



United Nations

Framework Convention on Climate Change

China CDM Fund - An Innovative Climate Financing Mechanism

The China Clean Development Mechanism Fund (CCDMF) is a national climate fund that supports low carbon growth and climate resilience in China. It is a revolving fund that receives regular capital injections from levies collected by the government on Clean Development Mechanism (CDM) projects in China.

The problem

The CDM cooperation under Kyoto Protocol has generated additional income and advanced concept for some Chinese enterprises. However, without an effective financing mechanism, the income can not be guaranteed to be used for tackling climate change, which is a problem for China, a country still with large climate financing gap. Managing the revenues collected from CDM projects through the CCDMF ensures that all collected levies are used to directly support projects that address climate change in China.

The solution

The revenues collected by the CCDMF are specifically earmarked to finance climate actions in China. The revenues are mainly used to finance investment programs, leverage additional resources from the private sector and to test innovative financial and economic instruments to support actions to address climate change.

Through investments, CCDMF provides enterprises with needed funding, mobilizes significant market capital, and achieves verified emission reduction effects (direct reduction of over 7 million tons of CO₂ equivalent annually). CCDMF provides valuable experience to help address the enormous climate financing gap and support ambitious climate actions in China.

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