



China Distributed Renewable Energy Scale-Up Project (P162299)

EAST ASIA AND PACIFIC | China | Energy & Extractives Global Practice |
Global Environment Project | Investment Project Financing | FY 2019 | Seq No: 8 | ARCHIVED on 28-Nov-2023 | ISR55201 |

Implementing Agencies: National Energy Administration (NEA), People's Republic of China

Key Dates**Key Project Dates**

Bank Approval Date: 03-May-2019

Effectiveness Date: 12-Sep-2019

Planned Mid Term Review Date: 28-Feb-2022

Actual Mid-Term Review Date: 02-Dec-2021

Original Closing Date: 30-Jun-2023

Revised Closing Date: 31-Mar-2024

Project Development Objective (PDO)

Project Development Objective (from Project Appraisal Document)

Promote the scale-up of distributed renewable energy and GHG emission reduction in China through policy interventions and pilots

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

No

Components Table

Name

Policy support:(Cost \$2.00 M)

Pilot support:(Cost \$0.88 M)

Capacity building and project management:(Cost \$1.00 M)

Overall Ratings

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

Implementation Status and Key Decisions

The project implementation progress is back on track after the restructuring of the project in June 2023. All ongoing policy support activities under Component 1 have been fully completed and disbursed. Additional technical assistance activities are under procurement for timely completion by March 31, 2024. Two pilot sub-projects under Component 2 are under implementation and expected to be completed by December 2023. Results indicators are on track to meet or exceed the end targets by the closing date.

**Risks****Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<input type="checkbox"/> Low	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Macroeconomic	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Sector Strategies and Policies	<input type="checkbox"/> Substantial	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Technical Design of Project or Program	<input type="checkbox"/> Substantial	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Fiduciary	<input type="checkbox"/> Low	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Environment and Social	<input type="checkbox"/> Low	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Stakeholders	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Other	<input type="checkbox"/> Low	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Overall	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Results**PDO Indicators by Objectives / Outcomes**

Promote scale-up of DRE and GHG emission reduction in China through policy interventions and pilots				
► Incremental installed capacity of DRE enabled by the project. (Gigawatt, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	79.50	10.00
Date	16-Jul-2019	24-Jun-2022	31-Jul-2023	31-Mar-2024
Comments:	As of July 2023, a total of 219 GW of installed capacity of DRE have been deployed in China. Compared to the baseline of 60 GW at the time of project approval, 159 GW incremental DRE has been deployed during project implementation. Following the methodology agreed during project preparation, 50 percent of the incremental DRE capacity is considered attributable to the improved national policy framework that have been enabled by the Project. As a result, a total of 79.5 GW has been achieved on this indicator.			
► Incremental avoided GHG emissions enabled by the project. (Metric ton, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	29,900,000.00	7,000,000.00
Date	16-Jul-2019	24-Jun-2022	31-Jul-2023	31-Mar-2024
Comments:	Based on the results of the incremental DRE capacity enabled, the incremental avoided GHG emission enabled has also reached 29.9 million metric tons, based on the average annual operating hours of 1,000 and 2,000 hours for solar PV and wind, respectively, and the grid emission factor of 0.5703 tons of carbon dioxide per megawatt-hour.			



► New policies for DRE developed with the support of the project. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	3.00	7.00
Date	16-Jul-2019	24-Jun-2022	30-Sep-2023	31-Mar-2024
Comments:	Three guidelines or measures have been officially adopted, including "Guiding Opinions on the implementation of rural power grid consolidation and upgrading projects" issued by NDRC and NEA in July 2023, "Guiding Opinions on promoting recycling of decommissioned wind power and photovoltaic equipment" issued by NDRC and NEA in August 2023, and "Measures for the Management of Wind Farm Renovation, Upgrading and decommissioning" issued by NEA in June 2023. Six new policies have been drafted and are currently under internal consultation within NEA.			
► New plans or targets at province or national level developed for DRE with the support of the project. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	3.00	4.00
Date	16-Jul-2019	24-Jun-2022	30-Sep-2023	31-Mar-2024
Comments:	Three action plans have been officially adopted, including "The Implementation Plan for promoting the high-quality development of new energy in the New Era", "Rural energy revolution pilot county construction plan", and "Notice on matters related to Further planning and construction of pumped storage energy". One draft plan on orderly promote DRE mechanism is under internal consultation within NEA.			
► Innovative, scalable new use-case for DRE developed and piloted under the project. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	2.00	2.00
Date	16-Jul-2019	24-Jun-2022	30-Sep-2023	31-Mar-2024
Comments:	Two pilot projects are under implementation. The first pilot sub-project in Guanyun County and Lankao County will be completed by December 2023. The first phase of the second pilot sub-project in Qinghai was completed in July 2022. The second phase is planned to be completed by December 2023.			
► Monitoring and evaluation of market perceptions towards distributed renewable energy in sample areas. (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No M&E system in place.	No M&E system in place.	A draft M&E framework has been developed and applied for monitoring DRE market development.	M&E system refined with complete measurement of key indicators in sample areas and improved values relative to baseline.
Date	16-Jul-2019	24-Jun-2022	30-Sep-2023	31-Mar-2024
Comments:	The M&E contractor has developed a monitoring and evaluation framework for the DRE market in China and has been applying the framework to monitor the market development. The framework is consisted of 28 indicators, related to industry development, business model, capital participation, and social benefits. The draft M&E framework has been submitted to NEA and the Bank team for review.			
► Generation capacity of energy constructed or rehabilitated (Megawatt, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	79,500.00	10,000.00



Date	16-Jul-2019	24-Jun-2022	31-Jul-2023	31-Mar-2024
Comments:	Consistent with incremental installed capacity of DRE enabled by the project			
<input type="checkbox"/> Renewable energy generation capacity (other than hydropower) constructed under the project (Megawatt, Corporate Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	79,500.00	10,000.00
Date	16-Jul-2019	24-Jun-2022	31-Jul-2023	31-Mar-2024

Overall Comments

The end target date of each indicator has been updated in line with the revised closing date of March 31, 2024. The target value of the indicator "Innovative, scalable new use-case for DRE developed and piloted under the project" is reduced from six to two, reflecting the grant cancellation under Component 2 at the time of restructuring in June 2023.

Intermediate Results Indicators by Components

Capacity building and project management				
▶ Capacity building and training. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	4.00	8.00
Date	16-Jul-2019	24-Jun-2022	30-Sep-2023	31-Mar-2024
Comments:	Four capacity building events have been delivered during the dissemination of the project under Component 1, which include topics of DRE development in transport sector, distributed wind development, distributed solar scaling-up impact under the project, and market mechanism under the energy revolution period in the rural area.			
▶ Co-financing mobilized for pilot activities. (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	15,230,000.00	46,000,000.00
Date	16-Jul-2019	24-Jun-2022	30-Sep-2023	31-Mar-2024
Comments:	The first pilot sub-project has mobilized US\$0.37 million of co-financing. For the second pilot sub-project, the first phase has been completed, mobilizing US\$14.86 million co-financing. The total co-financing mobilized reached US\$15.23 million. It is expected to reach US\$44.9 million, once both pilots are completed by project closure.			

Overall Comments

The end target date of each indicator has been updated in line with the revised closing date of March 31, 2024. The target value of the indicator "Co-financing mobilized for pilot activities" is reduced from 56.5 million to 46 million, reflecting the grant cancellation under Component 2 at the time of restructuring in June 2023.



Performance-Based Conditions

Data on Financial Performance

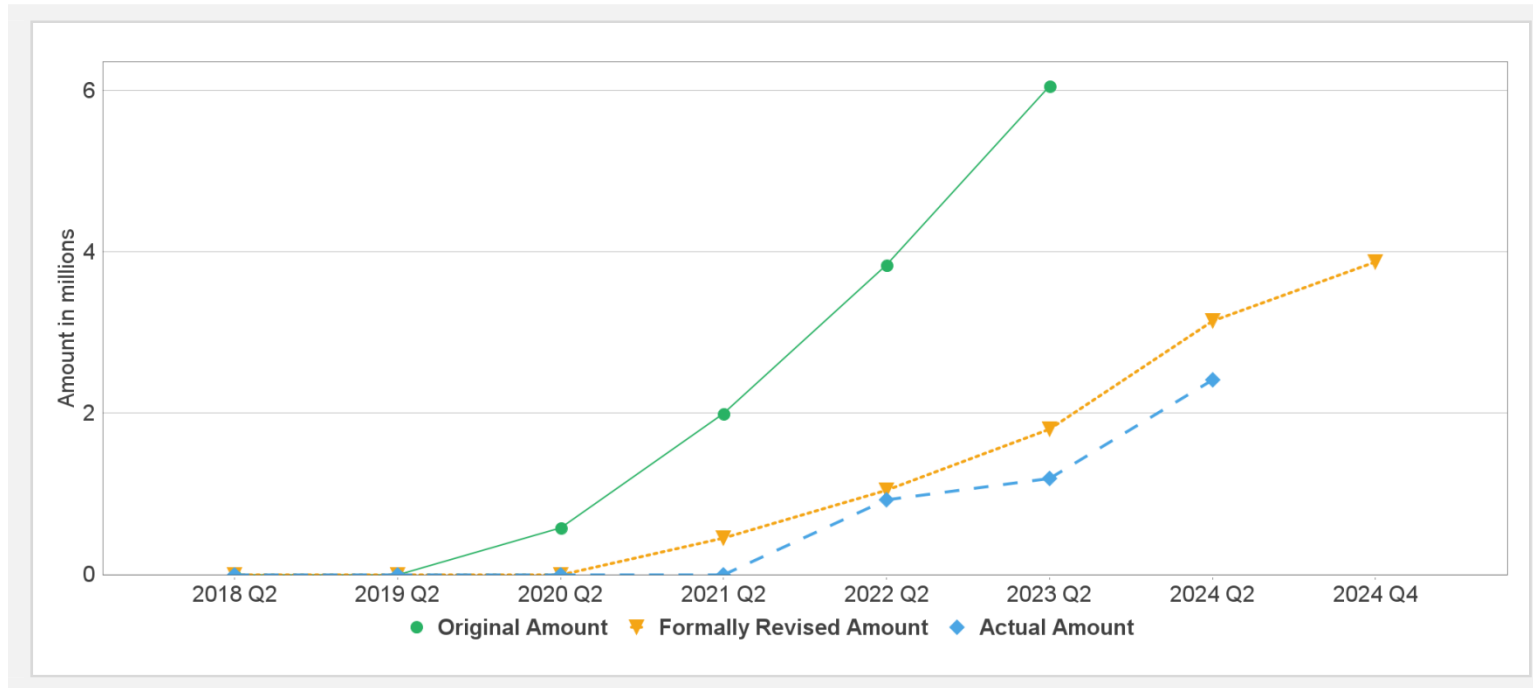
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P162299	TF-B0141	Effective	USD	7.28	3.88	3.40	2.41	1.46	62%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P162299	TF-B0141	Effective	03-May-2019	16-Jul-2019	12-Sep-2019	30-Jun-2023	31-Mar-2024

Cumulative Disbursements



Restructuring History

Level 2 Approved on 28-Jun-2023



Related Project(s)

There are no related projects.
