

Carbon Finance for Achieving Xiaokang Development Goals in China

The Challenge

Climate Change has emerged as one of the most important issues facing the global community in the 21st century. Meanwhile issues of sustainable and clean energy have risen to the top of China's list of national priorities. The future impacts of climate change are expected to pose a serious threat to development and poverty reduction efforts towards the achievement of China's Xiaokang Goals.

Assisting China with its efforts to create more a sustainable, less greenhouse gas (GHG) intensive development path is, and will continue to be, a top priority of UNDP. The implementation of the Kyoto Protocol under the UN Framework Convention on Climate Change is now playing an important role in achieving these goals.

The Protocol includes implementation of a "Clean Development Mechanism (CDM)" to channel "green investment" from developed countries to China and other developing countries. China already stands as the world's single largest source of GHG emission credits under the CDM system, supplying more than half of global carbon credits.

The Response

In addition to reducing GHG emissions, the CDM framework can tackle a wide range of issues that are central to eliminating poverty and reaching the MDGs and China Xiaokang Goals. To reach this goal, UNDP, Ministry of Science and Technology, Ministry of Commerce and Arcelor Mittal have joined forces to launch a new programme entitled "Carbon Finance for Achieving Xiaokang Development Goals in China".

The programme will support the Government of China and private sector partners to develop a supply of carbon credits from China for use in CDM and other carbon finance initiatives that can both achieve GHG emission reductions and achieve China's Xiaokang Development Goals.

Expected Achievements

- A strategic framework and plan to integrate carbon emission reductions activities into achievement of China's Xiaokang Development Goals.
- A service of new CDM investment projects that go beyond the current 'end of pipe' projects, with major emphasis on increasing access of sustainable energy sources to the poor in the less developed areas of Western China.
- Comparative research and information on the climate exchange processes of other countries and exploration of partnerships to pilot adapted models for China.

At A Glance

Start Date: February 2006
 End Date: June 2009
 Implementing Partner(s): Ministry of Science and Technology and Ministry of Commerce
 Project ID: 00051456

UNDAF Goal: Outcome 3 –More efficient management of natural resources and development of environmentally-friendly behavior to ensure environmental sustainability
 MDG: Target 9, Goal 7 – Ensure environmental sustainability
 CPAP Outcome 6 – End-use energy efficiency and application of new and renewable energy technologies improved
 Website: N/A

Total Budget:	US\$	1,700,000
UNDP:	US\$	200,000
ArcelorMittal:	US\$	1,500,000

Project location(s): Anhui, Henan, Inner Mongolia, Jiangsu, Jiangxi, Jilin, Liaoning, Qinghai, Shanxi, Shaanxi, Xinjiang Autonomous Region

To contribute to this initiative, or to find out more about the programme, please visit our website or contact Mr. He Ping, Programme Manager at (86-10) 8532 0800 or ping.he@undp.org

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