

## Enabling China to Prepare Its Fourth National Communication, and Biennial Update Reports on Climate Change

GEF Secretariat Review for Enabling Activity – GEF - 7

### Basic Information

**GEF ID**

10707

**Countries**

China

**Project Title**

Enabling China to Prepare Its Fourth National Communication, and Biennial Update Reports on Climate Change

**GEF Agency(ies)**

UNDP

**Agency ID**

UNDP: 6399

**GEF Focal Area(s)**

Climate Change

**Program Manager**

Milena Vasquez

# Non- Expedited Enabling Activity req (PIF)

## Part 1: Project Information

### Focal area elements

Is the enabling activity aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

#### Secretariat Comment at PIF/Work Program Inclusion

10/13/2020: Yes, the enabling activity is aligned with the GEF's CCM 3-8 focal area element.

#### Agency Response

### Project description summary

Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project objectives?

Secretariat Comment at PIF/Work Program Inclusion 10/13/2020: Yes, the components in Table B are sufficiently clear.

#### Agency Response

### Co-financing

**Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

**Secretariat Comment at PIF/Work Program Inclusion 10/13/2020:** Co-financing is not a requirement for enabling activity projects. However, co-financing of \$1,466,000 is listed as in-kind from the government and UNDP.

**Agency Response**

**GEF Resource Availability**

**Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines?**

**Secretariat Comment at PIF/Work Program Inclusion 10/13/2020:** We note that this is an enabling activity and thus the country is eligible for set-aside support at the level of \$500,000 for an NC and \$352,000 for a BUR and any amount beyond that would have to come from STAR; however from the submission and Letter of Endorsement from the OFP it appears that the country has decided to allocate its STAR allocation for this purpose. The proposed STAR financing is available from China's CCM STAR.

**Agency Response**

**Are they within the resources available from (mark all that apply):**

**The STAR allocation?**

**Secretariat Comment at PIF/Work Program Inclusion 10/13/2020:** We note that this is an enabling activity and thus the country is eligible for set-aside support at the level of \$500,000 for an NC and \$352,000 for a BUR and any amount beyond that would have to come from STAR; however from the submission and Letter of Endorsement from the OFP it appears that the country has decided to allocate its STAR allocation for this purpose. The proposed STAR financing is available from China's CCM STAR.

**Agency Response**

**The focal area allocation?**

**Secretariat Comment at PIF/Work Program Inclusion 10/13/2020:** We note that this is an enabling activity and thus the country is eligible for set-aside support at the level of \$500,000 for an NC and \$352,000 for a BUR and any amount beyond that would have to come from STAR; however from the submission and Letter of Endorsement from the OFP it appears that the country has decided to allocate its STAR allocation for this purpose. The proposed STAR financing is available from China's CCM STAR.

**Agency Response**

**The LDCF under the principle of equitable access**

**Secretariat Comment at PIF/Work Program Inclusion N/A**

**Agency Response**

**The SCCF (Adaptation or Technology Transfer)?**

**the CCM (Adaptation or Technology Transfer):**

**Secretariat Comment at PIF/Work Program Inclusion N/A**

**Agency Response**

**Focal area set-aside?**

**Secretariat Comment at PIF/Work Program Inclusion 10/13/2020:** We note that this is an enabling activity and thus the country is eligible for set-aside support at the level of \$500,000 for an NC and \$352,000 for a BUR and any amount beyond that would have to come from STAR; however from the submission and Letter of Endorsement from the OFP it appears that the country has decided to allocate its STAR allocation for this purpose. The proposed STAR financing is available from China's CCM STAR.

**Agency Response**

**Is the financing presented adequate and demonstrate a cost-effective approach to meet the project objectives?**

**Secretariat Comment at PIF/Work Program Inclusion 10/13/2020:** Yes, the financing proposed for this project of \$4,566,210 is reduced from the amount last approved in GEF-5 under the project GEF ID 4882 which allocated \$7,280,000 to cover the same type and number of reports and led to the preparation of China's Third National Communication and first two Biennial Update Reports.

**Agency Response**

**Part 2: Enabling Activity Justification**

## Background and Context.

Are the achievements of previously implemented enabling activities cited since the country(ies) became a party to the Convention?

### Secretariat Comment at PIF/Work Program Inclusion

10/13/2020: These are well summarized. However, information on the most recent International Consultation and Analysis processes for the BURs and identified capacity-building needs and areas of enhanced transparency could be elaborated considering these are later mentioned in the project activities as areas where this EA will work on.

10/23/2020: Thank you for providing these additions and clarifications. Comment cleared.

### Agency Response

Yes. The 4NC RCCEA states some of the major achievements from the previous NC projects such as the following:

Under the current "Enabling China to Prepare its Third National Communication (3NC) on Climate Change" Project, the Chinese Government prepared and submitted its first Biennial Update Report (BUR1) to the UNFCCC in early 2017 and submitted its 3NC and BUR2 in June 2019. Through efforts in the past decade, a permanent management agency, an established and operational experts' team and project-based working mechanism for preparing implementation reports such as NCs, as well as the database of national GHG inventories and related information, have been in place. The compiled provincial GHG inventories in 2005, 2010, 2012 and 2014 are also stated, as well as the Emission Trading System (ETS) pilots, which have been operational for several years and the national ETS has just kicked off. In addition, there is also the establishment of emission factors for specific sub-sectors such as coal combustion in power, cement, iron and steel that can also be utilized by other countries with the same circumstances as China. These collectively, presents a solid foundation for the preparation and submission of the planned 4NC Report, BUR3 and BUR4.

Reference: RCCEA: Part II, Sec. A, Para 3, p. 5

Identified capacity-building needs are among the activities of the proposed 4NC RCCEA. From September 2019 to March 2020, UNFCCC secretariat conducted the technical analysis on the BUR2 of China. In consultation with China, a Team of Technical Expert identified the following needs for capacity-building that could facilitate the preparation of subsequent BURs and participation in ICAs:

Strengthening the institutional framework for the preparation of the GHG inventory:

- Preparing national inventories on an institutionalized basis rather than on a project basis,
- Collecting inventory data and coordinating data from various sectors,
- Enhancing national capacity associated with the estimation of indirect GHGs (e.g. CO, NMVOCs and NOx),
- Enhancing national capacity to quantitatively calculate the emission reduction effect of overlaps between different mitigation actions,
- Enhancing national capacity to identify, quantify and report on financial support needed and received, particularly to provide more data or information sources on financial support received, and,
- Enhancing national capacity to develop guidelines and methodologies for estimating future mitigation and adaptation support needs, including a periodically updated database on technology that could be transferred and information on capacity-building events or workshops for BUR compilers.

In addition to those identified during the technical analysis, China reported the following capacity-building needs in its BUR:

- Strengthening national capacity to prepare the GHG inventory and the inventory report for the purpose of the BUR, including establishing an institutionalized system for the preparation of GHG inventories, including local GHG inventories,
- Strengthening capacity to conduct statistics work and MRV, including strengthening research into local EFs and improving the technology skills and competence of the inventory compilers,
- Strengthening national capacity to address areas related to climate change adaptation,
- Strengthening national capacity related to finance, personnel, and intergovernmental coordination, and,
- Strengthening national capacity to improve education and training in addressing climate change and raising public awareness.

In this regard, the proposed capacity building activities for the 4NC Project are in line with the suggested strengthening of the institutional framework for the preparation of the GHG inventory and enhancing national capacity associated with the estimation of indirect GHGs. These also include capacity building on mitigation actions. and on improved methodologies on estimating mitigation impacts.

**Reference:**

**RCCEA: Part I, Sec. B, pp. 2-3**

**Part II; Sec. B, p. 5; Sec. C, pp. 9-12**

## Goals, Objectives, and Activities.

### Is the project framework sufficiently described?

#### Secretariat Comment at PIF/Work Program Inclusion

10/13/2020: Overall, the project framework is sufficiently described and we found several areas of enhancement that have been previously identified that will be pursued with this project. Please address the following comments:

- Please comment on China's plans to prepare its first Biennial Transparency Report (BTR) to be submitted by December 2024 under the Paris Agreement in consideration of the plans presented in this project to prepare and submit its fourth BUR by the same date. Please confirm if China intends for its fourth BUR to be its last and if it is planning on embarking on another report preparation for the BTR at the same time and how it may address the potential duplication of efforts.
- As the structure of the project is based on areas of work and not the different reports, please clarify the estimated amount of resources that would be allocated to each of the different reports.
- Please include a reference to the CBIT project under development by FECO and on plans to establish coordination with the CBIT project activities once they begin implementation.

10/23/2020: Thank you for these clarifications.

- China plans to combine its fourth BUR with its first BTR for submission by December 2024 and will plan to apply for additional support once the GEF has issued the necessary guidelines. This will avoid duplications. Comment cleared.
- Thank you for providing the approximate amounts for the different reports. Comment cleared.
- Thank you for adding reference to the CBIT project and clarifications for how these two projects will be coordinated. Comment cleared.

## **Agency Response**

- China is now applying for a CBIT project to build its capacity in preparing BTRs. The country initially intended to include preparing its first BTR under the proposed 4NC Project but was informed that GEF is still in the process evaluating support needed for preparing BTRs. Thus, China will apply for additional support on reporting its first BTR to fulfill the new provisions of MPGs after GEF has decided the amount for supporting BTR preparations. The fourth BUR will be the last BUR. China now plans to submit a joint report combining fourth BUR and first BTR to avoid duplication of efforts.

- The project is designed to build capacity to prepare 3 national reports. So the whole project is not divided into separate reports. According to the reporting components, the preparation of the 4NC report will cost US\$ 1,588,740, while preparation of the two BURs (3BUR and 4BUR) will cost US\$ 2,977,470. The preparation of each BUR will approximately be the same.

### **Reference: RCCEA: Part I, Sec. B**

- The CBIT and 4NC Projects will focus on different activities. The CBIT project will focus on building and improving the working mechanism and technical capacity of the country in compiling inventory and biennial transparent report according to MPGs requirement, rather than supporting compiling NC and BUR, to ensure different focus of the CBIT project and the GEF grant for communication capacity building. It aims to improve China's ability to fulfill the international requirements. It is also designed to meet the requirements in MPGs, which can assist China identify the needs of the institutional arrangements for fulfilling the provisions in a short period of time and carry out targeted capacity building. It will also study the methodology for tracking progress of NDC and evaluating the effectiveness of policies and measures, which will improve the transparency of the implementation of NDC and contribute to domestic decision-making regarding climate change. Nonetheless, there is a common thread between the 2 projects, which is capacity building.

Hence, the two projects will be coordinated in three ways. First, during the preparation of annual work plans and planning of capacity building activities since the project team members are from the same departments. Second, during the conduct of capacity building activities the two projects could be coordinated in the design, organization and conduct of these activities, to avoid duplicated work. Third, during the conduct of institutional capacity building activities. For example, in proposing the MRV system or data management plan for GHG inventories, all provisions on NCs, BURs, BTR will be considered, and the ultimate goal is to fulfill the obligation of BTR and NCs, since BUR preparations will be ended in 2024.

**Reference: RCCEA: Part II, Sec. C; Last para, p. 12**

## **Stakeholders.**

**Does the PIF include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF include information about the proposed means of future engagement?**

**Secretariat Comment at PIF/Work Program Inclusion 10/13/2020: Yes.**

## Agency Response

### Gender equality and women's empowerment.

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion 10/13/2020: Yes.

## Agency Response

### Part III. Endorsement/ Approval by OFP

#### Country endorsement

Has the project been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF database?

Secretariat Comment at PIF/Work Program Inclusion 10/13/2020: Yes, Mr. Xiang Peng has endorsed the project.

## Agency Response

### Response to Comments

Are all the comments adequately responded to? (only as applicable)

**Gef Secretariat comments?**

GEF Secretariat Comment N/A

Agency Response

**Other Agencies comments?**

Secretariat Comment at PIF/Work Program Inclusion N/A

Agency Response

**GEFSEC DECISION**

**RECOMMENDATION**

**Is CEO clearance/approval recommended?**

Secretariat Comment at PIF/Work Program Inclusion

10/13/2020: Please address comments.

10/23/2020: PM recommends technical clearance.

**Additional Comments**

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

**Secretariat Comment at PIF/Work Program Inclusion**

**Review Dates**

	<b>PIF Review</b>	<b>Agency Response</b>
<b>First Review</b>	10/13/2020	10/23/2020
<b>Additional Review (as necessary)</b>	10/23/2020	
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		
<b>Additional Review (as necessary)</b>		

**PIF Recommendation to CEO**

**Brief reasoning for recommendations to CEO for PIF Approval**

The proposed project will support China to prepare its Fourth National Communication (4NC) and two Biennial Update Reports (BUR 3 and BUR 4) to fulfill its commitments to the UNFCCC in accordance with the relevant decisions of the Conference of Parties. The 4NC and BUR 3 will be submitted by December 2022. China plans to submit its last BUR jointly with its first BTR by December 2024 to avoid duplication.

This project will build on findings and recommendations from previous NC and BUR work as well as recommendations resulting from the ICA process for its first BUR. The main outputs include the national GHG inventories of 2017, 2018, and 2020, renewed assessments of climate change impact, vulnerability and adaptation, refined policies and actions for climate change mitigation, updated information about financial, technology and capacity-building support needed and received, and enhanced public awareness, as well as finalized 4NC and BUR 3, and BUR 4.

The project will coordinate with the CBIT support, which will be implemented by FECO. Compared to the TNC Project, this project will enhance China's capability to prepare and deliver time-series consistent national GHG inventories every two years, applying 2006 IPCC

guidelines with higher transparency, increased completeness and accuracy and stronger comparability. A normalization mechanism for GHG inventories and reporting will be established. It will enable China to strengthen and update the impacts and vulnerability assessments of climate change and combine with emissions scenario analysis of policies and actions for climate change mitigation. It will enable China to have a reliable NAMAs and NDCs tracking systems to fulfill the obligations of NCs and BURs . It will enhance China's understanding of the appropriate policies to enable the proper planning and implementation of prioritized applicable and feasible climate change mitigation actions for China low greenhouse gas development.

The project consists of the following components:

Component I: National greenhouse gas (GHG) inventory

Component II: Impacts of vulnerability and adaptation to climate change

Component III: Mitigation policies and actions for climate change

Component IV: National circumstances, related financial, technical, and capacity needs, and other relevant information

Component V: Communication of the GHG inventories, NCs, and BURs of the Hong Kong and Macao Special Administrative Regions (SARs)

Component VI: UNFCCC reporting obligations, e.g., NC and BUR

China is utilizing its CC STAR allocation to support these reports with \$4,566,210 and will provide \$1.366 million in-kind in co-financing. With UNDP's support, total co-financing will be \$1,466,000.