

# China's Experiences in CDM Promotion

Wang Shu

Office of National Climate Change Coordination Committee

National Development & Reform Commission

Jakarta, Indonesia, September 2006

- Establishment of Management System
- Improvement of Measures and Regulations
- Necessary Requirements for application
- Priority Areas for Promotion
- Streamlined National Approval Process
- Current Progress on CDM projects
- International Cooperation on CDM
- Perspective of Future Step on Promotion
- Contact Information



#### **High policy level: National Climate Change Committee**

Composed of 17 significant ministries

Responsible for Decision on significant CDM policies

### Management level: National Development and Reform Commission

#### (DNA)

Executing Agency: Office of National Climate Change Coordination Committee

Responsible for management and national approval of CDM projects

#### **Review level: National CDM Board**

Composed of 7 related ministries

Responsible for review and inquiry of CDM projects application



#### Main responsibilities of my organization as a DNA:

- to accept CDM project application
- to approve CDM project activities jointly with MOST and MFA, on the basis of the conclusion made by the CDM Board
- to issue written approval letter on behalf of the Government of China
- to supervise the implementation of CDM project activities
- to take on international cooperation for promotion of CDM projects
- to organize related studies in CDM field
- to deal with other relevant issues



## Milestone: Measures for Operation & Management of CDM Projects in China

- Only regulation on CDM projects activities
- To set up a legal guidance for application, implementation and management of CDM projects in China.
- An interim measure was issued in 2004 as a pilot activity
- Formal measure was in effective in October 12, 2005 after modification according to practice in CDM market
- You can download in our website: <a href="http://cdm.ccchina.gov.cn">http://cdm.ccchina.gov.cn</a>

### A new step: measure on management of CDM fund

MOF and NDRC are working hard on it



#### Participation eligibility:

- 100% Chinese enterprises
- joint-venture enterprises: Chinese partner (s) holding at least
   51% of shares, and the largest shareholder is a Chinese enterprise

Content of PDD: meet the requirements of EB

Price of CERs: no deviation too much from the market price

Funding: additional to ODA

Technology transfer: advanced technology

**Environmental impact: approval of EIA** 

Project feasibility: approval of Engineering Feasibility Study

#### Sustainable development factors:

- increase of local income and employment
- alleviation of local poverty
- reduction of local environmental pollutants
- .....

#### **Priority Areas**

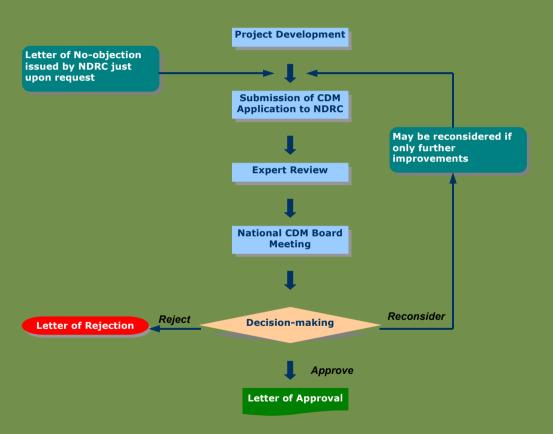
- energy efficiency improvement
- development and utilization of new and renewable energy
- methane recovery and utilization

#### Percent of Revenue Delivery By the Project Type

- HFC and PFC decomposition projects: 65%
- N<sub>2</sub>O decomposition projects: 30%
- projects in priority areas: 2%

#### Other methods to promote CDM projects in priority areas

- to organize development of methodologies of energy efficiency Improvement
- to organize study on calculation of emission factors according to ACM0002





#### Current Progress (up to the end of August, 2006)

#### Continued increase of project number

- The number of approved projects: 85
- The number of projects that are applying for approval: about
   20
- The number of projects registered in EB: 13

#### A big contribution to GHG emission reduction

The amount of emission reduction produced by Chinese government approved projects is about 0.45 billion tons CO<sub>2</sub>e



### Most of projects focused on those fields including renewable energy,

HFC-23 decomposition, and LFG utilization.

Project type	Project number		Emission reduction	
	number	percentage	(tCO2e)	percentag e
Wind power	30	44.1%	18,919,814	4.7%
Hydropower	20	29.4%	22,426,614	5.5%
HFC-23 decomposition	7	10.3%	305,782,474	75.6%
LFG utilization	5	7.4%	7,271,073	1.8%
Energy saving	4	5.9%	21,472,487	5.3%
N <sub>2</sub> O decomposition	1	1.5%	28,000,000	6.9%
Afforestation	1	1.5%	500,000	0.1%
total	68		404,372,462	

### Current Progress (up to the end of July , 2006)

Most of projects locate in east economic-developed regions, and western regions with abundant wind and water power resources.

Province	Project number		Emission reduction	
	number	%	(tCO2e)	%
Gansu	10	14.7%	8,321,190	2.1%
Jiangsu	8	11.8%	143,805,07 6	35.6%
Jilin	7	10.3%	4,672,641	1.2%
Sichun	7	10.3%	26,824,181	6.6%
Inner Mongolia	5	7.4%	3,240,767	0.8%
Shandong	5	7.4%	76,301,992	18.9%
Ningxia	3	4.4%	2,600,000	0.6%
Zhejiang	3	4.4%	98,437,141	24.3%
Guangdong	3	4.4%	4,967,982	1.2%
Heilongjiang	3	4.4%	893,478	0.2%
Liaoning	2	2.9%	791,748	0.2%

Hebei	2	2.9%	1,133,801	0.3%
Hunan	2	2.9%	366,580	0.1%
Xinjiang	1	1.5%	670,327	0.2%
Guizhou	1	1.5%	864,750	0.2%
Fujian	1	1.5%	358,666	0.1%
Guangxi	1	1.5%	500,000	0.1%
Yunnan	1	1.5%	510,863	0.1%
Beijing	1	1.5%	720,000	0.2%
Henan	1	1.5%	28,000,000	6.9%
Anhui	1	1.5%	391,279	0.1%
total	68		404,372,46 2	

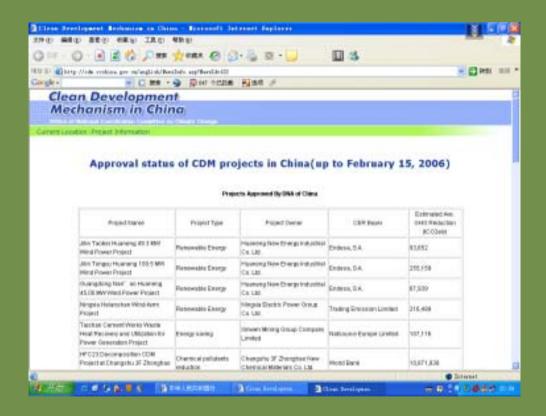
#### Current Progress (up to the end of July, 2006)

Most of buyers in China come from Europe, Japan and World Bank.

Countries or	Project number		Emission reduction	
organizations	number	%	(tCO2e)	%
UK	23	32.9%	51,218,822	12.6%
Spain	10	14.3%	15,746,527	3.9%
Austria	7	10.0%	5,136,289	1.3%
Japan	6	8.6%	82,463,980	20.3%
World Bank	5	7.1%	142,174,383	34.9%
The Netherlands	3	4.3%	2,334,296	0.6%
Italy	3	4.3%	73,548,091	18.1%
Sweden	2	2.9%	791,748	0.2%
France	1	1.4%	538,440	0.1%
Canada	1	1.4%	28,000,000	6.9%
Unilateral	9	12.9%	5,078,861	1.2%
total	70	100%	404,372,462	100%

# Current Progress

Please log in our website to track in the latest project progress.





#### UNDP capacity building project on CDM

Training in central and local level, Especially for consultants, enterprise managers, etc.

Information platform construction Professional workshops on CDM

#### IGS-CDM China project between China and Japan

China CDM guidance book Information platform improvement, PDD development and local governmental capacity building

#### Cooperation with World Bank

Establishment of management organization of CDM

- Active on establishing CDM management organization
- Take efforts to make the approval process clearer, simpler, and more efficient
- Take efforts to promote the improvement of the quality of PDD
- Support for development of methodologies in the field of EE improvement
- Make use of CDM fund to support for activities responding to climate change
- Active on multilateral and bilateral cooperation on CDM capacity building and project development
- Study on the risk and perspective of CDM beyond 2012



Please feel free to contact me or my boss and colleagues if you have any problem!

Mr. Gao Guangsheng
Director General of office of NCCCC
E-MAIL: gaogs@mx.cei.gov.cn

#### Ms. Sun Cuihua

Division Director of office of NCCCC E-MAIL: <a href="mailto:suncuihua@yahoo.com.cn">suncuihua@yahoo.com.cn</a>

#### Ms. Li Liyan

Deputy Division Director of office of NCCCC

E-MAIL: lily@ccchina.gov.cn

#### Mr. Wang Shu

Project Officer of office of NCCCC

Tel: 86-10-68501553, Fax: 86-10-68502358

E-MAIL: wangshu@ccchina.gov.cn