

CDM

Projects and Technology Transfer in China

Shengbo Feng
*Energy Research Institute
National Development & Reform Commission
P.R.China*



Contents

- ✿ China's CDM Rules
- ✿ Performance of China CDM Projects
- ✿ Technology Transfer in CDM

China's CDM Rules

General Rules

- ✦ Measures for the Management of CDM Project Activities
- ✦ CDM project activities must be approved by relevant authorities under the State Council
- ✦ Priorities are energy efficiency improvement, development and utilization of new and renewable energy, as well as recovery and utilization of methane and coal bed methane
- ✦ Implementation of CDM project activities shall ensure transparent, efficient and traceable responsibilities

China's CDM Rules

Admission Requirements

- ✦ CDM project activities shall conform to China's laws and regulations, sustainability development strategy and policy, as well as the general requirements of national economic and social development
- ✦ No new obligation shall be resulted for China other than those under the Convention and the Protocol
- ✦ Funds from developed country Parties shall be additional to the current ODA and their fund obligations under the Convention
- ✦ Project activity should promote the transfer of environmentally sound technology
- ✦ Project developer shall be wholly China-owned or China-controlled enterprises
- ✦ CDM project developer shall submit to the Designated National CDM Authority CDM PDD, certificate of enterprise status, as well as general information of the construction project and descriptions of project financing

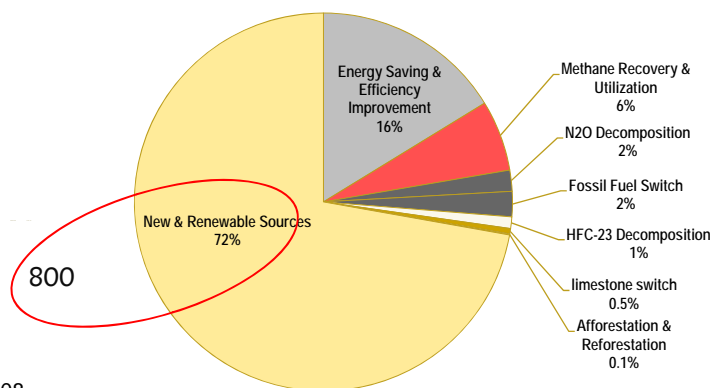
China's CDM Rules

CDM Authorities

- ✦ National CDM Project Board (the Board) is established under National Coordination Committee on Climate Change (the Committee), and a national CDM project management authority will be established under the Board
- ✦ The Committee is responsible for the review and coordination of important CDM policies
- ✦ NDRC and Ministry of Science and Technology (MOST) serve as co-chairs of, and Ministry of Foreign Affairs (MOFA) serves as vice chair of the Board, which also include State Environmental Protection Administration, China Meteorological Administration, Ministry of Finance and Ministry of Agriculture
- ✦ The Board will review CDM project activities; report to the Committee implementation of CDM project activities, possible problems and make recommendations; make recommendations on the revision of national CDM rules
- ✦ NDRC is China's Designated National CDM Authority

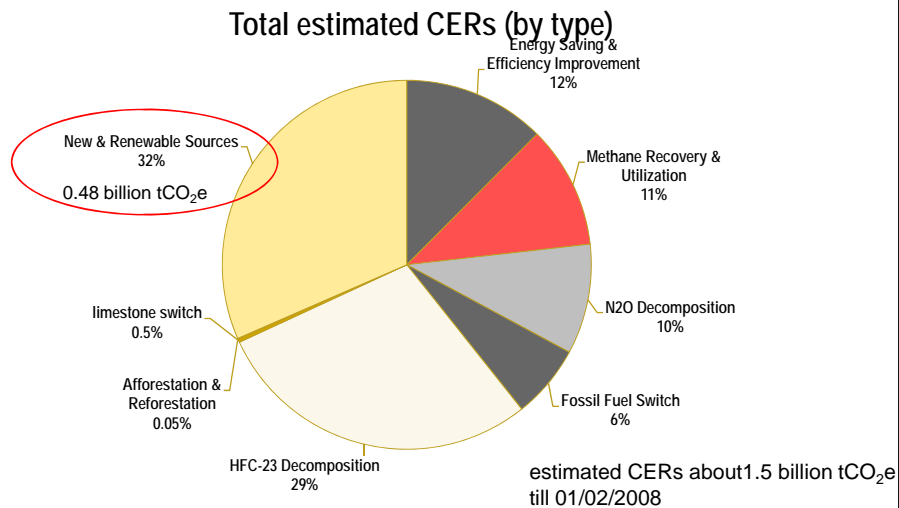
Performance of China CDM Projects

CDM Projects approved by China DNA (by type)



Total: 1108
till 01/02/2008

Performance of China CDM Projects



Technology Transfer in CDM

IPCC Definition

..... the term "technology transfer" is defined as the broad set of processes covering the flows of knowledge, experience and equipment amongst different stakeholders such as governments, private sector entities, financial institutions, NGOs and research/educational institutions. The broad and inclusive term "transfer" encompasses diffusion of technologies and technology cooperation across and within countries. It comprises the process of learning to understand, utilise and replicate the technology, including the capacity to choose it and adapt it to local conditions.

- "Methodological and Technological issues in Technology Transfer" (IPCC, 2000)

Technology Transfer in CDM

Operational Definition

- ✦ **Origin**
The technology originated abroad (either from developed or developing country)
- ✦ **Novelty**
The technology is new in the country/province.
- ✦ **Improvement**
The technology to be used is better than technologies already in use in similar projects.
- ✦ **Capacity**
The capacity to operate and maintain the technology is also transferred to the community.

Technology Transfer in CDM

Barriers on Technology Transfer

- ✦ **Market based mechanism**
- ✦ **Low tariffs which are the same for all energy sources**
Does not create an incentive to search for alternative energy sources
- ✦ **Project Owners do not consider lifecycle and quality enough**
Project owners want to limit their capital expenditures and so often do not consider the lifecycle and the possible number of CERs over time



Any Comments?

fengshengbo@eri.org.cn