Protection Bureau, China

Chengdu is ranked as one of China's most liveable cities thanks to the sustainable development of its urban and rural areas. The Environmental Protection Bureau is in charge of reconciling the dynamic growth of one of the megacities of the 21st century with a clear vision for sustainable economic development in China.



Erik Freudenthal, Green Ambassador of Stockholm, Sweden

As the Green Ambassador, Freudenthal has lectured worldwide on the environmental achievements of Stockholm. He is responsible for the environmental information centre GlashusEtt, which is located in the middle of Hammarby Sjöstad, an old industrial district and now a world-leading example of sustainable city-living.

Co-moderated by **Shada Islam**, Head of Policy at *Friends of Europe* and **Arnaldo Abruzzini**, Secretary General of EUROCHAMBRES

15.30

End of the roundtable

ANNEX II - List of Discussants

Paula Abreu Marques, Head of Unit, International Relations & Enlargement, European Commission: Directorate General for Energy

Araldo Abruzzini, Secretary General, Association of European Chambers of Commerce & Industry (EUROCHAMBRES)

Pedro Ballesteros Torres, Programme Manager, Energy efficiency of products & Intelligent Energy - Europe, European Commission: Directorate General for Energy

Joachim Bitterlich, Former Advisor to German Chancellor Helmut Kohl, Executive Vice President International Affairs, Chairman Veolia Environnement Germany, France, and Trustee of *Friends of Europe*

Victor Bostinaru, Vice-Chairman, European Parliament: Delegation for Relations with the People's Republic of China

Manfred Breithaupt, Senior Transport Consultant, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Germany

Jan Buijter, Director, Buijter Consult, The Netherlands

Geert Cami, Co-Founder & Director, *Friends of Europe - Les Amis de l'Europe*

Edwin Chan, Professor at the Department of Building and Real Estate Faculty of Construction and Environment, Hong Kong Polytechnic University

Chen Shuo, Vice President, Fuzhou Planning Design and Research Institute, China

Chen Yan, Executive President of the Foundation, China-Europa Forum, France

George Cunningham, Acting Head of Division for China, Hong Kong, Macao, Taiwan and Mongolia, European External Action Service (EEAS)

Dai Bin, Associate Dean, Southwest Jiaotong University, China, School of Public Administration

Egon de Haas, Global Director, Government & Public Services, PricewaterhouseCoopers, The Netherlands

Uda Eichhorst, Project Coordinator/Research Fellow, Wuppertal Institute for Climate, Environment and Energy, Germany

Erik Freudenthal, Green Ambassador, City of Stockholm, Sweden

Nathalie Furrer, Director, *Friends of Europe - Les Amis de l'Europe*

Christer E. Hammarlund, International Relations Officer, Latin America, European Commission: Directorate General for Information Society & Media

Shada Islam, Head of Policy, *Friends of Europe - Les Amis de l'Europe*

Eugenio Leanza, Head of Division, JESSICA and Investment Funds, European Investment Bank (EIB), Luxembourg

Li Tie, Director General of the China Centre for Urban Development, National Development and Reform Commission (NDRC), China

Lu Xiao Dong, Vice Chairman, Chengdu Association for Science and Technology, China

Giles Merritt, Secretary General, *Friends of Europe - Les Amis de l'Europe*

Tom Miller, Managing Editor, China Economic Quarterly, Dragonomics, China

Jenny Pankow, Coordinator for Sustainable Urban Development, Ministry of Ecology, Sustainable Development, Transportation and Housing, France

Wladyslaw Piskorz, Head of Unit, Urban Development, Territorial Cohesion, European Commission: Directorate General for Regional Policy

Jolita Pons, Desk Officer, China Division, European External Action Service (EEAS)

Serge Salat, Director, The French Scientific and Technical Construction Center (CSTB), France

Shen Wei, Associate Dean for China, ESSCA School of Management, France

Neelabh Singh, Head of Complex Cleantech Solutions, Copenhagen Cleantech Cluster, Denmark

Alexandra Sombsthay, Policy Officer, China Desk, European Commission: Directorate General for Energy

Didier Soubies, Vice-President and Secretary General, France China Energy & Environment (FC2E), Futurapolis, France

Dirk Sterckx, Former Member of the European Parliament

Phil Todd, Director, Custom Research EMEA, Economist Intelligence Unit (EIU), United Kingdom

Mary Veronica Tovšak Pleterski, Director for European and International Carbon Markets, European Commission: Directorate General for Climate Action

Jurrien van der Horst, Senior Policy Advisor on China Affairs, Ministry of Economic Affairs, Agriculture and Innovation, The Netherlands, The Netherlands

Lambert van Nistelrooij, Member of the European Parliament: Committee on Regional Development

Christian Vanden Bilcke, Head of Office, United Nations Environment Programme (UNEP)

Wang Sheng, Vice Director General, Chongqing Academy of Social Sciences, China

Wang Xining, Counsellor, Press, Mission of the People's Republic of China to the EU

Wu Hailong, Ambassador, Mission of the People's Republic of China to the EU

Zhan Qingming, Associate Dean, School of Urban Design, Wuhan University, China

Allan Zhang, Director, Sustainability & Climate Change, PricewaterhouseCoopers LLP, United Kingdom

Zhang Jun, Deputy Director, Chengdu Environmental Protection Bureau, China

ANNEX III - List of Observers

For a list of discussants, please see page 33

Dafydd Ab Iago, European Correspondent, Argus Media

Prinat Apirat, First Secretary, Mission of Thailand to the EU

Iliana Axiotiades, Director, Government Relations, Johnson Controls

Alison Birkett, Asia Coordinator, Japan, Korea, UN Broadband Communication, European Commission: Directorate General for Information Society & Media

Giulia Campodonico, Project Officer, Eurocities

Karem Canedo, Market Expertise, Yara Industrial, Spain

Cao Qian, Editor, Boao Review

Dario Capezzuto, Assistant to Victor Bostinaru MEP, European Parliament

Mario Catizzone, Research Programme Officer, Policy Aspects of Research and Sustainable Development, European Commission: Directorate General for Research and Innovation

Raul L. Cordenillo, Project Manager, Inter-Regional Dialogue, International Institute for Democracy and Electoral Assistance (DEA), Sweden

Grant Day, Political Officer, Embassy of the United States of America to Belgium

Nicolas de Gennes, Campaign Strategy Advisor, Mostra Communications, Media Relations Department

Pietro De Matteis, Policy Analyst, Urban Development, Territorial Cohesion, European Commission: Directorate General for Regional Policy

Cédric de Meeus, Group Deputy Representative with the EU Institutions, Veolia Environnement

Alma De Walsche, Journalist, MO*

Diana Dus, Unit Manager, International Cooperation, European Committee for Electrotechnical Standardization (CENELEC)

Afonso Ferreira, Seconded National Expert, European Commission: Directorate General for Information Society & Media

Graham Floater, Director, Climate Aspect

David Fouquet, Director, Editor, The Asia-Europe Project

Kurt Gaissert, Adviser, Representation of Baden-Württemberg to the EU

Michele Genovese, Research Programme Officer, Specific International Cooperation Activities, European Commission: Directorate General for Research and Innovation

Bart Gielis, Research Analyst, The World Bank, Brussels Office

Linn Härfast, Trainee, Permanent Representation of Sweden to the EU

Corinne Hermant-De Callatay, Policy Analyst - Urban policy, urban audit and urban programmes, European Commission: Directorate General for Regional Policy

Hu Hongbo, Third Secretary, Mission of the People's Republic of China to the EU

Dilek Istar Ates, Advisor, Turkish Industry and Business Association (TUSIAD)

Estelle Jacques, Junior Advisor International Affairs, Association of European Chambers of Commerce & Industry (EUROCHAMBRES)

Dietlind Jering, Policy Officer, International Co-operation, European Commission: Directorate General for Research and Innovation

Jin Biaorong, Chief Correspondent, China Radio International (CRI)

David Koczij, Journalist, DKO Enterprises

Nancy Kontou, Senior Advisor, European Commission: Directorate General for the Environment

Pierre Laconte, President, Foundation for the Urban Environment

Gilles Lafleurriel, Business Development Manager, Elia System Operator

Malte Lembrecht, Assistant to the Vice President Energy & Climate, Siemens, EU Affairs Office

Freya Lemcke, Advisor, International Affairs, Association of European Chambers of Commerce & Industry (EUROCHAMBRES)

Li Jian, Political Counsellor, Mission of the People's Republic of China to the EU

Liao Guinian, Counsellor, Mission of the People's Republic of China to the EU

Liu Huazhen, Correspondent, China Radio International (CRI)

Liu Jia, Master Student, Katholieke Universiteit Leuven (KU), Centre for European Studies

Liu Xuefei, Business Development, Yara International

Ramon Lopez, International Relations Coordinator, European Commission: Directorate General for Regional Policy

Lu Ying Yan, Project Manager, Flanders Cleantech Association

Giuseppe Luigi Mazza, Senior Adviser, Committee on Foreign Affairs, Group of the European People's Party (EPP)

Voula Paraskevi Mega, Senior Policy Analyst, European Commission: Directorate General for Research and Innovation

Joel Meggelaars, Policy Advisor to Lambert van Nistelrooij MEP, European Parliament

Roland-Jan Meijer, Executive Director, Global Solar Council

Patrice Millet, Research Programme Officer, European Commission: Directorate General for Research and Innovation

Philippe Molitor, Photographer, Gleamlight

Andrew Oliver, Business Development, The Parliament Magazine

Myriam Parrein, Managing Director, Parrein Trading

Boudewijn Piscaer, Project Consultant, Univerde, The Netherlands

Clothilde Poplineau, European Affairs Manager, GDF Suez

Dirk Pottier, Scientific Officer, European Commission: Directorate General for Research and Innovation

Ivica Pranjic, First Secretary, Mission of Bosnia and Herzegovina to the EU

Vladimir Rakhmanin, Deputy Secretary General, Energy Charter Secretariat

Gilbert Rukschcio, Managing Partner, Peritia Communications

Peter D. Schellinck, Chairman, Schellter Strategy Consults

Maria Schewenius, Project Co-ordinator, Stockholm University, Sweden

An-An Shong, Legal Advisor, Grant Thornton, The Netherlands

Tessa Siragusa, Biodiversity Conservation and Urban Areas Programme Intern, International Union for Conservation of Nature (IUCN), Regional Office for Europe

Viktor Sukup, Policy Officer, Forward looking studies and policy coherence, European Commission: Directorate General for Development and Cooperation - EuropeAid (DEVCO)

Sun Tianren, Correspondent, People's Daily, European Center

Gordon Sutherland, Senior Project Officer of the Energy Efficiency Unit, European Commission: Executive Agency for Competitiveness and Innovation (EAC)

Christian Tetzl, Programme Manager - External Relations (Understanding China programme), European Commission: Directorate General for Development and Cooperation - EuropeAid (DEVCO)

Andrey Tsyvov, Second Secretary, Mission of the Russian Federation to the EU

Chantal van Ham, European Programme Officer, International Union for Conservation of Nature (IUCN), Regional Office for Europe

Robert F. Vandenplas, International Affairs Consultant, .

Sabine Verhest, Journaliste, Affaires européennes, La Libre Belgique

Marija Vukčević, Second Secretary, Mission of Montenegro to the EU

Paweł Walentynowicz, Managing Director, Transenter, The Netherlands

Beata Wiszniewska, First Counsellor, Head of the Environment Section (Climate Change, Sustainable Development, Environmental Management), Permanent Representation of Poland to the EU

Paweł Wróbel, Personal Assistant to the Commissioner, European Commission: Cabinet of EU Commissioner for Financial Programming & Budget Janusz Lewandowski

Wu Lejun, Correspondent, People's Daily, European Center

Xu Hongda, Third Secretary, Mission of the People's Republic of China to the EU

Xu Yongtao, Student, Katholieke Universiteit Leuven (KUL)

Yan Hengyuan, Chief Correspondent, China Economic Daily

Min Yan, Coordinator, China-Europa Forum, France, c/o Charles Léopold Mayer Foundation

Serena Yu, Third Secretary, Taipei Representative Office to the EU & Belgium

Anastase Zacharas, Policy Officer, Energy, European Commission: Directorate General for Development and Cooperation - EuropeAid (DEVCO)

Zhang Dianbin, First Secretary, Mission of the People's Republic of China to the EU

Zhang Hong, First Secretary, Mission of the People's Republic of China to the EU



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