



Developing Market-based Energy Efficiency Program in China (P132748)

EAST ASIA AND PACIFIC | China | Energy & Extractives Global Practice |
Global Environment Project | Investment Project Financing | FY 2017 | Seq No: 9 | ARCHIVED on 30-Jun-2021 | ISR47416 |

Implementing Agencies: Huaxia Bank, People's Republic of China, Hebei PMO, China National Energy Conservation Center

Key Dates

Key Project Dates

Bank Approval Date: 16-Mar-2017

Effectiveness Date: 05-Sep-2017

Planned Mid Term Review Date: 12-Apr-2021

Actual Mid-Term Review Date: 07-Jun-2021

Original Closing Date: 30-Apr-2022

Revised Closing Date: 30-Apr-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The objective of the project is to support development and implementation of China's priority energy efficiency and environment programs, with a focus on improving the results measurement and verification system and developing market-based mechanisms.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Component 1. Supporting market-based priority energy efficiency and coal cap control programs:(Cost \$8.80 M)

Component 2. Supporting result-based green energy financing in Jing-Jin-Ji Region:(Cost \$4.50 M)

Component 3. Supporting result-based environmental program in Hebei Province:(Cost \$4.50 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

The key functions of the project to verifying Disbursement Linked indicators for the two Program for Results (PforR) projects (i.e. "Innovative Financing for Air Pollution Control in Jing-Jin-Ji (JJJ) Region Project" and "Hebei Air Pollution Prevention and Control Program"), which this project supports are being satisfactorily fulfilled. These verification functions are now completed regarding the Results-based Hebei Pollution Prevention and Control Program, which was closed on December 31, 2019. The verification support for Hua Xia Bank has enabled it to successfully achieve the targets of disbursement-linked indicators, and supported the increased disbursement rights. Project activities supporting market-based priority energy efficiency, coal cap control programs, development of financial products for green energy finance and air pollution control are also



progressing on track but overall slower than planned. It was agreed during the implementation support mission that project management offices will accelerate the procurement process.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	Low	Low	Low
Macroeconomic	Moderate	Moderate	Moderate
Sector Strategies and Policies	Low	Low	Low
Technical Design of Project or Program	Moderate	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate	Moderate
Fiduciary	Moderate	Moderate	Moderate
Environment and Social	Low	Low	Low
Stakeholders	Moderate	Moderate	Moderate
Other	--	Moderate	Moderate
Overall	Moderate	Moderate	Moderate

Results

PDO Indicators by Objectives / Outcomes

To support development and implementation of China's priority EE and environment program				
► Energy savings measurement, reporting and verification system improved and standardized (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n.a.	Contracts signed in May 2020 and activities are under implementation.	Contracts signed in May 2020 and activities are under implementation.	MRV system for energy savings improved and standardized
Date	16-Mar-2017	04-Dec-2020	04-Dec-2020	31-Dec-2020
Comments:	Contracts were signed in May 2020. Core methodologies will be formulated by 2021 Q1. All methodologies will be done by 2022 Q1			
► Market-based mechanisms for energy savings designed and piloted (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No Market-based mechanism for energy savings designed or piloted	Contracts were signed in May 2020. Pilot EE trading scheme will be formulated by 2021 Q2	Contracts were signed in May 2020. Pilot EE trading scheme will be	Market-based EE trading mechanisms designed and piloted



			formulated by 2021 Q2.	
Date	16-Mar-2017	04-Dec-2020	04-Dec-2020	31-Mar-2022
Comments:	Contracts were signed in May 2020. Pilot EE trading scheme will be formulated by 2021 Q2.			
►Energy and environment results verified for the Jing-Jin-Ji Region and Hebei Province (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No results to be verified	Verification systems have been established and have been operational for both P4R.	Verification systems have been established and have been operational for both P4R.	Verification systems for green energy financing and environmental programs in JJJ Region and Hebei Province established
Date	16-Mar-2017	04-Dec-2020	04-Dec-2020	30-Apr-2022
Comments:	Verification systems have been established and have been operational for both P4R, with independent verifiers contracted. DLIs for the Innovative Financing for Air Pollution Control in JJJ PforR and the Hebei Air Pollution Prevention and Control PforR Operations were verified, including verification now fully completed in the case of the Hebei PforR which was closed on December 31, 2019			

Intermediate Results Indicators by Components

Component 1. Supporting market-based priority energy efficiency and coal cap control programs				
► Capacity built for M&V system and market-based EE mechanism (Number of people trained) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	64.00	104.00	1,200.00
Date	16-Mar-2017	04-Dec-2020	31-May-2021	30-Apr-2022
Comments:	6 international study tours have been conducted. 64 people trained. There was a capacity building workshop regarding the MRV held on March 3rd 2021 in NECC. The participants were NECC staffs and the consultants of the activity "Developing MRV principles", about 40 people were trained.			
► Energy savings M&V methodologies and guidelines developed (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	6.00	25.00
Date	16-Mar-2017	04-Dec-2020	31-May-2021	30-Apr-2022
Comments:	6 methodologies have been developed. The progress of this indicator is postponed, this is due to the delay of the core activity NDRC-2019-16 (contract signed in May 2020).			
► Energy consumption trading schemes designed and piloted (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes



Date	16-Mar-2017	04-Dec-2020	31-May-2021	31-Dec-2020
Comments:	A draft EE trading mechanism was designed.			
Component 2. Supporting result-based green energy financing in Jing-Jin-Ji Region				
► Innovative financial products for green financing developed and piloted (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	3.00
Date	16-Mar-2017	04-Dec-2020	31-May-2021	30-Apr-2022
Comments:	The last innovative financial product-green bond, has been issued and verified in April 2020.			
► Case studies for the JJJ and Hebei PforR operations developed (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	2.00
Date	16-Mar-2017	04-Dec-2020	31-May-2021	30-Apr-2022
Comments:	Huaxia has complete the case study of the operation of JJJ PforR Programs, drawing lessons from successes and difficulties met, resulting in recommendations for future similar projects.			
► CO2 emissions avoided (thousand tons) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2,840.00	2,840.00	1,969.00
Date	16-Mar-2017	04-Dec-2020	31-May-2021	30-Apr-2022
► Annual energy savings(Thousand tce) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,164.00	1,164.00	800.00
Date	16-Mar-2017	04-Dec-2020	31-May-2021	30-Apr-2022
Comments:	Intermediate target largely exceeded			
Component 3. Supporting result-based environmental program in Hebei Province				
► Capacity for environmental results monitoring improved (Number of people trained) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	480.00	720.00	480.00
Date	16-Mar-2017	04-Dec-2020	31-May-2021	30-Apr-2022
Comments:	The target number 480 is over delivered.			

Performance-Based Conditions



Data on Financial Performance

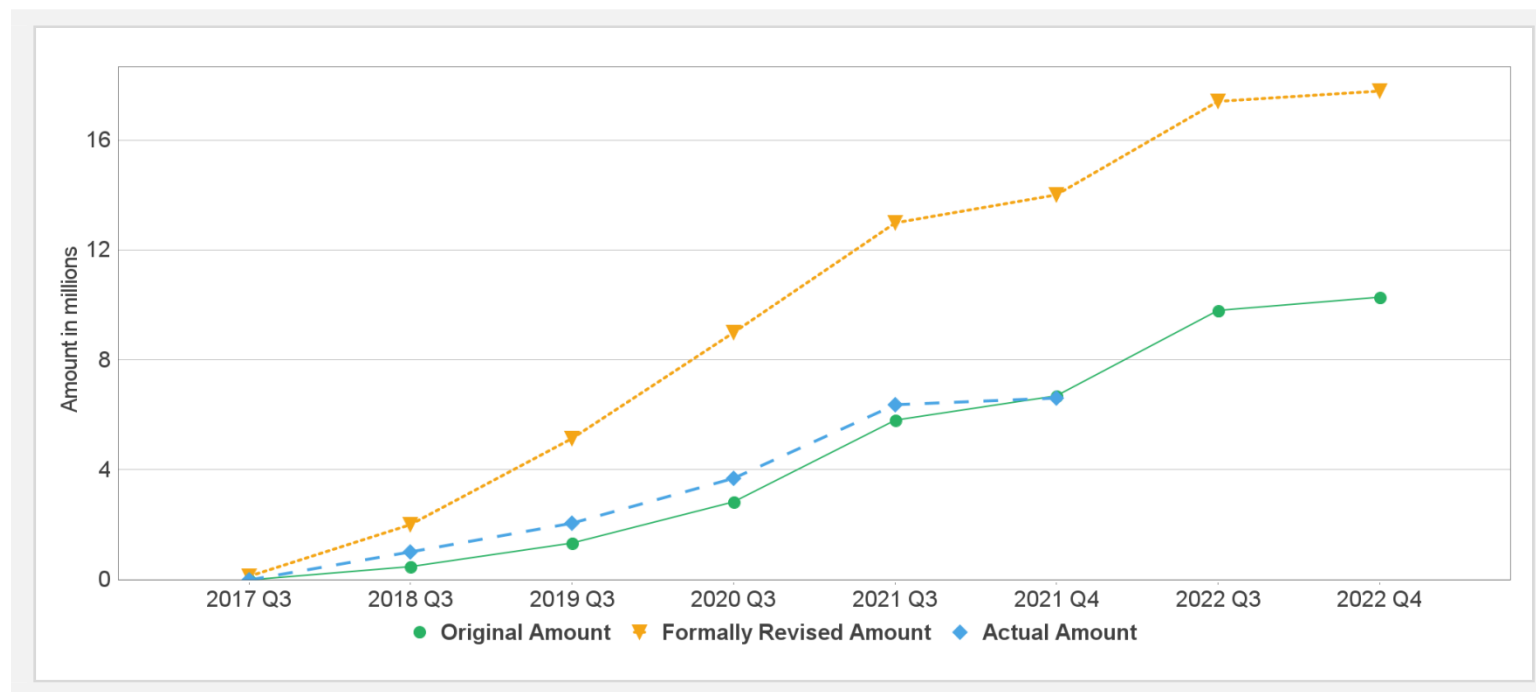
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P132748	TF-A4256	Effective	USD	17.80	17.80	0.00	6.61	11.19	37%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P132748	TF-A4256	Effective	09-Jun-2017	09-Jun-2017	05-Sep-2017	30-Apr-2022	30-Apr-2022

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.



Related Project(s)

There are no related projects.
