

# A Survey on CDM project for establishment of bilateral credit mechanism and MRV capacity building for China

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## Contents 主要内容

- Background of the workshop 背景
  - Introduction 引言
  - Results 结果
- Policy implications 政策含义

# About the IGES MRV project

## 关于IGES MRV项目

- The title of the IGES MRV project: “MRV Capacity Building in Asia for the Establishment of New Market Mechanisms”

### IGES MRV项目 “亚洲碳交易市场MRV能力建设”

- To develop an appropriate method for applying MRV for the Asian region

为亚洲地区应用MRV开发适当的方法

- To support the developing countries to utilize the MRV system using the above method

应用上述方法帮助发展中国家使用MRV系统

# Introduction (引言)

- Position of the Chinese government toward MRV (中国政府对MRV的态度)
  - It agrees that mitigation commitments by developed countries and mitigation support in the form of technology, financing and capacity building from developed countries to developing countries should be subject to the MRV requirements.

同意发达国家的减排承诺，以及发展中国家得到发达国家资金、技术转让和能力建设支持的减缓行动进行MRV。
  - Does not agree that all NAMAs by developing countries are subject to the MRV requirement and only actions supported and enabled by technology, financing and capacity building are subject to the MRV requirement.

发展中国家自愿采取的减排行动不同意进行MRV。

# The position of the Chinese government toward MRV (中国政府对MRV的态度)

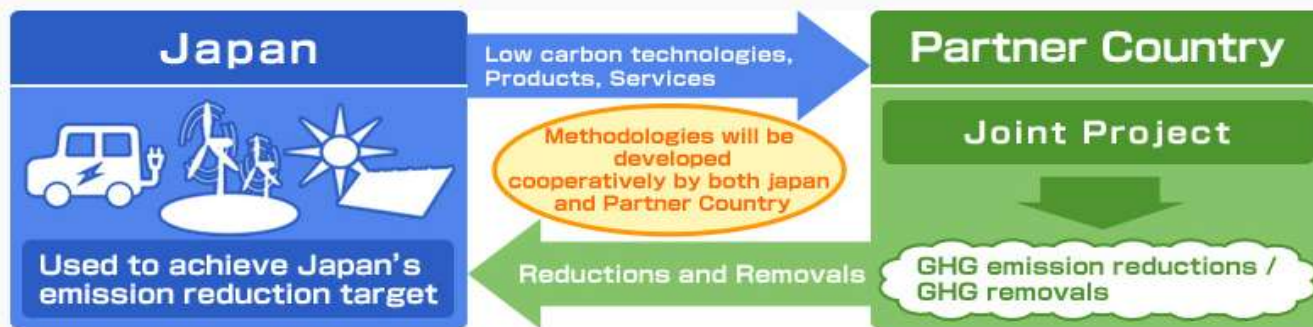
	Mitigation commitments by developed countries	NAMAs by developing countries		Mitigation support
		With mitigation support	Without mitigation support	
General agreement among Parties	MRV	MRV	MRV	MRV
Chinese government	MRV	MRV	<b>Non-MRV</b>	MRV

# Bilateral offset credit mechanism for mitigating climate change (减缓气候变化的双边抵消信用机制)

## Proposed Elements of Bilateral Offset Credit Mechanism

- Purposes of the BOCM
  - Contribute to the ultimate objective of the UNFCCC through promotion of mitigation activities globally.
  - Facilitate the bilateral cooperation in the field of climate change in such a way that best suits each country's national circumstances.
  - Contribute to the sustainable development of developing countries.
  - Appropriately evaluate the contribution to GHG emission reductions or removals.
  - Facilitate diffusion of low carbon technologies, products and services and enhance capabilities to utilize them.

Image of Bilateral Offset Credit Mechanism (BOCM)



Source: [http://www.mmechanisms.org/document/bocm\\_sideevent/111129\\_BOCM\\_mmecha.pdf](http://www.mmechanisms.org/document/bocm_sideevent/111129_BOCM_mmecha.pdf)

## Potential problems of the bilateral mechanism (双边机制存在的潜在问题)

- No international agreement. Bilateral mechanism is not admitted internationally.

没有国际协议，双边机制没有得到国际上的认可。

- It can turn back the international negotiation based on the UNFCCC.

阻碍气候变化的国际谈判。

- The MRV process might become too simple and not meet the international standard.

MRV的过程可能会太简单，达不到国际标准。

- Poor MRV process can lead to double counting of the emission level.

不完善的MRV过程会导致排放水平的重复计算。

# About the survey (调研情况)

- Conducting survey focusing on CDM projects in China approved by the NDRC or UNFCCC that are invested by the Japanese institutions.

调研对象主要是经NDRC和UNFCCC批准的由日本资助的在中国进行的CDM项目。

- Purpose of the survey.

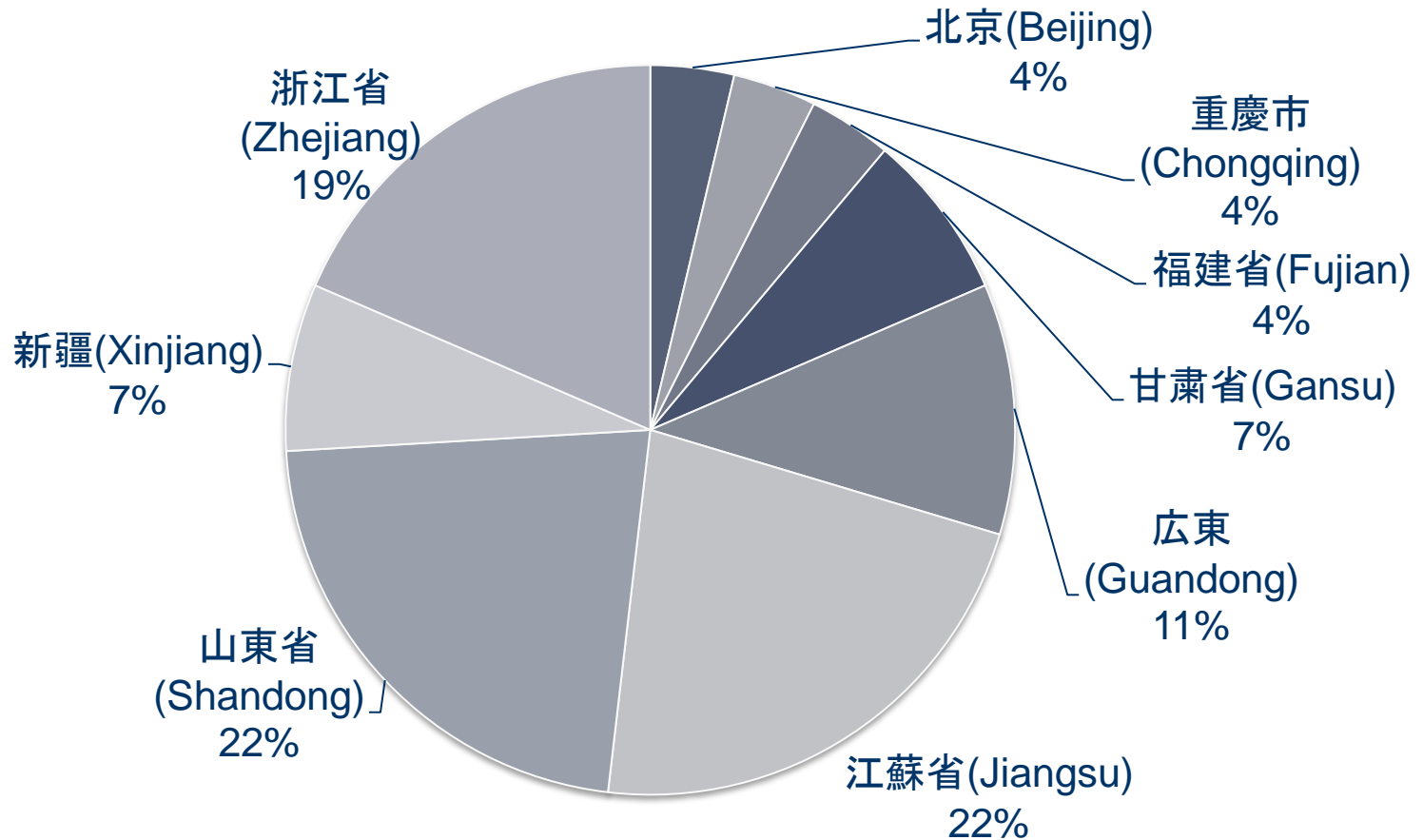
调研目的

- To identify the current situation of MRV for the China-Japan CDM projects  
了解目前中日CDM项目的情况。
- To provide valuable source for developing new mechanism for reducing greenhouse gas in China based on its NAMA target.  
为开发促进中国温室气体减排的新机制提供有效的信息和资源。

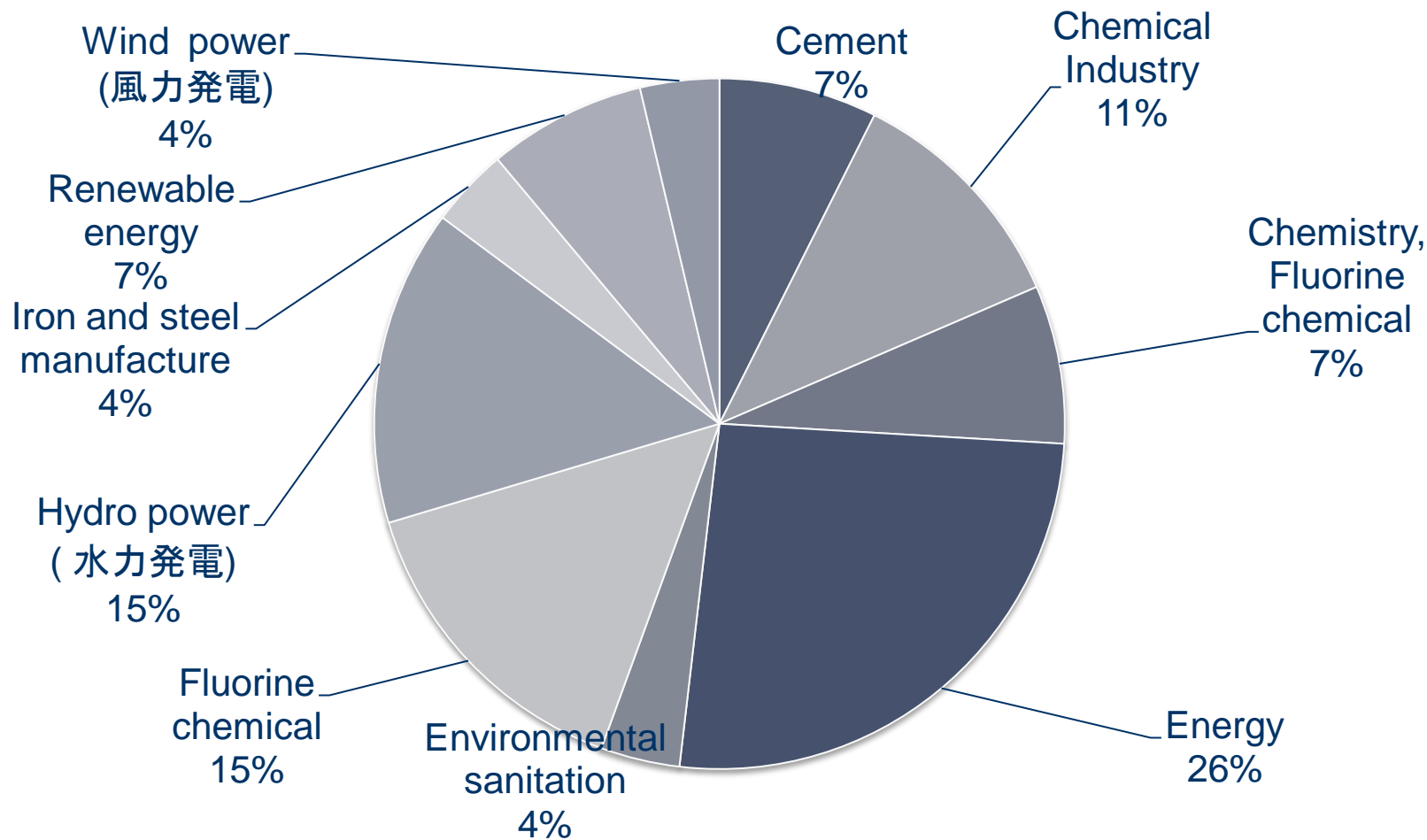


# Sample distribution by regions

## 分区域的样本分布



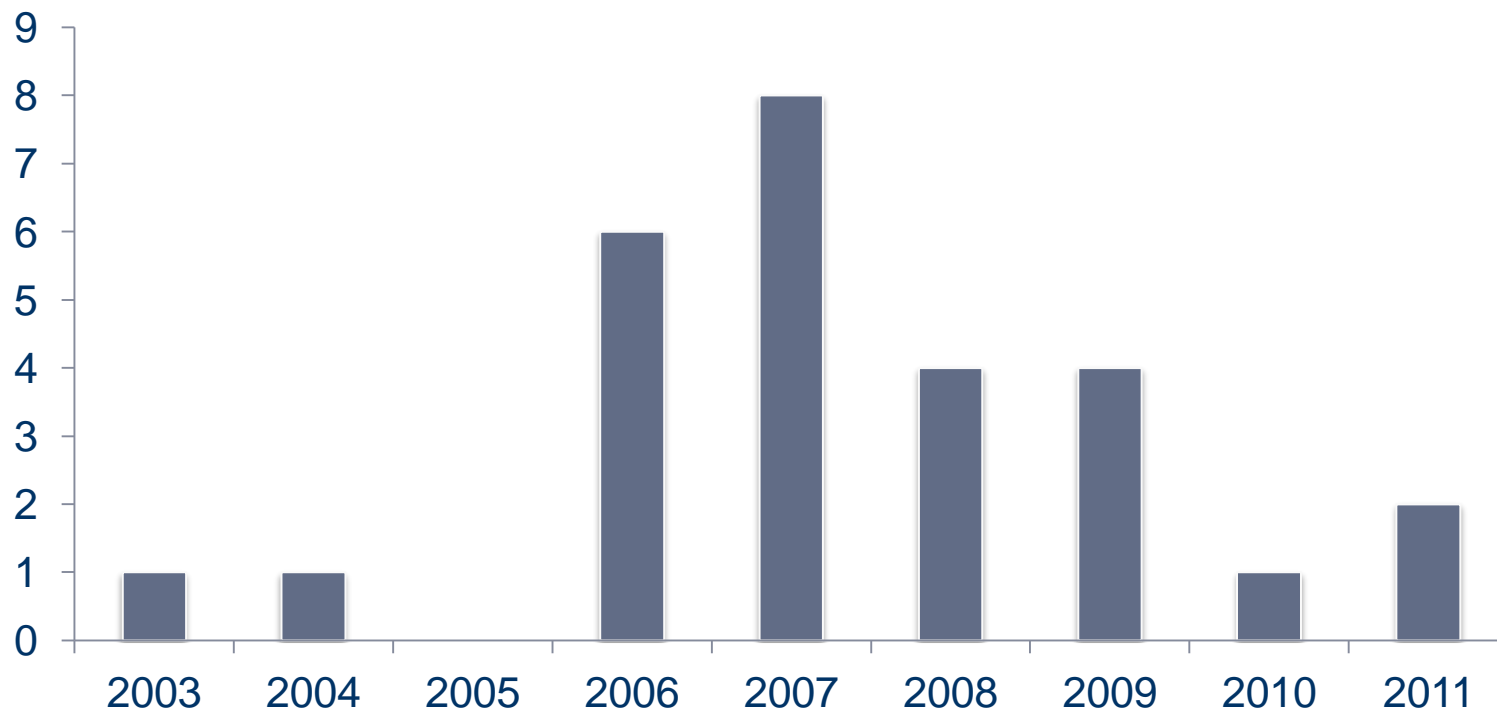
# Sample distribution by industry 分行业の样本分布



# Starting years of the projects

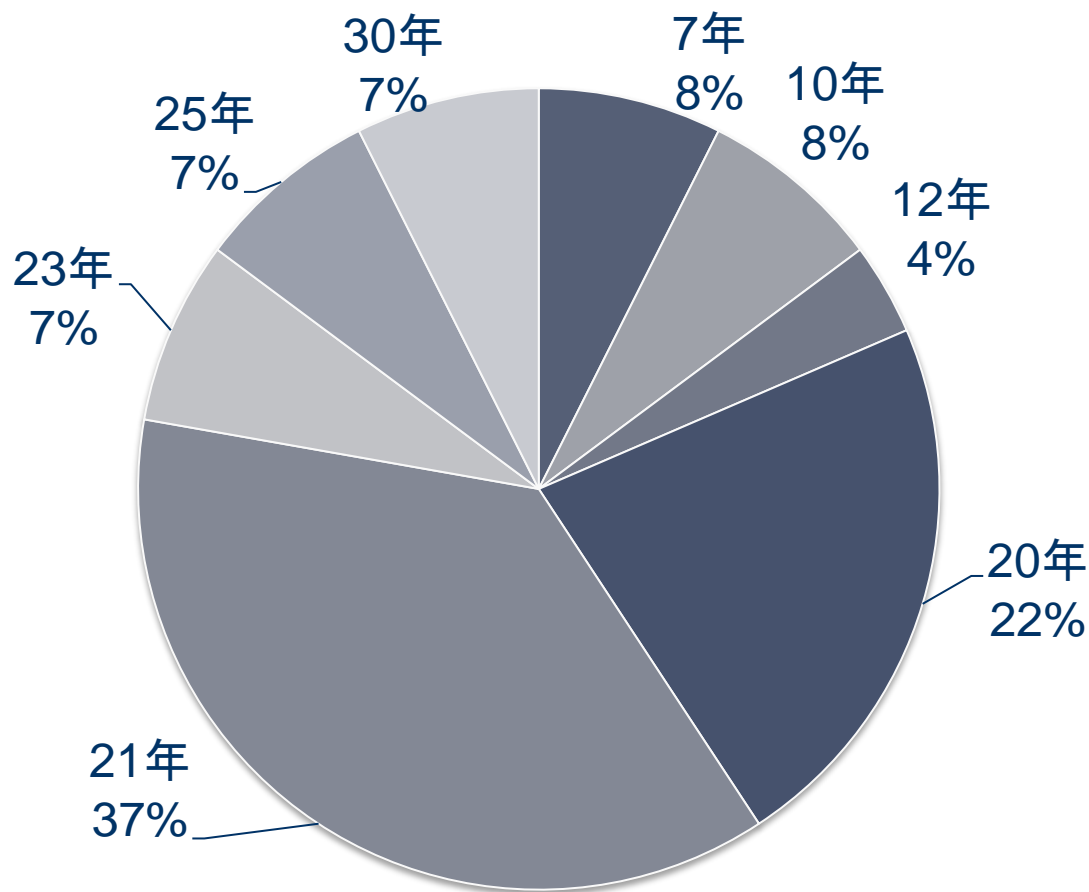
## 项目起始年

Frequency /  
頻度



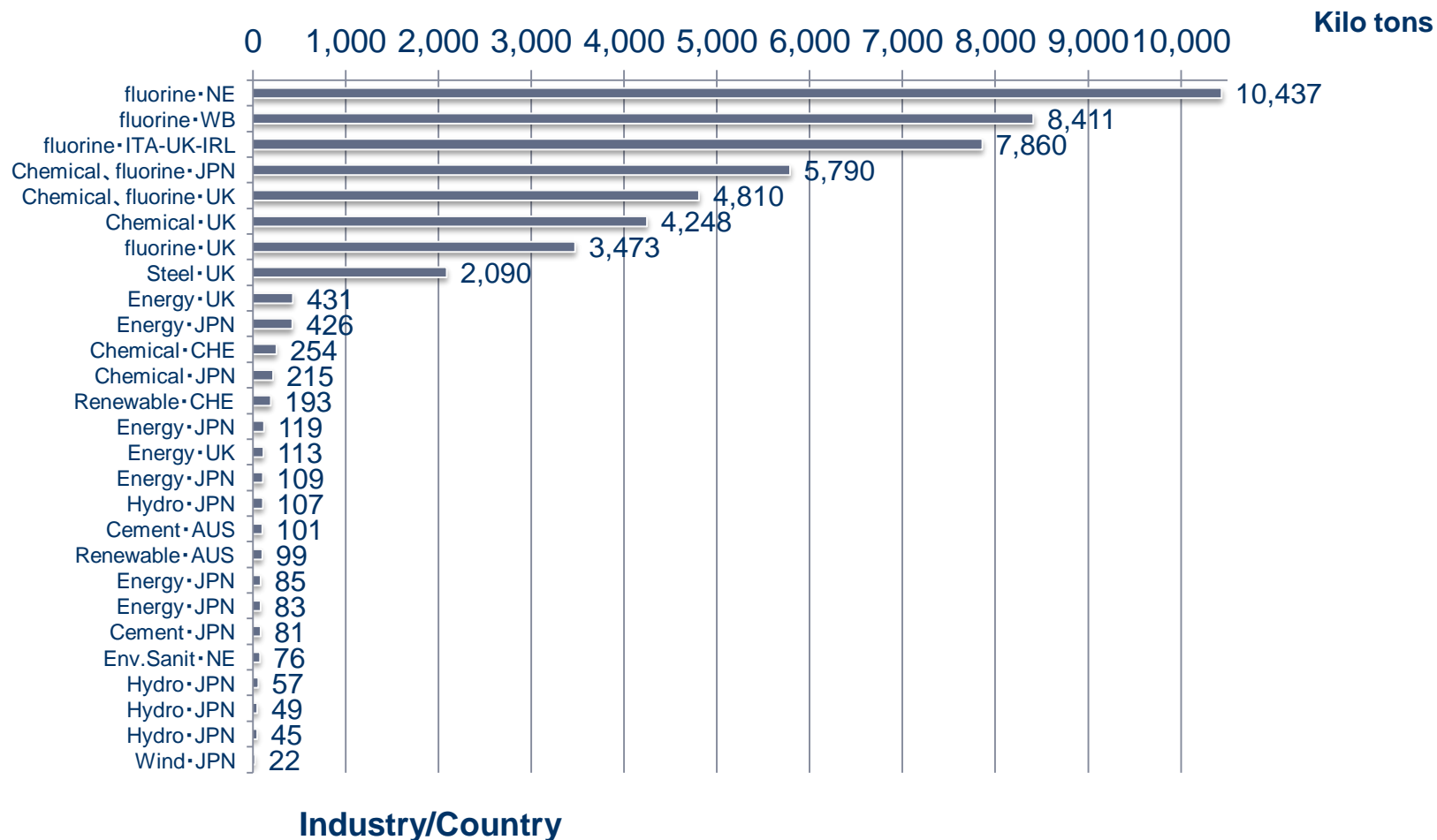
# Length of the project

## 项目实施的持续时间



# GHG emissions reduction by industry and countries of investors

## 分国别投资、分行业的温室气体减排量

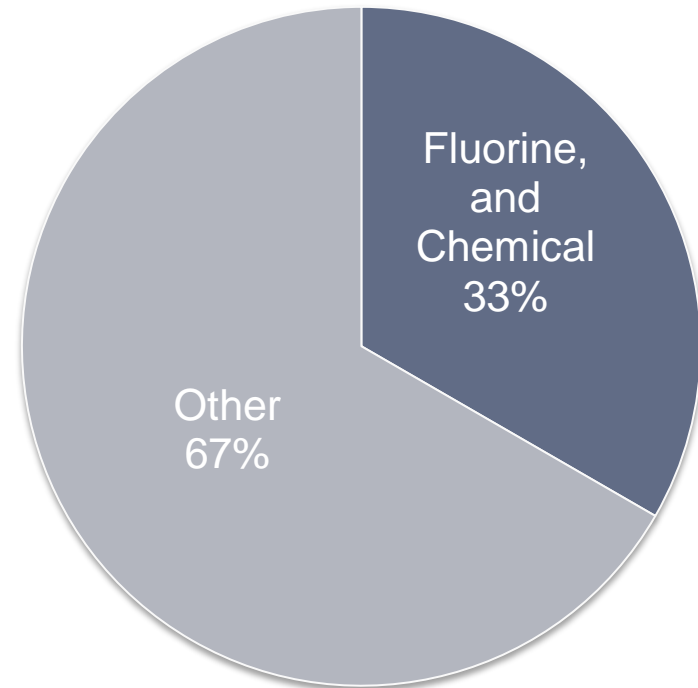
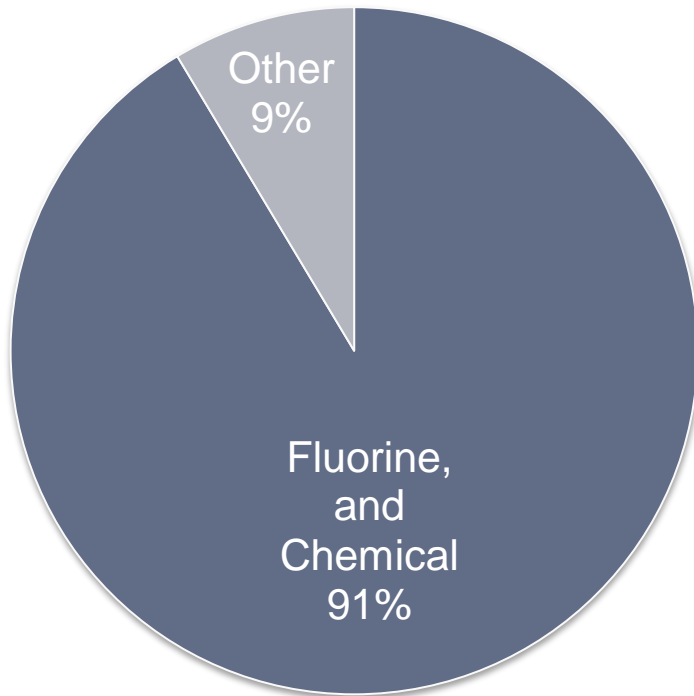


# Percentages of GHG emissions reduction from the fluorine and chemical industry

## 氟化工和化工行业温室气体减排比例

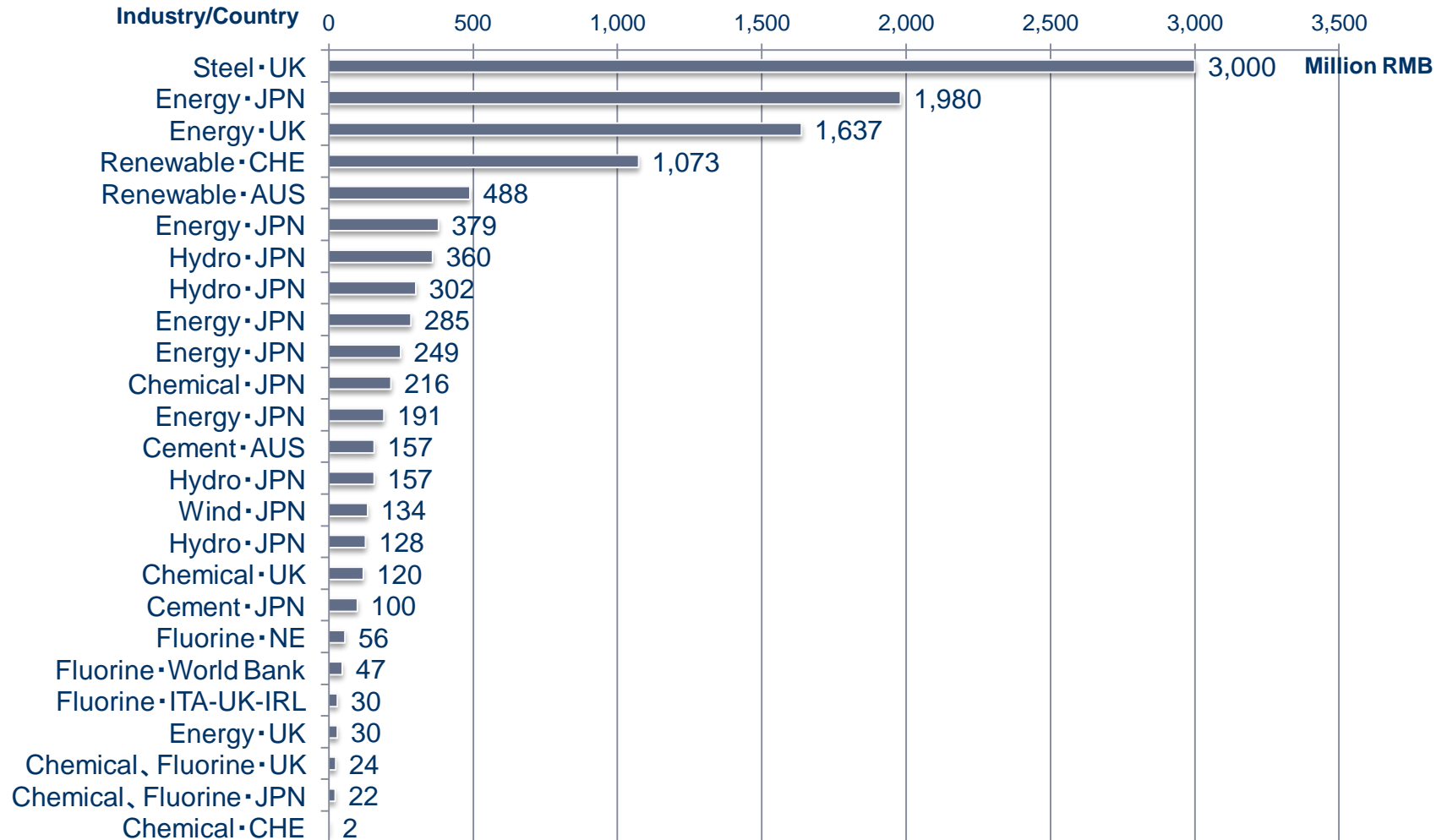
Total GHG emissions reduction=49,783kt

Total number of projects (N=27)



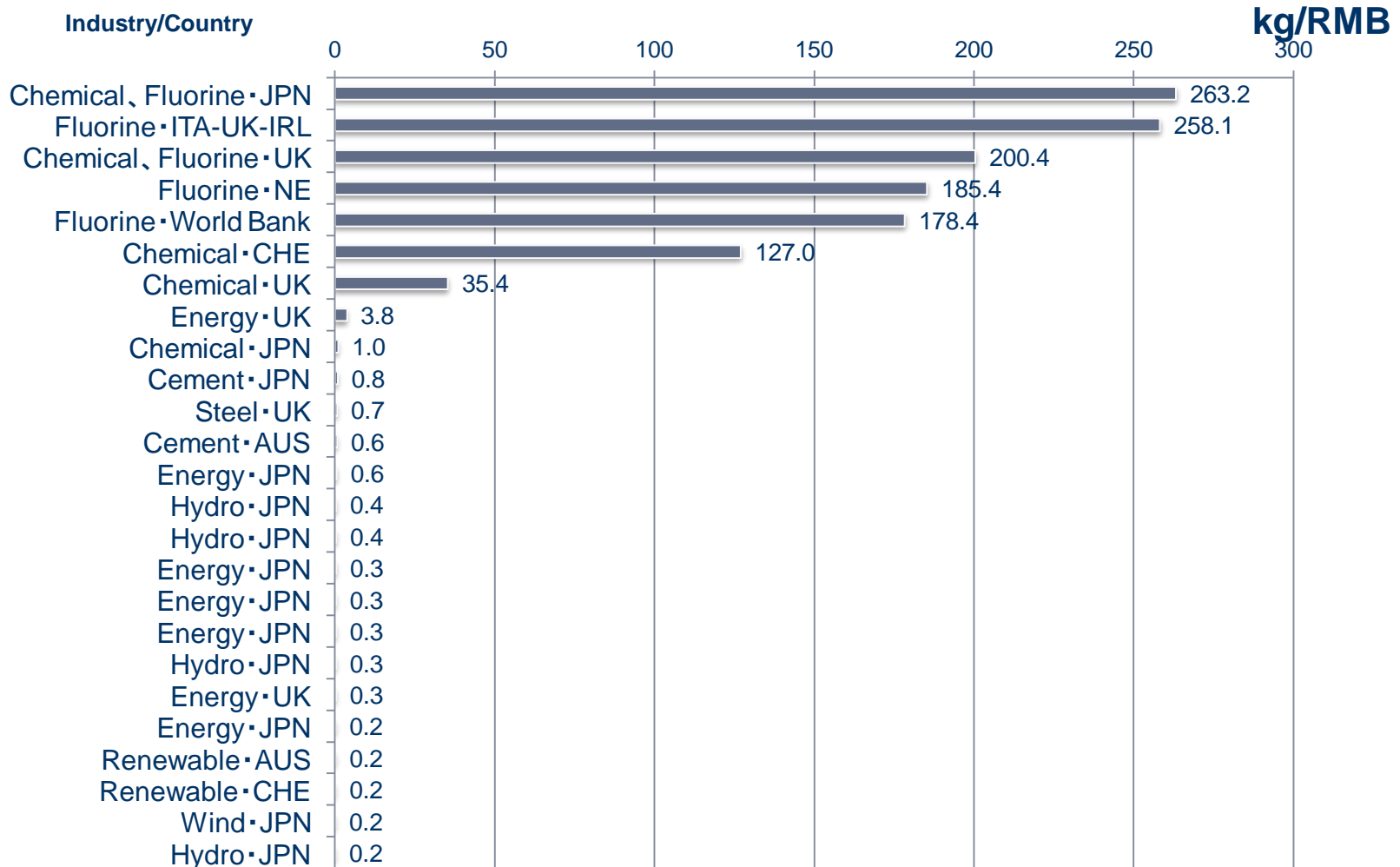
# Total investments by industry and countries of investors

## 分国别投资、分行业的总投资额



# GHG reduction efficiency (kg/RMB) by industry and countries of investors

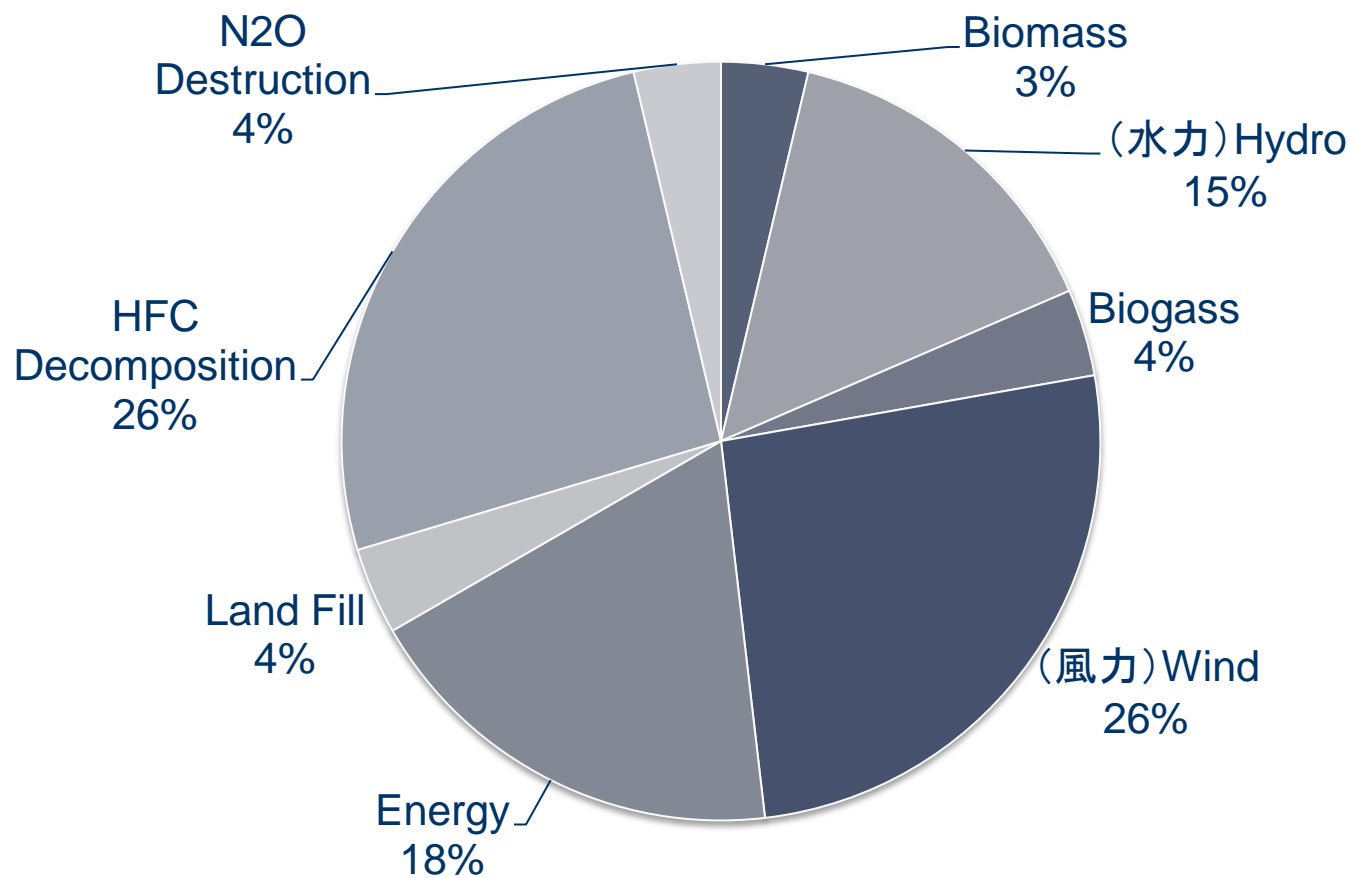
## 分国别投资、分行业的温室气体减排效率 (kg/RMB)





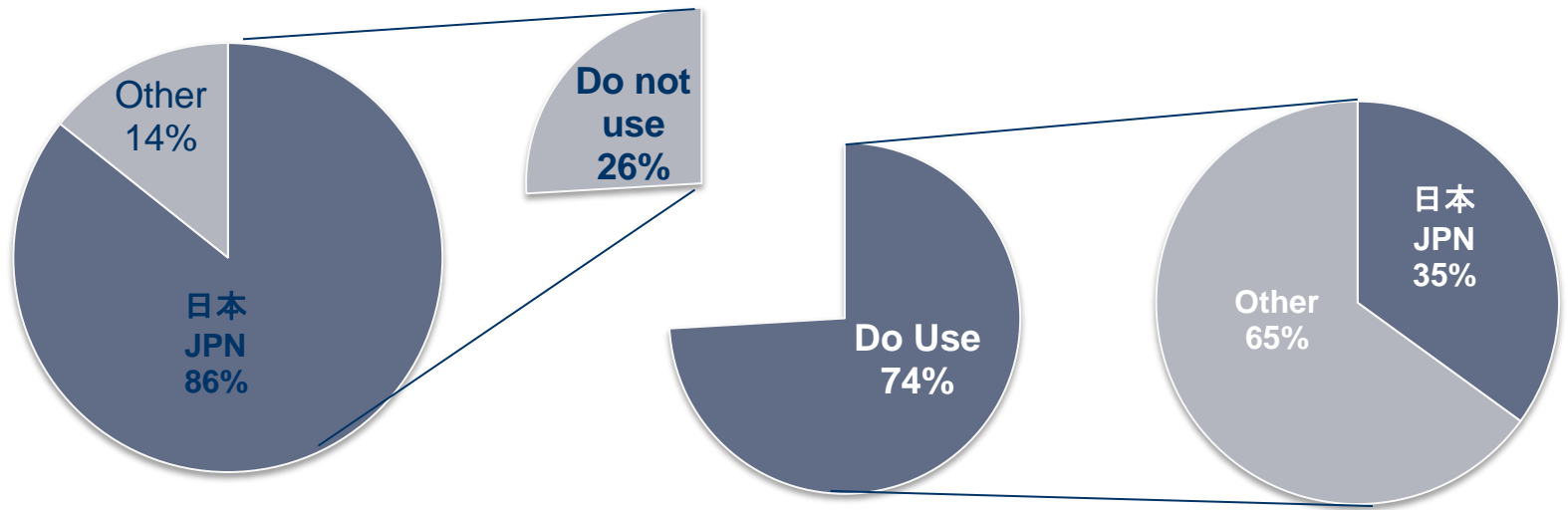
# Types of technologies used in the project

## 项目所使用的技术类型

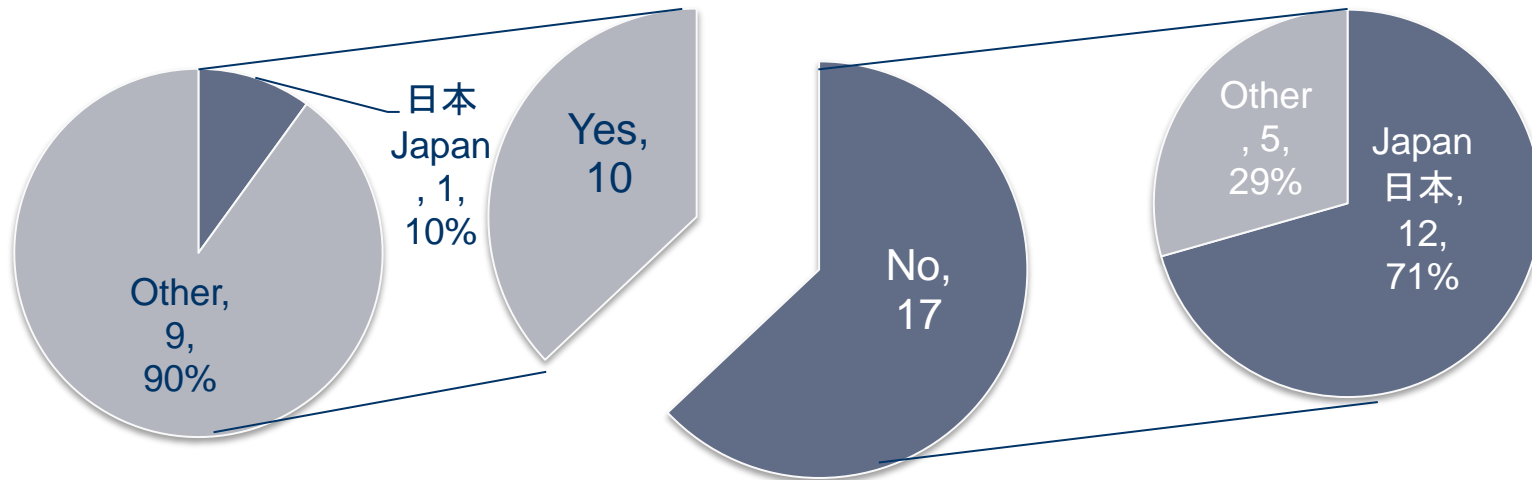


# Use of advanced technology

## 先进技术的使用情况

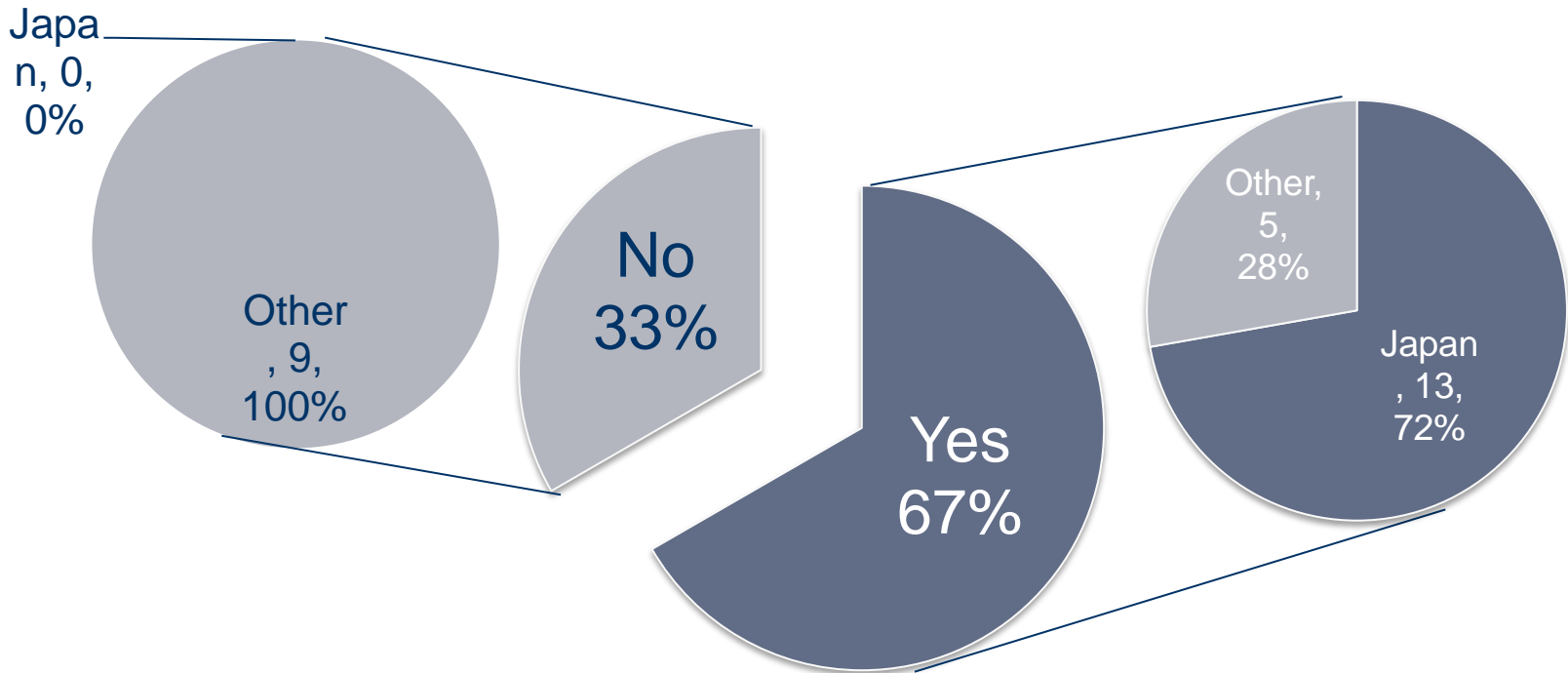


# Involvement of technological transfer 技术转让的程度



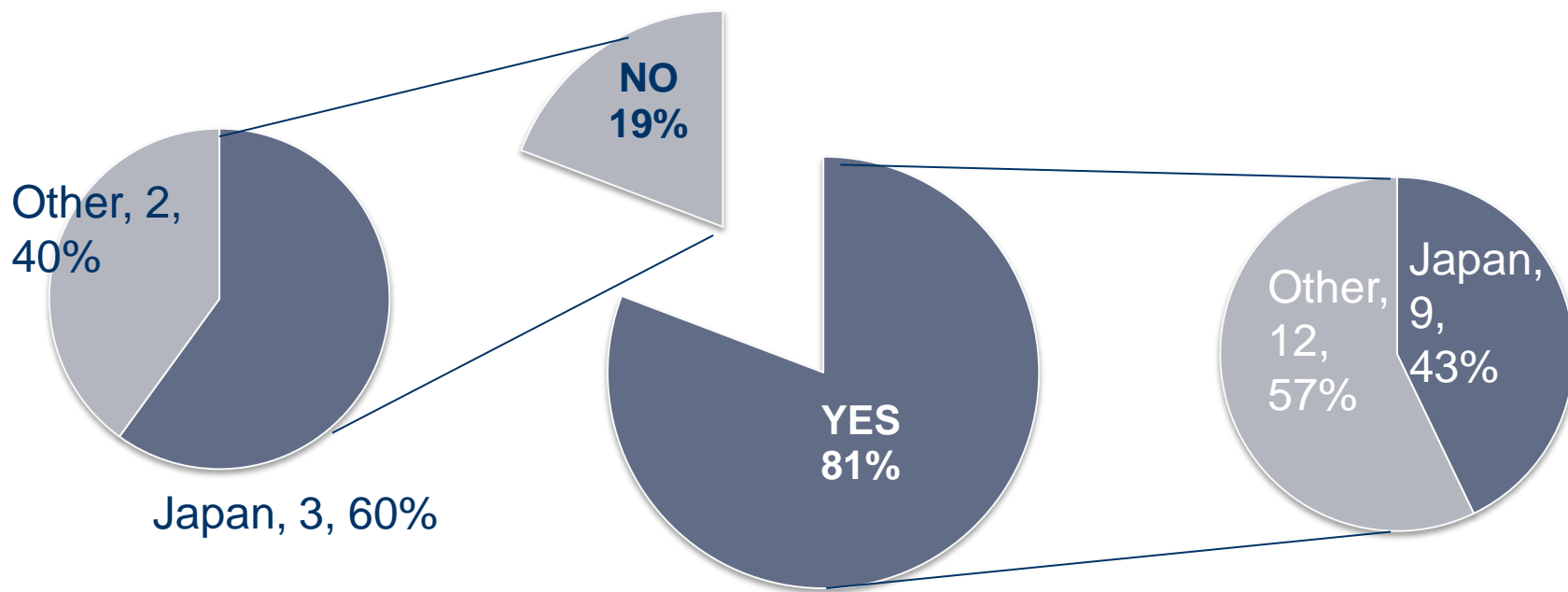
# Difficulties in technology adjustment and application

## 技术设备调试及应用上的困难



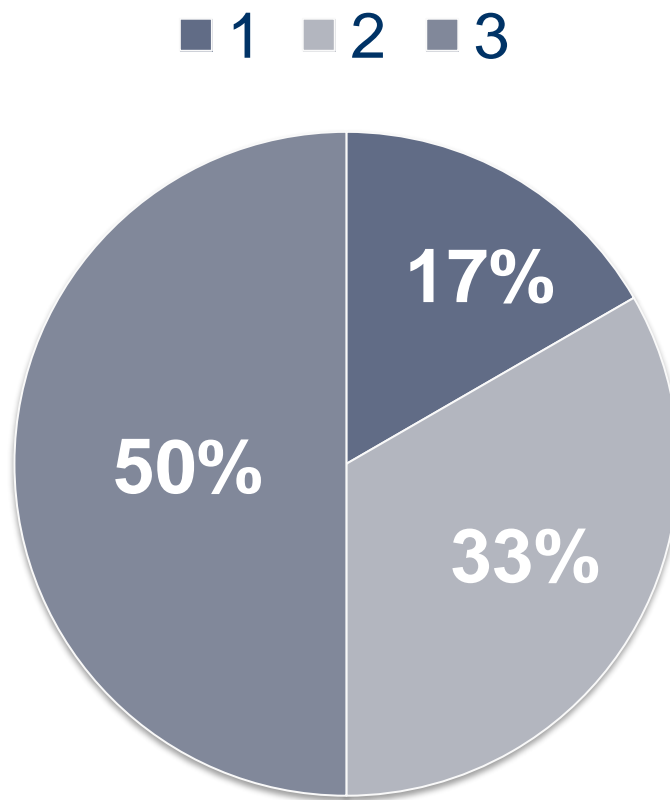
# Knowledge on MRV

## MRV的知识积累



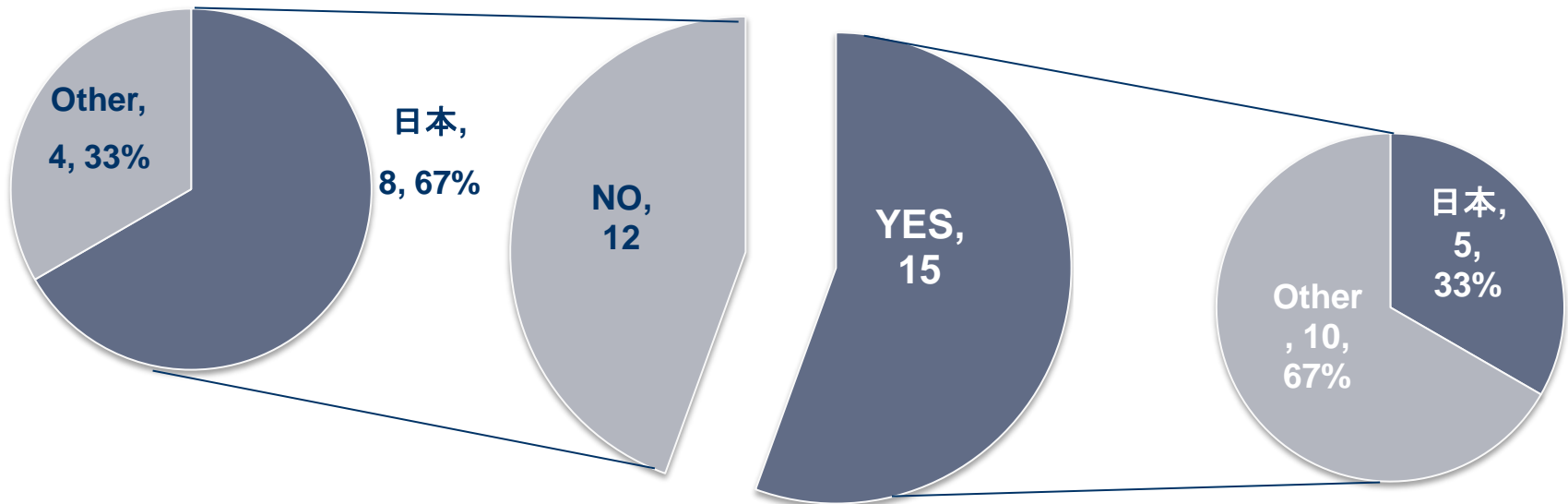
# Numbers of DOEs claimed for verification

## 认证的DOE的数量



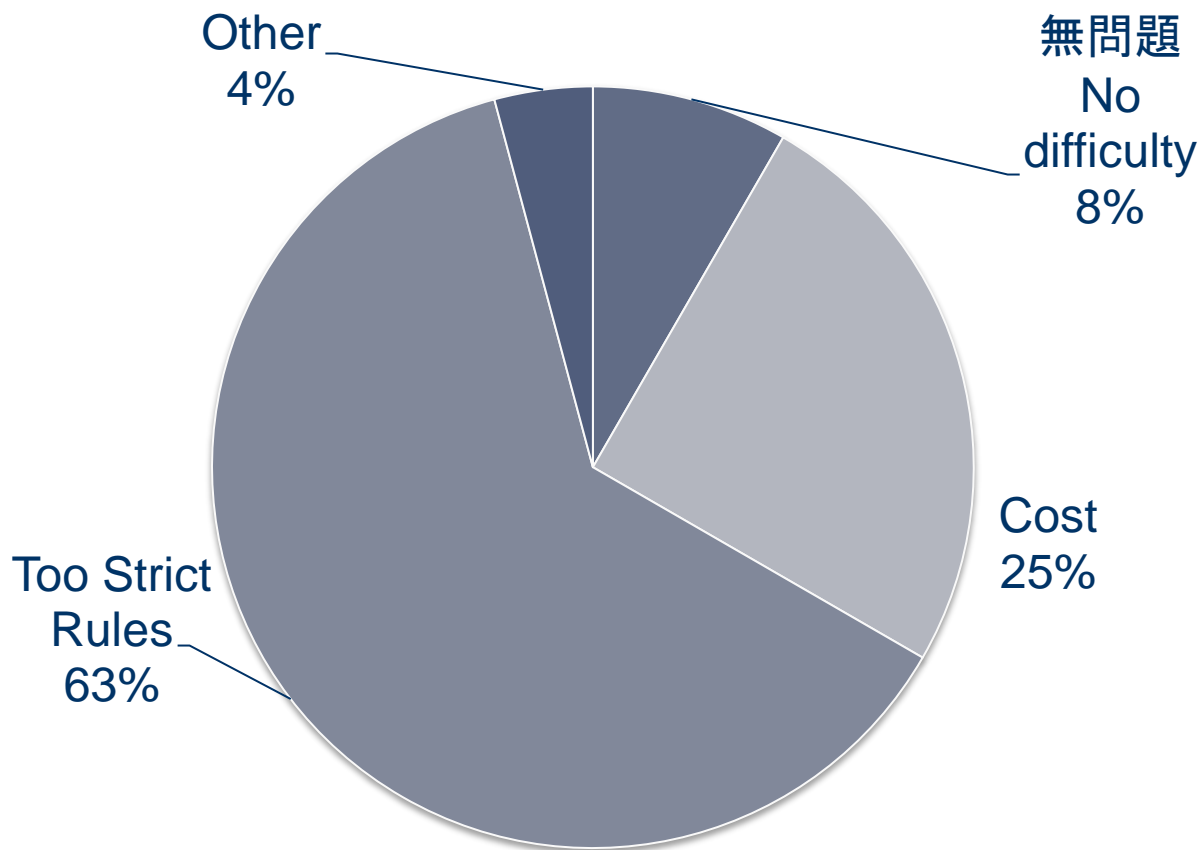
# Whether the companies had correct knowledge for their DOEs used for the verification process

## 企业是否具备对其进行核证过程的DOEs的正确的知识



# Difficulties in doing MRV

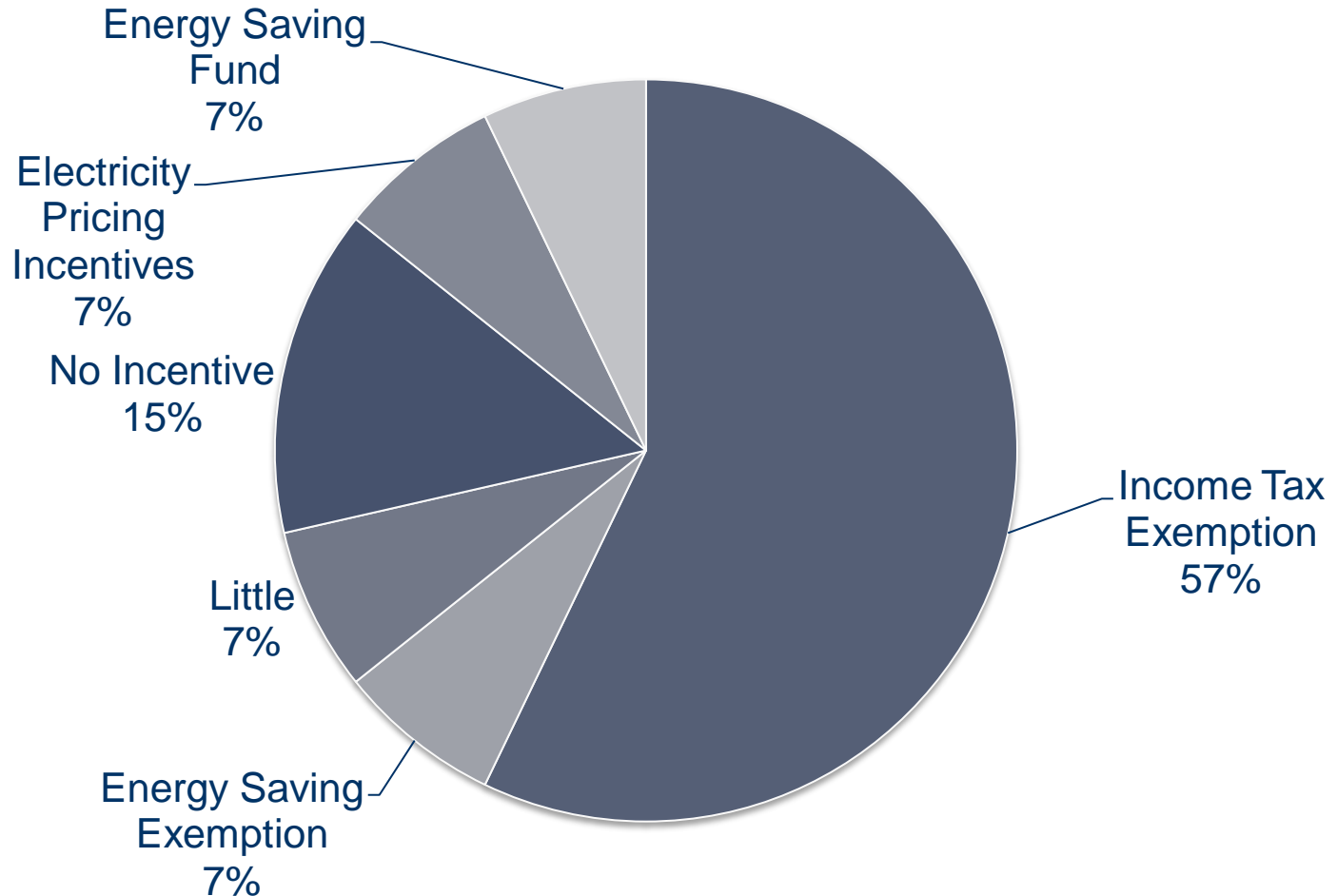
## 实施MRV的困难





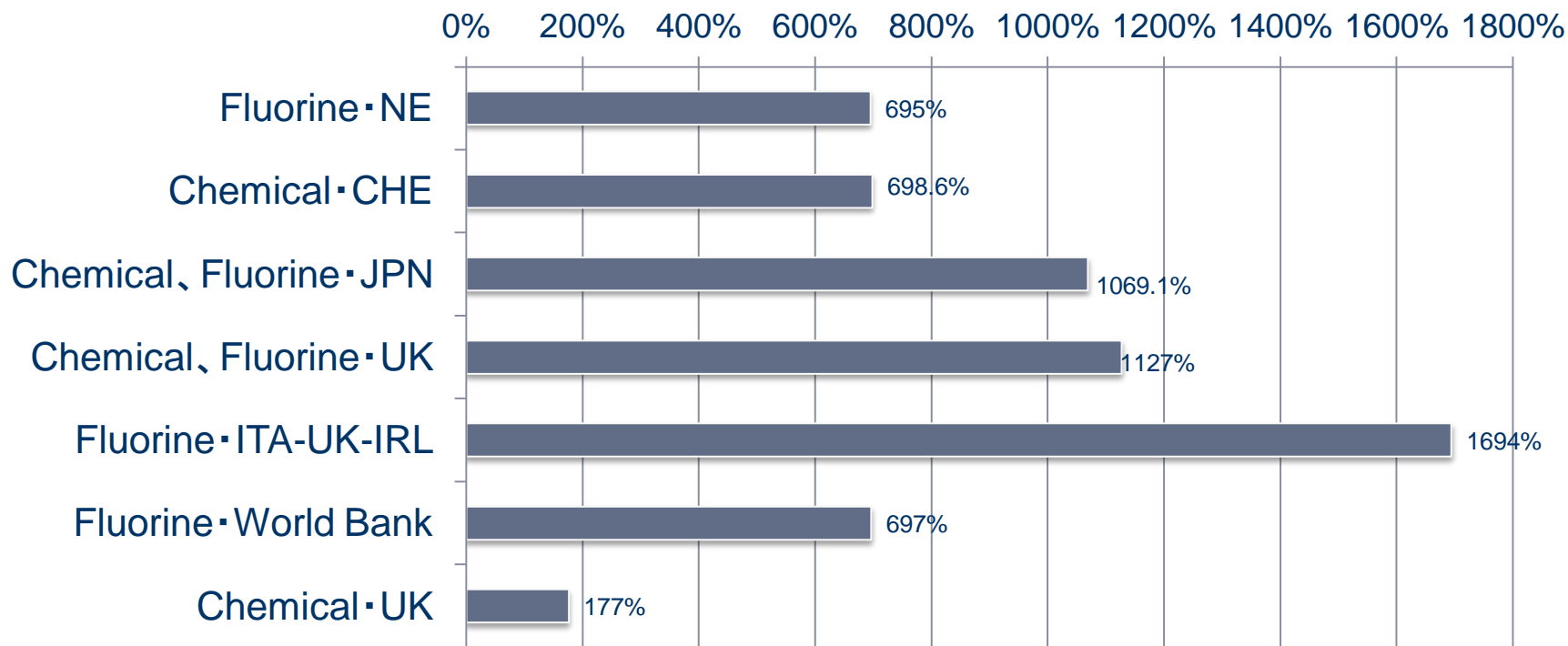
# Incentives of starting the CDM project

## 开展CDM项目的动因



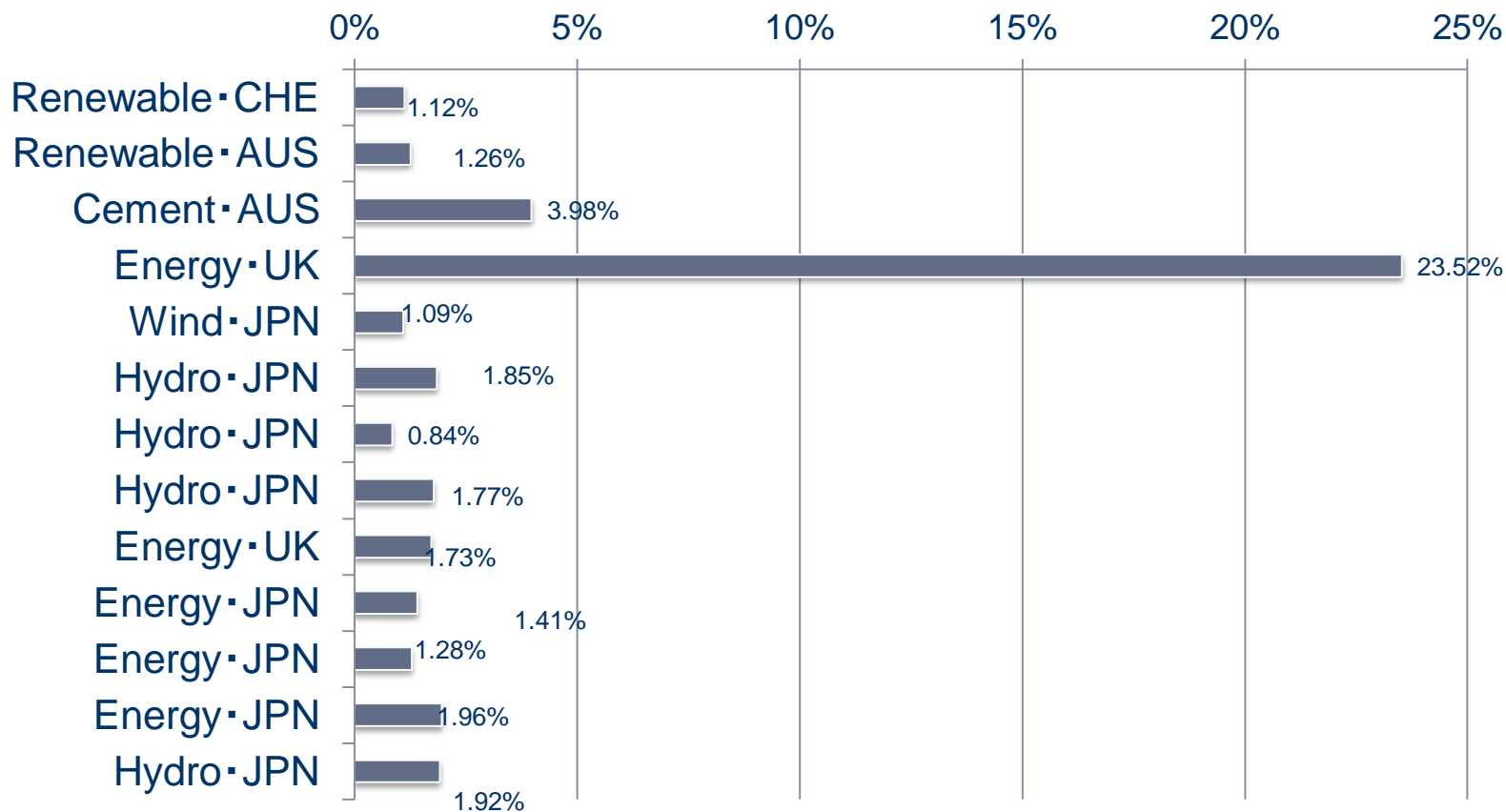
# Profit Efficiency Rate (revenue / investment) 收益率 (收入/投资)

## Fluorine/Chemical Industries 氟化工/化工行业



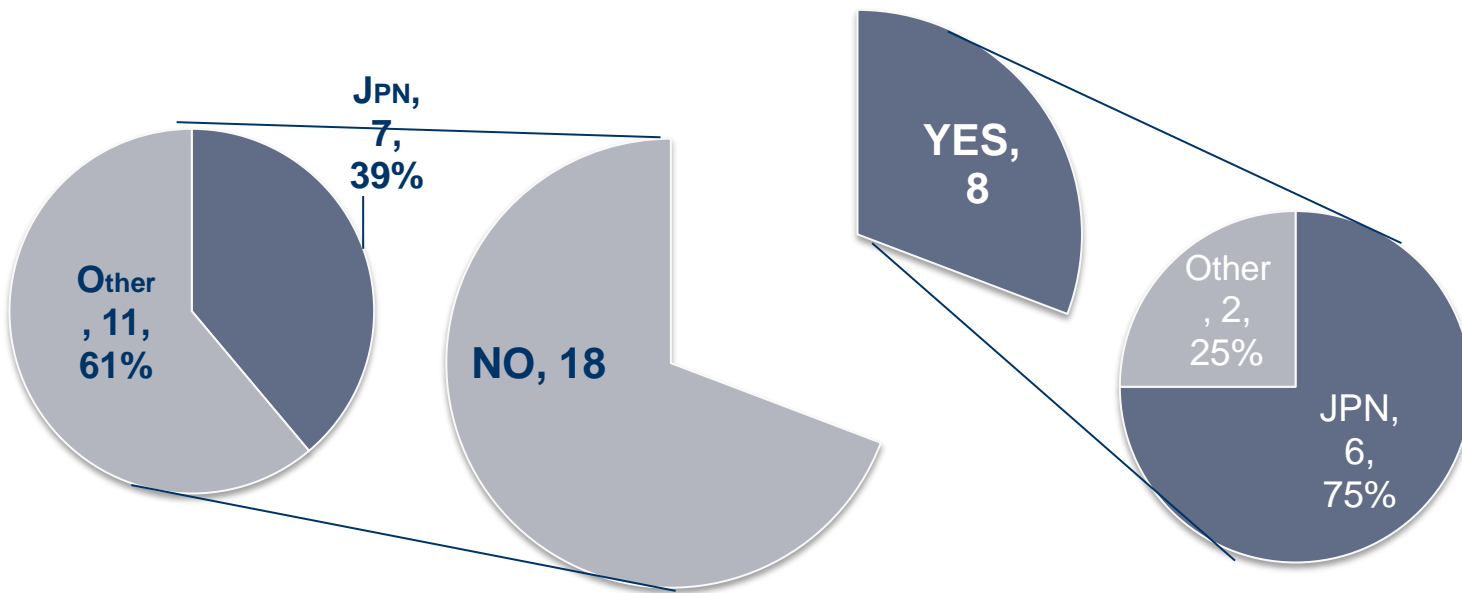
# Profit Efficiency Rate (revenue / investment) 收益率 (收入/投资)

Other Industries Except Fluorine/Chemical Industries  
氟化工/化工行业以外的其它行业



# Difficulties in financing the project

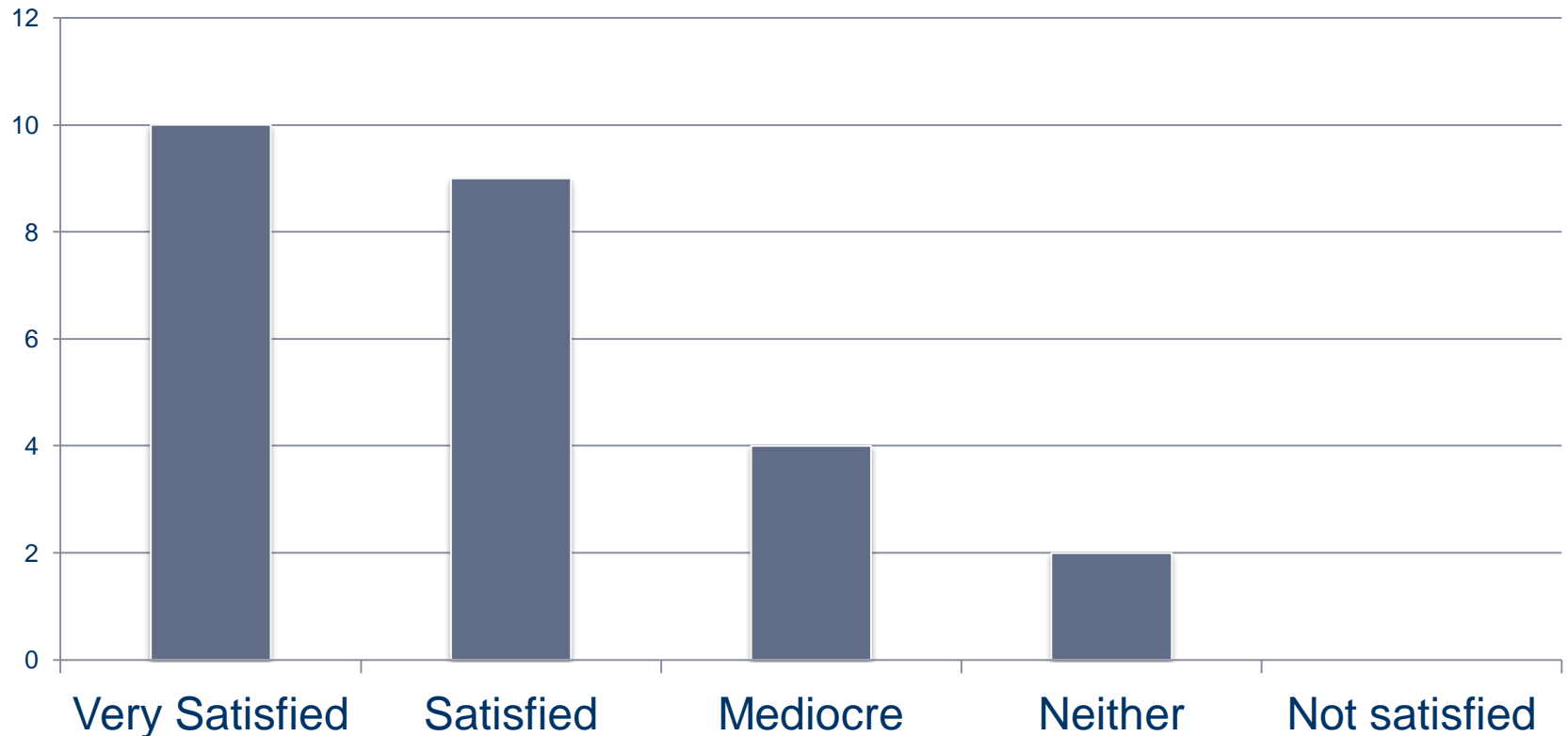
## 项目在资金上的困难



# Levels of satisfaction on current MRV: measure process

对目前MRV实施的满意程度：测量过程

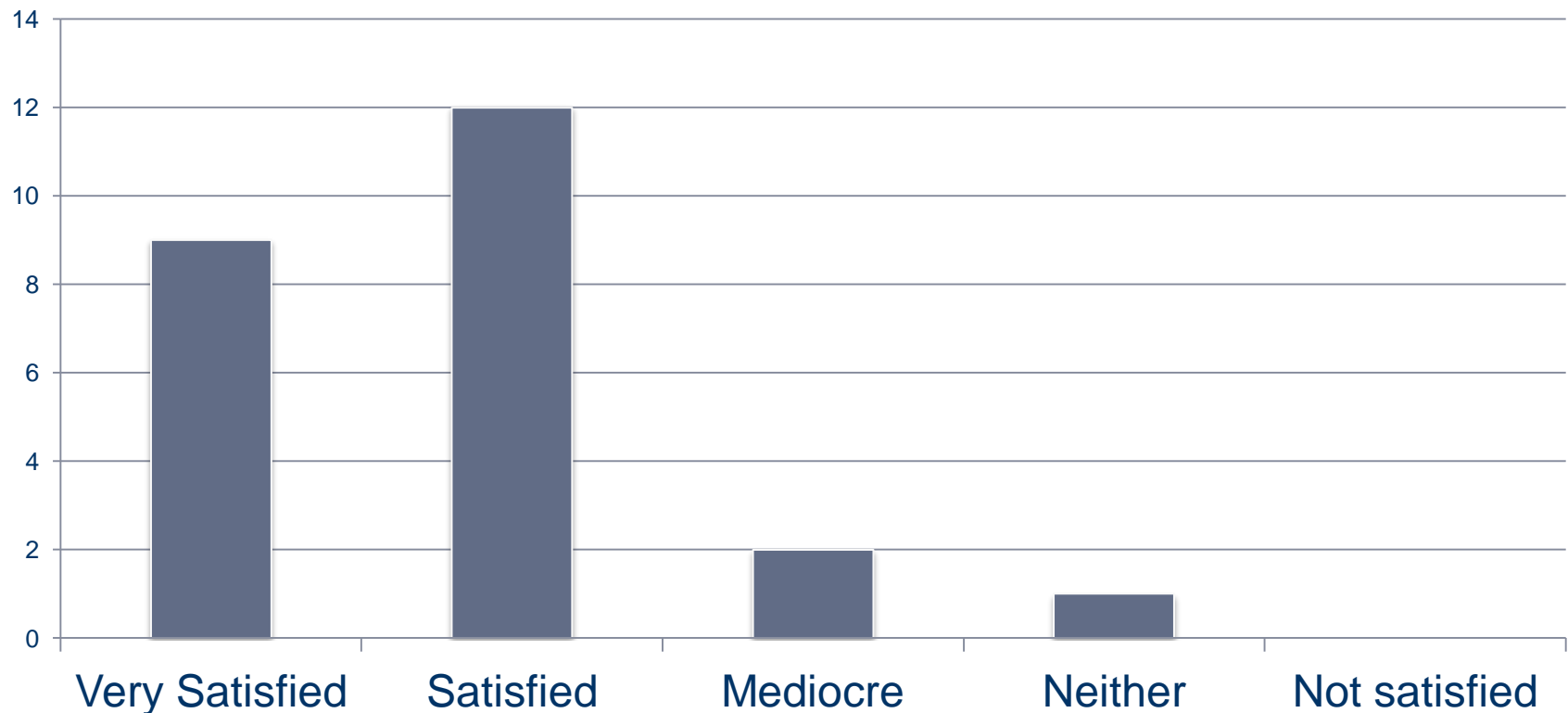
Measurement of GHG emissions reduction from the CDM



# Levels of satisfaction on current MRV: reporting process

对目前MRV实施的满意程度：报告过程

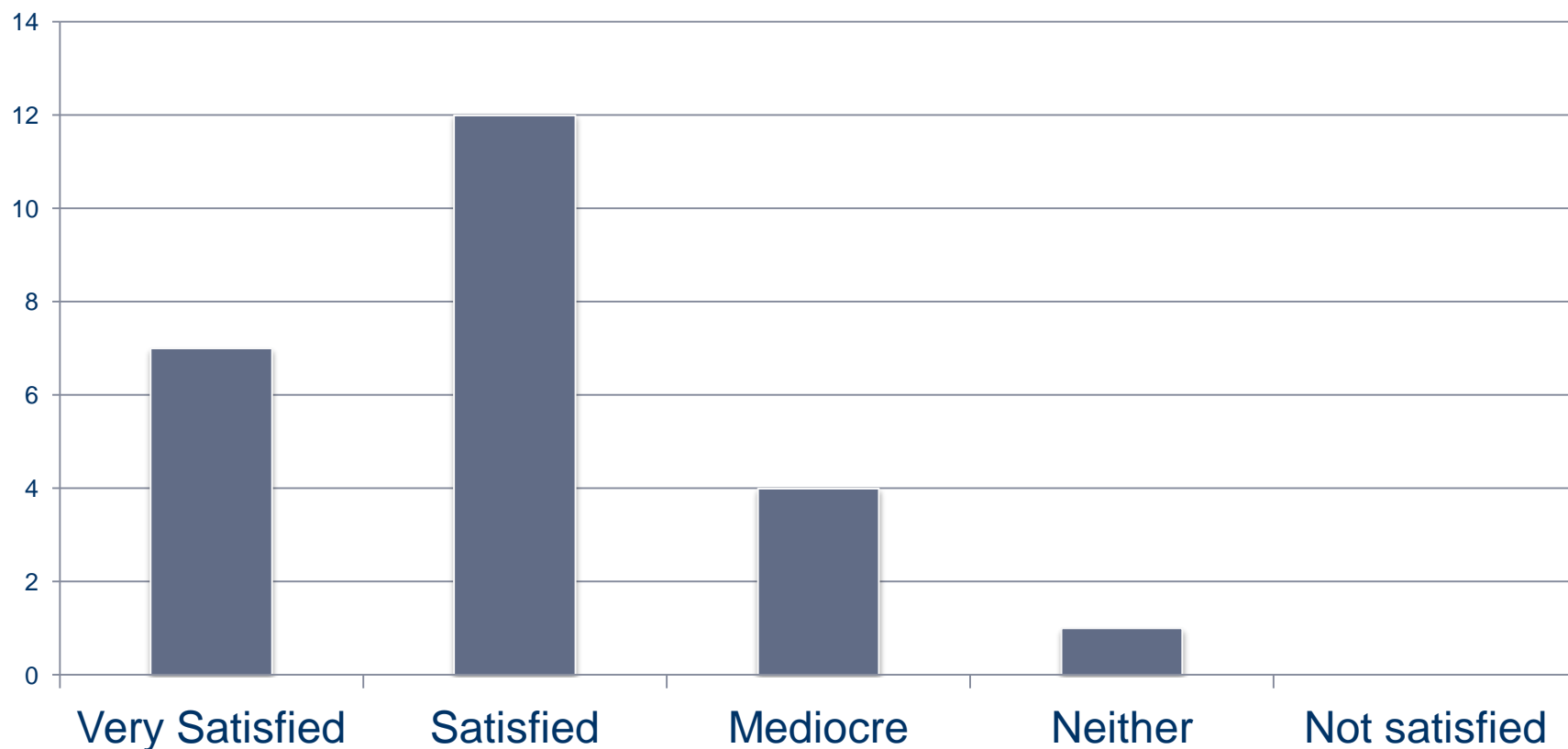
Reporting of GHG emissions reduction from the CDM



# Levels of satisfaction on current MRV: verifying process

对目前MRV实施的满意程度：核证过程

Verifying of GHG emissions reduction from the CDM



# Summary of the findings on China-Japan CDM projects

## 中国-日本CDM项目的一些启示

	CDM projects invested only by Japan	CDM projects invested other than Japan
Technological transfer	Relatively small	Relatively large
Knowledge for MRV	Relatively little	Sufficient
Difficulties in investment	Relatively large	Relatively little



# Conclusions

## 结论

- Regulating easy but not sustainable projects such as the HFC23 decomposition project is necessary to induce more projects on renewable energy.

易于规范但是不可持续的项目如HFC23分解的项目，对于促进更多的可再生能源项目的发展是有必要的。

- CDM projects related to the fluorine/chemical industry performs well in profit efficiency so more developed countries may start projects on HFC23 decomposition.

氟化工/化工行业相关的CDM项目有较好的收益率，因此更多的发达国家可能会开始实施HFC23分解项目

- However, this may turn down projects that contribute more on sustainable development such as the renewable energy related projects.

但是，这可能会减少一些可持续发展项目，如可再生能源相关的项目。

# Conclusions (Cont'd)

## 结论

- Establishment of bilateral credit mechanism should be pursued with caution because bilateral CDM projects between China and Japan seems to be facing more problems compared to projects conducted under multilateral countries.

双边信用机制的建立需谨慎，因为与多边国家共同实施的CDM项目相比，中国-日本的双边CDM项目遇到的困难更大。

- Problems of China-Japan projects: comparatively small technological transfer, lower knowledge on MRV, and having more difficulties in investment.

中-日项目所遇到的困难：技术转让程度低，MRV知识不足，在投资上遇到的困难更大

Thank you for listening!