

China GHG Voluntary Emission Reduction Program (CCER program) Fact Sheet

As a supplemental option for the national and local compliance carbon markets, China GHG Voluntary Emission Reduction Program (CCER program) is able to help enterprises covered by compliance carbon markets fulfill their compliance obligation at a lower cost. CCER is also an important instrument for business or social activities that aims to achieve carbon neutrality for offsetting their hard-to-reduce emissions. Meanwhile, the financial benefits generated from the CCER projects can also incentivize ambitious emission reductions in the sectors not covered by compliance carbon markets, thereby accelerating the application of more low-cost emission reduction technologies and lowering the overall social emission reduction costs.

In 2012, the National Development and Reform Commission (NDRC) published the *Interim Measures on the Management of the Greenhouse Gas Voluntary Emission Reduction Program* and the *Guidelines on Validation and Verification of Greenhouse Gas Voluntary Emissions Reduction Projects*. In 2015, the national registry of Voluntary Carbon Emission Reductions was launched, marking the official start of trading for China's GHG Voluntary Emission Reduction Program. In 2017, NDRC suspended the new project development and credits issuance under the previous China's voluntary greenhouse gas emission reduction program (the previous CCER program). In 2018, the responsibilities of addressing climate change were transferred from the NDRC to the Ministry of Ecology and Environment (MEE). The competent authority of managing the China GHG Voluntary Emission Reduction Program was shifted accordingly.

Since the launch of previous CCER program in 2012, over 1300 projects have been registered, covering various project scopes such as energy, waste disposal, agriculture, and afforestation. It is estimated that the annual emission reduction exceeds 100 million tonnes. The issued CCER credits is about 77 million tonnes. As of the end of December 2022, the cumulative trading volume of CCER is about 450 million tonnes, and the cumulative transaction value is about 6 billion yuan. In 2021, approximately 190 key emission entities in the first compliance period of the national carbon market used approximately 32 million tonnes of CCER for offsetting their compliance obligation. Voluntary greenhouse gas emission reduction transactions have made positive contributions to promoting the low-cost achievement of carbon reduction goals in the entire society and serving green and low-carbon development. Since the previous CCER program was launched in 2012, the program has made a positive contribution to achieving carbon emission reduction targets with lower social costs and accelerating the green and low-carbon development.

On October 19th, 2023, the MEE released the *Measures for the Administration of Greenhouse Gas Voluntary Emission Reduction Trading (Trial)*, marks the launch of the new CCER program, which has become one of the crucial enablers for achieving China's carbon peaking and carbon neutrality goals, as well as China's contribution for global climate governance. On October 24th, 2023, the MEE released the first batch of 4 project methodologies that outlined the prioritized support project types under the new CCER program, including: afforestation carbon sink, grid-connected solar thermal power generation, grid-connected offshore wind power generation, and mangrove vegetation creation. On October 25th, 2023, the MEE released the *Notice on Work Arrangements of Greenhouse Gas Voluntary Emission Reduction Program*, which is the institutional arrangements for the emission reductions issued under the previous CCER program. On January 22nd, 2024, the new CCER program was officially launched.

Key Elements

Key Elements	New CCER Program	Previous CCER Program
Climate Goal	Contribute to the achievement of China's carbon peaking and carbon neutrality goals	N/A
Covered GHGs	Carbon Dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O), Hydrofluorocarbons (HFCs), Perfluorocarbon (PFCs), Sulfur Hexafluoride (SF ₆), Nitrogen Trifluoride (NF ₃).	Carbon Dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O), Hydrofluorocarbons (HFCs), Perfluorocarbon (PFCs), and Sulfur Hexafluoride (SF ₆).
Methodologies	Released by MEE. First batch of project methodologies are including: afforestation carbon sink, grid-connected solar thermal power generation, grid-connected offshore wind power generation, and mangrove vegetation creation.	Applied by project owners and approved by the NDRC. 200 methodologies ¹ were approved from 2013-2016.
Registry	The national registration institution manages the registry. Before the establishment of the national registration institution, the National Center for Climate Change Strategy and International Cooperation (NCSC) assumes the managing role.	The Registry of the China GHG Voluntary Emission Reduction Program.
Trading Platform	The national trading institution manages the trading system. Before the establishment of the national trading institution, the China Beijing Green Exchange assumes the managing role.	9 local exchanges
Validation and Verification Bodies	Approved jointly by the MEE and the State Administration for Market Regulation (SAMR).	12 verification bodies approved by the NDRC.
Penalties	Violation of the measures will be ordered for rectification, be imposed fines or sanctions. Those refuse supervision and inspection, or project owners providing falsified materials could be fined not less than 10,000 RMB but no more than 100,000 RMB; Validation and	Violation of the measures will be ordered for rectification or cancel the registration.

¹ 173 of which were adopted or modified from Clean Development Mechanism (CDM), 27 were newly developed methodologies.

Key Elements	New CCER Program	Previous CCER Program
	verification bodies violating the measures could be fined not less than 50,000 RMB but no more than 200,000 RMB.	
Offsetting the National Carbon Market Compliance Obligation	Covered entities in the national carbon market may use China Certified Emission Reductions (CCERs) to offset up to 5% of their annual carbon emission allowances that should be surrendered.	Covered entities in the national carbon market may use China Certified Emission Reductions (CCERs) to offset up to 5% of their annual carbon emission allowances that should be surrendered.
Projects and Emission Reductions Registration	Project owners, and validation and verification bodies should publicly disclose relevant documents before registration, and are committed to and responsible for the authenticity and compliance.	Competent authorities are responsible for registration.
Registered Projects	N/A	1,315 projects were registered by August 2022.
Issued Emission Reductions	The issued emission reductions before March 14 th , 2017, can be used to offset annual carbon emission allowances surrendering of key emitting entities covered by the National carbon market before December 31 st , 2024. From January 1 st , 2025, issued emission reductions under the previous CCER program cannot be used for the national carbon market.	About 77 million tonnes of CO ₂ equivalent were issued.

Timeline

2012: Start of previous CCER program

Issued the *Interim Measures on the Management of the Greenhouse Gas Voluntary Emission Reduction Program*.

Released application forms for both project registration and emission reductions issuance for the GHG Voluntary Emission Reduction Program.

Issued the *Guidelines on Validation and Verification of Greenhouse Gas Voluntary Emissions Reduction Projects*.

2013-2016: Publishing Methodologies and Launch the Market

Approved 200 methodologies in 12 batches, approved 9 exchanges in 4 batches, approved 10 verification bodies in 5 batches, another 2 verification bodies were approved in 2017.

In 2013, the China Certified Emission Reduction Exchange Info-Platform was launched, which published information related to CCER projects' validation and registration, and emission reductions' validation and issuance.

In 2014, released the *Template for the Greenhouse Gas Voluntary Emission Reduction Project Design Document* (“F-CCER- PDD”) - Version 1.1, and released the *Template for the Greenhouse Gas Voluntary Emission Reduction Project Monitoring Report* (“F-CCER-MR”) - Version 1.0.

In 2015, the Registry of the China GHG Voluntary Emission Reduction Program was launched.

2017: Suspending the registration of CCER Projects and Issuance of CCER credits

Issued the *NDRC Announcement on Suspending Applications for Greenhouse Gas Voluntary Emission Reduction Methodologies, Projects, Emission Reductions Issuance, Validation and Verification Bodies, and Exchanges*. New CCER projects development and emission reduction issuance were suspended accordingly. The CCER program started its reform.

2018: Transferring from the NDRC to the MEE

In 2018, the responsibilities of addressing climate change were transferred from the NDRC to the Ministry of Ecology and Environment (MEE). The competent authority of managing the China GHG Voluntary Emission Reduction Program was shifted accordingly.

2023: Start of the new CCER program

On October 19th, 2023, the MEE issued the *Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Trading (Trial)*.

On October 24th, 2023, the MEE released four Project Methodology for Voluntary Greenhouse Gas Emission Reduction.

On October 25th, 2023, the MEE released the *Notice on Work Arrangements of GHG Voluntary Emission Reduction Program*.

On November 16th, 2023, China Beijing Green Exchange released the *Trading and Settlement Rules for Greenhouse Gas Voluntary Emission Reduction Program*; the National Center for Climate Change Strategy and International Cooperation released the *Registration Rules for Greenhouse Gas Voluntary Emission Reduction Program* and the *Guidelines for the Design and Implementation of Greenhouse Gas Voluntary Emission Reduction Projects*.

On December 25th, 2023, the State Administration for Market Regulation (SAMR) released the *Implementation Rules of Validation and Verification for Greenhouse Gas Voluntary Emission Reduction Projects*.

On January 19th, 2024, the National Certification and Accreditation Administration (NCAA) issued the *Announcement on the Accreditation of the First Batch Validation and Verification Bodies of Voluntary Greenhouse Gas Emission Reduction Projects and Emission Reductions*.

On January 22nd, 2024, the new CCER program was officially launched.

Regulations and Rules

The following table summarizes the regulations and rules of the CCER program, providing the institutional foundation for the development of the CCER program.

Key Elements	Regulations and Rules
Legislation	<ul style="list-style-type: none"> <i>Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Trading (Trial)</i> (released on Oct 19th, 2023)

Key Elements	Regulations and Rules
Methodology	<ul style="list-style-type: none"> • <i>Outline of Methodology for Greenhouse Gas Voluntary Emission Reduction Program</i> (released on Mar 30th, 2023) • <i>Project Methodology on Afforestation Carbon Sink for Voluntary Greenhouse Gas Emission Reduction (CCER-14-001-V01)</i> (released on Oct 24th, 2023) • <i>Project Methodology on Grid-connected Solar Thermal Power Generation for Greenhouse Gas Voluntary Emission Reduction (CCER-01-001-V01)</i> (released on Oct 24th, 2023) • <i>Project Methodology on Grid-connected Offshore Wind Power Generation for Greenhouse Gas Voluntary Emission Reduction (CCER-01-002-V01)</i> (released on Oct 24th, 2023) • <i>Project Methodology on Mangrove Vegetation Creation for Greenhouse Gas Voluntary Emission Reduction (CCER-14-002-V01)</i> (released on Oct 24th, 2023)
Project Registration	<ul style="list-style-type: none"> • <i>Guidelines for the Design and Implementation of Greenhouse Gas Voluntary Emission Reduction Projects</i> (released on Nov 16th, 2023)
Validation and Verification	<ul style="list-style-type: none"> • <i>Implementation Rules of Validation and Verification for Greenhouse Gas Voluntary Emission Reduction Projects</i> (released on Dec 25th, 2023)
Registration and Trading Rules	<ul style="list-style-type: none"> • <i>Registration Rules for Greenhouse Gas Voluntary Emission Reduction Program</i> (released on Nov 16th, 2023) • <i>Trading and Settlement Rules for Greenhouse Gas Voluntary Emission Reduction Program</i> (released on Nov 16th, 2023)
Offset Mechanism in the national ETS	<ul style="list-style-type: none"> • <i>Measures for the Administration of National Carbon Emissions Trading (Trial)</i> (released on Dec 31st, 2021) • <i>2021, 2022 Procedures of Key Emitting Entities' Use of CCERs for Offset Allowances from the National Emission Trading System</i> (released on Jul 17th, 2023) • <i>Notice on Work Arrangements of Greenhouse Gas Voluntary Emission Reduction Program</i> (released on Oct 25th, 2023)

EDF's Work

EDF introduced the concept of using market-based mechanisms (MBMs) to solve environmental problems into China in the 1990s. Cooperating with the State Environmental Protection Administration of China, EDF launched China's first pilot project for sulphur dioxide emissions trading.

Since 2012, EDF has been actively involved in supporting the competent authorities on the CCER program development, including policy design, methodology research, infrastructure construction, and supervision and management mechanisms. This support has been fundamentally supported the development and operation of the previous CCER program and the launch of the new program.

EDF's rich experience on MBMs for resolving environmental issues is providing solutions and support in the construction of China's carbon market and supporting China's achievement of its climate goals of carbon peaking and carbon neutrality as early as possible.