

PERFORMANCE AND LEARNING REVIEW

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**PERFORMANCE AND LEARNING REVIEW
OF THE COUNTRY PARTNERSHIP STRATEGY**

FOR

THE PEOPLE'S REPUBLIC OF CHINA

FOR THE PERIOD FY13-FY16

January 6, 2016

**China Country Management Unit
East Asia and Pacific Region**

**The International Finance Corporation
East Asia and Pacific Department**

The Multilateral Investment Guarantee Agency

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CURRENCY EQUIVALENTS

Currency Unit = Renminbi (RMB)

US\$1.00 = 6.399 RMB

(Exchange rate as of December 1, 2015)

ABBREVIATIONS AND ACRONYMS

ASA	Advisory Services and Analytics	IFC	International Finance Corporation
ADB	Asian Development Bank	IPF	Investment Project Financing
AIIB	Asian Infrastructure Investment Bank	IPRCC	International Poverty Reduction Center of China
AS	Advisory Services (IFC)	LGOP	Leading Group on Poverty
BRICS	Brazil, Russia, India, China, South Africa	LLI	Leadership, Learning and Innovation (formerly the World Bank Institute)
CFDA	China Food and Drug Administration	M&E	Monitoring and Evaluation
CHEEF	China Energy Efficiency Financing Program (IBRD)	MDGs	Millennium Development Goals
CHUEE	China Utility-Based Energy Efficiency Finance Program (IFC)	MIGA	Multilateral Investment Guarantee Agency
CO ₂	Carbon Dioxide	MOF	Ministry of Finance
CPF	Country Partnership Framework	MOU	Memorandum of Understanding
CPS	Country Partnership Strategy	MP	Montreal Protocol
DPO	Development Policy Operation	MSE	Micro and Small Enterprise
DRC	Development Research Center of the State Council	MSME	Micro, Small, and Medium Enterprise
EE	Energy Efficiency	NDRC	National Development Reform Commission
E&S	Environmental and Social	ODS	Ozone-Depleting Substances
ESW	Economic and Sector Work	PBC	People's Bank of China
ETS	(Carbon) Emissions Trading Scheme	PforR	Program-for-Results
FSAP	Financial Sector Assessment Program	PLR	Performance and Learning Review
FY	Fiscal Year	POPs	Persistent Organic Pollutants
FYP	Five-Year Plan	PPP	Purchasing Power Parity
GDP	Gross Domestic Product	PPP	Public-Private Partnership
GEF	Global Environmental Facility	RMB	Renminbi (China's currency)
GHG	Greenhouse Gas	SCD	Systematic Country Diagnostic
GIF	Global Infrastructure Facility	SME	Small- and Medium-sized Enterprise
GNI	Gross National Income	SO ₂	Sulfur Dioxide
IBRD	International Bank for Reconstruction and Development	SORT	Systematic Operations Risk-rating Tool
ICR	Implementation Completion Report	TA	Technical Assistance
ICT	Information and Communications Technology	TVET	Technical and Vocational Educational and Training
IDA	International Development Association	UNDP	United Nations Development Program
IDF	Institutional Development Fund	US	United States
IEG	Independent Evaluation Group	WBG	World Bank Group
		WHO	World Health Organization

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I. INTRODUCTION

1. **This Performance and Learning Review (PLR) updates and assesses progress in implementing the World Bank Group (WBG) Country Partnership Strategy (CPS, FY13-16) for the People’s Republic of China, discussed by the Board in November 2012.** The CPS is aligned with China’s 12th Five Year Plan (2011-2015), which emphasizes environmental and social objectives and the need to put China’s economy on a more sustainable growth path. The CPS is also informed by the joint study *China 2030: Building a Modern, Harmonious, and Creative Society (China 2030)*, prepared in 2012 by the WBG and the Development Research Center of the State Council.

2. **Overall, there is good progress in implementing the CPS; and the China-WBG partnership has strengthened.** There is deeper cooperation in knowledge services, financing, and China’s global role. The main proposed adjustments to the CPS are: an extension of the CPS by six months to December 31, 2016; an increase in International Bank for Reconstruction and Development (IBRD) lending from about US\$1.5 billion annually during FY13-15 to about US\$2.5 billion annually during FY16-17 in order to address national reform priorities; and possible use of new instruments—program-for-results (PforR) and development policy operations (DPO)—for larger transformational and programmatic operations. A Systematic Country Diagnostic (SCD) is under preparation to inform the next Country Partnership Framework (CPF), which will be aligned with China’s 13th Five Year Plan (2016-2020).

II. MAIN CHANGES IN COUNTRY CONTEXT

Recent Economic Developments

3. **As anticipated in the CPS, China’s growth has gradually slowed since 2012, signaling what President Xi Jinping has called the “new normal.”**¹ At 7.7 percent in 2013 and 7.3 percent in 2014, growth has fallen from the 10-percent annual growth rate China averaged for three consecutive decades. Since the outset of the global financial crisis in 2008, China has been the largest contributor to world growth, and even its projected slower growth remains impressive by current global standards. Growth in 2015 is expected to be about 7 percent, in line with the government’s indicative target. Recent volatility in asset markets adds some uncertainty to the short-term outlook, but if it is contained at current levels, its impact on growth is likely to be small.

4. **The growth slowdown is aligned with China’s short- and medium-term policy directions.** In the short term, it reflects policies to slow rapid credit growth, contain shadow banking, regulate borrowing by local governments, and reduce excess capacity in industry—thereby addressing vulnerabilities resulting from the large stimulus package implemented to cushion the effects of the 2008 global financial crisis.

5. **Over the medium term, the growth slowdown is consistent with a shift in China’s growth model.** As China has long recognized, its growth pattern, based on energy- and resource-intensive investment, manufacturing, and exports, has led to economic, environmental, and social imbalances that have accumulated over time. Reducing these imbalances requires shifts in the economy from

¹ According to public statements by President Xi Jinping during 2014, China’s “new normal” growth signifies slower but higher-quality and more sustainable growth as the structure of the economy changes.

manufacturing to services, from investment to consumption, and from exports to domestic spending. Inducing these shifts is likely to slow growth in the short term.

6. **There are signs of this shift towards a more sustainable economic structure.** In 2012, services overtook manufacturing as the largest contributor to growth. By 2014, the share of the services sector in gross domestic product (GDP) was 48.1 percent, exceeding the share of secondary industry (industry and construction) in GDP at 42.7 percent. Almost 40 percent of the employed worked in services in 2014, up from about 30 percent a decade earlier, while 25 percent of the employed worked in industry. The transition from investment-led growth to consumption-led growth is slower, although there are signs of rebalancing: in most recent years, consumption grew slightly faster than investment. External rebalancing has been more rapid, with the current account surplus shrinking from almost 10 percent of GDP in 2007 to about 2 percent of GDP in 2014.

Trends in Poverty, Shared Prosperity, and Sustainability

7. **Although China is the second largest economy in the world, it remains a developing country.** China ranks well below developed countries in numerous areas, including innovation, labor productivity, and social welfare; and the UNDP's 2014 Human Development Index ranks China 90 out of 188 economies. Its gross national income (GNI) per capita of US\$7,380 in 2014 (in current dollars) ranks 84th in the world and categorizes China as an upper-middle-income country.² China has reached—or is expected to reach by the end of 2015—all the Millennium Development Goals (MDGs), making a major contribution to the achievement of the MDGs globally. On account of China, the first MDG target—to halve the proportion of people in the world whose income is less than US\$1.25 a day—was achieved five years ahead of schedule.

8. **China has an unmatched record of poverty reduction over the past three and a half decades, and this trend has continued.** The WBG's new global poverty estimates using an updated international poverty line of US\$1.90 a day in 2011 purchasing-power parity (PPP) shows that the percentage of the population in China living below this international poverty line fell from 88 percent in 1981 to 6.5 percent in 2012, and the number of poor fell from 878 million to 87 million during this period. World Bank extrapolations suggest that the percentage of the population living below the international poverty line continued to fall to 4.1 percent (56 million people) in 2014. Thus, China's success is even larger than previously thought, although China still has one of the larger numbers of poor of any country in the world. In October 2015, Chinese authorities announced the goal of lifting all poor people living under the current poverty line out of poverty by 2020. According to China's current poverty standard (per capita rural net income of RMB 2,300 per year in 2010 constant prices), there were 70.17 million poor in rural areas in 2014.

9. **Alongside its achievement in reducing poverty, China experienced a rapid increase in income inequality.** Much of this inequality reflects urban-rural differences, followed by interprovincial inequalities. Several studies report that inequality has been declining since 2008-2009, when it reached a historical peak, and the Gini coefficient (a commonly-used measure of inequality) appears to have stabilized at around 0.47.³ In terms of shared prosperity, over the past three years, income growth among the poorest 40 percent of the population in China has been very close to or slightly above the average income growth.

10. **The remaining poor are increasingly dispersed and harder to target.** They live mainly in rural areas and western and inland provinces, in upland villages, among ethnic minorities, and in

² World Development Indicators database. GNI per capita in 2014 at nominal values, according to the Atlas Method.

³ A Gini index of 0 represents perfect equality, while an index of 1 implies perfect inequality.

households with low levels of education. There is growing concern about migrant workers, who lack an urban resident status and have limited access to basic social services; but poverty in urban areas is not well understood, partly due to lack of official indicators. In 2013, China merged its rural and urban household surveys, which will yield a more complete picture of poverty once data are available.

11. **China’s impressive economic and social gains have come at the price of environmental degradation and resource depletion.** Their cost is estimated to approach 10 percent of GDP, of which air pollution accounts for 6.5 percent, water pollution 2.1 percent, and soil degradation 1.1 percent.⁴ And while pollution and resource scarcity affect all citizens, the poor are usually most heavily affected and least able to cope. China’s environmental performance is also of global importance—China is the largest emitter of greenhouse gases in the world, although emissions per capita are at the level of the European Union.

Emerging Development Challenges

12. **China’s short-term economic policy challenge is to address the vulnerabilities that have built up in recent years without sharply reducing growth or slowing the country’s structural economic transition.** Policies to tighten excessive credit growth have reduced investment growth, including in real estate and in industries with growing excess capacity. Slower credit growth has been partially offset by a series of targeted and limited stimulus measures—both fiscal and monetary—to prevent growth from slowing too much. The challenge is to ensure that these stimulus measures do not conflict with the medium-term goal of rebalancing the structure of the economy.

13. **The longer-term challenge is to transform China’s growth model toward more efficient, equitable, and environmentally sustainable growth.** China needs to reinvigorate the underlying drivers of growth. It can do so by opening more sectors to competition and private investment and by pursuing a more market-oriented financial system that supports innovation and a more vibrant private sector. Deepening fiscal reforms will help establish a fiscal system capable of responding to increasing demand for more and better quality public goods and services. Addressing China’s high income inequality and the “opportunity gap” is important for both social stability and growth: a more mobile labor force can seek more productive employment; a healthier and more secure population will increase consumption and help rebalance demand; and investments in education will ensure that China has the high-quality workforce needed to navigate the decline in the labor force and move up the value chain in production. Cleaning up pollution—including urban air pollution—has increasingly become a hot-button issue; and reducing the economy’s impact on the environment is important for both China and the world.

14. **Recognizing these challenges, China has deepened its reforms over the last few years.** China’s leadership transition took place in November 2012. In November 2013, at the Third Plenum of the Central Committee of the 18th Party Congress of the Chinese Communist Party, China’s government set forth an ambitious program of 60 economic and social reforms in 15 areas with the aim to give “the market a decisive role in resource allocation” and improve the role of government. In October 2014, the Fourth Plenum emphasized the importance of the rule of law. China’s “two sessions” held in March 2015—the annual meetings of the National People’s Congress and the Chinese People’s Political Consultative Conference—reiterated China’s commitment to structural reform. In October 2015, the Fifth Plenum emphasized the objectives of “comprehensively building a moderately prosperous society” by 2020 and “promoting sustainable and healthy social and economic development through persistent efforts in deepening reforms.” Implementation of the reforms—many of which have

⁴ World Bank and the Development Research Center of the State Council, 2013.

already been initiated—will have a profound impact on China’s land, labor, and capital markets and enhance the long-term sustainability of economic growth.

15. **Managing these challenges and related risks will not be straightforward given the complexity, size, and global importance of the Chinese economy.** In the near term, policies to reduce the vulnerabilities that have built up since the global financial crisis will need to be calibrated to ensure that growth does not slow too much or too rapidly. Over the medium term, transitioning to a new growth model will involve actions in a wide range of areas—including fiscal policy, the financial sector, environmental management, the internal migration (*hukou*) system, state-owned enterprise reforms, and reforms to give more room to the private sector. These actions will need to be carefully coordinated and sequenced. The volatility in the Chinese stock market last summer and early this year and related government intervention as well as the policy changes in setting the reference rate for the renminbi and subsequent pressures on the currency illustrate the challenges for policymakers and the need for better coordination among them.⁵

III. SUMMARY OF PROGRAM IMPLEMENTATION

16. **The CPS engagement areas are aligned with the main themes of China’s 12th Five Year Plan (FYP).** To support China’s goal of a harmonious society, the WBG focuses its financial resources, complemented by advisory services and analytics (ASA), on two strategic themes and one cross-cutting theme:

- **Supporting greener growth**, through seven outcomes: (1.1) shifting to a more sustainable energy path; (1.2) enhancing urban environmental services; (1.3) promoting low-carbon urban transport; (1.4) promoting sustainable agricultural practices; (1.5) piloting sustainable natural resource management approaches; (1.6) demonstrating pollution management; and (1.7) strengthening mechanisms for managing climate change.
- **Promoting more inclusive development**, through four outcomes: (2.1) by increasing access to quality health services and social protection; (2.2) strengthening skills development programs, including for migrant workers; (2.3) enhancing opportunities in rural areas and small towns; and (2.4) improving transport connectivity for more balanced regional development.
- **Cross-cutting theme: Advancing mutually beneficial relations with the world**, by supporting China’s South-South cooperation and China’s role as a global stakeholder.

In addition, the WBG provides client-driven knowledge services that help underpin reforms needed to **reenergize the drivers of growth.**

17. **The WBG program has been implemented largely as planned; in several areas, the program has exceeded CPS expectations.** The China-WBG partnership has strengthened in several ways:

- **The joint preparation of flagship studies addressing China’s key development priorities has become an important feature of the China-WBG partnership.** The experience of jointly producing *China 2030* has led to a deeper cooperation in producing joint knowledge products linked to China’s reform program.

⁵ The stock market boom until summer 2015 was driven in part by investors seeking higher yields in response to cooling real estate prices and tighter regulation of shadow banking. It was also facilitated by measures that eased borrowing to buy shares (margin trading) and official encouragement of stock market development. The sell-off that followed was triggered by the tightening of policies for margin lending and perceived weaknesses in the corporate sector related to slowing growth. Similarly, the August 2015 adjustment in setting the renminbi reference rate reflected a decision by the People’s Bank of China to move towards a more market-determined exchange rate. However, it was interpreted initially as an attempt to stimulate exports by devaluing the renminbi relative to the U.S. dollar.

- **Both the IBRD and International Finance Corporation (IFC) are scaling up financial support.** China has requested increased IBRD lending and the use of new IBRD instruments (DPOs and PforRs) to address some of the country’s most important cross-sectoral challenges. IFC has also substantially increased its financial support for China during FY13-15, with commitments totaling US\$3.4 billion, higher than the combined committed volume of the five preceding years (FY08-12).
- **WBG advisory support is expanding in several key reform areas,** including fiscal reform; public expenditure management; public private partnerships (PPPs); financial sector reform; financial infrastructure development; micro, small, and medium enterprise finance and mobile banking; skills development; health; aging; and climate finance. Also, the WBG is providing advice to the Interim Secretariat of the Asian Infrastructure Investment Bank and to the New Development Bank.
- **China’s role as a WBG stakeholder has also strengthened during the CPS period.** China is an important donor to the International Development Association (IDA), became a founding member of the Global Infrastructure Facility (GIF), and established in July 2015 a China-WBG Partnership Facility Trust Fund to assist developing countries achieve inclusive and sustainable development.

18. **In addition, IBRD and IFC have expanded their collaboration during the last few years.** The collaboration is focused on four areas: climate change (especially energy efficiency); financial inclusion; health sector reform; and PPPs (see box). Food safety is an area of possible future collaboration.

One World Bank Group in China

IBRD and IFC are collaborating in China in several areas to link public and private perspectives:

- **Climate change.** IFC and IBRD are both scaling up their complementary support for renewable energy and energy efficiency lending in the banking sector. Following the success of its China Energy Efficiency Financing Program (CHUEE), which has catalyzed over US\$87 billion of lending for energy efficiency and renewal energy projects, IFC is pursuing a major new initiative with the Agriculture Bank of China. IBRD, building on its 20-year engagement in the energy efficiency and renewable energy sector and the China Energy Efficiency Finance Program (CHEEF), will finance a proposed PforR operation to increase energy efficiency and clean energy in the Beijing-Tianjin-Hebei region. In addition, IFC is supporting the development of pilot carbon emissions trading schemes, ensuring sufficient private sector participation; and IBRD is supporting the development of a national carbon market.
- **Financial inclusion.** IBRD and IFC both have a long history of supporting policies and institutions in China that expand access to financial services. They are now coordinating their technical assistance to regulatory authorities. IFC is working with the People’s Bank of China (PBC) to provide policy recommendations and support institutional development in the areas of secured transactions reform, movable asset finance, credit reporting systems, micro and rural finance, mobile banking, and financial consumer protection. The IBRD helped the China Banking Regulatory Commission prepare a Financial Inclusion Plan and will work with PBC on a joint financial inclusion report. This joint IBRD-IFC support will underpin the Universal Financial Access 2020 targets of the WBG.
- **Health sector reform.** A major health study being undertaken by the WBG, Government of China, and World Health Organization looks at options for improving China’s health service delivery system, including an appropriate role for the private sector.
- **Public Private Partnerships.** Since mid-2014, a joint IBRD-IFC team has provided support to China’s high-priority PPP program. IFC and multiple WBG global practices are working together to identify a potential list of PPP projects and help develop institutional capacity to structure and implement PPPs.

Program and Portfolio Delivery and Performance

19. **Knowledge sharing and cooperation remain at the core of the WBG strategy in China.** Given that WBG financial support is modest in comparison to China's own resources, the program is designed to have an impact beyond its size through policy dialogue and analytical inputs and by introducing innovations and demonstrating new approaches that can be scaled up.

Knowledge Services

20. **Over the past few years, China and the WBG have deepened their cooperation in producing joint studies linked to China's reform program.** The experience of jointly producing *China 2030* led to a high-level request by the Government of China for a flagship study on urbanization. *Urban China: Toward Efficient, Inclusive, and Sustainable Urbanization (Urban China)* was jointly prepared by the WBG and the Development Research Center of the State Council (DRC) in 2014, and many of its recommendations have been adopted by the government. A third flagship study, *Deepening Health Reform in China—Building High Quality and Value-based Service Delivery*, is now under preparation in partnership with the Ministry of Finance, National Health and Family Planning Commission, Ministry of Human Resources and Social Security, and World Health Organization. A full list of ASA completed during FY13-FY15 and ongoing is provided in Annex 4. IFC advisory services (AS) have focused on access to finance, climate change, water management, and promoting better standards and sharing of experiences in South-South cooperation between China and developing countries; a full list of IFC AS is provided in Annex 5.

Financial Resources—Knowledge through Investments

21. **IBRD projects have continued to be platforms for knowledge sharing, mainly at the subnational level.** All IBRD operations delivered during FY13-15 are shown in Annex 6.

- **Project delivery and volume have been largely as anticipated.** The CPS projected that IBRD lending would remain stable at about US\$1.5 billion for 10-13 projects per year. As noted in the CPS, actual IBRD lending is determined through a three-year rolling lending pipeline, which is agreed to and updated annually between the World Bank, the Ministry of Finance (MOF), and the National Development and Reform Commission (NDRC) to ensure that it is prioritized and selective. In FY13, US\$1.54 billion in IBRD was approved for 14 operations; and in FY14, US\$1.615 billion was approved for 12 operations. IBRD lending in FY15 amounted to US\$1.82 billion. Average annual lending from FY12-FY15 was therefore US\$1.56 billion.
- **The active portfolio continues to focus on the less-developed western and inland provinces and on environmental objectives.** The current IBRD program comprises US\$11.6 billion in commitments for 88 projects in thirty provinces and autonomous regions. All active projects are Investment Project Financing (IPF) operations. The portfolio includes operations in 10 out of the 14 WBG global practices: Agriculture, Education; Energy; Environment; Health; Macro-Fiscal; Urban & Rural; Social Protection; Transport & ICT; and Water.
- **The Bank portfolio has an important leveraging effect.** Every US\$1 from IBRD leverages, on average, an additional US\$5 from government and other sources. The leveraging ratio for operations addressing climate change is even higher at almost US\$7 for every US\$1 of IBRD financing.
- **Overall performance continues to be good.** To date, the Independent Evaluation Group (IEG) has reviewed 15 projects that were completed during the period FY13-15. Of these, 13 projects (87 percent) were rated moderately satisfactory or higher, which is consistent with the current ratings of the active portfolio. Moreover, fourteen of the reviewed projects (93 percent)

received a rating of moderately satisfactory or higher for quality at entry. The area that needs further attention in the China portfolio is the quality of monitoring and evaluation (M&E): of the 15 projects reviewed, only eight received a rating of “substantial” for M&E from IEG.

22. **IFC has focused on: climate change**—with a goal to demonstrate viable market-based solutions to reducing the energy intensity of GDP and increasing the efficient use of water resources; **balanced rural/urban development**—aimed at reducing the gap in living standards between urban and frontier/rural areas through investment and advisory engagements in agribusiness, infrastructure, and micro, small, and medium enterprise (MSME) finance; and **sustainable cross-border development**—helping China contribute sustainably to global economic development, particularly in Africa. IFC commitments during FY13-15 are shown in Annex 7.

- **Since its first investment in China in 1985 to date, IFC has invested over US\$10 billion** (IFC’s own account and mobilization, including short-term finance) to support over 300 projects in over 30 regions of China, of which the majority are frontier regions. China ranks second globally in terms of total committed IFC portfolio, with US\$3.2 billion in around 120 client companies.
- **Since FY13, IFC has increased the size of its portfolio by 31 percent, committing US\$3.4 billion in financing in China** (combined IFC’s own account and mobilization, including US\$520 million in short-term trade and supplier finance). In FY14, IFC’s program in China for the first time exceeded US\$1.6 billion (including US\$633 million mobilization) in more than 20 projects across such sectors as microcredit, forestry, hydropower, trade finance, and manufacturing, in line with IFC’s three strategic pillars for China.
- **IFC delivered solid performance in its investment operations**, with a success rate of 64 percent as rated by IEG between FY2008 and 2013. IFC’s current portfolio in China supports around 430,000 jobs, a combined 56 million customers of infrastructure (power, water, gas, and telecommunications), and 1.6 million MSME loans worth around US\$79 billion.

23. **The Multilateral Investment Guarantee Agency (MIGA) has one active project into China amounting to US\$11.7 million in the water and wastewater sector.** MIGA made no new commitments for projects into China from FY13 to FY15. MIGA has seen some demand from investors to cover subsovereign risks, particularly in the water sector. MIGA is also looking to support South-South Chinese investment in other developing countries, notably in Africa and Asia, and has provided one guarantee into Kenya for US\$102.5 million and one guarantee into Bangladesh for US\$30 million in FY13-15.

24. **Trust funds have been integral to the WBG’s environmental operations in China.** More than 97 percent of China’s trust fund portfolio (in terms of volume) comprises the Global Environmental Facility (GEF), the Montreal Protocol (MP) (for ozone-depleting substances), and carbon finance. In FY13-15, the WBG helped China secure US\$101 million in GEF financing, with more than two-thirds of the commitments addressing climate change. See Annex 8 for GEF commitments from FY13-15 and the active GEF portfolio.

Progress toward CPS Objectives and Outcomes

25. **The FY13-16 CPS remains relevant to China’s development challenges.** Within the framework of the CPS, the WBG program is expanding in areas that support China’s Third Plenum reform program.

26. **Good progress has been made towards 10 CPS outcomes.** One outcome—strengthening institutional and financial mechanisms for climate change (outcome 1.7)—is being deleted because it

overlaps with other outcomes (see para. 41). Out of 30 outcome indicators, 21 (70 percent) are either achieved or on track; 7 are labeled “watch”; and 2 will be dropped. Due to program changes, 8 indicators will be revised. Out of 103 milestones in the CPS Results Framework, 58 percent have been achieved and another 25 percent are on track for achievement by the end of the CPS period. Progress towards indicators and milestones is detailed in Annex 3.

27. **Both the Bank and IFC have made progress in mainstreaming gender into operations.** One of the key lessons learned in the CPS was to strengthen efforts to mainstream gender in the portfolio. As a result, the percent of projects that are gender-informed has increased from 33 percent in FY12 (before the CPS) to 86 percent in FY15. Social assessments are systematically carried out during project preparation to analyze a range of potential social impacts—including gender impacts—and use the findings to enhance project designs. For example, social assessments for several rural road projects led to new design measures to address road safety issues involving women and children. Also, targets have been reached for women’s increased involvement in decision making for local services, such as becoming members of village committees and joining water user associations. IFC has also increased its attention to gender in investment operations, including through a flagship partnership with the Alibaba Group. In partnership with Goldman Sachs’ 10,000 Women Initiative and as part of the first-ever global financing facility for women-owned small- and medium-sized enterprises (the Women Entrepreneurs Opportunity Facility), IFC provided a senior loan of RMB500 million to Ant Financial to expand its lending to women entrepreneurs who run businesses on Alibaba Group’s online marketplaces and who often face difficulties in obtaining loans.

Reenergizing the Drivers of Growth

28. **As China’s structural reforms have deepened over the last few years, so has WBG support for China’s reform agenda.** The Third Plenum in November 2013 set the stage for far-reaching structural reforms needed to reenergize and reorient the drivers of growth, including in public finance, the financial sector, and state-owned enterprises. WBG activities in this area from FY13 to FY15 include:

- **Providing technical input to fiscal and tax reform.** *Urban China* outlined a comprehensive package of fiscal reform, nearly all of which is reflected in China’s revised Budget Law, passed in August 2014, and the subsequent Decisions on Deepening Budget Reform, announced in October 2014—major milestones in fiscal reform. The revised law, which came into effect in January 2015, includes reforms in budget management, budget transparency, and local borrowing. Going forward, the Bank will support implementation at both national and subnational levels through advisory and analytical work, through a proposed fiscal technical assistance loan and proposed subnational DPOs.
- **Collaborating with the DRC on a Financial Sector Reform Strategy**, which presented policy recommendations to address financial sector shortcomings and risks and to build a modern financial system. The report provided input to policymakers and will inform the forthcoming diagnostic of the financial system under the Financial Sector Assessment Program (FSAP, FY17).
- **Supporting China’s efforts to promote PPPs.** Following a diagnostic mission in September 2014, a joint World Bank-IFC team has shared global experience with the MOF’s PPP Center to help strengthen the institutional, policy, and regulatory framework for PPPs in China, including guidelines and incentives for subnational governments. The WBG could help operationalize the new PPP policy by providing advisory and financial support for model PPP projects and helping China set up a funding mechanism to facilitate PPP project preparation.

Strategic Theme 1: Supporting Greener Growth

29. **China has intensified its commitment to improving the environment and addressing climate change.** In September 2013, China's State Council released its Air Pollution Prevention and Control Action Plan, which aims to lower ambient PM2.5 concentration in the three main urban and industrial regions: Beijing-Tianjin-Hebei (known as Jing-Jin-Ji), the Yangtze River Delta, and the Pearl River Delta. A new environmental protection law went into effect in January 2015, increasing fines and punishment for non-compliance, expanding the rights of citizens and social organizations to information, and adding environmental criteria to the performance evaluations of local officials. China approved action plans in April 2015 for preventing water pollution. China is also implementing a new system of spatial planning to optimize development while restricting or prohibiting development where needed to protect the environment and cultural heritage. China also continues to take a strong stance on climate change. It is developing policies to cap coal consumption—the largest contributor to China's particulate and greenhouse gas (GHG) emissions. China has established seven pilot carbon emissions trading schemes, which traded about 24 million tons of carbon dioxide (CO₂) equivalent in 2014 and which expect to trade 40 million tons in 2015; and China plans to establish a national emissions trading market by 2017. In a historic joint declaration with the United States in November 2014, China announced its intention to achieve the peaking of CO₂ emissions around 2030 and to make best efforts to achieve this earlier as well as to increase the share of non-fossil fuels in primary energy consumption to around 20 percent by 2030.

30. **The WBG has continued to expand its focus on environmental sustainability across its work program.** Over 70 percent of the IBRD/GEF portfolio in China has environmental objectives, and about half of IBRD/GEF projects address climate change. Over 20 percent of IFC's long-term investment commitments in China are climate positive, and all IFC investment operations require clients to adhere to environmental standards. WBG results and activities from FY13 to FY15 include:

- **Saving 7 million tons of coal equivalent (cumulative) and avoiding nearly 20 million tons of GHG emissions** through complementary World Bank and IFC programs to promote energy efficiency and green energy lending in the banking sector. The next stage of IFC's China Energy Efficiency Finance Program (CHUEE) will place more emphasis on enterprises in frontier regions in China. A proposed IBRD PforR operation will help decrease air pollution and GHG emissions by scaling up lending for energy efficiency improvements and green energy in the Beijing-Tianjin-Hebei area.
- **Improving the water supply for over 12 million people in over 50 small towns and cities through Bank- and IFC-supported investments.** WBG support has gradually shifted from large cities to more complex projects in smaller cities and towns in less developed areas. The focus is on strengthening municipal asset management. Other improvements to urban environmental services include municipal wastewater management, solid waste management, and urban flood risk management.
- **Demonstrating 31 successful low-carbon urban transport corridors in 17 cities,** increasing public transit ridership, reducing travel time, and improving safety. The Bank is also supporting model projects that demonstrate GHG accounting and monitoring systems and transit-oriented development (integrating land use and mass transit corridors). The Bank has created a knowledge platform—the Transport Transformation and Innovation Knowledge Platform (TransFORM)—to improve knowledge sharing among local governments and transport practitioners (see para. 38).
- **Improving health and quality of life for more than half a million rural households** through pilots of sustainable agriculture and livestock practices, including integration of biogas in farming and cooking and new livestock waste management.

- **Increasing agricultural productivity and farmers’ incomes while reducing GHG emissions** through pilots of climate-smart agricultural practices in two provinces. The Bank is also building a risk-based food safety system in one province, which will provide lessons for others, and commencing a dialogue with the China Food and Drug Administration (CFDA) on broader food safety issues following the signing of a memorandum of understanding (MOU) between the Bank and the CFDA in August 2014. In line with its strategy to support food safety and sustainability standards, IFC is also considering a number of investments in Chinese agribusiness firms.
- **Demonstrating pollution clean-up measures** to reduce persistent organic pollutants (POPs) and non-point source pollution, phase out ozone-depleting substances (ODSs), and clean up contaminated sites. The Bank is scaling up support to reduce urban air pollution in the Beijing-Tianjin-Hebei region, including through a proposed PforR operation to help curtail emissions of various pollutants, including from vehicles and ammonia emissions from agriculture and animal husbandry.

Strategic Theme 2: Promoting More Inclusive Growth

31. **Over the past few years, the Chinese government has intensified reforms to address disparities**—both spatial (between urban and rural areas and between coastal and inland provinces) and social (between different groups—notably, migrants and local urban residents). Two out of the fifteen Third Plenum Communique key reform areas—rural-urban integration and welfare reform—focused on addressing inequalities, including giving farmers more property rights, improving quality of education for all children, reforming healthcare, and establishing a fairer and more sustainable social security system. In March 2014, China released an urbanization blueprint for 2014-2020 that included a target of granting 100 million new local urban *hukou* (China’s household registration system) over the next six years.

32. **The WBG has provided input to these reforms through *Urban China* and other studies.** The WBG has also promoted inclusive development during the CPS period by supporting demonstration projects that address health, social protection, and education inequalities; piloting approaches to reducing poverty; facilitating financial infrastructure development; promoting financial inclusion; engaging in transport projects that help balance development; and geographically focusing the WBG program on lagging regions and small towns. WBG results and activities from FY13 to FY15 include:

- **Improving the financing, quality, efficiency, and cost control of rural health services in 40 counties in 8 provinces**, facilitating local innovation using a “learning by doing” approach, and capturing and documenting the learning for replication within China and abroad. The “public health scorecard” (a tool for assessing the performance of the county-level public health system) increased from 60 percent to 90 percent, exceeding the target. The pilots have played a pivotal role in operationalizing the government’s healthcare reforms.
- **Preparing a health study to help China build an affordable, high-quality health service delivery system** in collaboration with the Ministry of Finance, the National Health and Family Planning Commission, the Ministry of Human Resources and Social Security, and the World Health Organization. A proposed PforR operation will help test and operationalize recommended reforms in several provinces. IFC’s participation ensures that the study covers the role of the private sector and identifies possible areas of IFC engagement.
- **Providing technical input to help China deepen social protection reforms**, including integrating rural and urban pension schemes and developing integrated and interconnected information systems. The Bank is also helping China build a system of care for the aged.

- **Piloting approaches that improve the quality and relevance of technical and vocational education and training (TVET) in five provinces**—Guangdong, Liaoning, Shandong, Yunnan, and Xinjiang Uygur Autonomous Region. Ongoing Bank operations have shown strong results, leading to a request for a new TVET project in Gansu Province. The Bank also helped successfully pilot skills development and employment programs for rural migrants in three provinces and has provided advisory services in Early Childhood Development for which a project is now in preparation. In education, IFC is looking to promote solutions based on PPP models.
- **Piloting innovative and participatory ways to reduce poverty in poor areas, which directly benefitted more than half a million people in 25 counties and 3 provinces.** The next generation of rural poverty reduction projects will help increase farm incomes in remote mountain areas by developing farmer cooperatives and building partnerships with agribusinesses, consistent with China’s Outline for Development-oriented Poverty Reduction for China’s Rural Areas (2011-2020), which emphasizes agricultural commercialization as a means to reduce rural poverty.
- **Informing China’s poverty reduction policies.** The World Bank and China’s State Council Leading Group Office on Poverty (LGOP) signed an MOU in October 2013 to strengthen collaboration. The WBG, International Poverty Reduction Center of China, National Bureau of Statistics, and the Asian Development Bank are discussing a possible study to lay the basis for more comprehensive and robust analytics of poverty and shared prosperity in China.
- **Expanding financial services, especially in western and rural areas, through IFC advisory business and investments in financial intermediaries.** Over the past few years, financial inclusion has been a central area for IFC’s engagement in China. IFC’s current portfolio in China supports 1.6 million MSME loans worth around US\$79 billion. Through its advisory business, IFC has shared knowledge with the PBC’s Research Institute of Finance and Banking and provided advice to a range of financial sector service providers, helping them to serve frontier markets. In addition, IFC and the World Bank are collaborating to support China’s financial inclusion policies and strategy.
- **Facilitating the movables finance industry and credit reporting system.** IFC supported reforms in the regulatory environment and provided technical assistance to PBC’s Credit Reference Center to expand the coverage of the credit reporting system and establish a national internet-based accounts receivable financing platform, substantially increasing the share of business loans involving movable assets.
- **Improving transport connections between developed and less developed regions** through efficiency, capacity, and safety improvements to railways, waterways, and roads. Bank support is shifting to help improve management of existing assets and providing better services to users. New road projects are focusing on asset management and rural road connectivity, while future railway projects are likely to focus on multi-modal integration and customer-focused freight services. Waterway projects are focusing on the strategic Yangtze River Economic Belt.

Cross-Cutting Theme: Mutually Beneficial Relations with the World

33. **China’s role in the world economy and in international cooperation has continued to increase over the last few years.** China contributed more than 30 percent to global growth from 2012 to 2014. China is the world’s largest manufacturer and, in 2012, became the world’s largest trader in terms of volume of exports and imports. It is the third largest shareholder in the World Bank, increased its contribution and engagement in IDA17, has assumed an active role in developing the 2030 Agenda for Sustainable Development, and became a founding member of the Bank’s GIF in 2015. China has also launched several multilateral initiatives that draw it deeper into the global financial order: a New Development Bank by the “BRICS”—Brazil, Russia, India, China, and South Africa; an Asian

Infrastructure Investment Bank (AIIB); and the *One Belt, One Road* initiative to develop trade and investment through Central Asia and the Middle East to Europe, consisting of the land-based “Silk Road Economic Belt” and the ocean-based “Maritime Silk Road,” and backed by a US\$40 billion Silk Road Fund and other resources.

34. **Supporting China’s growing global role is an increasingly important aspect of the WBG engagement and strategy.** The WBG’s knowledge and relationships built through lending and ASA in China contribute to the WBG’s global knowledge and enables the WBG to facilitate China’s South-South cooperation. The WBG also supports China as a global stakeholder. Activities over the past three years included:

- **Supporting over 40 learning exchanges from FY13 to FY15 between China and other developing countries** in areas that include health care service delivery, social safety nets, TVET, public transport, expressways, urban development, energy (pumped storage, clean stoves, and energy efficiency), climate change adaptation, integrated water resource management, MSME financing, and infrastructure development in Africa. Leadership, Learning and Innovation (LLI) (formerly the World Bank Institute) has also played an important role during the CPS period in capturing knowledge and making it available to other countries in the region and beyond.
- **Fostering tripartite cooperation between China, the WBG, and African countries.** In May 2014, the Bank’s Board of Directors approved the first project cofinanced by IDA and China EXIM Bank: the South Sudan Africa Regional Transport, Trade, and Development Facilitation Project. In June 2015, the WBG, China Development Bank, China-Africa Development Fund, Government of Ethiopia, and United Nations Industrial Development Organization organized an “Investing in Africa” Forum in Addis Ababa; and a second forum will take place in Guangzhou, China, in 2016. The new China-WBG Partnership Facility Trust Fund and China’s participation in the GIF will also strengthen China-WBG collaboration in support of development in Africa.
- **Signing an MOU with the Ministry of Finance to establish a “Science of Delivery” knowledge hub;** and working with China to contribute case studies to the newly established Global Library of Case Studies.
- **Signing an MOU with the NDRC to further collaborate in addressing climate change,** including to promote South-South cooperation related to climate change mitigation and adaptation.
- **Providing technical support for establishing the AIIB,** including in the areas of institutional governance, procurement, and safeguards. The WBG is providing similar assistance to the New Development Bank (the BRICS bank).
- **Supporting cross-border commercial transactions** involving Chinese sponsors. IFC’s transactions in FY13-15 include: a commercial building project in Tanzania sponsored by China Railway Engineering Co.; a US\$280 million syndication for a full-service telecommunications infrastructure company, IHS Nigeria, to build telecommunications towers, where the Industrial and Commercial Bank of China (ICBC) provided US\$60 million; a 668 million India rupee loan to help China’s leading player in the electrical industry, Chint Group’s JV develop solar power in India; a US\$125 million investment alongside Three Gorges Company to support the power sector in Pakistan; support for China National Cereals, Oils and Foodstuffs Corporation (COFCO), the leading agribusiness group in China, in its overseas food value chain expansion; and support for CITIC Construction, a Chinese multinational construction and engineering company, to help develop affordable housing and a mortgage market in Africa.

- **Supporting the development of China’s capital markets and internationalization of the renminbi** through issuance of local currency bonds and partnering with Chinese banks in the domestic currency swap market.
- **Mobilizing US\$3 billion from China’s State Administration of Foreign Exchange (SAFE)** to support IFC’s global business under its new mobilization platform, the Managed Co-Lending Portfolio Program, which has to date generated US\$2.43 billion in commitments and pipeline, with US\$557 million disbursed to borrowers.

IV. EMERGING LESSONS

Main Lessons—Portfolio/Program Implementation and Performance

35. **The World Bank and Chinese authorities continuously draw lessons from portfolio implementation to improve impact.** The IEG’s *Results and Performance of the World Bank Group 2014* shows that the China portfolio has a higher rating than the East Asia Region and the Bank on all key indicators. Nevertheless, there has been a moderate decline in ratings for the China portfolio over the last five years, and lessons are being drawn to improve impact going forward. Key issues include: an increasingly constrained fiscal environment at the local government level that causes delays in counterpart funding; delays in processing of disbursements; and delays in project restructuring due to complicated domestic approval procedures. These issues are being addressed through results-oriented joint portfolio reviews with central government authorities; regular joint global practice/country management unit quality reviews of problem projects; sharing of portfolio monitoring data in Chinese on a regular basis with central authorities to ensure consistent understanding of issues; and intensified implementation support for problem projects. The central government authorities are making efforts to simplify domestic procedures for restructuring projects during implementation, and China supports ongoing efforts to streamline WBG operational procedures.

Lessons from (and for) Other Countries

36. **A key lesson during the CPS period is that joint flagship reports, especially in middle income countries, can be important for deepening the dialogue on policies and Bank programs.** *China 2030* and *Urban China* have provided a solid foundation for policy dialogue and program design, underpinning both knowledge services and lending. This approach is being replicated in China through the joint health study and, at the local level, through *Shanghai 2050*, a study being undertaken jointly by the Shanghai Municipality, DRC, and the WBG. It is also being replicated outside China—the Government of Vietnam and the WBG are undertaking a *Vietnam 2035* study.

37. **Two-way knowledge sharing remains at the core of the WBG strategy.** The WBG’s most important contribution to China remains its role in bringing and applying global knowledge; the WBG also helps share China’s experiences with other countries. Examples during the CPS period include:

- Through its lending in the **urban and environment sectors**, the World Bank is helping to bring lessons from within China and from other countries to project design. For example, the Bank-financed project in Huainan (Anhui Province) and the proposed project in Zhuzhou (Hunan Province) will introduce a risk-based approach to land remediation and urban redevelopment. Because China’s experiences are highly relevant for India, the Bank featured China’s experiences in waste management, land remediation, and urban redevelopment, including risk-based remediation, at the Wastech 2014 International Summit and Expo in Gujarat, India. Likewise the World Bank is helping China to reduce air pollution by scaling up lending for energy efficiency improvements and green energy in the Beijing-Tianjin-Hebei area, while also helping to share China’s knowledge and experience in air pollution control with other countries, including India, Nigeria, South Africa, and Egypt.

- In the **health sector**, Bank-financed projects have created platforms for testing new concepts and practices on the ground, many of which were later scaled up and institutionalized as standard practice. Most recently, the China Rural Health Project, which closed at the end of 2014, supported innovations in rural health insurance and health service delivery in 40 counties in 8 provinces. China now intends to scale up the project; and several delegations from East Asia and Central Asia have visited and studied the project for replication in their own countries. Also, at the invitation of Tajikistan and Uzbekistan, the Chinese project teams visited the two countries to disseminate project experiences.
- In **sustainable energy finance**, IFC's CHUEE program, pioneered in China since 2006, has now been introduced in other countries, including the Philippines, Mongolia, and Vietnam. In China, IFC has partnered with eight banks, helping them to build profitable energy efficiency and renewable energy lending portfolios and develop broader green finance capabilities. These IFC partner banks now have large outstanding green finance loan portfolios.
- The Bank has helped to introduce good practices from other countries to improve efficiency and service quality in the **transport sector**. For example, the bus rapid transit project in Urumqi (Xinjiang Uyghur Autonomous Region) benefited from the Bank's experience in Latin America; and intelligent transport system components in Bank-financed urban projects benefitted from experience in the United States and South Korea. Similarly, the Bank is helping Ethiopia learn from China's experience in expressway planning and development. A ministerial-level delegation from Ethiopia visited Beijing and two provinces with Bank-financed expressway projects to learn how China has planned, financed, and developed its expressway system; and a Chinese delegation visited Ethiopia to provide training.

38. **China and the Bank are piloting a knowledge platform to accelerate knowledge sharing in the transport sector.** One of the recommendations of the CPS Completion Report (2006-2010) was to strengthen the dissemination of lessons from pilots and demonstration projects. Although projects include M&E components and many include impact assessments, there is room for improvement to better disseminate project findings and maximize the policy impact of ASA. Under an MOU signed with MOF in November 2012, the Bank initiated TransFORM as a pilot in November 2012 and signed an MOU with the Ministry of Transport in July 2014. TransFORM's mission is to help make transport safer, cleaner, and more affordable in China and to share China's experiences with other countries. To date, TransFORM has created a network of practitioners; promoted innovative transport solutions and disseminated their lessons; leveraged media and online tools for dissemination; and sponsored workshops, city-to-city exchanges, and distance learning training programs.

V. ADJUSTMENTS TO THE COUNTRY PARTNERSHIP STRATEGY

39. **Alignment with the WBG Twin Goals.** The CPS is consistent with the WBG goals of ending extreme poverty and promoting shared prosperity in an environmentally, socially, and fiscally sustainable manner. Although the WBG remains engaged in direct poverty reduction through a series of lending operations, the bulk of WBG support is focused on promoting inclusive growth (shared prosperity) and greener growth (environmental sustainability), as appropriate for China's development challenges. The WBG is currently preparing an SCD, which may identify opportunities to even more closely align future operations with the twin goals.

40. **CPS Timeframe.** The CPS covers the period FY13-16. The 13th FYP (2016-2020), on which a new CPF will be based, will be revealed when passed by the National People's Congress in March 2016. To allow time for consultations with the government on the 13th FYP, the PLR proposes to extend the current CPS by six months to the end of calendar year 2016.

41. **Results Framework.** The CPS themes and outcomes remain relevant to China's development priorities. However, several changes to the results framework are recommended:

- **Delete outcome 1.7 (strengthening institutional and financial mechanisms for climate change).** The WBG is increasing its engagement in climate change; however, outcome 1.7 overlaps with the substantial climate benefits supported by outcomes 1.1 through 1.6 in the energy, transport, waste management, agriculture, and forestry sectors. The WBG is helping to strengthen institutional and financial mechanisms for climate change in various ways, including energy efficiency lending (under outcome 1.1) and the mechanism to phase out ODS (under outcome 1.6). The WBG is also supporting China's seven pilot carbon emission trading schemes (ETSs) and the design of a national carbon ETS, with results expected during the next CPF.
- **Changes to CPS indicators.** Out of 30 indicators, 2 are being dropped and 8 are being revised due to delays or changes in the program or to improve the clarity of the indicator.

The updated results framework, including an updated plan of activities (both financing/investments and ASA/AS), is shown in Annex 1. The changes to the results framework are explained in Annex 2.

42. **Financing and Instruments.**

- **As requested by China, IBRD lending will increase by about \$1 billion per year to a total of about US\$2.5 billion per year.**⁶ As in the past, the actual volume of IBRD lending will depend on annual lending consultations with MOF and NDRC; thus, actual annual lending may be below or above US\$2.5 billion. China wants to increase IBRD borrowing to address national reform priorities and utilize the increased headroom under the higher Single Borrower Limit that took effect in early 2014. The additional US\$1 billion of IBRD lending will focus on larger transformational and programmatic operations to address key cross-sectoral development challenges. The indicative lending pipeline for FY16-17 is shown in Annex 6.
- **IBRD lending may include PforR and DPO instruments.** Since the first IDA loan in 1981, loans to China have been investment or technical assistance projects. China is exploring the use of PforRs and DPOs, including for the US\$1 billion in annual programmatic operations.
- **IFC investments are expected to grow.** In FY14, IFC's program in China for the first time exceeded US\$1.6 billion (including US\$633 million mobilization). The IFC program is expected to grow as China pursues its economic transformation towards consumption and services as a driver of growth, an increasing role for the private sector in the provision of infrastructure and the reform of state-owned enterprises as well as supporting China's engagement globally as an outbound investor.

43. **New and Scaled-Up Areas of Support.** China's Third Plenum reform program has opened new opportunities for WBG support. The additional US\$1 billion in annual IBRD lending for national reform priorities is expected to focus initially on energy conservation, urban air pollution, fiscal reform and local government debt restructuring, PPPs, and health service delivery (piloting the recommendations of the health study). These new areas of support are consistent with the themes of the CPS, although they are not likely to produce results until the next CPF period.

44. **Increased Cooperation in South-South Learning.** Cooperation is already high and is expected to grow further over the next few years. China is a strong supporter of the WBG's Global

⁶ The proposed lending envelope of about US\$2.5 billion per year is sustainable for three years, keeping the IBRD exposure below the US\$19 billion limit for China set within the context of the Single Borrower Limit Framework, assuming modest (+/- 10%) fluctuations in disbursements and exchange rates. Given the sensitivity of exposure projections to these assumptions, IBRD continues to monitor exposure developments.

Delivery Initiative, signing an MOU to establish a knowledge hub in November 2012 and contributing to a new Global Library of Case Studies launched in April 2015. The recently established China-WBG Partnership Facility Trust Fund includes a window for knowledge development and South-South learning.

VI. RISKS TO CPS PROGRAM

45. **The risks to the program remain moderate overall, as identified in the CPS.** The summary risk table (see below) uses the Systematic Operations Risk-rating Tool (SORT).⁷ China has good design and implementation capacity, strong ownership of the WBG program, and a track record of high performance.

Summary Risks (H: High; S: Substantial; M: Moderate; L: Low)

Risk Categories	Rating
1. Political and governance	L
2. Macroeconomic	M
3. Sector strategies and policies	L
4. Technical design of project or program	S
5. Institutional capacity for implementation and sustainability	M
6. Fiduciary	M
7. Environment and social	M
8. Stakeholders	L
Overall	M

46. **There are two areas where risks have increased since the CPS:**

- **Technical Design of Projects.** This is the only risk category rated as substantial. As the WBG helps China tackle increasingly complex development issues, project design and implementation are becoming more challenging. For example, projects that address air pollution and land contamination require technically and institutionally complex designs and flexibility during implementation to respond to new information and to allow implementation experience to inform future action. The government and the Bank are exploring the use of more flexible instruments for such activities to ensure that projects are adaptable while continuing to have a solid results focus.
- **Counterpart Financing (Institutional Capacity for Implementation and Sustainability).** As China enters into a new phase of economic development, fiscal revenue growth is slowing; and new fiscal reform measures limit the borrowing of subnational governments. As a result, the risk is growing that some local governments won't have the financial capacity to mobilize sufficient counterpart funding, causing project delays or cancellations. Going forward, the World Bank and the government are ensuring that projects are well aligned with the new fiscal frameworks of local government.

⁷ A definition of risks and a rating guide is provided in the SORT Interim Guidance Note, available at: http://www.worldbank.org/content/dam/Worldbank/document/SORT_Guidance_Note_11_7_14.pdf.

Annex 1: Updated Results Matrix – Outcomes and Milestones

China CPS Results Matrix		
Indicators	Milestones	Bank Group Interventions (indicative)
STRATEGIC THEME 1. SUPPORTING GREENER GROWTH		
1.1 SHIFTING TO A SUSTAINABLE ENERGY PATH		
<i>China 12th FYP Targets: Non-fossil fuel energy accounts for 11.4% of primary energy consumption; energy consumption per unit of GDP drops by 16%; and CO2 emissions per unit of GDP declines by 17%.</i>		
<p>1.1.1 Associated cumulative energy savings from energy efficiency investments (million tons of coal equivalent) Baseline: 0 (2011) Target: 10 mtce (2016)</p> <p>1.1.2 GHG emissions expected to be avoided (metric tons/year) Baseline: 0 Target: 20 million (IFC)</p>	<p>Renewable Energy (RE)</p> <ul style="list-style-type: none"> - Policies promoting smoother grid integration developed by mid-2014 - Renewable energy quota system established by mid-2014 - Distributed generation piloted by mid-2014 <p>Energy Efficiency (EE)</p> <ul style="list-style-type: none"> - Innovative pilots for promoting adoption of energy efficiency in at least three provinces promoted by 2015 - Energy consumption monitoring system designs developed by 2015 - EE standards and guidelines for green field investments developed by mid-2014 - 6 FIs and 3 Hangzhou banks have stronger capacities to offer EE/RE products by 2015 (WB/IFC) - Green Building Codes for commercial and residential buildings developed by 2015 (IFC) <p>Low Carbon Cities</p> <ul style="list-style-type: none"> - Innovative pilots and programs for promoting cleaner energy use in targeted cities launched by 2013 <p>New Technologies</p> <ul style="list-style-type: none"> - Gas utilization applications demonstrations launched by 2015 - Schemes to promote access to clean household energy developed by 2015 - Knowledge on feasibility of CCS deployment gained 	<p>On-going: IBRD: Energy Efficiency (EE) Financing 1+2, Shandong EE, Urumqi District Heating, Shanxi Coal Bed Methane Development, Liaoning Medium Cities Infra. III GEF: Sino-Singapore Tianjin Eco-City, Provincial EE, EE Promotion in Ind, EE Financing (EE Phase III with Exim Bank), Technology Needs Assessment, Green Freight Demonstration CF: Xiaogushan Hydropower, Nanjing Steel Factory Gas Recovery, Inner Mongolia Huitengxile Wind Farm, Hubei Guangrun Hydropower, Shandong Manure Biogas, Baotou Iron & Steel EE Proj, Yingkou Economic Dev Zone Heating, Dashiqiao Central Heating IFC: China Wind Power, Zhongda Hydro, Yanjin, CHUEE SME IB, Nature Elements Renewable Energy and Clean Tech Fund; C&G Environmental Protection Holdings; CHUEE I IB, CHUEE SME IB, CHUEE I BOB, CHUEE II SPDB, CHUEE II IB, Sunpreme Silicon; Microvast, Shuoren, CHUEE SME BRCB</p> <p>Closed during CPS period: GEF: Heat Reform & Bldg EE (FY14 closed), Thermal Power Efficiency (FY14 closed)</p> <p>Approved during CPS period: IBRD: Beijing EE and Emission Reduction Demon (FY13, delivered), Shanghai Building EE and Low Carbon District (FY13, delivered), Hebei New Energy Development in Rural Areas (FY15, delivered) GEF: China RE Scale up II (FY14, delivered), Urban Scale Building EE and RE (FY13, delivered), Green Energy Schemes for Low-Carbon City in Shanghai (FY13, delivered)</p>

China CPS Results Matrix

Indicators	Milestones	Bank Group Interventions (indicative)
		<p>Pipeline: IFC IS : CHUEE SME SPDB, Sino Green Fund, EAP ALOE III Fund</p> <p>Pipeline FY16-17: IBRD: Hebei Clean Heating, Scale Up Green Energy Financing, GEF: Developing Market-based Energy Efficiency Program in China, Clean Cooking and Heating</p> <p>ASA/AS: IBRD: Carbon Capture & Sequestration (FY15, delivered), Tech – Economic Evaluation of Incentives for Wind, Green Energy Schemes for Low Carbon City in Shanghai (FY14, delivered), Smart Grid Development (FY13, delivered), EE in Public Institutions, Provincial Energy Conservation Practitioner’s Forum, Defining and Measuring Low Carbon Cities (FY15, delivered), Clean Stove Initiative (FY16 deliverable); Heat Regulation Phase II (FY13, delivered); Electricity Regulation to Integrate Climate Change Considerations (FY15, delivered); Issues and Options in Monitoring, Verification and Reporting in Energy Efficiency (FY15, delivered); IFC: CHUEE I IB AS, CHUEE SME IB AS, CHUEE I BOB AS, CHUEE II SPDB AS, CHUEE II IB AS, Performance Standards for the Banking Sector</p>

1.2 ENHANCING URBAN ENVIRONMENTAL SERVICES

China 12th FYP Targets: The urbanization rate increases by 4 percentage points, and the coordination of urban, rural and regional development is further strengthened.

<p>1.2.1 People with access to improved water supply in more than 50 targeted small towns and cities: Baseline: 1.72 million (2011) Target: 6.5 million (2016) (WB) Baseline: 4.6 million (2010) Target 5.0 million (2014) (IFC)</p>	<p>Water supply</p> <ul style="list-style-type: none"> - Increased water production capacity, rehabilitation and expansion of distribution networks in 20 Henan and 84 Jiangsu towns by 2014 - Bengbu Municipality (population 3.5 million) has increased water reliability (90 days of emergency water supply) by mid-2014 - 3 banks improve lending process for water efficiency and water quality improvement projects and lend \$100 million by mid-2014 (IFC) - 20 industrial facilities or 3 industrial zones reduce 20% of water consumption, or increase the alternatives of fresh water by 20%, or decrease 20% of total pollutants from wastewater discharge by mid-2014 (IFC) - Increased water supply capacities by 25 million m3 per year (IFC) 	<p>On-going: IBRD: Liuzhou Environment Management II, Nanning Urban Environment, Sichuan Small Towns Development, Bengbu Integrated Environment Improvement, Chongqing Small Cities, Chongqing Urban-Rural Integration, Guangdong/PRD Urban Environment 2, Yunnan Urban Environment, Hunan Urban Development, Jiangsu Water and Wastewater Project, Liaoning Med Cities Infrastructure 1+2+3, Shanghai Urban APL 3, Tianjin Urban Development 2, Xining Flood and Watershed Mgmt, Wenchuan Earthquake Recovery Project, Guizhou Cultural and Natural Heritage, Shandong Confucius & Mencius Culture, Gansu Qingyang Urban Infrastructure</p>
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China CPS Results Matrix

Indicators	Milestones	Bank Group Interventions (indicative)
<p>1.2.2 Targeted towns and cities with at least 70% of municipal wastewater treated annually <i>Baseline: 0 Target: 25 (2016)</i></p> <p>1.2.3 People with access to improved wastewater management services (number) <i>Baseline: 554,000 (2011) Target: 6.7 million (2016)</i></p> <p>1.2.4 Targeted cities with at least 90% of waste collected and disposed (number) <i>Baseline: 0 Target: 8 (2016)</i></p>	<p>Wastewater collection, disposal and treatment</p> <ul style="list-style-type: none"> - Three new wastewater treatment plants in five second-tier cities in Hubei by 2015 - Wastewater treatment plan with installed capacity of 100,000 m3 day in Tianjin meeting class 1B discharge standards by mid-2014 - 200,000 m3/day additional WWTP capacity in four cities in Liaoning by mid-2014 - 240,000 m3/day additional WWTP capacity in Jiangnan WWTP in Nanning by 2015 <p>Solid waste collection and disposal</p> <ul style="list-style-type: none"> - Land fill capacity constructed : Liaoning 1,400 tons/day by 2012; Yunnan 535 tons/day by mid-2014 - 16 ha dump sites closed (Hubei five cities) by 2015 - New program piloting household-based waste source separation launched in Ningbo by 2015 <p>Earthquake restoration in Sichuan and Gansu</p> <ul style="list-style-type: none"> - Reconstruction and appropriate expansion of infrastructure services in 16 counties in Sichuan and 7 counties in Gansu with 100% of facilities built to applicable government standards for flood and seismic hazards 	<p>Improvement On-going IFC: Epure BOT/Sound Global Ltd; Asia Environment</p> <p>Closed during CPS period: IBRD: Han River Urban Environment, Henan Towns Water (FY13closed), Shandong Environment 2 (FY14 closed), Shanghai Urban APL 2 (FY14 closed), Sichuan Urban Development (FY13 closed), Fuzhou Nantai Island Peri-Urban Development (FY13 closed), Gansu Cultural & Natural Heritage (FY15 closed)</p> <p>Approved during CPS period: IBRD: Ningbo Domestic Waste Collection & Recycling Demonstration (FY13, delivered), Jiangxi Small Towns Infrastructure Development Demonstration (FY13, delivered), Liaoning Coastal Economic Belt Infrastructure and Environment (FY13, delivered), Guangxi Laibin Water and Environment Management (FY13 delivered) Chongqing Small Towns Water Resources Integrated Management (FY15, delivered) Shaanxi Small Towns Infrastructure (FY15, delivered) Qinghai Xining Integrated Environment Management (FY15, delivered), Guilin Integrated Environment Management (FY15, delivered)</p> <p>Pipeline FY16-17: IBRD: Hubei Jingzhou Historic Town Conservation, Gansu Cultural and Natural Heritage 2, Lushan Earthquake Reconstruction, Henan Xinxiang new Urbanized Community Dev., Poyang Lake Water Env. Mgmt, Zhuzhou Brownfield Development, Hebei Air Pollution Prevention and Control Program, Jiangxi Integrated Rural / Urban Water Supply and Rural Wastewater, Ningbo Sustainable Urbanization; IFC United Water, Aqualyng, CHUEE Water, CEI Water</p> <p>ASA/AS: IFC: Water efficiency finance; CHUEE Water</p>

China CPS Results Matrix

Indicators	Milestones	Bank Group Interventions (indicative)
<p>1.3 PROMOTING LOW-CARBON URBAN TRANSPORT</p>		
<p><i>China 12th FYP Targets: Energy consumption per unit of GDP drops by 16%; and CO2 emissions per unit of GDP declines by 17%.</i></p>		
<p>1.3.1 Demonstration corridors successfully meeting public transport ridership, peak hour travel time and road safety targets <i>Baseline: 0</i> <i>Target: 25 corridors in 15 cities (2016)</i></p>	<p>Public Transport</p> <ul style="list-style-type: none"> - National sustainable urban transport framework and associated technical guidelines developed and issued by mid-2014 (GEF) - 30 cities use updated technical guidelines in designing 5 year master plan updates by 2015 (GEF) - Bus terminals, bus depots and stops, maintenance facilities constructed in four cities in Anhui by 2015 <p>Urban Transport Efficiency</p> <ul style="list-style-type: none"> - Road improvements on major urban traffic routes (>100 kms) in six cities in Liaoning, four cities in Anhui, and Xian, by 2015 - Roads constructed (17.1 km) and rehabilitated (7.31 km) in 6 small Model Development Towns demonstrating sustainable infrastructure service provision in Sichuan by 2015 <p>Urban Transport Safety</p> <ul style="list-style-type: none"> - Traffic management measures including Area Traffic control system and road safety program implemented in Xi'an 	<p>On-going: IBRD: Wuhan Second Urban Transport, Xi'an Sustainable Urban Transport, Anhui Medium Cities Urban Transport, Second Tianjin Urban Development and Environment, Sichuan Small Towns Development, Hubei Xiangyang Urban Transport, Shanxi Changzhi Sustainable Urban Transport, Xinjiang Yining Urban Transport, Kunming Urban Rail GEF: City Cluster Eco-Transport, Green Freight Demonstration</p> <p>Closed during CPS period: IBRD: Liaoning Medium Cities (FY14 closed), Guiyang Transport (FY14 closed), Taiyuan Urban Transport (FY14 closed), Fuzhou Nantai Island Peri-Urban Development (FY13 closed), GEF: Urban Transport Partnership (FY15 closed),</p> <p>Approved during CPS period: IBRD: Zhengzhou Urban Rail (FY15 delivered), Yunnan Honghe Prefecture Urban Transport (FY14, delivered), Qinghai Xining Urban Transport (FY14, delivered), Jiangxi NanChang Urban Rail (FY13, delivered), , Jiaozuo Green Transport (FY14, delivered) GEF: Large-City Congestion and Carbon Reduction (FY13, delivered)</p> <p>Pipeline FY16-17: IBRD: Urumqi Urban Transport 2, Wuhan Integrated Transport Dev., Ningbo Sustainable Urbanization, Tianjin Urban Transport Improvement</p> <p>ASA: China Urban Transport Knowledge Management Platform TA Program (FY15, delivered); Rail Financial Futures Analysis (FY13, delivered); Transport System Safety; Low-carbon Eco-city Financing Models and Low-carbon Industry Development</p>

China CPS Results Matrix		
Indicators	Milestones	Bank Group Interventions (indicative)
1.4 PROMOTING SUSTAINABLE AGRICULTURE PRACTICES		
<i>China 12th FYP Targets: Efficient use co-efficient of water used in agricultural irrigation rises to 0.53.</i>		
<p>1.4.1 Households and farms adopting targeted innovative sustainable practices (number) <i>Baseline: 0 (2011)</i> <i>Target: 450,000 (2015)</i></p> <p>1.4.2 Area where innovative sustainable practices have been demonstrated (ha) <i>Baseline: 0 (2011)</i> <i>Target: 100,000 ha (2015)</i></p>	<p>Agriculture Technology</p> <ul style="list-style-type: none"> - Pilot the establishment of 30,000 biogas digesters leading to an estimated annual reduction in CO2 emissions of 60,000 tons (EFP) - 30,000 farm technician training days in proved livestock production and waste management methods by mid-2014 (HELP) - Effective livestock waste management technologies demonstrated on large and medium scale farms in Shanghai rural areas by 2014 - Use of organic fertilizer and scientific application of agricultural chemicals demonstrated in Shanghai rural areas by 2014 <p>Irrigation</p> <ul style="list-style-type: none"> - 24 kms of irrigation canals rehabilitated in the Turpan Basin (XTWCP) and area with improved irrigation technologies increase in target areas from 0 to 8,000 ha by mid-2014 (CPRWRP) - 12 Farmer Drainage and Irrigation Associations functioning as per requirements by 2013 and appropriate incentives for water saving technologies and behaviors piloted (HRBFMR) - Female membership for Water User's Associations and Producer Groups in targeted areas in Sichuan Wudu increases from 0 in 2012 to 40 by mid-2014 <p>Food Safety</p> <ul style="list-style-type: none"> - 30 technical standards for safe agricultural practice developed and adapted to local conditions in Jilin by mid-2014 (JFSP) 	<p>Ongoing: IBRD: Henan Ecological Livestock, Jilin Food Safety, Xinjiang Turpan Water Conservation, Changjiang/Pearl River Watershed Rehabilitation, Sichuan Wudu Irrigation GEF: Shanghai Agricultural and Non-point Pollution Reduction, Mainstreaming Climate Change Adaptation in Agriculture, Huai River Basin Marine Pollution Reduction, Liaoning Bohai Sea Pollution; CF: Shandong Poultry Manure Biogas, Hubei eco-farming biogas; On-going IFC: Deqingyuan Egg; Muyuan Pig, North Andre Juice, JY Organic, Hwagain, Xiwang Sugar, Jiuda Salt, Koyo Fertilizer</p> <p>Closed during CPS period: IBRD: Eco-Farming (FY14 closed), GEF: Shandong Environment II (FY14closed)</p> <p>Approved during CPS period: IBRD: Integrated Modern Agriculture Development (FY14, delivered), Guangdong Agricultural Pollution Control (FY14, delivered), GEF: Climate Smart Staple Crop Production (FY15, delivered), Guangdong Non-Point Pollution Control (FY14, delivered), CF: Hebei large-farm biogas program, Shandong Household biogas program</p> <p>Pipeline FY16-17: IBRD: Jiangxi Farm Produce Distribution System Hunan Env. Cleanup of Agricultural Soils; IFC: Nature Forestry, Muyuan Pig</p> <p>ASA: Mainstreaming Water User Associations (IDF) (FY13, delivered), Economics of Adaptation to Climate Change in Water and Agriculture Sectors (FY13, delivered); Food Safety Engagement (FY13, delivered); Risk Assessment of China's Agriculture Product Quality and Safety</p>

China CPS Results Matrix

Indicators	Milestones	Bank Group Interventions (indicative)
<p>1.5 DEMONSTRATING SUSTAINABLE NATURAL RESOURCE MANAGEMENT APPROACHES <i>China 12th FYP Targets: Water usage per unit of industrial value added declines by 30%, and the efficient use co-efficient of water used in agricultural irrigation rises to 0.53. Forest cover rising to 21.66%, and the volume of standing forest adding 600 million m³.</i></p>		
<p>1.5.1 Targeted forest and range-land area rehabilitated and restored through successful demonstration of sustainable forest management models (ha) Baseline: 0 (2011) Target: 400,000 ha (2016)</p> <p>1.5.2 Targeted watershed area treated to reduce soil erosion Baseline (2010): 0 Target (2015): 1,800 km²</p> <p>1.5.3 Groundwater overdraft reduced in Turpan basin (million m³) Baseline: 0 (2011)Target: 3.75 (2016)</p> <p>1.5.4 People protected from flooding (number) Baseline: 0 (2011) Target: 6.5 million (2016)</p>	<p>Ecosystem Management and Restoration</p> <ul style="list-style-type: none"> - Mixed forest structures built with at least three tree species in IFDP project sites by 2013 and 38 different types of local tree and shrubs species in the Shandong project area by mid-2014 (SEAFP) - 27 different planting models introduced in five provinces to establish new multi-function forest plantations by mid-2014 (IFD) - 8 different afforestation models for degraded mountainous area introduced in Shandong province by mid-2014 (SEAP) - Guangxi provincial forest strategy formulated by 2012 (GIFD) - Technical and methodological approaches related to credible carbon sequestration piloted in Guangxi by mid-2014 - Shelter Belt Plantation contracts in place to protect farmland and infrastructure in Ningxia by mid-2014 (NDCP) - Management Effectiveness Score in Lake Aibi National Wetland Reserve increased by 10% and in five targeted nature reserves in Guangxi from score 43 (2006) to 70 by mid-2014 <p>Water Resources Management</p> <ul style="list-style-type: none"> - Waterways strengthened for improved flood protection and reduced soil erosion (85 km - Xining area; 61.4 km - Xiang River; 757 kms -Huai River basin) by 2014 - Three dams constructed in Turpan Basin (17 out of 29 contracts completed by mid-2014) (XTWCP) - 4389 Ha of crop fields protected against 10 year flood in the Jiangxi Gan river area by mid-2014 	<p>On-going: IBRD: Integrated Forestry Dvlpment, Shandong Ecological Afforestation, Changjiang/Pearl River Watershed Rehab, Sustainable Development in Poor Rural Areas, Guangxi Watershed Mgmt, Xinjiang Turpan Water Conservation, Huai River Basin Flood Mgmt, Xining Flood and Watershed Mgmt, Bayannaoer Water Reclamation & Environment, Changjiang/Pearl River Watershed Rehab Zhejiang Qiantang River Basin Small T, Ningxia Desertification Control, Second Water Conservation GEF: Sustainable Management and Biodiversity Cons. Lake Aibi Basin, CF: Reforestation on Degraded Land in Guangxi, Facilitating Reforestation; On-going IFC: Hwagain Paper, Nature flooring</p> <p>Closed during CPS period: IBRD: Guangxi Integrated Forestry Dvlpment (FY13 closed), Jiangxi Shihutang Navigation and Hydropower (FY14 closed), Hunan Urban Development (FY13 closed), GEF: Guangxi Integrated Forestry Dev and Conservation (FY13 closed)</p> <p>Approved during CPS period: IBRD: Hunan Forest Restoration and Development (FY13, delivered), Jiangxi Wuxikou Integrated Flood Management (FY14, delivered), Ma'anshan Cihu River Basin Environment (FY13, delivered), Guangxi Laibin Water Management (FY13 delivered), Huainan Mining Area Rehabilitation (FY15, delivered), Chongqing Small Towns Water Management (FY15, delivered) GEF: Promotion of Sustainable Cities in China (FY15 delivered)</p> <p>Pipeline FY16-17: IBRD:, Poyang Lake Water Env. Mgmt, Hunan Env. Cleanup of Agricultural Soils GEF: Landscape Approach to Wildlife Conservation ,</p>

China CPS Results Matrix		
Indicators	Milestones	Bank Group Interventions (indicative)
		<p>Integrated Water and Environment Mgmt; IFC: Nature Flooring II, Stora Enso II</p> <p>ASA: NE Forest Reform (FY14, delivered), Land policy dialogue, Transboundary rivers; Trial Conservation of Cultural Heritage Assets in Shandong Province (FY13, delivered)</p>
1.6 DEMONSTRATING POLLUTION MANAGEMENT MEASURES <i>China 12th FYP Targets: 8% reduction of SO2 emissions; 10% reduction in NOx emissions</i>		
<p>1.6.1 Successful demonstration of clean up/pollution reduction measures (e.g. adoption of BAT in municipal incinerators and pulp and paper mills)</p> <p>Baseline: 0 Target: 6 (2016)</p>	<p>Air / Water</p> <ul style="list-style-type: none"> - Motor Vehicle Emission Control Plan for Xian by mid-2014 (XUTP) - Demonstration of wetland for pollution reduction (66.5 ha) in Shanghai rural areas by 2015 <p>POPs</p> <ul style="list-style-type: none"> - All temporary PCB storage sites in Zhejiang identified, the low contaminated waste cleaned up and the highly contaminated waste disposed of by mid-2014 (PCB management project) - Best available techniques (BAT)/best environmental practices adopted in three selected municipal solid waste incinerators (GEF MSWP) and in four selected non-wood pulp mills by 2015 (GEF Pulp) <p>ODS</p> <ul style="list-style-type: none"> - Completion of the ODS phaseout plan for the pharmaceutical aerosol sector by mid-2014 - Demonstration projects to phase out HCFCs completed by mid-2014 - Production and consumption of HCFCs in the PU Foam Sector freeze at the baseline level by 2013 as per the Montreal Protocol 	<p>On-going: IBRD: Shandong Flue Gas Desulfurization, Bayannaoer Water Reclamation & Environment Improvement Xian Sustainable Urban Transport, Urumqi District Heating, Liaoning Third Medium Cities CF: HFC-23 Destruction co-purchase, GEF: Dioxins Reduction from the Pulp and Paper Industry, Shanghai Agricultural and Non-point pollution reduction, Green Freight Demonstration; On-going IFC: Universtar</p> <p>Closed during CPS period: GEF: PCB Management & Disposal (closed FY13), MP: ODS IV Phaseout (FY13 closed)</p> <p>Approved during CPS period: IBRD: Ningbo Municipal Solid Waste Minimization and Recycling (FY13, delivered), Guangdong Agricultural Pollution Control (FY14, delivered), Huainan Mining Area Rehabilitation (FY15 delivered) GEF: Municipal Solid Waste Management (FY15, delivered), Contaminated Sites Management (FY15, delivered), Promotion of Sustainable Cities in China (FY15 delivered)</p> <p>Pipeline FY16-17: IBRD: Zhuzhou Brownfield Dev., Hebei Air Pollution Prevention, Hunan Env. Cleanup of Agricultural Soils, Poyang Lake Water Env. Mgmt, GEF: Red./Phase-out of PFOs in priority sectors, Mercury NIP, MP: HCFC Phaseout</p>

China CPS Results Matrix		
Indicators	Milestones	Bank Group Interventions (indicative)
		ASA: Brownfields/Land remediation, Air Quality Action Planning, Non-Point Source Water Pollution
STRATEGIC THEME 2. PROMOTING MORE INCLUSIVE DEVELOPMENT		
2.1 INCREASING ACCESS TO QUALITY HEALTH SERVICES AND SOCIAL PROTECTION PROGRAMS		
<i>China 12th FYP Targets: The new rural social pension insurance regime provides full coverage, with the number of urban participants in the basic pension insurance scheme reaching 357 million, and the rate of participation in the three basic urban and rural medical insurance schemes rising by three percentage points.</i>		
<p>2.1.1 Additional population with access to primary health care services at community level in targeted service areas Baseline: 0 (2010) Target: 280,000 (2016)</p> <p>2.1.2 Public Health System scorecard rating for targeted counties Baseline: 61.78 (2008) Target: >80 (2013)</p> <p>2.1.3 Share of prefectures in Guangdong exchanging social insurance beneficiary data through integrated provincial MIS Baseline: 0% (2013) Target: 60% (2016)</p>	<ul style="list-style-type: none"> - At least 50% of targeted counties implementing the healthy village standards by mid-2014 (RHP) - At least 8 counties have implemented the successful models on comprehensive county hospital reform by mid-2014 (RHP) - At least half of project hospitals have standard cost accounting system producing quarterly departmental unit cost data by 2016 (CURIP II) - 320 standardized community-level health care facilities put into operation in targeted service areas in Chongqing by mid-2014 (CURIP II) - Provincial approval by Guangdong of MIS architecture and technical specifications by 2014 	<p>On-going: IBRD: Chongqing Urban-Rural Integration, Chongqing Rural-Urban Integration II (county health services) TF: Avian Influenza IFC: Aier Medical, BUFH, Chindex, Healthway, Wanjie Hospital, Fosun Pharma Intl, Weigao, BioChina, Q&M, APMG</p> <p>Closed during CPS period: IBRD: Rural Health (closed FY14),</p> <p>Approved during CPS period: IBRD: Guangdong Social Security Integration and Rural Workers Training (FY13, delivered)</p> <p>Pipeline FY16-17: IBRD: Anhui Aged Care, Health Service Delivery Reform; IFC: Asia Heart</p> <p>ASA: Health Programmatic ASA (FY16 planned); Social Protection and Labor Market Programmatic ASA (FY17 planned); HMIS IDF; Demand Analysis of Old Age Health Services in Both Demand and Supply Sides (FY16 planned); Developing and Improving China's Pension System (FY14, delivered); Early Child Development (FY14, delivered) Health and Medicine System Reform (FY16, planned); Strengthening China's Dibao Program (FY16, planned)</p>
2.2 STRENGTHENING SKILLS DEVELOPMENT PROGRAMS, INCLUDING FOR MIGRANTS		
<i>China 12th FYP Targets: Senior secondary education retention rate increase from 82.5% to 87%.</i>		
<p>2.2.1 Graduates who pass skill certification exams in targeted institutions (%)</p>	<ul style="list-style-type: none"> - Strengthened linkages between targeted institutes and industry through advisory boards, partnerships and contract arrangements by 2015 	<p>On-going: IBRD: Chongqing Urban-Rural Integration, Liaoning and Shandong Technical and Vocational Education, Sustainable Development in Poor Rural</p>

<p>Baseline: LN: 90%; SD:93.5%; GD: 70%; YN: 84% (2010) Target: LN: 96%; SD:98%; GD: 85%; YN: 93% (2015)</p> <p>2.2.2 Graduates finding initial employment within 6 months of graduation (%) Baseline: LN:72%; SD 73.4%; GD: 34%; YN: 58% (2010) Target: LN: 82%; SD:88.2%; GD: 56%; YN: 75% (2015)</p> <p>2.2.3 Migrant trainees successfully completing targeted vocational training programs in project schools (%) Baseline: 84% (2011) Target: 96% (2014)</p>	<ul style="list-style-type: none"> - Curricula and training materials in targeted training institutions in Chongqing, Liaoning, Shandong, Guangdong and Yunnan upgraded to increase the quality and relevance by 2015 - More than 50% of students in targeted institutions in Guangdong, Shandong, Liaoning, Yunnan enrolled in modular, competency-based curriculum by 2015 - At least 60% of students in targeted institutions in Guangdong, Shandong, Liaoning, Yunnan assessed with outcomes-based systems by 2015 	<p>Areas, Yunnan Technical and Vocational Education and Training; On-going IFC: Ambow Education Holding Ltd</p> <p>Closed during CPS period: IBRD: Guangdong Tech & Vocational Education and Training (FY15 closed), Rural Migrant Skills Dev. and Employment (FY15 closed)</p> <p>Approved during CPS period: IBRD: Guangdong Social Security Integration and Rural Workers Training (FY13, delivered), Xinjiang TVET (FY15 delivered) Poverty Alleviation and Agri Dev Demonstration in Poor Areas (FY15 delivered) Economic Transformation and Institutional Capacity Building (FY14, delivered)</p> <p>Pipeline FY16-17: IBRD: Yunnan Early Childhood Education, Guangdong Compulsory Education, Gansu TVET</p> <p>ASA: Programmatic Skills TVET ASA, Korean TF, Social Protection and Labor Market Programmatic ASA (FY17 planned); Skills Development in Four Economic Sectors in Yunnan Province (FT13, delivered)</p>
2.3 ENHANCING OPPORTUNITIES IN RURAL AREAS AND SMALL TOWNS		
<p>2.3.1 People with access to safe water supply and sanitation in targeted rural areas Baseline: 40,392 Anhui, Chongqing, Guangxi (2011); 378,000 (Shaanxi, Sichuan) (2011) Target: (i) Anhui, Chongqing, Guangxi – 150,000 (2014), (ii) Shaanxi – 326,716 (2012), Sichuan – 258,000 (2012)</p> <p>2.3.2 People in targeted rural areas with access to an all season road Baseline: 950,000 (Ningxia, Fujian, Guiyang) (2010) Target: (i) Ningxia - 240,000 (ii) Fujian - 1,250,000 (iii) Guiyang 110,000 (2016)</p>	<p>Rural Water and Sanitation</p> <ul style="list-style-type: none"> - 100 villages in Ningbo with wastewater treatment infrastructure by mid-2014 (NNCDP) - All financed water supply schemes operating sustainably after one year <p>Rural Transport</p> <ul style="list-style-type: none"> - Rehabilitation of about 5000 km of rural roads under Fujian’s Rural Roads Improvement Program by 2015 - 500 kms of new village roads or paths connecting households to village roads and 315 km of village roads connecting natural villages to each other in Anhui, Chongqing, Guangxi by 2014 (EFP) - 241 villages connected by project roads and 348 villages serviced by project rural bus stations in Guiyang - 9 local roads (about 100 km) in the poorest counties in Ningxia improved by mid-2014 <p>Financial Inclusion (IFC)</p>	<p>On-going: IBRD: Ningbo New Countryside Development, Chongqing Urban-Rural Integration, Sustainable Development in Poor Rural Areas, W. Region Rural Water & Sanitation, , Ningxia Highway project, Integrated Rural Economic Development of Demonstration Towns and Counties, On-going IFC : Xiwang Sugar; North Andre Juice, Epure BOT II--Water, CEF IV--FM, Nature Elements—CC Fund in frontier, CGCCD—Earthquake restoration; Fullerton Credit, Beichuan VTB AS, CHUEE SME IB, CHUEE SME SPDB, ZhongAn Credit, Shenzen VTB., MC China, CFPA MFI, Xinjiang MCC, Harbin Bank VTB, CGCCD Rsf.</p> <p>Closed during CPS period: IBRD: Fujian Highway Sector Investment, Guiyang Transport (FY14 closed)</p> <p>Approved during CPS period: IBRD: Guiyang Rural Roads (FY14, delivered), Yellow Mountain New</p>

<p>2.3.3 Increase access to financial services for Micro Finance Clients (IFC) Baseline: 0 Target: 7 million (2016)</p> <p>2.3.4 People benefitting from improved access to services and income generating activities by 2015 Baseline: 0 Target: 715,298 people in 25 counties in Henan, Chongqing and Shaanxi</p>	<ul style="list-style-type: none"> - PRGC is developed into a competitive rural guarantee company serving micro, small, and rural clients by 2014 - Successfully transformed CFPA into a professionally managed microfinance institution by 2014 - A full range of financial services developed for small and micro enterprises in rural areas for client MFIs by 2014 <p>Poverty Alleviation Approaches</p> <ul style="list-style-type: none"> - More innovative ways of providing poverty reduction assistance to the poorest communities and households in Henan, Shaanxi and Chongqing piloted through CDD and participatory approaches (with 60% of the 770 participating villages completing multiyear development plans by mid-2014) (SDPRAP) - Women participating in village committees in targeted areas increase from 0 % in 2011 to 25% by mid-2014 (SDPRAP) 	<p>Countryside Demonstration (FY14, delivered), Xuancheng Infrastructure for Industrial (FY14, delivered in FY13), Zhejiang Rural Water Supply and Sanitation (FY15, delivered) Economic Transformation and Institutional Capacity Building (FY14, delivered) , Guizhou Rural Development (FY15, delivered), Poverty Alleviation and Agri Dev. Demon (FY15, delivered)</p> <p>Pipeline FY16-17: IBRD: Tongren Rural Transport, Ningbo Sustainable Urbanization, Henan Xinxiang New Urbanized Community Dev., Hubei Xiaogan Logistic Infra., Guangxi Poverty Alleviation, Shaanxi Poor Rural Areas Community Dev.; IFC: Ant Finance, JD Rural Finance, Bank of Luo Yang.</p> <p>ASA: Improving Public Expenditure in Rural China (IDF), Sustainable Financing Mechanism for Small Town Infrastructure Development (FY15, delivered), The Mortgage of the Right to Contract for Management in Rural Areas, Housing Policies (FY15, delivered), Urbanization Study (FY15, delivered); Inclusive Finance Academy in China (IFA) (FY15, delivered); Innovation Model of Affordable Housing Investment and Financing; Promoting Inclusive Innovation in China (FY14, delivered); Financial Consumer protection and Financial Literacy in China (FY16, planned); Sub-national Public Finance and Debt Management (FY15, delivered); IFC: Network China Foundation for Poverty Alleviation, Microfinance Transformation IS, CHUEE AS.</p>
<p>2.4 IMPROVING TRANSPORT CONNECTIVITY FOR MORE BALANCED REGIONAL DEVELOPMENT</p>		
<p>2.4.1 Reduction in transit times on railway sections connecting less developed regions with more developed (% , min)</p> <p>(i) Sanyanqiao – Litang West: 72% (450 min) (2015)</p> <p>(ii) Guiyang – Guangzhou: 78% (1170 min) (2016)</p> <p>(iii) Liupanshui - Qujing: 47% (105 min) (2012)</p> <p>(iv) Shijiazhuang – Zhengzhou: 61% (120 min) (2013)</p>	<p>Railways</p> <ul style="list-style-type: none"> - 355 km high-speed passenger rail line between Shijiazhuang (Hebei) and Zhengzhou (Henan) completed by 2015 - 254 km Liupanshui-Zhanyi section of the Guiyang-Kunming railway line upgraded to increase capacity and reduce travel times by 2012 - 400 km high-speed passenger and freight line between Sanyanqiao – Litang West completed by 2014 - 75% of civil works on new shorter and more direct railway line linking northwestern China (Guiyang) with the Pearl River Delta completed by mid-2014 	<p>On-going: IBRD: Guizhou-Guangzhou Railway, ShiZheng Railway ,Jilin-Hunchun Railway, NanGuang Railway, Anhui Highway Rehab & Improvement, Hubei Yiba Highway, Fujian Highway Sector Investment, Ningxia Highway, Anhui Shaying River Channel Improvement, Zhangjiakou-Hohhot High Speed Railway GEF: Guangdong Green Freight Demonstration</p> <p>Closed during CPS period: IBRD: 3rd National Railway (closed FY13), Jiangxi Shihutang Navi & Hydropower (closed FY14)</p>

<p>2.4.2 Increase in railway capacity (train pairs/day) <i>(i) Sanyanqiao – Litang West: 185% (2015)</i> <i>(ii) Guiyang - Guangzhou: 400% (2016)</i> <i>(iii) Liupanshui - Qujing: 61% (2012)</i></p> <p>2.4.3 Annual volume of cargo along targeted waterways <i>(i) Shaying river (passing Yingshang Lock)</i> <i>Baseline: 0.17 million ton (2009)</i> <i>Target: 3.07 million ton (2015)</i></p> <p>2.4.4 Travel time reduction on targeted road corridors <i>(i) Yongan (Fujian) – Wuping (Guangdong border): 67% (2013)</i> <i>(ii) Qingtongxia –Guyaozi (Ningxia):60% (2015)</i> <i>(iii) Yichang – Badong (Hubei):travel time is 2.5 hours or less (2015)</i></p>	<ul style="list-style-type: none"> - 40% of civil works on new 360 km passenger-dedicated rail line between Tumen and Jilin completed by mid-2014 <p>Waterways</p> <ul style="list-style-type: none"> - Navigable time per year for 1000 ton vessels on 38 km channel on Nanchang- Ganzhou corridor increase from 27% in 2007 to 95% by mid-2014 - 205.6 kms of Class IV channel are upgraded along Anhui Shaying River by 2015 <p>Roads</p> <ul style="list-style-type: none"> - Green Freight Technology Rebates and Performance Based Incentive schemes to improve energy and economic efficiency of fleet in Guangdong demonstrated by mid-2014 - Expressway connecting the two major industrial areas that are the backbone of Ningxia’s economy constructed by 2015 - 195.2 km Yong’an- Wuping Expressway (Fujian province) completed by mid-2014 - Pilot provincial road contract maintenance approaches in Fujian and Anhui by mid-2014 - 890 km key national and provincial roads rehabilitated and maintained and 320 km improved in Anhui by mid-2014 - Innovative environmental compliance framework with incentive system developed and implemented in the Yiba Highway project (Hubei) 	<p>Approved during CPS period: IBRD: Harbin-Jiamusi Railway (FY14 delivered), Fujian Meizhou Bay Waterways (FY13, delivered), Jiangxi Shangrao Sanqingshan Airport (FY13, delivered), Fujian Fishing Ports (FY14, delivered), Yunnan Highway Assets Management (FY15, delivered), JiaoZuo Green Transport (FY14 delivered), Gansu Rural-Urban Integration (FY15, delivered), Heilongjiang Cold Weather Smart Public Transportation System (FY14 delivered)</p> <p>Pipeline FY16-17: IBRD: , Yinchuan-Xi'an Railway , Wuhan Integrated Transport Dev., Ningbo Sustainable Urbanization, Hubei Xiaogan Logistic Infra., Anhui Road maintenance Innovation, Three Gorges Modern Logistics Center</p> <p>ASA: Regional Impact Analysis of Railway (FY15, delivered)</p>
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Annex 2: Summary of Changes to the Results Framework

<i>Current Indicators/Milestones</i>	<i>Proposed Changes to Indicators /Milestones⁸</i>
1.1 SHIFTING TO A SUSTAINABLE ENERGY PATH	
<i>1.1.1 Associated annual energy savings from energy efficiency investments (million tons of coal equivalent)</i>	<i>1.1.1 Associated <u>cumulative</u> energy savings from energy efficiency investments (million tons of coal equivalent)</i> <i>Baseline: 0 (2011) Target: 10 mtce (2016)</i> [Indicator revised to facilitate systematic monitoring and aggregation across portfolio]
- Energy savings verification system developed by 2015	- Energy consumption monitoring system designs developed by 2015
- Innovative pilots for promoting renewable and cleaner energy and energy efficiency including in Shanghai and Tianjin launched by 2013	- Innovative pilots and programs for promoting cleaner energy use in targeted cities launched by 2013
- Gas utilization applications demonstrated by 2015	- Gas utilization application demonstrations launched by 2015
- Technology needs assessment completed	Drop
1.2 ENHANCING URBAN ENVIRONMENTAL SERVICES	
<i>1.2.1 People with access to improved water supply in more than 50 targeted small towns and cities:</i> - <i>Baseline: 2.6 million (2011) Target: 6.8 million (2015) (WB)</i>	<i>Baseline revised to 1.72 million and target revised to 6.5 million by 2015 due to change in the cities financed under the program.</i>
- Increased water production capacity, rehabilitation and expansion of distribution networks in 38 Henan and 68 Jiangsu towns by 2014	- Increased water production capacity, rehabilitation and expansion of distribution networks in 20 Henan and 84 Jiangsu towns by 2015
<i>1.2.3 People with access to improved wastewater management services (number)</i> <i>Baseline: 586,000 (2011) Target: 2.2 million (2015)</i>	<i>Target revised to 6.7 million with the inclusion of results from several additional projects (compared to the original). Slight adjustment of the baseline to 554,000.</i>
- Five new wastewater treatment plants in seven second-tier cities in Hubei by 2014	- Three new wastewater treatment plants in five second-tier cities in Hubei by 2015
<i>1.2.4 Solid waste collected and transferred to sanitary landfills in eight targeted cities (%)</i> <i>Baseline: 0% Target: 80% (2015)</i>	<i>Indicator changed to Targeted cities with at least 90% of waste collected and disposed (number)</i> <i>Baseline: 0 Target: 8 (2016)</i> [Indicator revised to facilitate systematic monitoring and aggregation across portfolio]

⁸ Explanation for changes in milestones are provided in Annex 3.

<i>Current Indicators/Milestones</i>	<i>Proposed Changes to Indicators/Milestones⁸</i>
- Land fill capacity constructed : Liaoning 2,170 tons/day by 2012; Yunnan 470 tons/day by mid-2014	- Land fill capacity constructed : Liaoning 1,400 tons/day by 2012; Yunnan 535 tons/day by mid-2014
- 446 mu dump sites closed (Hubei seven cities)	- 16 ha dump sites closed (Hubei five cities) by 2015
1.3 PROMOTING LOW-CARBON URBAN TRANSPORT	
<i>1.3.1 Demonstration corridors successfully meeting public transport ridership, peak hour travel time and road safety targets</i> <i>Baseline: 0</i> <i>Target: 26 corridors in 22 cities (2015)</i>	<i>Target revised to 25 corridors in 15 cities due to reduction in scope of program in several cities, delays encountered linked to counterpart funding issues and cost escalations in particular of resettlement activities due to the booming housing market in many cities.</i>
- Improved service on thirteen demonstration bus routes in Xian and five high demand demonstration corridors in Wuhan by 2014	Drop
- Demonstration bus priority scheme developed and bus infrastructure constructed in Taiyuan by 2014	Drop
- Road improvements on major urban traffic routes (>100 kms) in six cities in Liaoning, four cities in Anhui, Xian, Wuhan and Taiyuan by mid-2014	- Road improvements on major urban traffic routes (>100 kms) in six cities in Liaoning, four cities in Anhui, and Xian by 2015
- Roads constructed (36.6 km) and rehabilitated (7.6 km) in 6 small Model Development Towns demonstrating sustainable infrastructure service provision in Sichuan by 2014	- Roads constructed (X km) and rehabilitated (X km) in 6 small Model Development Towns demonstrating sustainable infrastructure service provision in Sichuan by 2015
- Creation of a Ming Walled City bicycle route in Xian by mid-2014	Drop
- Road safety measures implemented on targeted corridors in Wuhan by mid-2014	Drop
- Traffic safety and management program implemented on main transport corridors in Taiyuan city by 2014	Drop
1.5 DEMONSTRATING SUSTAINABLE NATURAL RESOURCE MANAGEMENT APPROACHES	
<i>1.5.4 People protected from flooding (number)</i> <i>Baseline: 0 (2011) Target: 10 million (2015)</i>	<i>Revise target to 6.5 million.</i>
1.6 DEMONSTRATING POLLUTION MANAGEMENT MEASURES	
<i>1.6.1 Successful demonstration of clean up/pollution reduction measures (e.g. adoption of BAT in municipal incinerators and pulp and paper mills)</i> <i>Baseline: 0 Target: 7 (2015)</i>	<i>Revise target to 6.</i>
- Action plans for addressing air pollution issues completed for at least 4 of the most polluted cities by mid-2014	Drop

<i>Current Indicators/Milestones</i>	<i>Proposed Changes to Indicators/Milestones⁸</i>
- Demonstration of wetland for pollution reduction (66.5 ha) in Shanghai rural areas by 2014	Revise to "... by 2015"
1.7 STRENGTHENING INSTITUTIONAL AND FINANCIAL MECHANISMS FOR CLIMATE CHANGE	
<i>Outcome dropped</i>	
2.1 INCREASING ACCESS TO QUALITY HEALTH SERVICES AND SOCIAL PROTECTION PROGRAMS	
<i>2.1.2 Inpatients in project hospitals referred to upper level hospitals, disaggregated by gender Baseline: 8.5% (2010) Target: 6% (2016)</i>	<i>Drop indicator as will be achieved beyond time frame of CPS.</i>
<i>2.1.4 Share of prefectures in Guangdong exchanging social insurance beneficiary data through integrated provincial MIS Baseline: 0% (02/2013) Target: 70% (2016)</i>	<i>Revise target to 60%.</i>
2.2 STRENGTHENING SKILLS DEVELOPMENT PROGRAMS, INCLUDING FOR MIGRANTS	
- Migrant Worker Service Centers established in Chongqing by mid-2014 (SDPRAP)	Drop
2.3 ENHANCING OPPORTUNITIES IN RURAL AREAS AND SMALL TOWNS	
- 80% of people in targeted communities and schools have adopted safe hygiene and sanitation behaviors by mid-2014 (RRWSP)	Drop
2.4 IMPROVING TRANSPORT CONNECTIVITY FOR MORE BALANCED REGIONAL DEVELOPMENT	
<i>2.4.1 Reduction in transit times on railway sections connecting less developed regions with more developed (% , min) (iv) Guizhou – Yunnan: 47% (105 min) (2012)</i>	<i>(iv) Clarify that the section goes from Liupanshui to Qujing (242 km) with a reduction in time from 4h 10 to 2h13 as the distance between two provinces is not meaningful as an indicator. [This clarification also applies to 2.4.2 (iii)]</i>
<i>2.4.3 Annual volume of cargo along targeted waterways (i) Gan River Baseline: 85 million ton (2007) Target: 131.6 million ton (2013)</i>	<i>(i) Drop due to implementation delays.</i>
<i>2.4.4 Travel time reduction on targeted road corridors (iii) Yichang – Badong (Hubei):42% (2015)</i>	<i>In line with project reporting, it is proposed to revise to measure this in hours of travel time rather in % reduction. (target is 2.5hours or less)</i>

Annex 3: Summary of Progress toward CPS Objectives

China CPS Results Matrix			
STRATEGIC THEME 1. SUPPORTING GREENER GROWTH			
1.1 SHIFTING TO A SUSTAINABLE ENERGY PATH			
China 12 th FYP Targets: Non-fossil fuel energy accounts for 11.4% of primary energy consumption; energy consumption per unit of GDP drops by 16%; and CO2 emissions per unit of GDP declines by 17%.			
Indicators	Milestones	Status	Milestones Comments
<p>1.1.1 Associated annual energy savings from energy efficiency investments (million tons of coal equivalent) Baseline: 2.22 (2011) Target: 8.94 (2015)</p> <p>Progress (04/2015): Indicator is revised to track cumulative savings. Progress is 7 mtce (cumulative) against 2015 target of 10.</p> <p>[Revise/On Track]</p>	<p>Renewable Energy (RE)</p> <ul style="list-style-type: none"> - Policies promoting smoother grid integration developed by mid-2014 	Achieved	The GEF-financed China Renewable Energy Scale Up Program supported the development of the 13th Renewable Energy Five Year Plan, which for the first time integrates renewable energy generation plans with transmission plans to address grid integration bottlenecks.
	<ul style="list-style-type: none"> - Renewable energy quota system established by mid-2014 	Watch	The renewable energy quota system was submitted to the State Council in late 2014, It is expected to be approved in 2015.
	<ul style="list-style-type: none"> - Distributed generation piloted by mid-2014 	Achieved	The distributed generation pilot is underway. Solar PV systems have been installed at 167 schools in Beijing under the under the Beijing Rooftop PV Project.
	<p>Energy Efficiency (EE)</p> <ul style="list-style-type: none"> - Innovative pilots for promoting adoption of energy efficiency in at least three provinces promoted by 2015 	Achieved	<p>There were significant impacts in terms of policies, programs, and institutional capacity, for example:</p> <ul style="list-style-type: none"> • In Jiangxi, energy efficiency pricing and fiscal policy studies supported issuance of energy pricing, taxation, and fiscal policies. • In Shandong, technical assistance activities led to the issuance of energy management system standard implementation guidelines for paper making, thermal power, and cement. Methodology and policy development of energy savings trading led to a pilot and a total trading transaction of 20,000 tce of energy savings. • In Shanxi, key recommendations from a coal pricing study have been adopted in the Shanxi Resources Utilization Reform Implementation Plan.
	<ul style="list-style-type: none"> - Energy savings verification system developed by 2015 	Revise/ On Track	A national online monitoring system to track energy savings against national targets has been designed and piloted. Also, two provinces, including the largest energy consuming province in China, have each designed a provincial-level enterprise energy
<p>1.1.2 GHG emissions expected to be avoided (metric tons/year) Baseline: 0 Target: 20 million (IFC)</p> <p>Progress (03/2015): 19.9 million</p> <p>[Achieved]</p>			

China CPS Results Matrix

	<p><i>[Revise to: “Energy consumption monitoring system designs developed by 2015”.]</i></p>		<p>consumption on line monitoring platform to support government supervision of energy efficiency policies.</p>
	<p>- EE standards and guidelines for green field investments developed by mid-2014</p>	<p>Achieved</p>	
	<p>- 6 FIs and 3 Hangzhou banks have stronger capacities to offer EE/RE products by 2015 (WB/IFC)</p>	<p>On Track</p>	<p>IFC: 4 FIs have stronger capacities to offer EE/RE projects with 217 EE/RE projects financed to date.</p> <p>WB: The China Energy Efficiency Financing Project has mobilized nearly \$900 million from two Banks (Huaxia and China Export Import Bank) for EE investments in large and medium enterprises. Also, the Shandong Energy Efficiency Project, though slow disbursing, is demonstrating the viability of using financial leasing for energy efficiency projects.</p>
	<p>- Green Building Codes for commercial and residential buildings developed by 2015 (IFC)</p>	<p>Achieved</p>	<p>IFC has shifted its focus to working with the private sector. After the Ministry of Housing and Urban-Rural Development finished revising its green building rating system (known as 3-star rating system), it opted not to work further with IFC on Green Building Finance Guidelines or other regulations. Since then, IFC has turned its attention to promoting its EDGE system, which has been rolled out globally to help the building sector understand the fundamental business opportunities in developing green buildings. Over the past few months, IFC has concentrated on scoping potential EDGE certification projects in China and on working with private sector enterprises to help them leverage the EDGE tool into their property portfolio and/or development plans. To these ends, IFC has been promoting the EDGE system at conferences and reaching out to select private developers, helping illustrate the environmental and financial benefits of building green.</p>
	<p>Low Carbon Cities</p>		
	<p>- Innovative pilots for promoting renewable and cleaner energy and energy efficiency including in Shanghai and Tianjin launched by 2013</p> <p><i>[Revise to “Innovative pilots and programs for promoting cleaner energy use in targeted cities launched by 2013”]</i></p>	<p>Revise/ Achieved</p>	<p>The Bank energy team co-led the development of the Green Urbanization Chapter in the <i>Urban China</i> report launched in 2014 that defined a comprehensive agenda for sustainable urban development. The Green Energy for Low Carbon City Project and the Urban Scale Energy Efficiency and Renewable Energy Project supporting Beijing and other cities in selected low carbon city policies are ongoing. This is complemented by studies including Developing a Low Carbon Strategy in Shenzhen and Applying Abatement Cost Curve Methodology for Low Carbon Strategy in Changning District, Shanghai.</p>

China CPS Results Matrix

China CPS Results Matrix			
	New Technologies		
	- Gas utilization applications demonstrated by 2015	Revise/ Watch	The Shanxi Gas Utilization Project effective in 2014 is currently procuring major contracts. It is unlikely the entire project will be completed by 2015. The Shanxi CBM Development and Utilization Project, effective in 2009, has one LNG train in commercial operation but the second is still under implementation.
	<i>[Revise to: Gas utilization application demonstrations launched by 2015].</i>		
	- Schemes to promote access to clean household energy developed by 2015	Achieved	The China Clean Stove Initiative ASA, supported by the Government of Australia, is nearly completed.
	- Knowledge on feasibility of CCS deployment gained	Achieved	The China CCS Capacity Building Technical Assistance deliverables were submitted to the clients.
- Technology needs assessment completed	Drop	The TNA Project will not be completed by end of 2015.	

1.2 ENHANCING URBAN ENVIRONMENTAL SERVICES

China 12th FYP Targets: The urbanization rate increases by 4 percentage points, and the coordination of urban, rural and regional development is further strengthened.

Indicators	Milestones	Status	Milestones Comments
<p>1.2.1 People with access to improved water supply in more than 50 targeted small towns and cities: <i>Baseline: 2.6 million (2011) Target: 6.8 million (2015) (WB)</i> <i>Baseline: 4.6 million (2010) Target 5.0 million (2014) (IFC)</i></p> <p>Progress (04/2015): 6.17 million (WB) Progress (12/2013): 6.8 million (IFC)</p> <p><i>[Note WB: Baseline revised to 1.72 million and target revised to 6.5 million due to changes in the cities financed under the program.]</i></p> <p><i>[Revise/On Track]</i></p>			
	Water supply		
	- Increased water production capacity, rehabilitation and expansion of distribution networks in 38 Henan and 68 Jiangsu towns by 2014	Revise/ On Track	Henan: The total number of beneficiaries added by the project accounts to 1.087 million in 20 project counties (the number of participating counties was reduced from the original 38).
	<i>[Revise to "Increased water production capacity, rehabilitation and expansion of distribution networks in 20 Henan and 84 Jiangsu towns by 2015"]</i>		Jiangsu: On track with about 500,000 cubic meters per day of treated bulk water supply added. Another 200,000 cubic meter per day capacity will be added by the Nanjin Longtan water treatment plant to be completed in mid-2015. Transmission and coverage of water supply has increased to 84 towns and villages in total, exceeding the target. Coverage of water supply in project cities has now reached 100%.
	- Bengbu Municipality (population 3.5 million) has increased water reliability (90 days of emergency water supply) by mid-2014	Achieved	The target was achieved when the Tianhe Pump Station was completed and put into operation in 2014, raising the water storage level of Tianhe River by 1 m to improve the reliability of the water supply of the city.
	- 3 banks improve lending process for water efficiency and water quality improvement projects and lend \$100 million by mid-2014 (IFC)	Watch	1 bank has improved lending process for water efficiency and water quality improvement projects and lent US\$ 26.8 million.

China CPS Results Matrix

<p>1.2.2 Targeted towns and cities with at least 70% of municipal wastewater treated annually Baseline: 0 Target: 25 (2015)</p> <p>Progress (04/2015): 25</p> <p>[Achieved]</p> <p>1.2.3 People with access to improved wastewater management services (number) Baseline: 586,000 (2011) Target: 2.2 million (2015)</p> <p>Progress (04/2015): 6.6 million [Note: Additional projects compared to the original list were included. Revised target for 2016 is 6.7 million.]</p> <p>[Revise/On Track]</p> <p>1.2.4 Solid waste collected and transferred to sanitary landfills in eight targeted cities (%) Baseline: 0% Target: 80% (2015)</p>	<ul style="list-style-type: none"> - 20 industrial facilities or 3 industrial zones reduce 20% of water consumption, or increase the alternatives of fresh water by 20%, or decrease 20% of total pollutants from wastewater discharge by mid-2014 (IFC) 	On Track	To date 19 industrial facilities have reduced water consumption by around 9.6 million cubic meters/year or equivalent to roughly 20% reduction on average.
	<ul style="list-style-type: none"> - Increased water supply capacities by 25 million m3 per year (IFC) 	On Track	Two investment clients have expanded wastewater treatment capacity by on average a total of 206 million m3 per year.
	Wastewater collection, disposal and treatment		
	<ul style="list-style-type: none"> - Five new wastewater treatment plants in seven second-tier cities in Hubei by 2014 [Revise to "Three new wastewater treatment plants in five second-tier cities in Hubei by 2015"] 	Revise/ On Track	The project was restructured: it now extends wastewater services to 822,000 people with 3 (instead of 5) newly built wastewater treatment plants in 5 (instead of 7) second tier cities in Hubei (Han River Basin).
	<ul style="list-style-type: none"> - Wastewater treatment plan with installed capacity of 100,000 m3 day in Tianjin meeting class 1B discharge standards by mid-2014 	Achieved	Treatment plan completed and operating as planned.
	<ul style="list-style-type: none"> - 200,000 m3/day additional WWTP capacity in four cities in Liaoning by mid-2014 	Achieved	Three new wastewater treatment plants with a combined capacity of 250,000 tons per day were completed in Yingkou, Panjin, and Gaizhou
	<ul style="list-style-type: none"> - 240,000 m3/day additional WWTP capacity in Jiangnan WWTP in Nanning by 2015 	Achieved	The treatment capacity of the Jiangnan Wastewater Treatment Plant was expanded from 240,000 m3/day to 480,000 m3/day as planned, and the additional capacity is in full operation. In addition, wastewater treatment capacity of 102,000 m3/day has been established in five Nanning county seats. 5 out of 6 project areas reached a treatment level of more than 70%.
	Solid waste collection and disposal		
	<ul style="list-style-type: none"> - Land fill capacity constructed : Liaoning 2,170 tons/day by 2012; Yunnan 470 tons/day by mid-2014 [Revise to "Land fill capacity constructed : Liaoning 1,400 tons/day by 2012; Yunnan 535 tons/day by mid-2014"] 	Revise/ Achieved	Liaoning: A modern sanitary landfill capacity by 1,400 ton/day was constructed in Fushun. The construction of a sanitary landfill in Panjin was completed with alternative source of funds. Yingkou EDZ also decided to cancel the solid waste sub-component due to difficulties in securing a sustainable location for the landfill. The project scope was formally restructured in April 2014. Yunnan: All planned sanitary landfills are operating, providing a combined the capacity to dispose of up to 535 tons of solid waste per day. Hebei: All five sanitary landfills have been completed and are either under commissioning or test run.
	<ul style="list-style-type: none"> - 446 mu dump sites closed (Hubei seven cities) 	Watch	Three old dump sites have been closed and two more are in the progress of being closed. Two cities identified alternative financing

China CPS Results Matrix			
Progress (04/2015): 60% <i>[Note: Indicator is being revised to track the number of targeted cities where at least 90% of solid waste is collected and disposed of in sanitary landfill]</i> [Revise/Watch]	<i>[Revise to "16 ha dump sites closed (Hubei five cities) by 2015"]</i>		for the solid waste infrastructure and withdrew from the project, bringing the total number down from 7 to 5.
	- New program piloting household-based waste source separation launched in Ningbo by 2015	On Track	Numbers of households in pilot communities participating now stand at 62,400, and 15 ton/d kitchen waste is collected from the communities.
	Earthquake restoration in Sichuan and Gansu - Reconstruction and appropriate expansion of infrastructure services in 16 counties in Sichuan and 7 counties in Gansu with 100% of facilities built to applicable government standards for flood and seismic hazards	On Track	Most infrastructure services have been reconstructed, expanded, and put into operation.
1.3 PROMOTING LOW-CARBON URBAN TRANSPORT <i>China 12th FYP Targets: Energy consumption per unit of GDP drops by 16%; and CO2 emissions per unit of GDP declines by 17%.</i>			
Indicators	Milestones	Status	Milestones Comments
1.3.1 Demonstration corridors successfully meeting public transport ridership, peak hour travel time and road safety targets Baseline: 0 Target: 26 corridors in 22 cities (2015) Progress (04/2015): 14 corridors in 7 cities <i>Note: target is being revised to 25 corridors in 15 cities</i> [Revise/Watch]	Public Transport		
	- National sustainable urban transport framework and associated technical guidelines developed and issued by mid-2014 (GEF)	Achieved	
	- 30 cities use updated technical guidelines in designing 5 year master plan updates by 2015 (GEF)	Achieved	
	- Improved service on thirteen demonstration bus routes in Xian and five high demand demonstration corridors in Wuhan by 2014	Drop	For Xi'an, 11 bus routes were taken out of the project as part of a restructuring. They are separately implemented by the Xi'an Municipality. Implementation of 2 bus routes is ongoing under the project. For Wuhan, significant delays in implementation.
	- Bus terminals, bus depots and stops, maintenance facilities constructed in four cities in Anhui by 2015	On Track	Target number of facilities for the four cities: 4 for Huaibei; 2 for Anqing; 2 for Wuhu and 1 for Luan.
	- Demonstration bus priority scheme developed and bus infrastructure constructed in Taiyuan by 2014	Drop	Project cancelled
	Urban Transport Efficiency		
- Road improvements on major urban traffic routes (>100 kms) in six cities in Liaoning, four cities in Anhui, Xian, Wuhan and Taiyuan by mid-2014	Revise/ On Track	Liaoning: completed 87 km rehabilitated, 20 km constructed – exceeding targets Anhui: 9 km new constructed roads and 4.4 km of rehabilitated roads. Xi'an: 15.19 km	

China CPS Results Matrix

	<i>[Revise to "Road improvements on major urban traffic routes (>100 kms) in six cities in Liaoning, four cities in Anhui, and Xian by 2015]</i>		Scope of Wuhan: Road component has been reduced Taiyuan: project cancelled
	- Roads constructed (36.6 km) and rehabilitated (7.6 km) in 6 small Model Development Towns demonstrating sustainable infrastructure service provision in Sichuan by 2014	Revise/ Watch	5.7 km constructed and 6.6 km rehabilitated.
	<i>[Revise to "Roads constructed (X km) and rehabilitated (X km) in 6 small Model Development Towns demonstrating sustainable infrastructure service provision in Sichuan by 2015"]</i>		
	- Creation of a Ming Walled City bicycle route in Xian by mid-2014	Drop	The bicycle route was cancelled through a project restructuring.
	Urban Transport Safety		
	- Road safety measures implemented on targeted corridors in Wuhan by mid-2014	Drop	Road component scope has been reduced and implementation is delayed
	- Traffic management measures including Area Traffic control system and road safety program implemented in Xi'an	On Track	
	- Traffic safety and management program implemented on main transport corridors in Taiyuan city by 2014	Drop	Project cancelled

1.4 PROMOTING SUSTAINABLE AGRICULTURE PRACTICES

China 12th FYP Targets: Efficient use co-efficient of water used in agricultural irrigation rises to 0.53.

Indicators	Milestones	Status	Milestones Comments
	-		
	Agriculture Technology		
1.4.1 Households and farms adopting targeted innovative sustainable practices (number) Baseline: 0 (2011) Target: 450,000 (2015) Progress (month/year): 608,700	- Pilot the establishment of 30,000 biogas digesters leading to an estimated annual reduction in CO2 emissions of 60,000 tons (EFP)	Achieved	Establishment of 470,000 biogas digesters leading to an estimated annual reduction in CO2 emissions of 785,000 ton (EFP) by 2014
	- 30,000 farm technician training days in proved livestock production and waste management methods by mid-2014 (HELP)	Achieved	71,750 farm technician training days in proved livestock production and waste management methods by mid-2014.
[Achieved]	- Effective livestock waste management technologies demonstrated on large and	Achieved	Construction of Jinshan Dairy Farm (the biggest subproject) and Shenyue Dairy Farm has been completed and commissioning is ongoing, contributing to pollutant reduction.

China CPS Results Matrix			
<p>1.4.2 Area where innovative sustainable practices have been demonstrated (ha) Baseline: 0 (2011) Target: 100,000 ha (2015)</p> <p>Progress (month/year): 208,152 ha</p> <p>[Achieved]</p>	medium scale farms in Shanghai rural areas by 2014		
	- Use of organic fertilizer and scientific application of agricultural chemicals demonstrated in Shanghai rural areas by 2014	Achieved	Integrated agricultural pollution reduction techniques, such as the use of organic and chemical fertilizers, are proceeding well with 90% of farmers using green test control techniques promoted.
	Irrigation		
	- 24 kms of irrigation canals rehabilitated in the Turpan Basin (XTWCP) and area with improved irrigation technologies increase in target areas from 0 to 8,000 ha by mid-2014 (CPRWRP)	Achieved	Turpan Project: 24 kms and 8,000 ha in in Xinjiang were completed by the end of 2014.
	- 12 Farmer Drainage and Irrigation Associations functioning as per requirements by 2013 and appropriate incentives for water saving technologies and behaviors piloted (HRBFMR)	Achieved	Huai Basin Flood Management Project: About 20 Farmer Drainage and Irrigation Associations have been functioning with incentives for O&M of their on-farm works.
	- Female membership for Water User's Associations and Producer Groups in targeted areas in Sichuan Wudu increases from 0 in 2012 to 40 by mid-2014	Achieved	Female membership for WUAs increased from 0 in 2012 to about 45 by the end of 2014.
	Food Safety		
- 30 technical standards for safe agricultural practice developed and adapted to local conditions in Jilin by mid-2014 (JFSP)	Achieved	83 technical standards developed and passed.	
<p>1.5 DEMONSTRATING SUSTAINABLE NATURAL RESOURCE MANAGEMENT APPROACHES</p> <p><i>China 12th FYP Targets: Water usage per unit of industrial value added declines by 30%, and the efficient use co-efficient of water used in agricultural irrigation rises to 0.53. Forest cover rising to 21.66%, and the volume of standing forest adding 600 million m³.</i></p>			
Indicators	Milestones	Status	Milestones Comments
<p>1.5.1 Targeted forest and range-land area rehabilitated and restored through successful demonstration of sustainable forest management models (ha) Baseline: 0 (2011) Target: 400,000 ha (2015)</p> <p>Progress (04/2015): 400,100 ha</p> <p>[Achieved]</p>	Ecosystem Management and Restoration		
	- Mixed forest structures built with at least three tree species in IFDP project sites by 2013 and 38 different types of local tree and shrubs species in the Shandong project area by mid-2014 (SEAFP)	Achieved	Around 67,110 ha of mixed plantations have been established, accounting for 101% of the total project target. More than 38 species have been used to the plantations establishment with at least 3 species in each site as set targets.
	- 27 different planting models introduced in five provinces to establish new multi-function forest plantations by mid-2014 (IFD)	Achieved	30 planting models have been used for the plantation establishment under the project as planned. The total area planted and rehabilitated by June 30, 2014, had reached 119,000 ha, or 90% of the PAD target. It is expected that the project will achieve its total target of 132,600 plantations established by 2016.

China CPS Results Matrix

<p>1.5.2 Targeted watershed area treated to reduce soil erosion Baseline (2010): 0 Target (2015): 1,800 km²</p> <p>Progress (04/2015): 1,792 km²</p>	<p>- 8 different afforestation models for degraded mountainous area introduced in Shandong province by mid-2014 (SEAP)</p>	<p>Achieved</p>	<p>Eight afforestation models have been introduced to planning in degraded mountainous and five models have been adopted to the planning in coastal saline areas, as project design. The project agencies have been successful in promoting the implementation of innovative ecological afforestation models to restore forest cover in highly degraded mountainous areas and saline coastal land to reduce water, soil and wind erosions as well as to stabilize newly created alluvial lands.</p>
<p>[Achieved]</p> <p>1.5.3 Groundwater overdraft reduced in Turpan basin (million m³) Baseline: 0 (2011)Target: 3.75 (2015)</p> <p>Progress (04/2015): 11.4</p>	<p>- Guangxi provincial forest strategy formulated by 2012 (GIFD)</p>	<p>Achieved</p>	<p>The Guangxi provincial forestry strategy has been formulated by December 2012. It provided the guidance to the integrated forest resources management and identified clear priorities to the Guangxi Forestry Sector development by the year 2020.</p>
<p>[Achieved]</p>	<p>- Technical and methodological approaches related to credible carbon sequestration piloted in Guangxi by mid-2014</p>	<p>Achieved</p>	<p>Two CDM afforestation pilots have been successfully implemented with validated, registered forest established, and the first verification completed by the end of 2012. It has been transferred to Carbon Finance Unit for its second stage—monitoring stage in July 2013. The project successfully demonstrated the most innovative technical and methodological approaches of using reforestation on degraded land to sequester carbon and pilot carbon trading, biodiversity conservation, control soil erosion control and income generation for local communities. The experience has been largely extended worldwide.</p>
<p>1.5.4 People protected from flooding (number) Baseline: 0 (2011) Target: 10 million (2015)</p> <p>Progress (04/2015): 5.52 million Note: target revised to 6.5 million</p>	<p>- Shelter Belt Plantation contracts in place to protect farmland and infrastructure in Ningxia by mid-2014 (NDCP)</p>	<p>Watch</p>	<p>Project progress is slower than expected. Around 17,000 ha plantations/shelter belt have been established or restored, which is around 50 % of the programmed planting activities. The project agencies are making efforts to complete the remaining plantation tasks before the project closes in March 2018 to attain its objectives to better protect farmland and infrastructure.</p>
<p>[Revise/Watch]</p>	<p>- Management Effectiveness Score in Lake Aibi National Wetland Reserve increased by 10% and in five targeted nature reserves in Guangxi from score 43 (2006) to 70 by mid-2014</p>	<p>Achieved</p>	<p>(a) METT score increased by about 10% in March of 2014 for Lake Aibi Project. (b) The Implementation Completion Report (ICR) for Guangxi project indicates that the METT score increased from 43 to 76 in the target five nature reserves. A number of innovative approaches were introduced to the project nature reserve management</p>
<p>Water Resources Management</p>			
	<p>- Waterways strengthened for improved flood protection and reduced soil erosion (85 km - Xining area; 61.4 km - Xiang River; 757 kms - Huai River basin) by 2014</p>	<p>Watch</p>	<p>Xining: 99.9%; Huai River Basin: 589 km; Xiang: X</p>

China CPS Results Matrix

	- Three dams constructed in Turpan Basin (17 out of 29 contracts completed by mid-2014) (XTWCP)	On Track	By the end of 2014, 24 out 29 contracts have been completed.
	- 4389 Ha of crop fields protected against 10 year flood in the Jiangxi Gan river area by mid-2014	Achieved	

1.6 DEMONSTRATING POLLUTION MANAGEMENT MEASURES

China 12th FYP Targets: 8% reduction of SO2 emissions; 10% reduction in NOx emissions

Indicators	Milestones	Status	Comments
	-		
<p><i>1.6.1 Successful demonstration of clean up/pollution reduction measures (e.g. adoption of BAT in municipal incinerators and pulp and paper mills)</i></p> <p><i>Baseline: 0 Target: 7 (2015)</i></p> <p>Progress (04/2015): 0</p> <p><i>Note: The target is being revised to 6.</i></p> <p>[Revise/Watch]</p>	Air / Water		
	- Action plans for addressing air pollution issues completed for at least 4 of the most polluted cities by mid-2014	Drop	This action was not implemented, because it had to be adjusted to the government agenda on improving air quality, which is now based on regional air quality plans. Initial discussions have taken place regarding the Beijing-Hebei-Tianjin region and a specific program would be included in the next CPS.
	- Motor Vehicle Emission Control Plan for Xian by mid-2014 (XUTP)	Achieved	Development and submission to the Xi'an Municipality of a plan to reduce vehicle emissions.
	- Demonstration of wetland for pollution reduction (66.5 ha) in Shanghai rural areas by 2014	Watch	The appraised subproject for wetland pollution reduction demonstration (Jiading subproject) was dropped shortly after the effectiveness of the project due to land use master plan change. The WB team had thereafter appraised a new river wetland pollution reduction demonstration subproject in Shuxin Town of Chongming Island, with a smaller size (1.5km length river section) given that the new PIU has limited counterpart funds. This subproject is being constructed and expected to be completed by June 2015.
	<i>[Revise to "... by 2015"]</i>		
	POPs		
- All temporary PCB storage sites in Zhejiang identified, the low contaminated waste cleaned up and the highly contaminated waste disposed of by mid-2014 (PCB management project)	Achieved	All PCB-contaminated sites in Zhejiang Province that were identified and deemed technically feasible for clean-up were remediated of PCB wastes, while those that could not be cleaned due to inaccessibility of the sites continue to benefit from ongoing monitoring to mitigate risks and ensure safety. All obtained low and high contaminated waste disposed.	
- Best available techniques (BAT)/best environmental practices adopted in three selected municipal solid waste incinerators (GEF	Watch	GEF SWM –Capital investments that support BAT/BEP in three demonstration incinerators will be undertaken by the end of 2016. Full adoption of the said techniques and practices in the operations of these three incinerators is expected to occur gradually through	

China CPS Results Matrix

	MSWP) and in four selected non-wood pulp mills by 2015 (GEF Pulp)		CY 2019 and will be monitored as key PDO indicators as part of the project results framework. GEF Pulp - completion of two out of the planned four BAT/BEP investments is expected in CY2015 and the other two in CY2016. The delay due to two initially identified mills withdrawing from the project, and time taken to identify replacements.
	ODS		
	- Completion of the ODS phase-out plan for the pharmaceutical aerosol sector by mid-2014	Achieved	Pharmaceutical aerosol sector plan also contributes to the permanent phase-out of CFCs in this important sector by 485 MT.
	- Demonstration projects to phase out HCFCs completed by mid-2014	Achieved	This demonstration project contributes to the phase-out of HCFC-141b by 62 tons.
	- Completion of the HCFCs Phase-out Management Plan in the production sector (Phase I) by end of 2015	Achieved	This achievement includes the phase-out of HCFCs production by 79,231 tons during 2013-15, equivalent to avoiding emissions of greenhouse gases by 123 million tons CO2.
	- Completion of the HCFCs Phase-out Management Plan in the PU foam sector by end of 2015 (phased I)	Achieved	This achievement includes the phase-out of HCFC-141b consumption by 14,685 tons during 2013-15, equivalent to avoiding emissions of greenhouse gases by 10.647 million tons CO2.

1.7 STRENGTHENING INSTITUTIONAL AND FINANCIAL MECHANISMS FOR CLIMATE CHANGE

China 12th FYP Targets: CO2 emissions per unit of GDP declines by 17%.

DROP

Indicators	Milestones	Status	Milestones Comments
1.7.1 Assessments of key technologies in identified mitigation and adaptation sectors completed Baseline: 0 Target: 20 (2015) [DROP]	- Overview of climate technologies in the selected sectors/provinces and identification of a shortlist of key climate technologies for ten sectors/provinces by 2014	Drop	
	- New concepts for market instruments, both for domestic schemes and new international off-setting mechanisms piloted in 6 schemes by 2013	Drop	This was carried out under consultancies for the preparation phase of the Partnership for Market Readiness. PMR contributed to the seven regional markets that are up and running.
	- Improved knowledge on the costs and benefits of early adaptation to climate change	Drop	The Bank completed Adaptation Economics in Climate and Agriculture.

China CPS Results Matrix

	- New methodology for Integrated Gasification Combined Cycle (IGCC) technology developed and approved by the Clean Development Mechanism (CDM) Executive Board and one investor-ready programmatic program completed	Drop	
	- Pilot indicators for sustainable land management, climate change vulnerability and adaptation formulated for consideration in national poverty monitoring by 2013 (SDPRAP)	Drop	
	- 40% of pilot villages in Henan, Shaanxi and Chongqing have successfully completed village assessments and resource mapping and identified adaptation needs by 2013 (SDPRAP)	Drop	90% by December 2014.

STRATEGIC THEME 2. PROMOTING MORE INCLUSIVE DEVELOPMENT

2.1 INCREASING ACCESS TO QUALITY HEALTH SERVICES AND SOCIAL PROTECTION PROGRAMS

China 12th FYP Targets: The new rural social pension insurance regime provides full coverage, with the number of urban participants in the basic pension insurance scheme reaching 357 million, and the rate of participation in the three basic urban and rural medical insurance schemes rising by three percentage points.

Indicators	Milestones	Status	Milestones Comments
<p><i>2.1.1 Additional population with access to primary health care services at community level in targeted service areas</i> Baseline: 0 (2010) Target: 280,000 (2015)</p> <p>Progress (11/2014): 168,000</p> <p>[Watch]</p> <p><i>2.1.2 Inpatients in project hospitals referred to upper level hospitals, disaggregated by gender</i> Baseline: 8.5% (2010) Target: 6% (2016)</p> <p>Progress (06/2014): 8.5%</p>	-		
	- At least 50% of targeted counties implementing the healthy village standards by mid-2014 (RHP)	Achieved	By Oct 2014, 35 out of total 40 project counties (87.5%) launched "Healthy Village" construction and 277 villages met with the standards
	- At least 8 counties have implemented the successful models on comprehensive county hospital reform by mid-2014 (RHP)	Achieved	
	- At least half of project hospitals have standard cost accounting system producing quarterly departmental unit cost data by 2016 (CURIP II)	On track	Indicator "Number of project hospitals with standardized cost accounting system producing departmental level unit cost data on a quarterly basis"
	- 320 standardized community-level health care facilities put into operation in targeted service areas in Chongqing by mid-2014 (CURIP)	Achieved	Baseline: 0 (02/2012) Current: 0 (06/2014) Target: 8 (08/2017) 400, more than targeted.

China CPS Results Matrix

<p><i>Note: This indicator will be dropped. The target will be achieved in 2017, beyond the period covered by the CPS.</i></p> <p>[Drop]</p> <p>2.1.3 Public Health System scorecard rating for targeted counties Baseline: 61.78 (2008) Target: >80 (2013)</p> <p>Progress (10/2014): 90.22</p> <p>[Achieved]</p> <p>2.1.4 Share of prefectures in Guangdong exchanging social insurance beneficiary data through integrated provincial MIS Baseline: 0% (02/2013) Target: 70% (2016)</p> <p>Progress (12/2014): 0% [Note: Indicator is being revised to 60%.]</p> <p>[Revise/Watch]</p>	<ul style="list-style-type: none"> - Provincial approval by Guangdong of MIS architecture and technical specifications by 2014 	<p>Achieved.</p>	
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2.2 STRENGTHENING SKILLS DEVELOPMENT PROGRAMS, INCLUDING FOR MIGRANTS

China 12th FYP Targets: Senior secondary education retention rate increase from 82.5% to 87%.

Indicators	Milestones	Status	Milestones Comments
<p>2.2.1 Graduates who pass skill certification exams in targeted institutions (%) Baseline: LN: 90%; SD:93.5%; GD: 70%; YN: 84% (2010) Target: LN: 96%; SD:98%; GD: 85%; YN: 93% (2015)</p>	<ul style="list-style-type: none"> - Strengthened linkages between targeted institutes and industry through advisory boards, partnerships and contract arrangements by 2015 	<p>Achieved</p>	
	<ul style="list-style-type: none"> - Curricula and training materials in targeted training institutions in Chongqing, Liaoning, Shandong, Guangdong and Yunnan upgraded to increase the quality and relevance by 2015 	<p>Achieved</p>	<p>In total 158 curricula and training material updated.</p>

China CPS Results Matrix

<p>Progress (2014): LN: 97.3%; SD:88.9%; GD: 85%; YN: 92.8%</p> <p>[Achieved]</p> <p>2.2.2 Graduates finding initial employment within 6 months of graduation (%)</p> <p>Baseline: LN:72%; SD 73.4%; GD: 34%; YN: 58% (2010)</p> <p>Target: LN: 82%; SD:88.2%; GD: 56%; YN: 75% (2015)</p> <p>Progress (2014): LN: 99.9%; SD:92.8%; GD: 98%; YN: 84.2%</p> <p>[Achieved]</p> <p>2.2.3 Migrant trainees successfully completing targeted vocational training programs in project schools (%)</p> <p>Baseline: 84% (2011) Target: 96% (2014)</p> <p>Progress (2014): 96%</p> <p>[Achieved]</p>	<ul style="list-style-type: none"> - More than 50% of students in targeted institutions in Guangdong, Shandong, Liaoning, Yunnan enrolled in modular, competency-based curriculum by 2015 - At least 60% of students in targeted institutions in Guangdong, Shandong, Liaoning, Yunnan assessed with outcomes-based systems by 2015 - Migrant Worker Service Centers established in Chongqing by mid-2014 (SDPRAP) 	<p>On track</p> <p>On track</p> <p>Drop</p>	<p>Exceeded in Guangdong (77%) and Shandong (89%). Liaoning currently 26.1%. Yunnan results tracked differently and dropped from milestone.</p> <p>Exceeded in Guangdong (63%) and Shandong (78.9%). Liaoning currently 26.1%. Yunnan results tracked differently and dropped from milestone.</p> <p>This activity was cancelled during the project MTR review and restructuring.</p>
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2.3 ENHANCING OPPORTUNITIES IN RURAL AREAS AND SMALL TOWNS

Indicators	Milestones	Status	Milestones Comments
<p>2.3.1 People with access to safe water supply and sanitation in targeted rural areas</p> <p>Baseline: 40,392 Anhui, Chongqing, Guangxi (2011); 378,000 (Shaanxi, Sichuan) (2011)</p> <p>Target: (i) Anhui, Chongqing, Guangxi – 150,000 (2014), (ii) Shaanxi – 326,716 (2012), Sichuan – 258,000 (2012)</p>	<ul style="list-style-type: none"> - Rural Water and Sanitation - 100 villages in Ningbo with wastewater treatment infrastructure by mid-2014 (NNCDP) - 80% of people in targeted communities and schools have adopted safe hygiene and sanitation behaviors by mid-2014 (RRWSP) 	<p>Watch</p> <p>Drop</p>	<p>Improvement of rural wastewater management is catching up with 76 villages having wastewater treatment.</p> <p>Because of inadequately available data and attribution issues, the related indicators were replaced with two behavior based indicators, that measured HWWS in communities & schools, and safe disposal of young children's faces. Shaanxi 4.4/0/84% Sichuan 7.8/14/93%.</p>

China CPS Results Matrix

<p>Progress (04/2015): (i) 155,000 (ii) Shaanxi 326,726, Sichuan - 262,737</p> <p>[Achieved]</p>	<p>- All financed water supply schemes operating sustainably after one year</p>	<p>Not achieved</p>	<p>Some water supply schemes were finished late and at project closure were not been operating for a full year, so the data presented in the borrower's ICRs are unreliable. Actual water consumption is much lower than the design capacity. Shaanxi 90%; Sichuan 73%.</p>
<p>2.3.2 People in targeted rural areas with access to an all season road Baseline: 950,000 (Ningxia, Fujian, Guiyang) (2010) Target: (i) Ningxia - 240,000 (ii) Fujian - 1,250,000 (iii) Guiyang 110,000 (2015)</p>	<p>Rural Transport</p>		
<p>Progress (04/2015): Ningxia: 240,000 Fujian: 1,056,000 Guiyang: 0 (infrastructure is under bidding/construction)</p> <p>[On Track]</p>	<p>- Rehabilitation of about 5000 km of rural roads under Fujian's Rural Roads Improvement Program by 2015</p>	<p>Achieved</p>	<p>5,589</p>
	<p>- 500 kms of new village roads or paths connecting households to village roads and 315 km of village roads connecting natural villages to each other in Anhui, Chongqing, Guangxi by 2014 (EFP)</p>	<p>Achieved</p>	<p>1800 km rural roads constructed</p>
	<p>- 241 villages connected by project roads and 348 villages serviced by project rural bus stations in Guiyang</p>	<p>On-track</p>	<p>Project-financed infrastructure still under bidding / construction.</p>
	<p>- 9 local roads (about 100 km) in the poorest counties in Ningxia improved by mid-2014</p>	<p>Achieved</p>	<p>37</p>
<p>2.3.3 Increase access to financial services for Micro Finance Clients (IFC) Baseline: 0 Target: 7 million (2016)</p>	<p>Financial Inclusion (IFC) - PRGC is developed into a competitive rural guarantee company serving micro, small, and rural clients by 2014</p>	<p>Drop</p>	<p>Activity was dropped due to concerns about food safety and the business model of the credit guarantee sector.</p>
<p>Progress (month/year): TBD</p>	<p>- Successfully transformed CPFA into a professionally managed microfinance institution (MFI) by 2014</p>	<p>Achieved</p>	<p>CPFA has been successfully transformed into a professionally managed microfinance institution. Risk management and internal audit departments were created 2-3 years ago. By the end of 2014, the number of active clients reached 237,817, with a total portfolio of US\$303 million. In the meantime, the company managed to keep a high quality portfolio: PAR>30 days was 0.27% in December 2014.</p>
<p>2.3.4 People benefitting from improved access to services and income generating activities by 2015 Baseline: 0 Target: 715,298 people in 25 counties in Henan, Chongqing and Shaanxi</p>	<p>- A full range of financial services developed for small and micro enterprises in rural areas for client MFIs by 2014</p>	<p>On track</p>	<p>For other MFIs supported by IFC, such as Xinjaing Micro Credit Company (MCC), Beichuan Village and Township Bank (VTB) and Renshou VTB, a range of lending products for micro and small businesses have been developed. Currently, these MFIs are putting efforts on reaching more clients. Through its advisory business, IFC has conducted a market survey on the rural payments environment with China UnionPay; helped F-Road deploy a marketing strategy and e-commerce strategy, which has enabled 7.8 million end customers of over 1,000 rural/MSME banks gain better access to</p>
<p>Progress (12/2014): 510,000</p> <p>[On Track]</p>			

China CPS Results Matrix

			finance via non-cash solutions; developed the business case with Harbin Bank on rural agent banking model, benefiting 350,000 farmers in northeast China; provided a holistic microfinance capacity-building package to Xinjiang MCC and Beichuan VTB serving frontier markets; and designed a microfinance risk management e-learning module targeting large-scale training for potentially thousands of MCCs in China, and shared knowledge with the PBC Research Institute of Finance and Banking on micro/rural finance, financial inclusion, and mobile banking.
	Poverty Alleviation Approaches		
	- More innovative ways of providing poverty reduction assistance to the poorest communities and households in Henan, Shaanxi and Chongqing piloted through CDD and participatory approaches (with 60% of the 770 participating villages completing multiyear development plans by mid-2014) (SDPRAP)	Achieved	80% of the 776 participating villages by mid-2014, and 85 % of 776 participating villages by end 2014.
	- Women participating in village committees in targeted areas increase from 0 % in 2011 to 25% by mid-2014 (SDPRAP)	Achieved	30 % by mid-2014, 35% by end 2014.

2.4 IMPROVING TRANSPORT CONNECTIVITY FOR MORE BALANCED REGIONAL DEVELOPMENT

Indicators	Milestones	Status	Milestones Comments
2.4.1 Reduction in transit times on railway sections connecting less developed regions with more developed (% , min) (i) Tumen – Jilin: 68% (315 min) (2015) (ii) Sanyanqiao – Litang West: 72% (450 min)(2015) (iii) Guiyang – Guangzhou: 78% (1170 min) (2016) (iv) Guizhou – Yunnan: 47% (105 min) (2012) (v) Shijiazhuang – Zhengzhou: 61% (120 min) (2013)	Railways		
	- 355 km high-speed passenger rail line between Shijiazhuang (Hebei) and Zhengzhou (Henan) completed by 2015	Achieved	Opened in December 2012. The new travel time is 81 minutes in line with expectations, compared to 198 minutes before the project.
	- 254 km Liupanshui-Zhanyi section of the Guiyang-Kunming railway line upgraded to increase capacity and reduce travel times by 2012	Achieved	The new travel time is 132 minutes in line with expectations, compared to 240 minutes before the project.
	- 400 km high-speed passenger and freight line between Sanyanqiao – Litang West completed by 2014	Achieved	The line opened in December 2014. The new travel time is 156 minutes compared with 620 minutes before the line opening.
	- 75% of civil works on new shorter and more direct railway line linking northwestern China	Achieved	The new line Guiyang to Guangzhou opened ahead of time in December 2014. The new travel time is 249 minutes compared to 1500 minutes at project start.
Progress (4/2015): i) 75% (347 min) ii) 74% (464 min)			

China CPS Results Matrix

iii) 83% (1251 min) iv) 52% (117 min) v) 59% (117 min)	(Guiyang) with the Pearl River Delta completed by mid-2014 - 40% of civil works on new 360 km passenger-dedicated rail line between Tumen and Jilin completed by mid-2014	Achieved	The current target has been exceeded with over 95% of civil works completed as of June 2014.
[Revise/Achieved]			
2.4.2 Increase in railway capacity (train pairs/day)			
(i) Tumen – Jilin: 162% (2015) (ii) Sanyanqiao – Litang West: 185% (2015) (iii) Guiyang – Guangzhou: 400% (2016) (iv) Guizhou – Yunnan: 61% (2012)			
Waterways			
- Navigable time per year for 1000 ton vessels on 38 km channel on Nanchang- Ganzhou corridor increase from 27% in 2007 to 95% by mid-2014			
- 205.6 kms of Class IV channel are upgraded along Anhui Shaying River by 2015			
Roads			
- Green Freight Technology Rebates and Performance Based Incentive schemes to improve energy and economic efficiency of fleet in Guangdong demonstrated by mid-2014			
- Expressway connecting the two major industrial areas that are the backbone of Ningxia’s economy constructed by 2015			
- 195.2 km Yong’an- Wuping Expressway (Fujian province) completed by mid-2014			
- Pilot provincial road contract maintenance approaches in Fujian and Anhui by mid-2014			
- 890 km key national and provincial roads rehabilitated and maintained and 320 km improved in Anhui by mid-2014			
- Innovative environmental compliance framework with incentive system developed and implemented in the Yiba Highway project (Hubei)			
Actual : 841 km key national and provincial roads rehabilitated 321 km key national and provincial roads improved			
2.4.3 Annual volume of cargo along targeted waterways			
(i) Gan River Baseline: 85 million ton (2007) Target: 131.6 million ton (2013)			
(ii) Shaying river (passing Yingshang Lock) Baseline: 0.17 million ton (2009) Target: 3.07 million ton (2015)			
Progress (04/2015):			
i) 288.5 million ton [drop due to implementation delays, results not attributable to WB project]			
ii) 10.6 million ton			

China CPS Results Matrix

<p>[Revise/Achieved]</p> <p>2.4.4 Travel time reduction on targeted road corridors</p> <ul style="list-style-type: none"> (i) Yongan (Fujian) – Wuping (Guangdong border): 67% (2013) (ii) Qingtongxia –Guyaozi (Ningxia):60% (2015) (iii) Yichang – Badong (Hubei):42% (2015) <p>Progress (04/2015):</p> <ul style="list-style-type: none"> i) 67% ii) 60% iii) 2.5 hours <p><i>[In line with project reporting, it is proposed to revise to measure (iii) in hours rather in %. (target of 2.5 hours achieved.)</i></p> <p>[Achieved]</p>			
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Annex 4: Advisory Services and Analytics Delivered in FY13-15 and Ongoing

	CPS Themes		
	Reenergizing Drivers of Growth	Supporting Green Growth	Promoting Inclusive Development
FY13			
ESW			
Climate Risk Management and Adaptation		√	√
Food Safety Engagement			√
Municipal Financing & Debt Management	√		
Rail Financial Futures Analysis	√		
Skills Development in Yunnan Province			√
TA			
Adaptation Economics in Water & Agriculture		√	
Capacity Building for Smart Grid		√	
Heat Regulation Phase II		√	
JIT Financial Sector Reform Roundtable	√		
Shandong Cultural Heritage			√
Sub-national Government Financing	√		
Training of Bankruptcy Judges in China	√		
FY14			
ESW			
Low-carbon City in Shanghai		√	
State Forest Reform Northeast China		√	
TA			
Collective Institutions and Policies	√		√
Deepening China Pension System Reform			√
Early Child Development			√
JIT Financial Sector Activities	√		
Promoting Inclusive Innovation in China	√		√
TE (External Training)			
Ad-hoc Knowledge Sharing on China-Africa	√		
Innovation Workshop (Chengdu 2011)	√		√
South-South Experiences Learning on Concentrated Solar Power (CSP)		√	
Urban Management Capacity Support	v	v	v
FY15			
ESW			
Defining and Measuring Low-carbon Cities		√	
Financing Small-Town Infrastructure	√		√
Subnational Public Financing & Debt Management	√		√

	CPS Themes		
	Reenergizing Drivers of Growth	Supporting Green Growth	Promoting Inclusive Development
Urban China: Toward Efficient, Inclusive, and Sustainable Urbanization	√	√	√
TA			
Air Quality in China		√	
Application of Strategic Environmental Assessment at Sectoral Level		√	
Assistance to Ministry of Environmental Protection in Capacity Building		√	
Capacity Building in Fiduciary Management, Disbursement, and Procurement	√		
Carbon Capture and Sequestration (CCS) Capacity Building		√	
Electricity Regulation	√		
Financial Reform Strategy Report	√		
Gates Rural ICT Activity			√
Housing Policies & Urban Planning	√		
Inclusive Finance Academy in China	√		
JIT China Capital market Dev Report 2013	√		
Maintaining Strategic Dialogue in HD			√
MRV of Energy Efficiency		√	
Promoting Access to Finance through strengthening Rural Credit Cooperatives (RCCs)	√		
Regional Impact Analysis of Railway			√
Urban Transport Knowledge Management Platform		√	
FY16			
ESW			
Deepening Health Sector Reform in China: Building High Quality and Value-based Service Delivery			√
Developing an Innovative Energy Efficiency Financing Mechanism in China		√	
Learning from Best International Practice in Smart Transport and Energy Efficiency: Applications to WITDP and Beyond		√	√
Options for Aged Care in China			√
Shanghai 2050: building a competitive city in a globalizing world	√	√	√
Strengthening China's Dibao Program to Reduce Poverty and Inequality			√
TA			
Asset Management for Small Towns	√		√
China-World Bank TransFORM Platform	√		√
Clean Stove Initiative for EAP-China		√	
Developing Shenzhen Low-carbon Strategy		√	

	CPS Themes		
	Reenergizing Drivers of Growth	Supporting Green Growth	Promoting Inclusive Development
Enhancing the Role of Farmers Coops	√		√
Financial Consumer Protection and Literacy			√
Gender Impacts of ITS			√
Gender of China's Forest Tenure Reform			√
Institutions for Local Debt Monitoring	√		
Railway Equity Finance	√	√	
Small Town Infrastructure Financing Phase II	√		√
Study on Fossil Energy Subsidy in China		√	√
Urumqi District Heating Pricing		√	
TE			
Integrated Program FM and Disbursement Workshop	√		
KP (Knowledge Management)			
Transforming Rural China			√
FY17-18			
ESW			
China Financial Sector Assessment Program (FSAP) Update	√		
Economics of Water Security		√	
Labor Market	√		√
Managing Contaminated Sites Redevelopment	√	√	
Shandong Fiscal Reform	√		
TA			
Evaluation System for Customer Financial Education in China	√		√
IE (Impact Evaluation)			
Impact Evaluation of Provider Payment Reforms	√		√
PA (Programmatic Approach)			
AAA Program on Economic Analyses	√		
Institutions for Public Sector Performance			√
Poverty Programmatic Approach	√		√
Programmatic Urban ASA	√	√	
Strengthening China Social Protection and Labor Systems			√

Annex 5: IFC Advisory Service Portfolio
(as of June 30, 2015)

Project Name	Business Line	Implementation Timeframe	Status as of Mar 31, 2015	CPS Strategic Theme	
				Theme 1: Supporting Green Growth	Theme 2: Promoting More Inclusive Development
China Utility-Based Energy Efficiency	Access To Finance	FY2006-2013	Completed	√	√
Accion Inner Mongolia Microfin. Co	Access To Finance	FY2011-2013	Completed		√
Sichuan CCBs TA	Financial Institutions Group	FY2009-2014	Completed		√
Harbin Bank VTB Network	Access To Finance	FY2010-2013	Completed		√
TA to Renshou VTB	Access To Finance	FY2009-2015	Completed		√
TA to CFPA Microfin. Transformation	Access To Finance	FY2010-2013	Completed		√
Xinjiang MCC TA	Financial Institutions Group	FY2012-2016	Portfolio		√
Beichuan VTB TA	Financial Institutions Group	FY2011-2016	Portfolio		√
CHUEE 3 SME Advisory Services	Financial Institutions Group	FY2012-2017	Portfolio	√	√
RMS Credit Reporting Dev't	Finance and Markets	FY2012-2016	Portfolio		√
E&S Risk Management for FIs	Financial Institutions Group	FY2012-2017	Portfolio	√	
EAP CG Program Implementation	E&S & Governance	FY2012-2018	Portfolio		
China Water AS	Cross-Industry AS	FY2013-2017	Portfolio	√	√
China Mobile Banking	Financial Institutions Group	FY2013-2017	Portfolio		√
China Rural Collateral Reform	Finance and Markets	FY2013-2016	Portfolio		√
Green Building Regulation	Trade and Competitiveness	FY2014-2017	Portfolio	√	
China Rural and Microfinance Dev't	Financial Institutions Group	FY2014-2018	Portfolio		√
China Emissions Trading	Financial Institutions Group	FY2014-2017	Portfolio	√	

Annex 6: IBRD Commitments and Tentative Pipeline, FY13-17

CPS Themes	Projects	IBRD (\$m)
FY13		
1	Anhui Xuancheng Infrastructure for Industry Relocation	150
1	Beijing Rooftop Solar Photovoltaic Scale-Up	120
1&2	Fujian Meizhou Bay Navigation Improvement	50
1	Green Energy Schemes for Low-carbon City in Shanghai	100
2	Guangdong Social Security Integration & Rural Worker Training	80
1	Guangxi Laibin Water Environment	80
1	Hunan Forest Restoration and Development	80
1	Jiangxi Poyang Lake Basin and Ecological Economic Zone Small Town Dev.	150
2	Jiangxi Shangrao Sanqingshan Airport	50
1	Jiangxi Wuxikou Integrated Flood Management	100
2	Liaoning Coastal Economic Zone Urban Infrastructure and Environmental Mgmt	150
1	Ma'anshan Cihu River Basin Improvement	100
2	Nanchang Urban Rail	250
1	Ningbo Municipal Solid Waste Minimization and Recycling	80
Total		1540
FY14		
2	Economic Transformation & Institutional Capacity Building	35
2	Fujian Fishing Ports	60
1	Guangdong Agricultural Pollution Control	100
2	Guiyang Rural Roads	150
2	HaJia Railway	300
2	Heilongjiang Cold Weather Smart Public Transport System	200
2	Integrated Modern Agriculture Development	200
1	Jiaozuo Green Transport and Safety Improvement	100
2	Qinghai Xining Urban Transport	120
1	Shanxi Gas Utilization	100
2	Yellow Mountain New Countryside Demonstration	100
2	Yunnan Honghe Prefecture Diannan Center Urban Transport	150
Total		1615
FY15		
1	Chongqing Small Towns Water Environment Management	100
	Gansu Rural-Urban Integration	150
1	Guilin Integrated Environment Management	100
1	Guizhou Rural Development	100
1	Hebei Rural Renewable Energy Development	71.5
1	Qinghai Xining Water Environment Management	150
1	Shaanxi Small Towns Infrastructure	150
1	Sichuan Chongqing Cooperation: Guang'an Demonstration Area Infrastructure Dev	100
2	Yunnan Highway Asset Management	150
1	Zhejiang Rural Water Supply and Sanitation	200

2	Zhengzhou Urban Rail	250
1	Huainan Mining Area Rehabilitation	100
1	Poverty Alleviation and Agriculture Development Demonstration in Poor Areas	150
2	Xinjiang Technical and Vocational Education and Training	50
Total		1822
FY16 (tentative, including standby projects)		
2	Chongqing-Dadukou Fiscal Sustainability DPO	200
1	Hebei Air Pollution Prevention and Control Program	500
1	Hebei Clean Heating	100
1	Hubei Jingzhou Historic Town Conservation	100
2	Hubei Xiaogan Logistic Infrastructure	100
2	Hunan Fiscal Sustainability DPO	200
1	Innovative Financing for Air Pollution Control in Jing-Jin-Ji	500
1 & 2	Lushan Earthquake Reconstruction and Risk Reduction	300
2	Fiscal Technical Assistance	50
1	Ningbo Sustainable Urbanization	150
2	PPP Promotion and Demonstration	200
1	Second Gansu Cultural and Natural Heritage	100
1 & 2	Tianjin Urban Transport Improvement	100
2	Tongren Rural Transport	150
1 & 2	Urumqi Urban Transport II	140
1 & 2	Wuhan Integrated Transport Development	120
1 & 2	YinXi Railway	200
1	Zhuzhou Brownfield Development	150
Total		3360
FY17 (tentative, including standby projects)		
2	Anhui Aged Care	140
2	Anhui Road Maintenance Innovation	150
2	Gansu Technical and Vocational Education and Training	120
2	Guangdong Compulsory Education	120
2	Guangxi Poverty Alleviation	100
2	Health Service Delivery Reform	400
1 & 2	Henan Xinxiang New Urbanized Community Development	100
1	Hunan Environment Cleanup of Agricultural Soils	100
2	Jiangxi Farm Produce Distribution System Development	150
1 & 2	Jiangxi Integrated Rural/Urban Water Supply and Rural Wastewater	200
1	Poyang Lake Water Environment Management	150
2	Shaanxi Poor Rural Areas Community Development	100
2	Shanghai New Urbanization Financing and Innovation	350
2	Three Gorges Modern Logistics Center Infrastructure	200
2	Yunnan Early Childhood Education Innovation	50
Total		2430

Annex 7: IFC Commitments, FY13-15
(as of June 30, 2015)

Commitment Fiscal Year	Project Short Name	Industry Group	Sector	IFC Own Account, US\$m	Core mobilization, US\$m
2013	Anyou	MAS	Agriculture and Forestry	20.0	-
	Aqualyng	Infra	Utilities	12.0	-
	CEF III RI	CTT	Collective Investment Vehicles	0.3	-
	CEI Water	Infra	Utilities	70.0	-
	CFPA RI Add-on	FM	Finance & Insurance	3.6	-
	Changlin SDF	MAS	Industrial & Consumer Products	13.0	-
	CHUEE Jiangsu	FM	Finance & Insurance	74.1	-
	CHUEE SME BOB	FM/Infra	Finance & Insurance	70.7	-
	CHUEE SME BON	FM	Finance & Insurance	40.2	-
	CHUEE SME BOS	FM	Finance & Insurance	40.3	-
	Concord Medical	MAS	Health Care	20.0	-
	Concord Medstar	MAS	Health Care	30.0	-
	Daguan	Infra	Electric Power	17.0	-
	Dushan	Infra	Electric Power	6.0	-
	ENN Energy	Infra	Oil, Gas and Mining	75.0	75.0
	ESIP EDC CN RI	CTT	Professional, Scientific and Technical Services	10.0	-
	ESIP QD Jason	MAS	Industrial & Consumer Products	6.0	-
	Fosun Pharma 2	MAS	Chemicals	25.0	-
	F-Road	FM/Infra	Finance & Insurance	5.5	-
	Fullerton CQ	FM	Finance & Insurance	14.9	-
	Fullerton HB	FM	Finance & Insurance	9.9	-
	Fullerton SC	FM	Finance & Insurance	24.8	-
	Harbin Bank VTB	FM	Finance & Insurance	0.1	-
	Jiangxi TianRen	MAS	Chemicals	8.5	-
	Muyuan Loan	MAS	Agriculture and Forestry	20.0	-
	Nature Forestry	MAS	Agriculture and Forestry	40.0	-
	NH Fund II	CTT/MAS	Collective Investment Vehicles	20.0	-
	PeakRe	FM	Finance & Insurance	82.0	-
	SNF Taixing	MAS	Chemicals	30.0	-
	Yingjiang	Infra	Electric Power	27.0	-
	GTFP Bank of Dey	FM	Finance & Insurance	4.9	-
	GTFP Bk Beijing	FM	Finance & Insurance	229.2	-
2013 Total				1,049.7	75.0
2014	Alibaba MCC Loan	FM	Finance & Insurance	160.8	-
	Baishan Mg	MAS	Primary Metals	25.0	-
	BVCF III	CTT/MAS	Collective Investment Vehicles	20.0	-
	CDH Fund V	CTT	Collective Investment Vehicles	45.1	-
	CEF IV	FM/Infra/CTT	Collective Investment Vehicles	3.9	10.8
	CenturySunshine2	MAS	Chemicals	15.0	-
	ESIP Ayla	CTT	Professional, Scientific and Technical Services	4.5	-
	ESIP Ioxus	CTT/MAS	Electric Power	5.0	-
	Fullerton II	FM	Finance & Insurance	12.2	-
	Fullerton II HB	FM	Finance & Insurance	17.2	-
	GTLP RTAF	FM	Finance & Insurance	250.0	250.0
	Hollysys	MAS	Industrial & Consumer Products	20.0	-
	Muyuan Loan 2	MAS	Agriculture and Forestry	20.0	-
	Stora China III	MAS	Pulp & Paper	58.8	-
	Stora Enso FJV1	MAS	Agriculture and Forestry	35.0	150.0
	Stora Enso IJV	MAS	Pulp & Paper	53.0	222.0
	Yi Ming Fund	CTT	Collective Investment Vehicles	15.0	-
	Zhaoheng Hydro	Infra	Electric Power	25.0	-
	GTFP Bank of Dey	FM	Finance & Insurance	28.6	-
	GTFP Bk Beijing	FM	Finance & Insurance	197.3	-
2014 Total				1,011.4	632.8

2015	GTFP Bk Beijing	FM	Finance & Insurance	60.3	-
	United Water	Infra	Utilities	4.0	-
	Anyou	MAS	Agriculture and Forestry	15.0	-
	Epure Warrants	Infra	Utilities	25.0	-
	CFPA MFI Loan	FM	Finance & Insurance	20.5	-
	MTI Environment	Infra	Utilities	4.0	-
	Hekangyuan	MAS	Agriculture and Forestry	10.0	-
	New Hope SEA	MAS	Agriculture and Forestry	40.0	20.0
	Zhengming	Infra/MAS	Transportation and Warehousing	27.1	-
	Weigao II	MAS	Chemicals	96.7	-
	CHUEE Rizhao	FM/Infra	Finance & Insurance	24.2	-
	Dynamic Nanjing	MAS	Chemicals	20.0	-
	China Gas	Infra	Utilities	86.0	214.0
	Birla Carbon PRC	MAS	Chemicals	7.5	-
	Maple Leaf Edu	MAS	Education Services	15.5	-
	Fenglin II	MAS	Industrial & Consumer Products	30.4	-
	ESIP Aihuishou	CTT	Professional, Scientific and Technical Services	5.0	-
	JFLC Loan II	FM	Finance & Insurance	64.5	-
	CEI Water II	Infra	Utilities	35.0	-
	CWAG	Infra	Utilities	20.0	-
	MC Sichuan Loan	FM	Finance & Insurance	6.5	-
	MC Nanchong Loan	FM	Finance & Insurance	8.1	-
	Tian Lun Gas	Infra	Utilities	75.0	62.5
	PSBC Equity	FM	Finance & Insurance	300.0	-
	Q and M Rights	MAS	Health Care	0.3	-
	Alibaba MCC GF	FM	Finance & Insurance	81.4	-
	BVCF III RI	MAS	Collective Investment Vehicles	3.8	-
	Ioxus Rght Iss 1	CTT	Electric Power	0.2	-
	Wasion Group	MAS	Industrial & Consumer Products	19.5	-
	CenturyS2 Rights	MAS	Chemicals	4.0	-
	AHS RI	CTT	Professional, Scientific and Technical Services	1.7	-
	SinoGreen Fund	CTT	Collective Investment Vehicles	-	16.1
2015 Total				1,111.2	312.6
Grand Total				3,172.3	1,020.4

Annex 8: GEF Commitments, FY13-15 and Active GEF Portfolio

GEF Commitments FY13-15 (US\$m)	
Biodiversity	
Landscape Approach to Wildlife Conservation in Northeast China (moved to FY16)	
Climate Change	
China Renewable Energy Scale-up Program (CRESP) Phase II (delivered)	27.3
Climate Smart Staple Crop Production (delivered)	5.1
Developing Market-based Energy Efficiency Program in China (moved to FY16)	
Green Energy Schemes for Low-carbon City in Shanghai (delivered)	4.3
Large-City Congestion and Carbon Reduction (delivered)	18.2
Urban Scale Building Energy Efficiency and Renewable Energy (delivered)	12.0
Promotion of Sustainable Cities in China (delivered)	2.0
Persistent Organic Pollutants (POPs)	
Contaminated Site Management (delivered)	15.0
Municipal Solid Waste Management Project (delivered)	12.0
International Waters	
Guangdong Agricultural Pollution Control (delivered)	5.1
Total Delivered	101.0
GEF Commitments FY16-17 (US\$m)	
Biodiversity	
Landscape Approach to Wildlife Conservation in Northeast China (moved from FY13-15))	3.0
Climate Change	
Developing Market-based Energy Efficiency Program in China (moved from FY13-15)	17.8
Integrated Water and Environment Management	9.5
Sustainable Cities Integrated Approach Pilot	32.8
Persistent Organic Pollutants (POPs)	
Capacity Strengthening for Implementation of Minamata Convention on Mercury	8.0
Reduction and Phase-out of PFOS in Priority Sectors	24.3
Total	105.4
GEF Active Portfolio (US\$m)	
Biodiversity	
Sustainable Management and Biodiversity Conservation of the Lake Aibi Basin	3.0
Climate Change	
City Cluster Eco-Transport	4.8
Energy Efficiency Financing	13.5
Energy Efficiency Promotion in Industry	4.0
Guangdong Green Freight Demonstration	4.2
Provincial Energy Efficiency	13.4
Sino-Singapore Tianjin Eco-City	6.2
Technology Needs Assessment	5.0
Green Energy Schemes for Low-carbon City in Shanghai	4.3
Large-City Congestion and Carbon Reduction	18.2
Urban Scale Building Energy Efficiency and Renewable Energy	12.0

GEF Active Portfolio (US\$m), continued	
Renewable Energy Scale-up Program (CRESP) Phase II	27.3
Climate Smart Staple Crop Production	5.1
Promotion of Sustainable Cities in China	2.0
Multifocal Area	
Sustainable Development in Poor Rural Areas	4.3
Persistent Organic Pollutants (POPs)	
Dioxins Reduction from the Pulp and Paper Industry	15.0
Municipal Solid Waste Management	12.0
Contaminated Site Management	15.0
International Waters	
Huai River Basin Marine Pollution Reduction	5.0
Guangdong Agricultural Pollution Control	5.1
Total	179.4