

**TECHNICAL EXPERT WORKSHOP ON  
MODELLING THE IMPACT ON CIRCULAR ECONOMY AND LOW CARBON  
TRANSITIONS OF THE COVID-19 RECOVERY PACKAGES**

**13-14 April 2021**

**13:00-16:15 (Central European Summer Time; GMT+2)**

**Virtual Meeting, via Zoom**

**AGENDA**

**Key Contacts:**

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This workshop is organised by the OECD, with financial support from the European Union.

## Background

The ongoing Covid-19 pandemic has caused the worst economic contraction since the Great Depression, with, at times, more than a third of the global population being placed on lockdown. Those numerous lockdowns and measures enacted by national and local governments to ensure public health have put a substantial strain on economic activity, especially on the energy-related, construction, tourism, and mobility sectors. The recession has also had meaningful environmental implications. The unprecedented sharp fall in both demand and supply has led to a significant reduction in global environmental pressure, and some of these consequences are projected to last for a long time.

This economic and health crisis differs greatly from previous crises, such as the Great Recession, and will, hence, require different solutions. To ensure that the recovery pathway assists with the transition to a circular and low-carbon economy, recovery packages should be used as an opportunity to invest in a “greener” economy. Favouring “green” investments in the upcoming recovery plans could improve resource efficiency, shield economies against future climate risks and potential environment-related crises. The environmental benefits of such policies can be long-lasting.

It is, however, not straightforward to ascertain the impact of specific policies and broader recovery packages, given the scarcity of current data and the uncertainties on how the pandemic will evolve. There is, though, much debate about what constitutes a green package, which policies belong to it, and whether including such policies would excessively hamper the economic recovery, and therefore, not be justified by their environmental ambitions. This workshop intends to address these questions and gaps by facilitating discussions on how to use economic models to investigate the links between the Covid-19 pandemic, government response measures and recovery packages on the one hand, and environmental pressures and the transition to a circular and low-carbon economy on the other.

## Aim and objectives of the workshop

This OECD technical workshop will convene leading experts on modelling of economy-environment interactions. The workshop will take stock of modelling efforts that are going on to quantify the impacts of the Covid-19 pandemic and government response measures on economic activity and environmental pressure. The aim is to identify how robust modelling can be carried out to assess the extent to which recovery measures are “green” and can contribute to the transition to a circular and low-carbon economy.

The workshop aims at addressing the following questions:

- What are the implications of the Covid-19 pandemic and government response measures on economic activity and environmental pressure, including the transition to a circular and low-carbon economy?
- Which types of recovery measures are implemented or planned by governments and how do these affect economic activity and environmental pressure?
- Which policies can help reduce the economic fallout of the coronavirus crisis while simultaneously targeting environmental, climate and circular economy goals in the longer run?
- How to model the long-run effects of large-scale recovery packages, and which elements should be included in modelling analysis with priority?

The workshop will consist of four sessions. **Session 1** will discuss the quantification of the impacts Covid-19 has had on the economy and their implications on environmental pressure, climate change and the transition to a circular economy. **Session 2** will discuss the type of quantitative assessments needed to assess the impacts of Covid-19 recovery packages. **Session 3** will look at the incentives for a green recovery and policy options for stimulating green elements in recovery packages. **Session 4** will be conducted in the form of a panel which intends to let panellists brainstorm on how to quantify how green recovery packages are. Finally, the concluding session will bring together the key takeaways of the workshop, and explore potential follow-up activities.

**Workshop Agenda**  
**(Central European Summer Time)**

<b>DAY 1. 13.04.2021</b>	
<b>13:00 - 13:15</b>	<p><b>Welcome and Opening Remarks: aims, expectations and structure of workshop</b></p> <p>Shardul Agrawala (OECD)</p>
<b>13:15 - 13:45</b>	<p><b>Scene-setting presentation: Modelling large socio-economic shocks in CGE models</b></p> <p>Moderator: Shardul Agrawala (OECD)</p> <p>Presenter (15 min): Valentina Bosetti (Bocconi University)</p> <p>Discussion (15 min)</p>
<b>13:45 - 14:45</b>	<p><b>Session 1: The impacts of Covid-19 on the environment and the transition to a circular and low-carbon economy</b></p> <p>Moderator: Elisa Lanzi (OECD)</p> <p>Presenters (10 min each):</p> <ul style="list-style-type: none"> <li>– Hector Pollitt (Cambridge Econometrics)</li> <li>– Bas van Ruijven (IIASA)</li> <li>– Dominique van der Mensbrugghe (Purdue University)</li> </ul> <p>Discussion (30 min)</p>
<b>14:45 - 15:00</b>	<p><b>Coffee break</b></p>
<b>15:00 - 16:00</b>	<p><b>Session 2: Quantifying the impacts of recovery packages on economic activity</b></p> <p>Moderator: Frank van Tongeren (OECD)</p> <p>Presenters (10 min each):</p> <ul style="list-style-type: none"> <li>– Christine Arriola (OECD)</li> <li>– Rob Dellink (OECD)</li> <li>– Edward Barbier (Colorado State University)</li> </ul> <p>Discussion (30 min)</p>
<b>16:00 - 16:15</b>	<p><b>Wrap-up of day 1</b></p>

<b>DAY 2. 14.04.2021</b>	
<b>13:00 - 14:00</b>	<p><b>Session 3: Incentivising green recovery and the transition to a more circular economy</b></p> <p>Moderator: Peter Börkey (OECD)</p> <p>Presenters (10 min each):</p> <ul style="list-style-type: none"> <li>– Brian O’Callaghan (Oxford University)</li> <li>– Jocelyn Bleriot (Ellen MacArthur Foundation)</li> <li>– Theodoros Zachariadis (Cyprus Institute)</li> </ul> <p>Discussion (30 min)</p>
<b>14:00 - 14:15</b>	<b>Coffee break</b>
<b>14:15 - 15:45</b>	<p><b>Session 4: Assessing the greenness and circularity of recovery packages: Brainstorming ideas on modelling</b></p> <p>Moderator: Asa Johansson (OECD)</p> <p>Panel discussion with short opening statements (5 min each):</p> <ul style="list-style-type: none"> <li>– Valentina Bosetti (Bocconi University)</li> <li>– Jan Brusselaers (Vito)</li> <li>– Alvaro Calzadilla (UCL)</li> <li>– Reyer Gerlagh (Tilburg University)</li> <li>– Satoshi Kojima (IGES)</li> <li>– Alex Marten (US-EPA)</li> <li>– Matthias Weitzel (JRC)</li> </ul> <p>Discussion (30 min)</p>
<b>15:45 - 16:15</b>	<p><b>Wrap-up of the workshop</b></p> <p>Summary conclusions by Stephen White (European Commission) and Shardul Agrawala (OECD)</p>
<b>16:15</b>	<b>End of workshop</b>