

**UNITED NATIONS DEVELOPMENT PROGRAMME  
GLOBAL ENVIRONMENT FACILITY**

**PROPOSAL FOR PDF BLOCK B GRANTS**

1. Identifiers

COUNTRY: China  
PROJECT TITLE: Building Capacity for China's  
Implementation of the UNFCCC  
Needs Assessment and Targeted Research  
GEF FUNDS REQUESTED: US\$224,000  
CO-FUNDING: US\$35,000 (in-kind)  
EXECUTIVE AGENCY: China Meteorological Administration  
IMPLEMENTING AGENCY: UNDP  
BLOCK B: X

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2. Summary

This project is intended to support a wide-ranging review of outputs from previous climate change enabling activities for China. On the basis of this review and evaluation, a proposal to support capacity building to implement the UN Framework Convention on Climate Change in China will be prepared. This PDF B will seek to improve China's capacity to estimate GHG emissions; to undertake detailed assessments of vulnerability; to plan for adaptation to climate change; and to undertake integrated climate change assessment. This PDF Activity-- to be prepared in parallel to a separate activity to assess and prepare a project for the preparation of China's initial national communication—will lead to a project proposal which builds capacity for the implementation of the UNFCCC and the preparation of subsequent future national communications.

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3. Cost and Financing (millions US\$)

GEF:	- Project:	US\$	224,000
	- Subtotal GEF:	US\$	224,000
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Co-Financing	- Government (In-Kind):	US\$	35,000
Total Projects Costs:		US\$	259,000

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4. Operational Focal Point Endorsement:

Mr. Chen Huan/ Jinlin Yang  
Division Chief  
Ministry of Finance (MOF), People's Republic of China

5. IA Contact:

Nandita Mongia  
United Nations Development Programme  
Regional GEF Coordinator for Climate Change, RBAP  
Tel. (212) 906-5833 Fax. (212) 906-5825

## BACKGROUND AND CONTEXT

1. China has carried out several studies related to climate change. Support has come from the Asian Development Bank, the US Country Studies Programme, the GEF through both ALGAS and the UNDP/World Bank, the German Technical Cooperation (GTZ), and the Canadian International Development Agency. These projects examined different aspects of climate change in China and served to raise China's capacity in the climate change field. However, these activities also produced different results and therefore created awareness of the limitations of the various methodologies being deployed. For example, of the three national inventories that have been undertaken, the estimate of overall CO<sub>2</sub> emissions varies by nearly 25% (see table 1 below).

**Table1 Comparison of related research results on GHG inventory in China**

Type	ADB project	WB project	US Country study	ALGAS
CO <sub>2</sub>	630Mt-C	671.3 Mt-C	483-496 Mt-C	552 Mt-C
1.Energy consumption	609.2	649.3	547-560	560
2.industrial process(cement)	25.5	29	22	45.6(4catagories)
3.Forestry		-7	-86	-53(-50--70)

2. China is planning to undertake a review of all previous work in the climate change field. It will utilize this review to propose activities to prepare the initial national communication as part of a separate, but parallel PDF B entitled "China's Initial National Communication: Needs Assessment and Enabling Activity Preparation". The objective of this PDF is to build on the same review of pre-existing work but to utilize it as the foundation for another, parallel proposal to build capacity within China to implement the convention and carry out with greater confidence and accuracy future technical and scientific activities in support of the UNFCCC. As such, this PDF B will lead to a proposal to build scientific and technical capacity in China to implement the UNFCCC. These activities are expected to extend significantly beyond the preparation of the initial national communication.

### II. Activities to be implemented under the PDF:

3. This preparatory project will be implemented largely in parallel to another PDF entitled "China's Initial National Communication: Needs Assessment and Enabling Activity Preparation". The following activities will be undertaken as part of the project preparation work supported by this PDF:

4. Activity 1: Assemble and Review All Previous Work Undertaken in China Related to the Requirements for the Initial National Communication: For this activity, it will be necessary to assemble and review all studies relevant to GHG inventories; vulnerability to climate change; adaptation to projected climate change impacts. These previous activities will be reviewed, evaluated, and compared to the COP2 requirements and IPCC Guidelines. This activity will be carried out for this and the parallel PDF at the same time, but for this activity, the focus will be on identifying methodological, capacity or data gaps that will need to be remedied for future satisfactory participation of China in the UNFCCC process.

5. Activity 2: Review Methodology and Definition of Parameters Regarding GHG Inventory (Inventory): In previous work into GHG inventories, a number of areas of uncertainty or weaknesses in the numbers and methodology for GHG inventory in China were identified. This PDF will sponsor a series of working meetings where international experts will be brought

together with Chinese experts to identify ways to address inventory problems and shortcomings. The topics to be addressed will include:

- 1) Qualitative differences in coal resources in China and the appropriate classification system to be used (4,8 or 12 categories);
- 2) Coal Combustion and Oxidation Rates;
- 3) Carbon storage in physical products;
- 4) Methodology for activity data assembling of fuel combustion;
- 5) Key industrial process emissions in China;
- 6) Paddy Rice Emissions;
- 7) Emissions from ruminant animals and animal manures;
- 8) Emissions from agricultural soils and residues;
- 9) Associated emissions and sinks from land-use change and forestry; and
- 10) Emissions from landfills and wastewater treatment.

**6. Activity 3: Identify Working Areas and Methodologies for Impact and Vulnerability Assessment and Adaptation Planning (V&A):** Previous work has identified a number of needs in the V&A area. This PDF will bring together both international and local experts to assess the importance of each of these areas in the Chinese context and to propose activities to build national capacity in the necessary areas. The topics to be addressed will include:

- 1) Monitoring and Establishment of Baseline Observations for Coastal Areas;
- 2) Water Resources Monitoring and Planning;
- 3) Natural Ecosystems, their vulnerability and resiliency to climate change; and
- 4) Impact of climate change on agriculture, forest and forestry.

**7. Activity 4: Evaluate Proposals for Regional GHG Inventories and Integrated Climate Assessment Modelling:** A suggestion has been made that the present and future inventories of GHG emissions in China should be undertaken at the provincial level and aggregated to this national level. The PDF will undertake an assessment of the feasibility and desirability of doing this. It will also make a careful examination of the nascent technique of integrated climate assessment modeling. If either of these activities are considered by both national and international experts to be valuable and reliable, they will be included in the future proposals which will be produced as part of this activity.

### **III. Outputs of the PDF B**

9. The PDF-B will produce either one project designed to build China's capacity in this area or two projects: one largely focusing on inventory and a second focusing on vulnerability and adaptation. Depending upon which approach is taken, the physical outputs of the PDF process will constitute either one or two project brief (s) and document (s) for support by GEF. The project (s) to be proposed by this activity will last from 3 to 5 years in duration. Because the project (s) being prepared under this PDF are largely linked to building capacity for the implementation of the Convention and subsequent future national communications, the three-year time limit does not apply as it does to its counterpart PDF to prepare China's initial national communication.

#### IV. Proposed Budget for PDF Activities

##### Proposed Budget for PDF Activities

Activity	GEF Contribution	Government Contribution	Total
1. Review Previous Work	-0-	5,000	5,000
2. Review GHG Inventory Methodology and Parameters	100,000	10,000	110,000
3. Evaluate V&A Needs across all sectors	60,000	10,000	70,000
4. Evaluate Disaggregated Inventory and Integrated Climate Assessment	40,000	10,000	50,000
Miscellaneous Costs	24,000	0	24,000
<b>Total</b>	<b>224,000</b>	<b>35,000</b>	<b>259,000</b>

#### INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

10. China has established an inter-ministerial working group to coordinate national activities relating to climate change. This Committee, called the National Coordination Committee on Climate Change Policy, has 14 members and is charged with overseeing all activities related to climate change in China. Its members include the State Development and Planning Commission, the State Economic and Trade Commission, the Ministry of Science and Technology, the China Meteorological Administration, the State Environment Protection Administration, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Construction, the Ministry of Transportation, the Ministry of Water Resources, the Ministry of Agriculture, the State Bureau of Forests, the Chinese Academy of Sciences and the State Oceanic Administration.

11. The SDPC chairs the Committee. Sitting inside the SDPC is the Office of the National Coordination Committee on Climate Change Policy, which acts as the secretariat to the Committee.

12. A Steering Committee for all work relating to climate change national communications has been established. This Steering Committee will continue to work as the full Project's Steering Committee for the follow-on project proposed through the process initiated under this PDF. The Project Steering Committee, chaired by SDPC, has 6 members, including Ministry of Foreign Affairs, China Meteorological Administration, Ministry of Finance, State Environmental Protection Administration, Ministry of Science and Technology, and State Economic and Trade Commission. The Steering Committee will be in charge of all activities relating to the preparation of Initial National Communication to the UNFCCC.

13. In consultations conducted by the National Climate Change Steering Committee, the main priorities for future climate change work for China are recognized as: (i) further institutional strengthening and other capacity building activities required to ensure the highest possible quality of information for China's Initial National Communication; and (ii) identification of climate change abatement and adaptation strategies that are consistent with national plans for sustainable development.

14. This project will contribute to a strengthening of national and provincial institutions, thus building a solid foundation for future activities. Efforts will also be made to share the results of

these activities with researchers and experts from the surrounding countries and the international community.

15. This project, like the related national communication project, will be executed by China's State Development Planning Commission. The Commission has the mandate for the coordinating and leading national activities related to climate change and chairs the National Coordinating Committee on Climate Change Policy. The State Development Planning Commission will ensure frequent consultation and close collaboration with relevant national and provincial agencies and with appropriate regional and international organizations and institutions.

16. Through the National Coordinating Committee on Climate Change Policy and the State Development Planning Commission, this project will be closely coordinated with all other relevant climate change activities in China.

17. Regarding international collaboration, working links with relevant regional and international expert institutions will be created, and they will be consulted when selecting the methodologies for, and implementing the specific activities of the project. The project will also utilize results and lessons learnt from other ongoing or finalized international projects like UNEP Country Case Studies on Climate Change Impacts and Adaptation Assessment, CC:TRAIN and US Country Study Program to avoid duplication of effort. Links to other countries in the region with ongoing or finalized enabling activities will be established.

#### **TIMELINE**

18. The activities proposed as part of this PDF are expected to be completed in less than one year's time. The project to be proposed through the PDF process is expected to require between 3 and 5 years to complete. As this project is not intended to lead to the production of the initial national communication, it does not need to be completed within the three-year period established within the Convention.

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MINISTRY OF FINANCE  
Sanjiba, Xicheng District  
BEIJING 100820 People's Republic of  
China

MOF

中华人民共和国财政部  
世界银行司  
中国北京三里河南三巷3号100820

May 15, 1998

Mr. Yannick Glemarec  
Deputy Representative  
United Nations Development Program, Beijing  
Fax: 6532-2567

Re: Endorsement Letter

Dear Mr. Glemarec,

This is to confirm that the Government of the People's Republic of China endorses the proposal for GEF PDF B Grant of "China's initial national communication: Needs Assessment and Enabling Activity Preparation".

The Chinese government has full confidence that the preparation of the initial national communication to the UNFCCC will strengthen the institutions and build capacity to take issues related to climate change into account in economic and social development. China will submit the initial national communication in conformity with the requirements of the UNFCCC. In order to facilitate the preparation of national communication, we request to apply US \$24,000 PDF B through UNDP.

We appreciate your consistent support in dealing with the environmental issues of China.

Best regards.

Yours sincerely,

陈欢

Chen Huan  
GEF Operational Focal Point  
Deputy Division Chief  
World Bank Department  
Ministry of Finance, P.R. China

UNDP BEIJING  
15 MAY 1998

Handwritten signature: YG/Fenton  
Handwritten initials: 15/5/98

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INTERNATIONAL DEPARTMENT

中华人民共和国财政部

MINISTRY OF FINANCE

MOF

国际司

Sanliu, Xicheng District

Beijing 100820 People's Republic of China

中国北京三里河路三巷3号100820

February 25, 2000

Mr. Kerstin Leitner  
Resident Representative  
UNDP

Enabling China to Prepare Initial National Communication

Mr. Leitner:

The main objective of this project is to enable the country to comply with her obligations related to Articles 4.1, and other commitments, specified in the United Nations Framework Convention on Climate Change, including submission of her Initial National Communication. Recognizing that this is a continuous process, some activities are included to improve quality of future communications.

Therefore, I would like to endorse the project to request GEF assistance.

Best regards.

Sincerely yours,

(Jinlin Yang)

Operational Focal Point for China

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UNDP BEIJING	
DATE:	
FILE: ORG/130/1000	
<input type="checkbox"/> ACTION	<input type="checkbox"/> INFO
TO: <i>Lok...</i>	
<input type="checkbox"/> ACTION COMPLETED	<input type="checkbox"/> ACTION PENDING
<input type="checkbox"/> NO ACTION REQUIRED	<input type="checkbox"/> INITIAL