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

**Key Dates**

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- Bank Approval Date: 16-Mar-2017
- Planned Mid Term Review Date: 30-Apr-2020
- Original Closing Date: 30-Apr-2022
- Effectiveness Date: 05-Sep-2017
- Actual Mid-Term Review Date: --
- Revised Closing Date: 30-Apr-2022

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

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

Has the Project Development Objective been changed since Board Approval of the Project Objective?
- No

**Components**

Name
- Component 1. Supporting market-based priority energy efficiency and coal cap control programs:(Cost $8.80 M)
- Component 2. Supporting result-based green energy financing in Jing-Jin-Ji Region:(Cost $4.50 M)
- Component 3. Supporting result-based environmental program in Hebei Province:(Cost $4.50 M)

**Overall Ratings**

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>●Satisfactory</td>
<td>●Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>●Satisfactory</td>
<td>●Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>●Moderate</td>
<td>●Moderate</td>
</tr>
</tbody>
</table>

**Implementation Status and Key Decisions**

The project was approved by World Bank Board on March 16, 2017, and became effective on September 5, 2017. The project has advanced successfully in the first two years of implementation. The key functions of verifying DLIs indicators for the two Program for Results (PforR) projects (i.e. "Innovative Financing for Air Pollution Control in Jing-Jin-Ji (JJJ) Region Project" and "Hebei Air Pollution Prevention and Control Program"), which this project supports are being satisfactorily fulfilled. Project activities supporting market-based priority EE and coal cap control programs are also progressing well.
Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Results

PDO Indicators by Objectives / Outcomes

To support development and implementation of China’s priority EE and environment program

1. Energy savings measurement, reporting and verification system improved and standardized (Text, Custom)
   - Baseline: n.a.
   - Actual (Previous): not yet due
   - Actual (Current): TORs for core activities have been designed
   - End Target: MRV system for energy savings improved and standardized
   - Date: 16-Mar-2017 to 31-Dec-2020

2. Market-based mechanisms for energy savings designed and piloted (Text, Custom)
   - Baseline: No Market-based mechanism for energy savings designed or piloted
   - Actual (Previous): not yet due
   - Actual (Current): TORs for core activities have been designed
   - End Target: Market-based EE trading mechanisms designed and piloted
   - Date: 16-Mar-2017 to 31-Mar-2022
   - Comments: not yet due

3. Energy and environment results verified for the Jing-Jin-Ji Region and Hebei Province (Text, Custom)
   - Baseline: n.a.
   - Actual (Previous): not yet due
   - Actual (Current): 30-Apr-2019
   - End Target: 31-Dec-2020
Intermediate Results Indicators by Components

### Component 1. Supporting market-based priority energy efficiency and coal cap control programs

<table>
<thead>
<tr>
<th>Capacity built for M&amp;V system and market-based EE mechanism (Number of people trained) (Number, Custom)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
</tr>
<tr>
<td>Value</td>
</tr>
<tr>
<td>Comments:</td>
</tr>
</tbody>
</table>

### Energy savings M&V methodologies and guidelines developed (Number, Custom)

<table>
<thead>
<tr>
<th><strong>Baseline</strong></th>
<th><strong>Actual (Previous)</strong></th>
<th><strong>Actual (Current)</strong></th>
<th><strong>End Target</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Comments:</td>
<td>A core activity will be conducted in June 2019, about 8 methodologies will be developed in 2020.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Energy consumption trading schemes designed and piloted (Yes/No, Custom)

<table>
<thead>
<tr>
<th><strong>Baseline</strong></th>
<th><strong>Actual (Previous)</strong></th>
<th><strong>Actual (Current)</strong></th>
<th><strong>End Target</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Comments:</td>
<td>Not yet due. A core activity will be conducted in June 2019 for the top-level design of EE trading.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Component 2. Supporting result-based green energy financing in Jing-Jin-Ji Region

<table>
<thead>
<tr>
<th>Innovative financial products for green financing developed and piloted (Number, Custom)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
</tr>
<tr>
<td>Value</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Case studies for the JJJ and Hebei PforR operations developed (Number, Custom)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Component 3. Supporting result-based environmental program in Hebei Province

Capacity for environmental results monitoring improved (Number of people trained) (Number, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>480.00</td>
<td>480.00</td>
</tr>
</tbody>
</table>

Comments: The target number 480 is met.

Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P132748</td>
<td>TF-A4256</td>
<td>Effective</td>
<td>USD</td>
<td>17.80</td>
<td>17.80</td>
<td>0.00</td>
<td>2.32</td>
<td>15.48</td>
<td>13%</td>
</tr>
</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements
Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.