

## Project Summary

The project intended to create a better understanding of the methodological and technical issues regarding CDM as well as their practical application, to identify the emission reduction potentials of possible CDM activities in China and its roles in the world carbon market, and aimed to enhance the capacity building for China in participating in CDM.

The international experts provided by INTEGRATION supported the Chinese Expert Team with technical know how on the CDM methodology and rules as well as on the case studies in the field of power generation. An additional Study Tour with site visits (e.g. Co-generation, Tri-generation, Wind energy blade factory) and meetings with governmental and non-governmental institutions was carried out by INTEGRATION in Germany and Switzerland in September 2002.

As result of the project, the policy study "Clean Development Mechanism in China" was published in July 2004. The China CDM study analyzes key methodological issues related to the Clean Development Mechanism from China's perspective. It includes six case studies of potential CDM projects - five power generation projects and one landfill natural gas project - and evaluates China's CDM potential through 2010.

Based on the analytical results and experience gained through the China CDM study, and considering both the evolution of the international CDM regime and China's particular national circumstances, this report outlines a Chinese CDM approach that:

- Emphasizes sustainable CDM by ensuring the contribution of CDM project activities to sustainable development in China;
- Takes a proactive approach to take early advantage of CDM opportunities during the first commitment period.

The recommended approach is based on the following main insights from the methodological, case study, and modelling work undertaken by the study team:

- Implementation of the CDM in China can deliver significant local economic and sustainable development co-benefits;
- China's CDM potential represents a substantial component of the global carbon market;
- CDM projects must be identified and developed within the next couple of years for China to capitalize on its CDM potential during the first commitment period from 2008 to 2012;
- Chinese enterprises face barriers to CDM development and implementation in practice.

Combining a top-down with a bottom-up approach, the study sought to analyze China's real circumstances. The study presents a comprehensive package of conclusions and recommendations to the Chinese Government, potential project proponents, and the interested national and international audience.

## Services Provided

- Development of CDM rules and procedures for China
- Case Studies in the field of power production and renewable energies
- Support from international climate change and CDM experts
- Capacity Building
- Study tour
- Project management

## PR China

### Policy Study: "Clean Development Mechanism in China"

#### Client

German Agency for Technical Cooperation (GTZ)

#### Duration

11/2001 - 08/2004

#### Personnel

- 4 international STE

