

**Annual Project Progress Report**

Support Capacity Building and Innovations to Promote Green Development in China

2012-12-31

**Basic Project Information**

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| Project Title: | |
| UNDP Award ID | 00044274 |
| UNDP Project ID | 00051952 |
| CRIS Contract Number |  |
| Project Duration | 2010-2014 |
| Reporting Period | January-December,2012 |
| Total Approved Project Budget | 32,835,850 US$ |
| Participating UN agencies |  |
| Implementing Partners/  National collaborating agencies | CICETE  CBEEX/CPBECL/XJ/SX/HLJ |
| International collaborating agencies |  |
| Cost-sharing third parties | 50,000US$ |
| UNDP Contact officer | Peng Wu |
| Project website | www.greendevelopment.org.cn |

**Executive Summary**

In 2012, every sub-project under Green Development Programme has achieved their project goals and project activities, completed the government cost-sharing fund, summarized project achievements and disseminated successful experiences etc.. Under the guidance and the supervision of the UNDP and the CICETE, the project has completed the project activities for capacity building, thematic research and pilot project construction etc., established solid basis to achieve the programme overall targets. Connection of green development stakeholders has been strengthened for better exchange of green development initiatives and good practices. Through the extensive project cooperation platform, the stakeholders of sub-projects established positive cooperative relationship, and endeavoured to extend the successful low carbon development experiences to the other rural regions in China and promoted the process of green development in China.

The project has promoted the job opportunity for the farmers and increased their income through project pilot demonstration for the sustainable social & economy development in the project areas as well as fulfilled the piloting role for development of local green economic development model.

The project has conducted the related capacity building trainings and study tours for green development concept, project management knowledge, exchange of advanced experience and technical capability to support the capacity building of the project implementation areas. Through the UNDP’s financing, the project has also gained USD50,000 contribution this year from the Peace and Development Foundation for support of the capacity building training of project local level.

The project has made contribution to the achievement of the emission reduction targets of the 12th Five-Year Plan through the promotion of the establishment of carbon trading markets and carbon trading platform in Beijing. The project has deepened the research of green development and carbon trading as well as the government agencies’ and public understanding of green development and carbon trading. The project has promoted the research of voluntary emission reduction (VER), promoted the establishment of domestic VER trading platform and retail platform. And the good practices of low carbon development in Chin are well shared with other developing countries through international workshop and conferences.

**1. Background**

**Development Context**

Under the circumstances of global economic crisis and climate change, agriculture is one of the most impacted industries which in turn reflect that rural region is the most influenced areas. First of all, as affected by the financial crisis, the government’s financial situation might have to make it reduce their agricultural investment, which might in turn deteriorate the environment of rural economy development. On the other hand, reduction of global agricultural products demand and the existence of trade protectionism have intensified the disequilibrium between demand and supply, causing price decrease in agricultural products. In the meantime, Climate Change has been bring about impacts on China’s society and economy with increasing depth and width, especially on the livelihoods of rural populations, making the graduated poor household turn back to the poor situation overnight, and seriously hindering rural socio-economic development. It is more and more important to have integrated solution to poverty, environment and sustainable rural development in china.

**Project Objectives and Strategy**

The GD project goals are: through policy, mechanism, institution, technology and cultural innovation, explore and pilot new green development approaches integrating poverty alleviation and rural low-carbon socio-economic development. This will help environment improvement and ability enhancement of climate change adaptation, support in rural regions, including sustainable livelihood in the poor rural areas and those in urbanization process. It aims to explore win-win options and approaches of climate change and social development. This programme implementation strategy include: promote green integration of urban and rural development with innovation; support community-level capacity building for green development and climate change adaptation with special concerns on ethnic minority and gender. Public Private Partnership is a very important mechanism for green development at provincial level.

**2. Key Results**

This programme is progressing well in achieving the expected targets for capacity building, project pilot and thematic research etc. in the reporting period. It is anticipated that by the completion of the project, all the fixed targets will be achieved. The project is strengthened the connection between the sub-projects of the China Green Development Programs，promoted their cooperation and communication.

This program contributed to the eradication of extreme poverty and hunger and promoted gender equality and feminine rights, all of which made contributions to achieving the Millennium Development Goals.

**Project Outcomes**

**Outcome 1:**

Networking of green development stakeholders is strengthened and a multiple-participatory extensive platform is established to promote broad collaboration in green development

**Outcome 2:**

Innovations and win-win options of climate change and social development explored through pilot and capacity building.

**Outcome 3:**

Capacity building for China’s carbon trade market is strengthened to facilitate carbon trade and carbon reduction project development with particular attention on VER.

**Activities and Outputs**

In the project reporting period, outcome 1-3 achieved expected goals through the project implementation parties’ effort. And the project partners extended the successful achievements to achieve the sustainability of this project.

**Output 1.1** Provide a multiple-participatory extensive platform, strengthen the communication of green development stakeholders.

**Activity1.1.1** Green Development Programme annual review meeting was convened on March 28, 2012 in Beijing. Project parties attended the meeting and key topics concerning implementation priorities and future development were discussed. Low carbon development training was conducted for all sub project counterparts to learn and understand the low carbon development concept and good practices.

**Output 1.2** Summary of best practices of green development pilot

Activity 1.2.1 UNDP Shanxi project technical training and review meeting was held during 24-26 Dec., 2012 in Taiyan city and Fangshan county of Lvliang city by Shanxi PMO. Totally 70 people from Shanxi project partners including management persons, technicians, the members of specialized co-operative, personals of government agricultural-related department from Fangshan and Loufang Counties, large plantation families attended the training and meeting. Through this activity, they summarized good practices and achievements and have in-depth understanding of green development in Shanxi, learned the knowledge of potato cultivation and processing skill, the pest prevention skill and field management skill.

**Activity 1.2.2** Updated project activities and achievements on the GD web site, disseminated the project publicity influence.

**Output 1.3** Strengthen the project management, improve the project implementation structure

**Activity 1.3.1** carried out the project implementation regulations, improved project coordination and management mechanism.

**Output 2.1** Promoted the capacity building for the national and local level project managers, farmers in the project pilot areas.

**Activity2.1.1** Held the knowledge training for the green development, low carbon agriculture & carbon trade. Totally 32 people from project partners of GD programme attended the training and had comprehensive and scientific study of green development concept and related knowledge.

**Activity 2.1.2** Organized the study tour to visit the countries of Central America to learn the advanced practices for the green energy development status and low carbon city development.

**Activity 2.1.3** USD50,000 contribution from PADF to support the capacity building training for Xinjiang project managers. The Xinjiang PMO has compiled the training activities programme.

**Activity 2.1.4** Project annual work plan meeting was held in Taiyuan and Heshun County during 18-20 April, 2012. The project managers and technicians attended this meeting.

**Activity2.1.5** CPBECL held the biomass energy conversion & production technology training during 8-12 Oct., 2012 in Haikou. Totally 52 technicians and farmers from the project areas attended the training.

**Activity2.1.6** Workshop for oil crops planting of renewable energy was held during 8-12 Feb., 2012 in Xichang city. Local government officers, technicians and farmers representatives attended the workshop.

**Activity 2.1.7** Organized the project senior mangers and specialists to visit the National University of Singapore’s JCL laboratory, visited the JCL experimental base, communicated the experience as well as exchanged the Jatropha curcas seeds.

**Activity2.1.8** Organized the Jarrah/Dayun cultivation technology training in project demonstration areas, 190 farmers attended the training.

**Activity 2.1.9** Organized project management training in Xinjiang province, 31 project management people attended the training.

**Activity 2.1.10** Organized the training for farmers on improvement of soil fertility in Heilongjiang province.

**Activity 2.1.11** Based on the University of Farmers funded by HAAS，farmers were given chance to communicate with technical experts directly to promote low carbon emission agriculture.

**Activity 2.1.12** Wrote and printed the teaching material for Green development, Low carbon village and carbon trade

**Activity 2.1.13** Wrote and printed cultivation techniques handbooks which included “Carrot high-yield technology”, ” Chinese onion high-yield technology”, ” mushroom high-yield technology”.

**Output 2.2** Through pilot demonstration, innovations and win-win options of climate change and social development were explored. The people of project areas especially vulnerable groups have better sustainable development opportunities.

**Activity 2.2.1** In 2012, Shanxi project established sweet sorghum planting demonstration base of 2500 mu in Datong, Quyang, Jiancaoping, Ningwu, Heshun and Fangshan counties. The average yield of 4000 kg of straw, about the value of 1440 yuan per mu, farmers obtained about 3.6 million yuan income from this planting.

**Activity 2.2.2** Established an oil crops planting demonstration base of 200,000 mu and an oil crops high-tech demonstration park of 1000 mu in Liangshan prefecture, Sichuan Province. Pilot construction was promoted and barren hill of 30000 mu was made green.

**Activity 2.2.3** Established two oil crops specialized cooperatives, and built a technology service station with local government.

**Activity 2.2.4** Completed construction of Jatrohpa curcas seeds planting base of 200 mu in Sanya city, Hainan province.

**Activity 2.2.5** Completed the construction of bio-aviation oil catalytic cracking test platform

**Activity 2.2.6** Continued pilot demonstration for black soil restoration in Minzhu village and established low carbon agriculture demonstration areas in Hailun city.

**Activity 2.2.7** Completed the construction of Jarrah/Dayun demonstration areas of 1800 mu (included 800 mu in Hetian county, 1000 mu in Minfeng county).

**Output 2.3** Thematic research

**Activity 2.3.1** Carried out the study of JCL high-yielding seeds & cultivation techniques in Southern China.

**Activity 2.3.2** Carried out the research on the restoration technologies of degraded soil in black soil area and production technologies of low-carbon agriculture.

**Activity 2.3.3** Carried out the research on Bio-energy development and China’s Bio-energy supporting policy framework.

**Activity 2.3.4** Carried out the research on GHG emission reduction and low carbon development case study – Brazil project.

**Activity 2.3.5** Carried out the research on carbon capture and storage-policys and technologies**.**

**Output 3.1** Set up China First Domestic VER Standard

**Activity 3.1.1** The methodology of "degraded soil vegetation regeneration” is under submission to public comments.

**Output 3.2** Establish a strong research and promotion platform for promoting green development and carbon trade including institutions, associations, long-term communication mechanism and EMC platform and the Temple of Earth Green Finance Forum.

**Activity 3.2.1** Operation of Beijing Emissions Trading Association (BETA)

**Activity 3.2.2** Entrusted by the Beijing Municipal Government, the project issued payment of government subsidies to owners and businesses for the elimination of old vehicles, renewal of government subsidy issuance system for Beijing old vehicle elimination.

**Activity 3.2.3** Held the Temple of Earth Green Finance Forum, more than 300 guests from home and abroad attended the meeting that provides a high-level international platform for government, businesses and the public.

**Activity 3.2.4** Held "Carbon Neutralization" Green Trips which not only enhanced the public awareness of the carbon neutralization and low carbon tourism but also promoted the sustainability of tourism development.

**Activity 3.2.5** Carried out the study of the "Beijing Carbon Emissions Trading Mechanism and Application Research "**.**

**Output 3.3** Conduct researches on VER and construct carbon trading platform suitable for domestic VER transactions and also construction of Carbon Retail Platform.

**Activity 3.3.1** Undertaking "Carbon Neutralization" Green Trips, in which the first eleven travel agencies participated and selected 10 travelling routes with total carbon emissions of 234 tons that estimated by specialized institutions. Travel agencies purchased the carbon emission credits according to emissions calculation data through the China Beijing Environment Exchange and gave it to visitors to help realizing "carbon neutralization".

**Activity 3.3.2** Germany Technology Supervision Association TuV NORD purchased 105 tons of voluntary emission reduction generated from the wind-power project in Gansu province from China Beijing Environment Exchange, which, to certain extent, neutralized the carbon emission of its 2012 Customer Experience Sharing Conference.

**Activity 3.3.3** Shanghai International Resort Management Committee, which is in charge of the of Shanghai Disneyland, purchased 62 tons of voluntary emission reduction from China Beijing Environment Exchange to neutralize carbon emissions generated from its core regions during January 1st, 2012 to September 30th, 2012.

**Sustainability**

In the current project implementation period, all activities of the project conducted pilot and promotion for the sustainable development of the project, which include:

1) Promote local sustainable green development model through the pilot plating of suitable energy crop in rural area.

2) Improve sustainable development capability of project pilot area through the support of capacity building.

3) Strengthen the capacity building of China carbon trade market, promote domestic carbon reduction project especially agricultural emission reduction project development for the sustainable development of project areas

4)Achieve the sustainability of project through the explore of agriculture recycling economy model development

**MDG Targets**

In the project reporting period, the project activities had contributions for below millennium development targets

Increase the participation of most poverty and weak tendency and is beneficial equally from china economy development

Government and other related partners ensure the sustainable environment, focus on climate change and promote green low carbon emission economy.

Project pay strong attention equal participation and development of the farmers in poor rural area, strengthen the promotion of rural green economy development through environment improvement and climate change sustainability improvement, encourage agriculture, rural area and farmers, especially undevelopment rural area farmers to gain equal opportunity in participation of green sustainable development and sustainable live hood capacity.

The project helps the development of rural carbon trade program, improves rural area low carbon emission development capability. It also helps to realize city compensation for rural areas and explore new ways for green development in rural areas as well as increase rural residents’ income, all of which contribute to the eradication of extreme poverty and hunger.

The project at the same time contributes to the establishment of the carbon trading system to respond to climate change and to achieve energy conservation and greenhouse gas emission targets set by 12th Five Year Plan so as to realize low carbon and sustainable development. Through international forums good practices of low carbon development and cost effective technologies were well shared with other countries, especially developing countries.

**Development Effectiveness**

Convenient channels of communication and consultation offered by the close ties with the CICETE and the Beijing Municipal Finance Bureau effectively ensured the implementation of the project. CBEEX actively communicates with Equity Exchange (centre) in other provinces and cities to strengthen cooperation and promote the establishment of local Environment Exchange (centre).

The project strengthen international cooperation through the formation of joint ventures, international exchange and build cooperation projects. CBEEX also enhance its brand influence by strengthening the existing international partnerships and seek new partners at home and abroad.

**Cross-cutting Issues**

The project not only focused on the solution of environment problem, promoted clean energy development, but also in the project implementation, paid special attention to females, provided job and training opportunities, increase their income and social rights and position.

**3. Project Management and Oversight**

In the project reporting period, UNDP provided strong supervision for the successful project development support, monitored the progress of project, human resource allocation and finance management, provided feedback and advice, made quick and active change for project requirement change, took effectual measures to avoid risks, ensured the achievement of project expected targets.

**Implementation Status**

In the project reporting period, the project activities had been carried out in a timely manner as planned and had realized its expected targets.

All on-going sub projects also executed their corresponding targets seriously, made effective and high quality management of project activities, helped to smooth project execution and effective project budget usage.

In the project reporting period, part of project cost-sharing fund was not arranged timely due to project implementation partners’ issues in fund management, but this didn’t impact the overall execution progress and outcome of the project. All this balance fund will be arranged at 2013. The TRAC fund was also very limited, the project implementation partners adjusted project activities accordingly to ensure the good quality of project execution and suitable usage of project fund.

The execution of project was collaborated with other projects of implementation partners, which increase the influence of both partners’ projects, improve the quality of the projects, increase the cost-effectiveness of project.

**Monitoring and Evaluation**

In the project execution period, project management mechanism was perfect, periodically supervision and guidance was made from national project management level, project implementation parties submitted project progress every quarter, project issues was found timely and effective adjustment was made accordingly.

Officers in each project office made serious execution for all project activities, and inspected project progress periodically, summarized project outcome and experience.

**Human Resource Management**

During the reporting period, the human resources of the project were effectively managed which provided full support for the realization of the project objectives

**Risk Management**

The construction of bases in the project is linked with land, water and labour, attention shall be paid to the importance of protection of natural resource to mitigate the risks of natural disasters and protection of labor’s right, national law and regulations, natural principles shall be followed, the use of science and technology in production shall be strengthened, the harmonization between human and society shall be focused. UNDP has played supervision and direction role in species diversity, protection of ecological environment and protection of farmers’ right, to ensure the successful implementation of project.

**Inter-Agency Coordination and Delivering as One**

Project helps to ensure the sustainable development of environment, to respond to climate change and promote the green development and the low carbon economy. In the mean time, the project also provides a platform that makes China more widely participate in international efforts to cope with climate change. Therefore, the project is in accordance with the United Nations framework for development aid.

Through the seminar (as mentioned above) and participation in the training of the United Nations Development Programme (UNDP), the project ensured the coordination between different sectors, organizations and agencies.

**Communication and Advocacy**

Promote project through the setup of international exchange platform

* Set up green development official website, periodically update introduction for new project progress and outcome
* Demonstrate project plan through the introduction in international workshop

**4. Financial Management**

During the reporting period, the financial management of the project were strictly managed. Part of project cost-sharing fund was not arranged timely due to project implementation partners’ issues in fund management, but this didn’t impact the overall execution progress and outcome of the project. All of this balance fund will be arranged at 2013.

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|  | Source of Fund | Budget | Expenditure |
| **Expenditure Vs. Approved project budget by source of funding** | UNDP | 770,000 | 764,500 |
| Government Cost Sharing | 3,950,000 | 3,173,117 |
| Third Party Cost-sharing | 50,000 |  |
| Other (please specify) |  |  |
| **Total** | **4,770,000** | **3,937,617** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Sub-Project** | **Annual Budget**  **(USD)** | **Annual Expenditure**  **(USD)** | **Note** |
| **JCL Plantation** | 3,388,800 | 3,388,800 |  |
| **Heilongjiang** | 250,000 | 249,777 |  |
| **Shanxi** | 42,000 | 42,000 |  |
| **Xinjiang** | 609,200 | 140,000 |  |
| **CBEEX** | 480,000 | 117,040 |  |
| **Total** | **4,770,000** | **3,937,617** |  |

**5. Management Recommendations**

**5.1** Through the cooperation and experience exchange with related foreign agencies, the project collected good experience. Suggest UNDP provide exchange platform, invite the UNDP PMOs of other countries to share experience, and promote the successful experience of China green development plan to other countries and areas

**5.2** Strengthen the capacity building for project management people, and experience exchange between project implementation partners, improve project management skills

**5.3** Strengthen the connection between regulation study, industry plan and government current policy, for example, the government allowance for the purchase of agricultural machine, bio-ethanol into government energy purchase plan

**5.4** Project fund shall be arranged timely to ensure project execution

**6. Conclusion**

During the reporting period, this project is progressing well in achieving the expected goals. It is anticipated that by the completion of the project, all the fixed goals will be achieved. In the project execution, the implementation of project targets was strengthened, multiple participation model was encouraged, china low carbon emission economy was promoted, innovative approach of china green development was studied through capacity building and pilot. The project contributed to the eradication of extreme poverty and hunger, it also promoted gender equality and feminine rights，all of which made contributions to achieving the Millennium Development Goals ( MDGs ).

The project promoted the establishment of carbon trading markets and carbon trading platform in Beijing, it deepened the research as well as the government agencies’ and the general public understanding of green development and carbon trading, it promoted the VER research, it promoted the establishment of domestic VER trading platform and retail platform.

Through the capacity building for pilot area, the project improved the sustainable development capability of project area. The project promoted the comprehensive capability development of local area through systematic construction, promoted the job opportunity to the farmers and increased their income.

The project focused on international cooperation, extensive and multi-party cooperation were encouraged through project platform. Public Private Partnership is greatly strengthened at provincial level to promote green development. In the next step, the project will summarize the outcome and experience, and promote the cooperation among implementation partners, increase the influence of project outcome and promotion of successful project mode.