



**MONITORING REPORT
REGIONAL ASIA – CAI – CO2 MANAGERS FOR THE INDUSTRY IN
THE PEOPLE'S REPUBLIC OF CHINA (ASIA PRO ECO II - CHINA).
MR-20643.01 – 29/06/07**

I. PROJECT DATA

Project Number: ASIE/2005/097-830	Responsible AIDCO: Regine Mandy
Date Financing Agreement signed: 01/04/05	Responsible EC Delegation: Virginie De Ruyt
Start date – planned: 02/04/05	Monitor: Anne Slamen-McCann
Start date - actual: 02/04/05	Project Authority: Centric Austria International
End date – planned: 01/04/07	Sector/Subsector: 41010 – Environmental policy and administrative management
End date - likely: 01/04/07	Monitoring visit date: From : 04/06/07 - To: 22/06/07

II. FINANCIAL DATA*

Primary commitment (project budget):	€	212945
Secondary Commitment (funds contracted):	€	212945
Funds Disbursed by the Commission:	€	170345
Expenditure Incurred by Project:	€	170345

* As at: **01/04/07**

III. SUMMARY OF CONCLUSIONS

1. Relevance and quality of design	b
2. Efficiency of implementation to date	b
3. Effectiveness to date	a
4. Impact to date	a
5. Potential sustainability	b

Note: a = very good; b = good; c = problems; d = serious deficiencies

IV. EXPLANATORY COMMENTS

1. Relevance and quality of design.

The project is relevant and timely, fitting with both China and EC policy. There is a building foundation of Chinese laws, policy and regulations that deal with improving environmental conditions. The problem is at company level where what action to take is unclear. The Clean Development Mechanism (CDM) is currently a key topic but it needs widening and CO2 management is the next step in spreading the concept of a win-win scenario - good industrial practise equals good environmental practise. The project design is clear and very focused. It is a strategic input of capacity building (25 persons) across a range of organisations across the breadth of China. Selection for potential to spread the concept and expertise and use of it, was stringent and the commitment requirement high. Design strength was its pragmatic training methods (learn by doing, 'homework') with real achievable activities such as designing a CO2 project. The log frame reflected the tight focus and intensity of the project with clear objectives and indicators.

2. Efficiency of implementation to date.

Efficiency was good. Activities are to plan with some rescheduling. The calibre of the trainee group was so high that the study tour was expanded to include all those able to travel. Numerical results are slightly over target. A start and final event was done for generating a good public profile for the issues and disseminating information concerning CO2 management. 3 blocks of 1-week training was done with 29 attendees (target 25). These were gapped allowing the return to jobs where individuals applied the information. When regrouped the trainees compared work and exchanged ideas for problem solving as part of the next block of training. A study tour was conducted with 19 trainees (12 planned) and extended by one week to include the Carbon Trading Expo as a valued networking event. This generated an over expenditure of budget which can be covered amongst the partners. The website is established with information and all training materials. 26 persons were awarded certificates of training. The other result targeted was the achievement of 5 CDM projects. 50 were developed and most authorised. The project however, points out that the real results were 'software' in the sense of trainees' skills and capabilities increased.

3. Effectiveness to date.

In terms of effectiveness the project has clearly surpassed its own targets and can document its achievement. Key to effectiveness was the exacting selection process resulting in a geographic spread across China and an organisational spread from independent profit making consultancy agencies to quasi government bodies. This is the aspect of the project design that held the most risk. Trainees engaged in the project demonstrated their good professional calibre. All were committed to fostering industries (at company level) acting on CDM and other environmentally related projects. The aim was to spread the knowledge and capacity beyond the direct trainees. At just 2 months after implementation there are specific documented figures demonstrating that these individuals through their work and organisations have more than achieved the project targets and OVIs. Training events organised or presented by participants reached 3,000 persons. Conference speakers / organisers reached a further 3,000 persons. The high interest level, still in evidence during the monitoring, indicates that this is set to continue. Another dimension to the high level of effectiveness is the EU/Chinese partnership that could identify and engage the right individuals from the right organisations and then to provide demanding and relevant training. This is a product of a long standing partnership.

4. Impact to date.

Significant impact can already be documented now at company level. Concerning the target of training and conferences, a phenomenal 6,000 people have been reached through conference presentations and training. Concerning the target of 5 CDM projects, approved projects for CDM are increasing. 80% of the 26 certified project trainees have been involved in 50 CDM projects ranging over topics of hydro power, wind power, biomass and bio gas coal mine methane, waste heat recovery and cogeneration project plus new methodologies for municipal solid waste combustion and power generation. The total of these projects estimated CO2 reductions per year amount to more than 90,000,000 tons. Other trainees are involved in larger bilateral programmes (e.g. France, Japan, and Canada) that have committed to doubling this number of projects. Concerning the target of further CO2 management activities, these trainees used their expertise in projects related to energy efficiency, energy conservation and renewables development plus Cleaner Production Audits, Energy Audits, etc. Industries involved include iron and steel, glass, cement, petro-chemical.

The figures speak for themselves. This project has succeeded in what it set out to do because those involved started using the new ideas immediately after the first training input. 'Homework' between training was using the information in their work. This fast motion also indicates that the 'market' for a service is increasing. It was also noted that some 'dirty industries' are moving west to less prosperous provinces where the need for CO2 management (and more) will increase.

Based on the above it is reasonable to expect that the ripple effect will continue but also that there will be a demand for further projects of this nature to support the build up of the expertise, particularly with consultants, as the market demand increases from industries who see the results in real terms.

5. Potential sustainability.

Sustainability is also good as evidenced by the trainee group's professional closeness. This is clear from the current discussion - now post project - of how best to continue the collaboration. This is a professional development discussion not just social. The ideas being put forward for the alumni group is to maintain the website as a communication platform for idea exchange and problem solving - an aspect of the training that they found of most importance - finding the right expert for a specific job, new knowledge / awareness of China and foreign developments in this area. If taken forward this has the making of a professional association.

V. KEY OBSERVATIONS, ACTION(S) RECOMMENDED AND BY WHOM (IN ORDER OF PRIORITY)

To EC DEL: The Delegation's attention is drawn to this project for several reasons.

- 1) The project demonstrates that broader CO2 management is an appropriate evolution from CDM in the China context.
- 2) The project is a very good example of what can be done and how - selection process and appropriate capacity building.
- 3) It indicates a number of opportunities for EU/EC work in terms of the size of the need in this area. It was noted that 'dirty industry' is moving westward to less prosperous areas where the income is welcome but the environmental ramifications could be significant.
- 4) It indicates a number of opportunities for EC and EU businesses.
- 5) Chinese partners have worked with EU expertise and programmes since the 1980s indicating yet again the importance of the partnership dimension of the programme and overall EC country / regional strategies.

To AIDCO HQ:

- 1) This project is a good example of how effective a small intervention can be. And also how a small well-focused intervention can be responsive to China's fast paced development.