

The 7th International Investment Promotion Forum

"Opportunities and Challenges in International Investment in the Transition to a Low-carbon Era"

10-11 November 2011, Nanchang, China

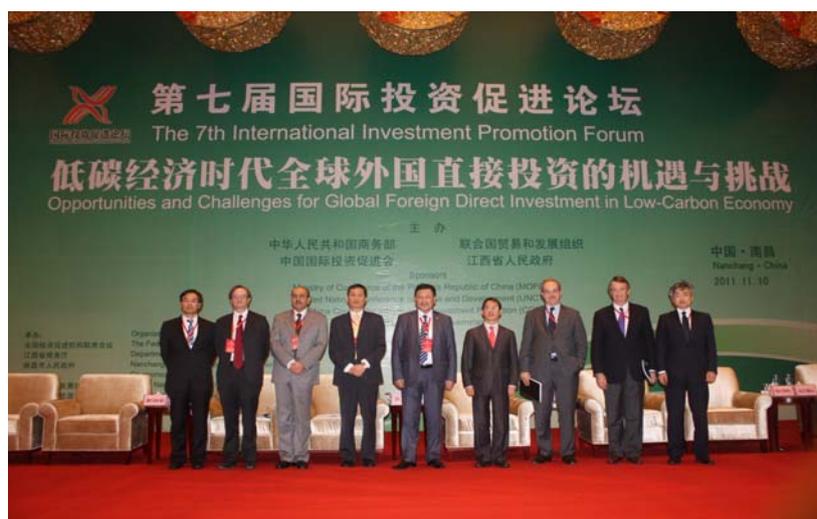
From 10 to 11 November 2011, UNCTAD, in partnership with the Ministry of Commerce of China, the China Council on International Investment Promotion and the Jiangxi Provincial Government of China, organized the 7th International Investment Promotion Forum in Nanchang, China.

Taking place at a critical moment of the recovery of international investment, the Forum addressed the most prominent opportunities and challenges facing the international investment community, with a focus on promoting low-carbon investment at a challenging time.

The Forum attracted more than 300 participants from both the public and private sectors, including policy makers, senior officials from international organizations, executives from international companies, representatives of institutional investors, heads of investment promotion agencies and international experts.

I. High-level International Investment Forum

Mr. Shen Jueren, Former Vice Minister of Commerce of China, Mr. Sun Gang, Vice Governor of Jiangxi Province of China, Mr. Miao Gengshu, President of the China Council for International Investment Promotion, and Mr. James Zhan, Director of the Investment and Enterprise Division of UNCTAD opened the Forum, stressing the key role FDI plays in sustaining the growth of the world economy and the importance of tapping into emerging investment opportunities including those arising from the transition to a low-carbon economy.



Panel of the High-Level International Investment Forum

The high-level session featured a distinguished panel with a wide range of experience in policy making and low-carbon investment. Members of the panel included H.E. Mr. Baetov Batyrkul, Deputy Minister of Industry, Energy and Fuel Resources of the Kyrgyz Republic; Mr. Tarun Kapoor, Joint Secretary of the Ministry of New and Renewable Energy of India; Mr. Henry Derwent, President of the International Emissions Trading Association; Mr. Edward Clarence-Smith, Head of the Representative Office of the United Nations Industrial Development Organization (UNIDO) in China; Mr. David Hawkins, Director of the Climate Center of the US Natural Resources Defense Council; Mr. Takashi Hongo, Senior Fellow of Mitsui Global Strategic Studies Institute of Japan; Mr. Gao Shixian, Assistant Director of the Energy Institute of the National Development and Reform Commission (NDRC) of China; and Mr. Guo Lian, Director of the Shanghai Branch of China Development Bank.

To set the stage for the session, Mr. James Zhan presented in his opening statement current trends of global FDI flows, and the necessity of propping up low-carbon investment not only to meet the challenge of climate change but also to generate much needed jobs and economic growth. To fully tap into the potential offered by the green transition, Mr. Zhan recommended developing countries to take a combination of policy measures to promote low-carbon investment, which include, among others, integrating "green and responsible" elements in their foreign investment promotion, streamlining market entry regulations on inflows of low-carbon foreign investment, leveraging regional economic arrangements to overcome market size constraints, and putting in place market-creation mechanisms.



Panelists agreed that the global policy debate is no longer about whether or not to take action; it is about what actions to take and by whom. In addition to job creation and other development benefits, green investment was deemed to be crucial for meeting the growing demand for energy driven by emerging economies. Mr. Kapoor, Joint Secretary of the Ministry of New and Renewable Energy of India, noted that India needs to invest 50-100 billion US dollars every year in energy generation to fuel its economic growth in the next ten year, with renewable energy taking up an increasing share. Panelists from China highlighted the huge investment in green technologies that was needed to realize China's ambitious plan to reduce its carbon emissions per unit output 40-45% from 2005 levels by 2020.

While noting great potentials of low-carbon investment, panelists acknowledged the many obstacles facing governments and business, which entail immediate policy responses at national and international levels. At the national level, governments were encouraged to put in place a stable and predictable policy framework to encourage long-term low-carbon investment, which include predictable industry and FDI policies and various incentive-based

market creation mechanisms and other support measures. At the global level, uncertainties related to the global climate change policy framework beyond the Kyoto Protocol and risk of rising protectionism were cited to be most detrimental for green FDI flows. As a result of these uncertainties, the Clean Development Mechanism (CDM), an international climate change mechanism in operation for years, is now in difficulty. International society, in particular major developed and developing economies, were urged to renew their commitment to fighting climate change and facilitating a transition to a low-carbon economy. In this regard, clear and consistent policy signals were again considered to be crucial.

II. Parallel Sessions on Green Investment

Three parallel sessions, focusing respectively on policy, carbon trading and technological issues of green investment, were held at the Forum.



In *Parallel Session 1*, experts from developed and developing countries shed lights on relevant policies and strategies for promoting low-carbon investment. Mr. Gao Shixian from NDRC highlighted the Chinese perspective on the transition to a low-carbon economy, with a focus on energy efficiency, which was expected to contribute to eighty percent of China's emissions reduction by 2020. Mr. Henry Wang from the Australia Trade Commission,

presented the Australian view on investing into clean energy activities, noting Australia's plan to quadruple its electricity generation from renewable sources by 2020, generating 20 percent of its electricity. Mr. Hongo from Mitsui Global Strategic Institute gave a presentation on public-private cooperation in developing a green economy, with three main messages: lowering the prices of clean-tech equipment through incentives, monitoring-reporting-verification (MRV) of greenhouse gas (GHG) emissions reduction, and functioning carbon markets. Other panelists complemented the discussion with strategies to attract green investment at the local level.

In *Parallel Session 2*, carbon trading experts and practitioners discussed current trends of global and regional carbon trading markets and the role that carbon trading plays in promoting low-carbon investment. Senior managers from Climate Change Capital of the United Kingdom, Ernst & Young and Chinese carbon trading and financial companies shed light on different aspects of emerging opportunities in carbon trading in the Chinese market. With China taking measures to set up its own carbon trading market during its next five-year plan, the panel expected surging investment in emissions reduction and renewable energy generation in the country. Best practices in implementing carbon-trading projects and maximizing their environmental benefits were also exchanged.



Parallel Session 3 featured a dialogue between potential investors and executives from emerging low-carbon sectors, including renewable energy, energy efficiency and advanced

transportation technologies. In addition to investment opportunities in various low-carbon technologies, special attention was drawn to attraction of FDI into low-carbon services, for example through energy efficiency management contract, which can help developing countries improve local management skill and technology know-how.

III. UNCTAD-UNECE Special Event on attracting FDI into advanced fossil fuel technologies

As the second regional workshop of the UN Development Account project, UNCTAD and UNECE organized an event on “attracting FDI in advanced fossil fuel technologies - government and business in dialogue” as part of the 7th International Investment Promotion Forum.



The workshop aimed at fostering developing and transition economies’ awareness and understanding of issues of attracting FDI into advanced fossil fuel technologies for electricity generation. This was done by sharing of experiences from governments as well as businesses. The session had three parts and was attended by around 40 participants.

The opening was held under the theme of "Cleaner conventional technologies as a bridge to a low-carbon future" and saw contributions from: H.E. Mr. Batyrkul Baetov, Deputy Minister from the Ministry of Industry, Energy and Fuel Resources of the Kyrgyz Republic; Mr. Tarun Kapoor, Joint Secretary of the Ministry of New and Renewable Energy of India; and Mr. James Zhan, Director of the Investment and Enterprise Division of UNCTAD.

The second session on “Attracting FDI in advanced fossil fuel technologies in China and Mongolia” was devoted to these two countries. Presentations were made by two experts who conducted baseline studies in their countries.

The third session with a government-business panel discussion saw several interventions from experts from government, business and development institutions.

The presentations and ensuing discussions focused on experiences and lessons learned in attracting FDI into advanced fossil fuel technologies in four countries: China, Mongolia, the Kyrgyz Republic and India. The sessions touched on different models of FDI intervention in the energy sector, including BOT (build-operate-transfer) and BOO (build-own-operate) schemes.

Programme

Thursday, 10 November 2011	
08:45-09:00	Pre-event Meeting of Speakers/Resources Persons
09:00-09:25	<p>Opening</p> <p>Chairperson:</p> <ul style="list-style-type: none"> • Mrs. Ming ZHOU, Executive Vice President, China Council for International Investment Promotion (CCIIP) <p>Opening Statements:</p> <ul style="list-style-type: none"> • Mr. Jueren SHEN, Former Vice Minister of Commerce of China, Honorary President of China International Trade Society • Mr. Gang SUN, Vice Governor of Jiangxi Province, China • Mr. Gengshu MIAO, President, China Council for International Investment Promotion (CCIIP) • Mr. James Zhan, Director, Division on Investment and Enterprise, UNCTAD
09:25-09:30	<p>Signing Ceremony:</p> <p>Tri-party Cooperation Agreement between CCIIP, Nanchang Municipal Government and Beijing Environment Exchange</p>
09:30-09:40	Tea Break
09:40-12:00	<p>High-level International Investment Forum</p> <p>Chairperson:</p> <ul style="list-style-type: none"> • Mr. James Zhan, Director, Division on Investment and Enterprise, UNCTAD <p>Speakers:</p> <ul style="list-style-type: none"> • H.E. Mr. Batyrkul Baetov, State Secretary/Deputy Minister, Ministry of Industry, Energy and Fuel Resources, Kyrgyzstan • Mr. Shixian GAO, Assistant Director, Energy Research Institute, National Development and Reform Commission (NDRC) • Mr. Shri Tarun Kapoor, Joint Secretary of the Ministry of New and Renewable Energy, India • Mr. Lian GUO, Director, Shanghai Branch, China Development Bank of China • Mr. Henry Derwent, President, International Emissions Trading Association • Mr. Edward Clarence-Smith, Head of Regional Office in China, UNIDO • Mr. David Hawkins, Director of the Climate Center of the US Natural Resources Defense Council, USA • Mr. Takashi Hongo, Senior Fellow, Mitsubishi Global Strategic Studies Institute; Special Advisor, Japan Bank for International Cooperation, Japan <p style="text-align: center;">11:10-12:00</p> <p>Interactive Discussion</p>

12:00-13:00	Luncheon
14:00-17:00	Parallel Sessions on Green Investment
14:00-17:00	<p>Sessions I <i>Policies and strategies: public-private dialogue on promoting low-carbon investment for sustainable development</i></p> <p>Chairperson:</p> <ul style="list-style-type: none"> • Mrs. Ming ZHOU, Executive Vice President, China Council for International Investment Promotion (CCIIP) <p>Speakers:</p> <ul style="list-style-type: none"> • Mr. Shixian GAO, Assistant Director, Energy Research Institute National Development and Reform Commission (NDRC) • Mr. Dongning YANG, Professor, Director of the Institute on Strategy, Peking University • Mr. Henry WANG, Senior Investment Commissioner for Greater China, Australia Trade Commission • Mr. Jianxin DENG, Chairman, Development and Reform Commission of Nanchang Municipal Government • Mr. Yaoguang FANG, General Manager, Shanghai Foreign Investment Service Center • Mr. Takashi Hongo, Senior Fellow, Mitsubishi Global Strategic Studies Institute; Special Advisor, Japan Bank for International Cooperation • Mr. Yun XU, Deputy General Manager, Jiangxi Electricity Company <p>Interactive Discussion (15 minus)</p>
14:00-17:00	<p>Sessions II <i>Carbon trading and financing: prospects and opportunities for emerging economies</i></p> <p>Chairperson:</p> <ul style="list-style-type: none"> • Mr. Libin JIA, Department Director, Beijing Environment Exchange <p>Speakers:</p> <ul style="list-style-type: none"> • Mr. Henry Derwent, President, International Emissions Trading Association • Mr. Renhu TANG, Member of the CDM Project Audit Committee of NDRC, General Manager of Beijing Sino Carbon Innovation and Investment Co., Ltd. • Mr. Guoliang JIN, General Manager, Beijing Environment Exchange • Mr. Alvin LIU, Deputy General Manager, Climate Capital (China) Group • Ms. Yidong ZHANG, Assistant Researcher, Finance Institute, Development Research Center of the State Council of China • Mr. Yanqin Chen, Senior Research Fellow, Sustainable Finance Centre, China Industrial Bank • Ms. Yan YU, Director, Ernest Young • Mr. Zhaodong MA, Manager, Energy Saving Division, China General Certification Center <p>Interactive Discussion (15 minutes)</p>

14:00-18:00	<p>Session III <i>Technologies and investment: opportunities and challenges in emerging low-carbon strategic industries</i></p> <p>14:00-14:55 Topic I: Promotion and application of low-carbon technologies</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Mr. Di ZHANG, Technology Director, ABB Energy Saving Centre • Mr. Zhenhai LI, Manager, GETRAG (Jiangxi) Transmission Co., Ltd • Mr. Da HU, President, China Huadian (Jiangxi) Corporation • Mr. Jialiang WU, Chairman, Sany Electrification Corporation Ltd <p>Interactive Discussion (10 minutes)</p> <p>14:55-16:05 Topic II: Financing options for low-carbon companies</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Mr. Xiaowen LI, Director of the Statistics Division , China Banking Regulatory Commission • Mr. Tao REN, Senior Investment Manager, Global Energy Efficiency and Renewable Energy Fund, European Investment Bank • Mr. Lixin TIAN, Partner & Founder, DT Capital • Mr. Yingjie LIANG, Partner, KPCB Capital • Ms. Tingting WU, President, VestAsia Investment Bank • Mr. Xingxue TONG, President, Jiangxi LDK Solar <p>Interactive Discussion (15 minus) 14:55-16:05 Project Matchmaking</p>
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Friday, 11 November 2011	
Morning	Participants of the 7 th International Investment Promotion Forum are invited to the Opening of the 2 nd World Low Carbon and Eco-economy Conference, and the Low-carbon and Eco-economy Leaders' Forum
13:30-17:30	<p>UNCTAD-UNECE Special Event:</p> <p><i>Attracting FDI in advanced fossil fuel technologies - government and business in dialogue</i></p>
13:30-14:15	<p>Opening:</p> <p><i>Cleaner conventional technologies as a bridge to a low-carbon future</i></p> <p>Introduction:</p> <ul style="list-style-type: none"> • Mr. James Zhan, Director, Division on Investment and Enterprise, UNCTAD <p>High-level speakers:</p> <ul style="list-style-type: none"> • H.E. Mr. Batyrkul Baetov, State Secretary/Deputy Minister, Ministry of Industry, Energy and fuel Resources, Kyrgyzstan

	<ul style="list-style-type: none"> • Mr. Shri Tarun Kapoor, Joint Secretary of the Ministry of New and Renewable Energy, India
14:15-15:30	<p><i>Attracting FDI in advanced fossil fuel technologies in China and Mongolia</i></p> <p>Presentations:</p> <ul style="list-style-type: none"> • <i>Introduction</i> Mr. Ralf Krueger, Economic Affairs Officer, UNCTAD • <i>The case of China</i> Mr. Dongning YANG, Professor, Director of the Institute on Strategy, Peking University • <i>The case of Mongolia</i> Mr. Otgochuluu Chuluuntseren, Director of the Economic Policy and Competitiveness Research Center and Advisor to the President of Mongolia <p>Q& A session (20 min)</p>
15:30-15:45	Tea Break
15:45-17:15	<p><i>Government - business panel discussion</i></p> <p>Chairperson: Mr. Guoyong LIANG, Economic Affairs Officer, UNCTAD</p> <p>Panelists:</p> <ul style="list-style-type: none"> • Mr. Nurbek Maksutov, Head of Department for Investments, Foreign Assistance, PPP and PIP, Kyrgyzstan • Mr. Nachin Dashnyam, Head of Investment, Project and Business Development Division, Foreign Investment and Foreign Trade Agency, Mongolia • Mr. Shixian GAO, Director Assistant, Energy Research Institute of NDRC • Mr. Takashi Hongo, Senior Fellow, Mitsubishi Global Strategic Studies Institute; Special Advisor, Japan Bank for International Cooperation • Mr. Tao Ren, Senior Investment Manager, Global Energy Efficiency and Renewable Energy Fund, European Investment Bank • Mr. Guo Jin, Managing Director, RWE Power Climate Protection GmbH (Beijing) <p>Q&A session (30 min)</p>
17:15-17:30	Summing up