



Project Data Sheet

Project 42056-012

Project Name	Design of the National Sulfur Dioxide Emission Trading System	
Project Number	42056-012	
Country / Economy	China, People's Republic of	
Project Status	Closed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 7191-PRC: Design of the National Sulfur Dioxide Emission Trading System	
	Technical Assistance Special Fund	US\$ 500,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development	
Sector / Subsector	Energy / Energy efficiency and conservation	
Gender	No gender elements	
Description	Project's objective is reduced acid rain in the People's Republic of China. The promotion of SO2 trading aligns closely with the Government's 11th Five-Year Plan target of reducing SO2 emissions. Support for establishing an SO2 trading system is also consistent with ADB's (i) long-term strategic framework 2008-2020 (Strategy 2020) priority of 'environmentally sustainable growth', and (ii) PRC country partnership strategy (2008-2010) strategic pillar of 'resource efficiency and environmental sustainability'. ADB has been actively supporting SO2 emission reduction in the PRC. In 2004, ADB supported one of the first pilot projects of an SO2 trading scheme in Taiyuan City. ADB also extended a loan for Anhui Province that targeted industrial retrofits to reduce SO2 emissions. ADB currently has six ongoing loans in the PRC energy sector, resulting in an annual reduction of 66,000 tons SO2 when the projects become fully operational.	
Impact	Improved environment through reduced SO2 emissions	

Project Outcome

Description of Outcome	Establishment of a national SO2 trading system
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Progress Toward Outcome	<p>A two-day final workshop for the TA output dissemination was successfully conducted on 8-9 September 2011 in Beijing. The workshop was attended by about 40 participants mostly from the provincial environmental bureaus and power plant operators who will be involved in the implementation of the proposed SO₂ Emissions Trading System (ETS). MEP emphasized the relevance of the TA in their effort to control emissions while aiming to improve measurement of environmental outcomes and reducing abatement costs. MEP reported the achievement of the targets for reducing key pollutants and the targets under the 12th Five- Year Plan. They also outlined the efforts being done to meet those targets, among which is expanding the implementation of the SO₂ ETS to 10 more pilot provinces (in addition to the present 10 pilot provinces, which are implementing the SO₂ ETS on their own). The team of consultants presented the TA outputs and recommendations. International experts shared the experiences in the successful implementation of the SO₂ ETS in the US, Canada and Europe. They also discussed the monitoring methods and made specific recommendations for PRC based on the experiences in implementing these in the power plants in the US. The national consultants presented the design framework of the SO₂ ETS and demonstrated the application of the software. There was also sharing of actual experiences by participants in the implementation of the SO₂ ETS among the pilot provinces. The presentations were well received and active discussions followed each session. Copies of the presentation materials and the TA Final Report were distributed to the participants.</p>
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Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Establishment of a draft emissions tracking system (ETS) and draft allowance tracking system (ATS), including operational manuals, software, and training activities 2. Draft emission monitoring, verification, and reporting standards 3. Capacity development and information dissemination workshops
Status of Implementation Progress (Outputs, Activities, and Issues)	The activities of the Project have been completed. The TA closing date was extended to 31 December 2011 to complete the documents required to liquidate the outstanding claims of the EA and the consulting firm.
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	<p>ADB and MEP have maintained ongoing dialogue regarding SO₂ trading drawing lessons from the ADB assisted SO₂ trading pilot scheme implemented in Taiyuan, Shanxi Province. A Reconnaissance mission was held on 12 March 2008. MEP will act as the EA and fully supports the project.</p>
During Project Implementation	

Business Opportunities

Consulting Services	International and national consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2007, as amended from time to time). Coordination among the consultants will be managed by the Executing Agency through the Foreign Economic Cooperation Office (FECO), which will act as the project management office.				
Procurement	Equipment will be financed under the TA and will be procured by international consultants in accordance with ADB's Procurement Guidelines (2007, as amended from time to time). This equipment will be handed over to the Executing Agency upon completion of the TA project.				
Responsible ADB Officer	Pajarillo, Merlita				
Responsible ADB Department	East Asia Department				
Responsible ADB Division	Energy Division, EARD				
Executing Agencies	<i>Ministry of Ecology and Environment former "Ministry of Environmental Protection"</i> <i>Lu Yiqing</i> <i>lu.yiqing@mepfeco.org.cn</i> <i>115 Nanxiaojie, Xizhimennei Beijing 100035 PRC</i> <i>Ministry of Ecology and Environment former "Ministry of Environmental Protection"</i> <i>Lu Yiqing, Program Officer, Division 1</i> <i>lu.yiqing@mepfeco.org.cn</i> <i>115 Xizhimen Nanxiaojie, Beijing</i>				

Timetable

Concept Clearance	02 Apr 2008
Fact Finding	26 May 2008 to 30 May 2008
MRM	-
Approval	10 Dec 2008
Last Review Mission	-
PDS Creation Date	02 May 2008
Last PDS Update	14 Dec 2011

TA 7191-PRC

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
10 Dec 2008	11 Feb 2009	11 Feb 2009	31 Jan 2010	31 Dec 2011	31 May 2012

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart					Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others	Total		

500,000.00	0.00	200,000.00	0.00	0.00	0.00	700,000.00	17 Jun 2022	477,292.39
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