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The World Bank

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Report No. P-6440-CHA

MEMORANDUM AND RECOMMENDATION
OF THE
PRESIDENT OF THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
TO THE
EXECUTIVE DIRECTORS
ON A
PROPOSED LOAN
IN AN AMOUNT EQUIVALENT TO \$270 MILLION
TO THE
PEOPLE'S REPUBLIC OF CHINA
FOR A
SICHUAN POWER TRANSMISSION PROJECT

JANUARY 30, 1995

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CURRENCY EQUIVALENTS
(as of December 1, 1994)

| | | |
|---------------|---|----------|
| Currency Unit | = | Yuan (Y) |
| Y 1.00 | = | 100 fen |
| \$1.00 | = | Y 8.5 |
| Y 1.00 | = | \$0.11 |

WEIGHTS AND MEASURES

| | | |
|------------------|---|----------------------|
| 1 kilometer (km) | = | 0.62 miles |
| 1 megawatt (MW) | = | 1,000 kilowatts (kW) |
| 1 kilovolt (kV) | = | 1,000 volts (V) |

ABBREVIATIONS AND ACRONYMS

| | | |
|----------------|---|---|
| CRISPP | - | China Reform, Institutional Support and Preinvestment Project |
| EAR | - | Environmental Assessment Report |
| GEF | - | Global Environment Facility |
| IDC | - | Interest During Construction |
| SDB | - | State Development Bank |
| SEPC | - | Sichuan Electric Power Company |
| SIC | - | Sichuan Investment Company |
| SWEPTDI | - | South West Electric Power Design Institute |

FISCAL YEAR

January 1 - December 31

CHINA

SICHUAN POWER TRANSMISSION PROJECT

Loan and Project Summary

Borrower: People's Republic of China

Beneficiary: Sichuan Electric Power Company (SEPC)

Poverty Category: Not Applicable

Amount: \$270 million equivalent

Terms: Twenty years, including a five-year grace period, at the Bank's standard variable interest rate

Commitment Fee: 0.75 percent on undisbursed loan balances, beginning 60 days after signing, less any waiver

Onlending Terms: The proceeds of the loan would be onlent from the Borrower through Sichuan Province to SEPC on the same terms and conditions as the Bank loan, with SEPC bearing the foreign exchange risk

Financing Plan: See Schedule A

Economic Rate of Return: 17 percent

Staff Appraisal Report: Report No. 13468-CHA

Map: IBRD 25932R

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**MEMORANDUM AND RECOMMENDATION OF THE PRESIDENT
OF THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
TO THE EXECUTIVE DIRECTORS
ON A PROPOSED LOAN
TO THE PEOPLE'S REPUBLIC OF CHINA
FOR A SICHUAN POWER TRANSMISSION PROJECT**

1. I submit for your approval the following memorandum and recommendation on a proposed loan to the People's Republic of China for the equivalent of \$270 million to help finance a Sichuan Power Transmission Project. The loan would be at the Bank's standard variable interest rate, with a maturity of 20 years, including 5 years of grace. The proceeds of the loan would be onlent through Sichuan Province to the Sichuan Electric Power Company (SEPC) on the same terms and conditions as the Bank loan, with SEPC bearing the foreign exchange risk.

2. **Background.** Expansion of the supply of power and improvements in the industry's efficiency are critical to sustaining China's rapid economic growth, mitigating adverse environmental impacts of energy development, and improving living standards. China is steadily improving the efficiency of energy use through reliance upon economic prices for energy and a well-developed institutional network for energy conservation. Energy use-GDP growth elasticities have been exceptionally low since the early 1980s, and especially during the last few years. Consumer prices for the major forms of energy now largely reflect economic costs. Electricity conservation is promoted through a comprehensive network of specialized agencies at the central, provincial and local levels, and electricity conservation investments are made through a variety of programs coordinated with provincial power companies and industrial consumers. Even with yet more dramatic success in conservation, however, generation capacity must increase by at least 17,000 MW a year in order to avoid exacerbation of the serious power shortages that already exist. The Government has adopted the strategy of constructing large and cost-effective power plants to meet demand and accelerate the replacement of obsolete and heavily polluting plants with more energy-efficient and environmentally sustainable units.

3. To continue the efficiency improvements and increase capital mobilization necessary for further development of the power industry, China is now actively pursuing an ambitious program of power sector reforms. Particular progress has been made in recent years in sector decentralization, improvements in cost recovery through major tariff reforms, and diversification of financing sources, including development of a variety of independent power generation schemes. The pace and depth of the sector reforms have picked up during 1993 and 1994, and the Government's integrated agenda for action now includes (a) commercialization and corporatization of power companies, including achievement of greater enterprise autonomy, (b) further measures to rationalize power tariffs, (c) realignment of the regulatory and legal framework, including the promulgation of a National Electricity Law, and (d) active encouragement for diversification in financing for power development, including private sector participation. Although consensus exists

at the national level on the basic directions of the program, the difficult task of *implementing* the reform program at provincial and local levels throughout the country is just beginning. While actions have been initiated on all of the above topics, measures to transform the power entities into commercial companies are now a focal point in the overall effort. These measures include separating the producing entities from the Government, granting them autonomy in business decision-making, and subjecting them to market forces in an arms-length regulatory framework.

4. In line with Bank-wide policies, the Bank's energy assistance program in China places special emphasis on sector reform and energy conservation. During the last two years, the Bank's technical assistance program for the power sector has focused on helping the Chinese in assessing reform options (through the Bank's Institutional Development Fund), defining implementation strategies (through sector work on power sector reform), and exploring options for mobilizing further resources to meet the capital needs of the sector development (through informal sector work). The energy conservation support program includes technical assistance through the Global Environment Facility (GEF), lending support in selected industrial projects, environment and energy, and development of a series of new GEF investment operations. *The power sector lending program now focuses on assistance for the detailed aspects of implementation of the power sector reforms, primarily at provincial levels, as well as reducing the power shortages that continue to hamper development.*

5. Sichuan Province, where the proposed project is located, is one of the less developed provinces in China. The proposed project is part of the giant Ertan project that the Bank began supporting in 1991. For the purpose of financing, the Government has divided the project into three phases; ongoing Ertan-Phase I, the proposed Sichuan Power Transmission Project, and a future Ertan-Phase II Project to complete the overall project. The Ertan project, with its output of 3,300 MW and 17 billion kWh a year of nonpolluting hydropower, will supply 25-30 percent of the total power requirements in Sichuan Province. Even with those additions to supply, increased sector efficiency through further market orientation are crucial for sustained growth in the province, the most populous in China. Implementation of power sector reforms in many ways lags behind that in more advanced provinces where the Bank has been active in supporting the reforms through other lending operations. The process of restructuring the management of the power industry of the province from management by a government department to management by a suitably autonomous power company is just beginning. Although based upon existing well-developed institutions, SEPC was established as a company only in 1993. Recent years have brought substantial progress in power price reform, but in this area as well, Sichuan also lags behind other provinces.

6. **Project Objectives.** The objectives of the proposed project are to (a) alleviate an acute shortage of electricity by the construction of a 500-kV transmission network for connecting the ongoing Ertan hydroelectric project to the Sichuan power grid, as well as reinforcing the existing power transmission system; (b) assist in implementing power sector reforms in Sichuan Province through a time-bound program; (c) support the implementation of further power tariff rationalization; (d) promote transfer of

contemporary technologies for extra-high voltage transmission networks; (e) enhance institutional capabilities for environmental management, and resettlement planning and implementation; and (f) upgrade management and operation capabilities through well-focused staff training programs.

7. The reform agenda supported under the proposed project will focus on increased autonomy and accountability of the newly created provincial power company and on further reform of the power pricing system. To this end, a time-bound Action Plan has been agreed. The *enterprise reform* component would include (a) revision of the company charter based on the new company law; (b) separation of government functions from the operational, management and commercial functions of SEPC; and (c) implementation of adequate new accounting, reporting and auditing systems. *Reform of the pricing system* would include a progressive phasing out of the multi-tier pricing system, measures to improve transfer pricing mechanisms between the existing wide variety of power sellers and purchasers, and the design and implementation of seasonal and time-of-day tariffs to reflect the variation of supply costs of the mainly hydro system.

8. **Project Description.** The proposed project would include (a) construction of a new 500-kV network consisting of about 2,260 km of transmission lines, five transformer substations (5,250 MVA) and one switching station, and reinforcement of the existing transmission network; (b) provision of engineering and construction management services; (c) carrying out of environmental management and resettlement programs; (d) extension of technical assistance for implementation of the SEPC's Action Plan, and development of accounting and financial management systems; and (e) design and undertaking of specific training programs. The feasibility study and design report for the transmission network component were completed by expatriate and local consultants in 1993. Following the Bank's Guidelines, international engineering consultants have been selected to assist in finalizing designs, procurement of goods and works, and construction management. Funding in the amount of \$3 million out of the China Reform, Institutional Support and Preinvestment Project—CRISPP (Credit 2447-CHA) has been approved for engineering and preparation of the project. An Environmental Assessment Report (EAR) has been prepared in accordance with the Government and Bank environmental rules for power projects. The EAR has been approved by all authorities, and submitted to the Bank. The construction of the 500-kV transmission network is on the critical path for connecting the ongoing Ertan hydroelectric plant (supported under Loan 3387-CHA) to the Sichuan power grid. The Ertan project is progressing on schedule and within budget. The Ertan Hydroelectric Development Corporation was created in connection with the previous Bank loan; it is operating effectively as the first independent entity created in China for developing hydropower resources.

9. The total financing requirements for the proposed project, including interest during construction (IDC), are estimated at \$1,078.7 million equivalent. The State Development Bank—SDB (70 percent), the Sichuan Investment Corporation—SIC (20 percent), and SEPC (10 percent) would cover the financing of local costs and IDC. The Bank loan of \$270 million would cover the full foreign exchange requirements, excluding IDC. A breakdown of costs and the financing plan are shown in Schedule A. Amounts

and methods of procurement and of disbursements, and the disbursement schedule are shown in Schedule B. A timetable of key project processing events and the status of Bank Group operations in China are given in Schedules C and D, respectively. A project map is also attached. The Staff Appraisal Report, No. 13468-CHA dated January 20, 1995, is being distributed separately.

10. **Project Implementation.** SEPC will be responsible for implementation of the project. A specialized construction unit has been created to manage project implementation. SEPC is a well-established power entity with the necessary capability for carrying out large power projects, and project implementation arrangements appear to be appropriate. Assistance in construction management will also be provided by the expatriate and local engineering consultants during project implementation. Procurement arrangements for the project are being made to enable its efficient and timely implementation.

11. **Project Sustainability.** The institutional and financial sustainability of the project will be secured by the planned strengthening of the beneficiary organization, corporate autonomy and management capabilities, in line with the Government's reform program for the sector. The new sectoral policy allows increased corporate autonomy in managerial, procurement, financial and personnel matters. Financial covenants under this project would help to enhance the beneficiary's capability for cost recovery to finance debt servicing and internal cash generation for self-financing of future investments.

12. **Lessons from Previous Bank Involvement.** The lessons learned from the previous power projects and especially the Second Power Transmission Project are being taken into account in preparing the proposed project. Based on these lessons, particular attention is being given to proper assessment of project costs, improved and accelerated procurement procedures, enhancement of the role of project construction management, timely appointment of engineering consultants, effectiveness of technical assistance, staff training, and implementation of study recommendations. Supported by the use of CRISPP funds, implementing agencies have shown improvement in carrying out management development, staff training and studies. Commitments related to meeting financial performance targets and enterprise reform are also being fulfilled more consistently.

13. **Rationale for Bank Involvement.** The proposed project complies with the Bank's Country Assistance Strategy for China, as presented to the Board on August 3, 1993. That strategy highlights the need to support economic reform and promote corporatization and development of a regulatory framework, while assisting infrastructure modernization in an environmentally responsible manner. The proposed project also is a central element in the Bank's power sector strategy, designed through recent sector work (para. 4). The key objective of the Bank's involvement in this project is to provide an operational context for implementation of China's power sector reforms in a major less-developed province, focusing on (a) detailed design and implementation of specific reforms to increase the market orientation of the provincial power entity, strengthen its autonomy, and improve its financial capabilities, and (b) increases and rationalization of power tariffs.

14. **Agreed Actions.** The Government agreed to: (a) take necessary measures to enable SEPC to implement the Action Plan in a manner satisfactory to the Bank; and (b) onlend the proceeds of the proposed Bank loan through Sichuan Province to SEPC on terms and conditions satisfactory to the Bank. SEPC agreed that it would: (a) prepare by September 30, 1995, in consultation with the Bank, a detailed program for implementation of the Action Plan and, thereafter, implement the Action Plan in a manner satisfactory to the Bank; (b) carry out the management development and staff training program; (c) carry out the environmental management program and relocation of persons affected by the project in a manner satisfactory to the Bank; (d) furnish the Bank with audited projects accounts, statements of expenditures, and financial statements within six months of the end of each fiscal year; (e) take all necessary measures to ensure that its internal cash generation is sufficient to meet operating expenses, taxes, and financial obligations in 1995; (f) take all necessary measures to ensure that its self-financing ratio is no less than 10 percent in 1996, 15 percent in 1997, 20 percent in 1998, 25 percent in 1999 and 30 percent thereafter; (g) not incur additional debt unless a forecast shows its internal cash generation would provide a debt service coverage of no less than 1.2 times during 1996-97 and 1.5 times thereafter; and (h) furnish to the Bank each year a rolling eight-year financial plan.

15. **Environmental Aspects.** The proposed project is designated as Category B for environmental assessment purposes. The project is located in a mountainous and semirural agricultural area. Alternative routes for the transmission lines and transformer substation sites were considered, and the selected route requires the least amount of land, affects the least number of people, and offers the smallest impact on the natural and human environment. The project's main environmental issues relate to worker health and safety, transmission line impacts (noise and electromagnetic fields) and the influence of the construction labor force on local infrastructure. Mitigating measures included in an environmental management plan, which meets both Chinese and World Bank environmental requirements, will be carried out to minimize project impacts.

16. The transmission lines will cross sparsely populated areas, and approximately 8,000 people will be affected by the project. This would, inter alia, involve certain relocation of the population presently living within the future corridors of the transmission lines. A comprehensive resettlement action plan (RAP) has been received. According to the RAP, the affected people and communities will be compensated adequately according to both national and local regulations. A well-organized environmental and resettlement unit also has been set up by authorities and the beneficiary to handle the resettlement planning and implementation. The arrangements for resettlement, which have been made through a participatory process with land users and local authorities, are satisfactory. Institutional strengthening of the beneficiary's environmental and resettlement capabilities is included within the project. Environmental and resettlement specialists have participated in the preparation and processing of the proposed project.

17. **Project Benefits.** This large power project will greatly increase the critically needed power transmission capability in Sichuan Province and the Southwest China power grid as a whole. According to comprehensive analyses, the project is clearly

a critical part of the least-cost development program for meeting future power supply needs, as it provides the means for transmitting power to consumers from the 3,300 MW Ertan Project, which is already well under construction. The internal economic rate of return (IERR) for the full Ertan Hydroelectric Project (including sunk costs) and investments in the transmission line is estimated at 17 percent. The IERR for only the proposed transmission project is about 37 percent. Other intangible benefits include institutional development, improved power grid operation, and the favorable influence on society at large by helping relieve hardships caused by the acute power supply shortages.

18. **Risks.** In view of the advanced preparatory works, risks associated with project construction, cost overruns, and implementation delays in both the Ertan hydroelectric plant and the proposed project are within reasonable limits and manageable with the agreed supervision arrangements and involvement of competent engineering consultants. Particular attention will be given to the safety aspects of the project, and to capabilities and performance of major contractors. Implementation of the power sector reforms in an efficient and timely manner represents another risk that would be addressed through adequate technical assistance and continuous supervision of the project. The government has given assurances that tariff increases required for SEPC to achieve its financial targets will be forthcoming, and China's record in this regard has been good. The economic risks would be minimal.

19. **Recommendation.** I am satisfied that the proposed loan would comply with the Articles of Agreement of the Bank and recommend that the Executive Directors approve it.

Lewis T. Preston
President

Attachments

Washington, D.C.
January 30, 1995

CHINA

SICHUAN POWER TRANSMISSION PROJECT

ESTIMATED COSTS AND FINANCING PLAN
(\$ million)

| | Local | Foreign | Total |
|--|--------------|--------------|----------------|
| Estimated Costs: | | | |
| A. <u>Transmission Network Expansion</u> | | | |
| Preparatory works | 68.2 | 0.0 | 68.2 |
| Civil works and installations | 123.7 | 0.0 | 123.7 |
| 220-kV transmission system | 128.4 | 0.0 | 128.4 |
| 500-kV transmission lines | 130.0 | 60.2 | 190.2 |
| 500-kV substations equipment | 40.1 | 175.4 | 215.5 |
| B. <u>Resettlement and Rehabilitation</u> | | | |
| Land acquisition and relocation | 12.2 | 0.0 | 12.2 |
| C. <u>Technical Assistance</u> | | | |
| <i>Preparation/Implementation</i> | | | |
| Engineering and administration | 12.0 | 4.2 | 16.2 |
| <i>Institutional Development</i> | | | |
| Environmental protection | 0.3 | 0.5 | 0.8 |
| Reform plan and management information systems | 1.0 | 1.7 | 2.7 |
| Training | 1.0 | 3.3 | 4.3 |
| <u>Base Cost</u> | <u>516.9</u> | <u>245.3</u> | <u>762.2</u> |
| Contingencies: | | | |
| Physical | 46.6 | 15.1 | 61.7 |
| Price | 37.9 | 12.6 | 50.5 |
| <u>Total Project Cost</u> | <u>601.4</u> | <u>273.0</u> | <u>874.4</u> |
| Interest during construction /a | 151.2 | 53.1 | 204.3 |
| <u>Total Financing Required</u> | <u>752.6</u> | <u>326.1</u> | <u>1,078.7</u> |
| Financing Plan: | | | |
| State Development Bank | 526.8 | 37.2 | 564.0 |
| Sichuan Investment Company | 150.5 | 10.6 | 161.1 |
| Sichuan Electric Power Company | 75.3 | 5.3 | 80.6 |
| IBRD | 0.0 | 270.0 | 270.0 |
| IDA (CRISPP) /b | 0.0 | 3.0 | 3.0 |
| <u>Total</u> | <u>752.6</u> | <u>326.1</u> | <u>1,078.7</u> |

/a Interest during construction (IDC) is based on onlending rate for projected disbursements of loan proceeds. Foreign currency portion of IDC is based on Bank loan variable rate.

/b Credit 2447-CHA.

CHINA

SICHUAN POWER TRANSMISSION PROJECT

SUMMARY OF PROPOSED PROCUREMENT ARRANGEMENTS
(\$ million)

| Project item | Proposed method | | | Total project costs |
|---------------------------------------|--------------------------------|------------------------------|------------------------------|----------------------------------|
| | ICB | Other | NBF /a | |
| Works | | | | |
| Preparatory works | - | - | 78.9 | 78.9 |
| Land acquisition & relocation | - | - | 13.9 | 13.9 |
| Civil works & installations | - | - | 143.8 | 143.8 |
| Goods | | | | |
| Transmission line materials & systems | 72.7 (69.3) | - | 300.1 | 372.9 (69.3) |
| Substation equipment & systems | 197.0 (187.3) | 6.0 (6.0)/b | 35.3 | 238.3 (193.3) |
| Services | | | | |
| Engineering and administration | - | 17.9 (1.3) | - | 17.9/c (1.3) |
| Environmental protection | - | 0.9 (0.5) | - | 0.9 (0.5) |
| Accounting and financial MIS | - | 2.9 (1.8) | - | 2.9 (1.8) |
| Training | - | 4.7 (3.7) | - | 4.7 (3.7) |
| Total | <u>269.7</u> <u>(256.6)</u> | <u>32.5</u> <u>(13.4)</u> | <u>572.2</u> <u>(0.0)</u> | <u>874.4/c</u> <u>(270.0)</u> |

Note: Figures in parentheses are the respective amounts financed by the Bank loan.

/a NBF = Not Bank Financed.

/b LIB and shopping for minor equipment and instruments, and direct negotiations with suppliers for training and environmental monitoring equipment.

/c The CRISPP-related financing included.

DISBURSEMENTS

| Category | Amount of loan allocated (\$million) | % of expenditures to be financed |
|---|--|--|
| (1) Goods | 243.0 | 100% of foreign expenditures, 100% of local expenditures (ex- factory cost), and 75% local expenditures for other items procured locally |
| (2) Consultant services and training | 7.0 | 100% |
| (3) Unallocated | 20.0 | |
| <u>Total</u> | <u>270.0</u> | |

Estimated Disbursements:

| Bank FY | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|------------|--------------------------|------|-------|-------|-------|-------|
| | ----- (\$ million) ----- | | | | | |
| Annual | 22.5 | 64.2 | 75.1 | 62.8 | 36.1 | 9.3 |
| Cumulative | 22.5 | 86.7 | 161.8 | 224.6 | 260.7 | 270.0 |

CHINA

SICHUAN POWER TRANSMISSION PROJECT

TIMETABLE OF KEY PROJECT PROCESSING EVENTS

- (a) Time taken to prepare the project: 20 months
 - (b) Prepared by: SEPC with Bank assistance
 - (c) First Bank mission: September 1992
 - (d) Appraisal mission departure: June/July 1994
 - (e) Negotiations: January 1995
 - (f) Planned date of effectiveness: July 1995
 - (g) List of relevant PCRs and PPARs: Lubuge Hydro (LN 2382-CHA), PCR
Power Transmission (LN 2493-CHA), PCR
-

The project was appraised by the following: Messrs./Mmes. V. Mastilović (Task Manager), S. Kataoka (Senior Power Engineer), H.E. Sun (Financial Analyst), R. Taylor (Senior Economist), N. Berrah (Senior Economist), T. Hassan (Senior Counsel), J. Fritz (Environmental Engineer), Y. Zhu (Resettlement Specialist), and K.C. Ling (Consultant). Peer reviewers comprised: W. Cao (technical), M. Layec (economic), and S. Shum (institutional and financial). The Division Chief is Richard S. Newfarmer and the Department Director is Nicholas C. Hope.

STATUS OF BANK GROUP OPERATIONS IN THE PEOPLE'S REPUBLIC OF CHINA

A. STATEMENT OF BANK LOANS AND IDA CREDITS
(As of December 31, 1994)

| Loan/ Credit Number | FY | Bor- rower | Purpose | Amount (US\$ million) (net of cancellations) | | |
|--|----|---------------|-------------------------------------|---|------------|------------|
| | | | | Bank | IDA | Undisb.(a) |
| 33 loans and 42 credits have been fully disbursed. | | | | 3,118.3 | 2,602.3 | - |
| Of which SECAL: | | | | | | |
| 2967/1932 | 88 | PRC | Rural Sector Adj. | 200.0 | 93.2 | - |
| 2678/1680 | 86 | PRC | Third Railway | 160.0 | (70.0)(b) | 10.4 |
| 2723/1713 | 86 | PRC | Rural Health & Preventive Med. | 15.0 | 65.0 | 12.9 |
| 1764 | 87 | PRC | Xinjiang Agricultural Dev. | - | 70.0 | 1.9 |
| 2794/1779 | 87 | PRC | Shanghai Sewerage | 45.0 | (100.0)(b) | 6.6 |
| 2811/1792 | 87 | PRC | Beijing-Tianjin-Tanggu Expressway | 25.0 | 125.0 | 9.6 |
| 2812/1793 | 87 | PRC | Gansu Provincial Dev. | (20.0)(b) | 150.5 | 17.2 |
| 1835 | 87 | PRC | Planning Support & Special Studies | - | 20.7 | 5.2 |
| 2852 | 87 | PRC | Wujing Thermal Power | 190.0 | - | 8.2 |
| 2877/1845 | 88 | PRC | Huangpu Port | 63.0 | (25.0)(b) | 7.4 |
| 1885 | 88 | PRC | Northern Irrigation | - | 103.0 | 8.9 |
| 2943 | 88 | PRC | Pharmaceuticals | 127.0 | - | 0.8 |
| 2951/1917 | 88 | PRC | Sichuan Highway | 75.0 | (50.0)(b) | 22.7 |
| 2955 | 88 | PRC | Beilungang II | 165.0 | - | 22.3 |
| 2958 | 88 | PRC | Phosphate Dev. | 62.7 | - | 9.4 |
| 2968 | 88 | PRC | Railway IV | 200.0 | - | 13.4 |
| 1984 | 89 | PRC | Jiangxi Provincial Highway | - | 61.0 | 3.5 |
| 1997 | 89 | PRC | Shaanxi Agricultural Dev. | - | 106.0 | 18.8 |
| 2006 | 89 | PRC | Textbook Development | - | 57.0 | 0.4 |
| 2009 | 89 | PRC | Integrated Reg. Health | - | 52.0 | 14.4 |
| 3006 | 89 | PRC | Ningbo & Shanghai Ports | 76.4 | - | 9.2 |
| 3007 | 89 | PRC | Xiamen Port | 36.0 | - | 1.3 |
| 3022 | 89 | PRC | Tianjin Light Industry | 154.0 | - | 42.1 |
| 3060/2014 | 89 | PRC | Inner Mongolia Railway | 70.0 | (80.0)(b) | 9.0 |
| 3066 | 89 | PRC | Hubei Phosphate | 137.0 | - | 47.1 |
| 3073/2025 | 89 | PRC | Shandong Prov. Highway | 60.0 | (50.0)(b) | 21.8 |
| 3075 | 89 | PRC | Fifth Industrial Credit | 300.0 | - | 0.8 |
| 2097 | 90 | PRC | Jiangxi Agric. Dev. | - | 60.0 | 3.2 |
| 2114 | 90 | PRC | Vocational & Tech. Educ. | - | 50.0 | 5.5 |
| 2145 | 90 | PRC | National Afforestation | - | 300.0 | 89.9 |
| 2159 | 90 | PRC | Hebei Agricultural Dev. | - | 150.0 | 45.7 |
| 2172 | 91 | PRC | Mid-Yangtze Agricultural Dev. | - | 64.0 | 17.7 |
| 3265/2182 | 91 | PRC | Rural Credit IV | 75.0 | 200.0 | 39.6 |
| 3274/2186 | 91 | PRC | Rural Indust Tech (SPARK) | 50.0 | 64.3 | 28.0 |
| 3286/2201 | 91 | PRC | Medium-Sized Cities Dev. | 79.4 | 52.9 | 40.5 |
| 2210 | 91 | PRC | Key Studies Development | - | 131.2 | 45.3 |
| 2219 | 91 | PRC | Liaoning Urban Infrastructure | - | 77.8 | 10.6 |
| 3316/2226 | 91 | PRC | Jiangsu Provl. Transport | 100.0 | (53.6)(b) | 30.2 |
| 2242 | 91 | PRC | Henan Agricul. Dev. | - | 110.0 | 64.2 |
| 3337/2256 | 91 | PRC | Irrig. Agricul. Intensif. | 147.1 | 187.9 | 101.8 |
| 3387 | 92 | PRC | Ertan Hydroelectric | 380.0 | - | 47.3 |
| 2294 | 92 | PRC | Tarim Basin | - | 125.0 | 66.6 |
| 2296 | 92 | PRC | Shanghai Metro Transport | - | 60.0 | 20.0 |
| 3406 | 92 | PRC | Railways V | 330.0 | - | 127.5 |
| 3412/2305 | 92 | PRC | Daguangba Multipurpose | 30.0 | 37.0 | 14.6 |
| 2307 | 92 | PRC | Guangdong ADP | - | 162.0 | 111.5 |
| 3415/2312 | 92 | PRC | Beijing Environment | 45.0 | 80.0 | 76.0 |
| 2317 | 92 | PRC | Infectious and Endemic Disease Cont | - | 129.6 | 103.8 |
| 3433 | 92 | PRC | Yanshi Thermal Power | 180.0 | - | 32.2 |
| 2336 | 92 | PRC | Rural Water Supply and Sanitation | - | 110.0 | 68.8 |
| 2339 | 92 | PRC | Educ. Development in Poor Provs. | - | 130.0 | 70.8 |
| 3443 | 92 | PRC | Regional Cement Industry | 82.7 | - | 38.7 |

| Loan/ Credit Number | FY | Bor- rower | Purpose | Amount (US\$ million) (net of cancellations) | | |
|--------------------------------|----|---------------|----------------------------------|---|---------|------------|
| | | | | Bank | IDA | Undisb.(a) |
| 3462 | 92 | PRC | Zouxian Thermal Power | 310.0 | - | 229.3 |
| 3471 | 92 | PRC | Zhejiang Provincial Highway | 220.0 | - | 137.3 |
| 2387 | 92 | PRC | Tianjin Urban Devt. & Envir. | - | 100.0 | 72.4 |
| 2391 | 92 | PRC | Ship Waste Disposal | - | 15.0 | 15.9 |
| 2411 | 93 | PRC | Sichuan Agricultural Devt. | - | 147.0 | 93.2 |
| 3515 | 93 | PRC | Shuikou Hydroelectric II | 100.0 | - | 68.5 |
| 2423 | 93 | PRC | Financial Sector TA | - | 60.0 | 53.5 |
| 3530 | 93 | PRC | Guangdong Provincial Transport | 240.0 | - | 178.0 |
| 3531 | 93 | PRC | Henan Provincial Transport | 120.0 | - | 83.0 |
| 2447 | 93 | PRC | Ref. Inst'l and Preinvest. | - | 50.0 | 43.5 |
| 3552 | 93 | PRC | Shanghai Port Rest. and Devt. | 150.0 | - | 132.3 |
| 2457 | 93 | PRC | Changchun Water Supply & Env. | - | 120.0 | 117.7 |
| 2462 | 93 | PRC | Agriculture Support Services | - | 115.0 | 98.7 |
| 3560/2463 | 93 | PRC | Taihu Basin Flood Control | 100.0 | 100.0 | 144.2 |
| 2471 | 93 | PRC | Effective Teaching Services | - | 100.0 | 98.2 |
| 3572 | 93 | PRC | Tianjin Industry II | 150.0 | - | 150.0 |
| 3582 | 93 | PRC | South Jiangsu Envir. Prot. | 250.0 | - | 235.9 |
| 2475 | 93 | PRC | Zhejiang Multicities Devt. | - | 110.0 | 97.4 |
| 3581 | 93 | PRC | Railway VI | 420.0 | - | 362.4 |
| 3606 | 93 | PRC | Tianhuangping Hydroelectric | 300.0 | - | 277.5 |
| 3624/2518 | 93 | PRC | Grain Distribution | 325.0 | 165.0 | 475.5 |
| 2522 | 93 | PRC | Environmental Tech. Assist. | - | 50.0 | 45.9 |
| 2539 | 94 | PRC | Rural Health Workers Devt. | - | 110.0 | 105.6 |
| 3652 | 94 | PRC | Shanghai Metro Transport II | 150.0 | - | 74.0 |
| 3681 | 94 | PRC | Fujian Provincial Highways | 140.0 | - | 122.6 |
| 3687 | 94 | PRC | Telecommunications | 250.0 | - | 250.0 |
| 2563 | 94 | PRC | Second Red Soils Area Devt. | - | 150.0 | 140.8 |
| 2571 | 94 | PRC | Songliao Plain Agric. Devt. | - | 205.0 | 195.1 |
| 3711 | 94 | PRC | Shanghai Environment | 160.0 | - | 157.0 |
| 3716 | 94 | PRC | Sichuan Gas Devt & Conservatn. | 255.0 | - | 255.0 |
| 3718 | 94 | PRC | Yangzhou Thermal Power | 350.0 | - | 350.0 |
| 3727 | 94 | PRC | Xiaolangdi Multipurpose | 460.0 | - | 400.6 |
| 2605 | 94 | PRC | Xiaolangdi Resettlement | - | 110.0 | 107.9 |
| 2616 | 94 | PRC | Loess Plateau Watershed Devt. | - | 150.0 | 144.2 |
| 2623 | 94 | PRC | Forest Resource Devt. & Prot. | - | 200.0 | 192.3 |
| 3748 | 94 | PRC | National Highway | 380.0 | - | 380.0 |
| 3773/2642 | 95 | PRC | Ent. Housing/Soc Sec Reform | 275.0 | 75.0 | 351.9 |
| 3781 | 95 | PRC | Liaoning Environment (c) | 110.0 | - | 110.0 |
| 3787 | 95 | PRC | Xinjiang Prov. Highways (c) | 150.0 | - | 150.0 |
| 2651 | 95 | PRC | Basic Ed for Poor/Minorities (c) | - | 100.0 | 100.3 |
| 3788 | 95 | PRC | Sienyang Industrial Reform (c) | 175.0 | - | 175.0 |
| 2654 | 95 | PRC | Economic Law Reform (c) | - | 10.0 | 10.0 |
| 2655 | 95 | PRC | Comp Maternal/Child Health (c) | - | 90.0 | 89.7 |
| Total | | | | 12,118.6 | 8,026.2 | 8,697.6 |
| of which has been repaid | | | | 1,005.7 | 14.2 | |
| Total now held by Bank and IDA | | | | 11,112.9 | 8,012.0 | |
| Amount sold: Of which repaid | | | | - | - | |
| Total Undisbursed | | | | 5,735.1 | 2,962.5 | 8,697.6 |

(a) As credits are denominated in SDRs (since IDA Replenishment VI), undisbursed SDR credit balances are converted to dollars at the current exchange rate between the dollar and the SDR. In some cases, therefore, the undisbursed balance indicates a dollar amount greater than the original principal credit amount expressed in dollars.

(b) Credit fully disbursed.

(c) Not yet effective.

B. STATEMENT OF IFC INVESTMENTS
(As of December 31, 1994)

| Investment No. | FY | Borrower | Type of Business | Loan ----- | Equity (US\$ Million) | Total ----- |
|----------------|--------------|--|------------------------------------|---------------|--------------------------|----------------|
| 813/2178 | 85/ 86/91 | Guangzhou Auto | Automobile | 15.0 | 4.5 | 19.5 |
| 974 | 87/88 | China Investment Co. | DfCs | 3.0 | - | 3.0 |
| 1020 | 88/ 92/94 | China Bicycles Bicycles Co. Ltd. | Bicycle Manufacture | 17.5 | 3.4 | 20.9 |
| 1066 | 89 | Crown Electronics | Electronics | 15.0 | - | 15.0 |
| 1119 | 89 | Shenzhen Solar | Electric Light/Power | 2.0 | 1.0 | 3.0 |
| 3423 | 93 | Shenzhen PCCP | Manufacturing | 4.0 | 1.0 | 5.0 |
| 3150 | 93 | Yantai Cement | Cement | 28.7 | 2.0 | 30.7 |
| 3881 | 94 | China Walden Mgt. | Capital Mkts. | - | 7.5 | 7.5 |
| | 94 | Dynamic Fund | Venture Capital | - | 20.0 | 20.0 |
| | 94 | Newbridge Inv. | Securities Mk Financing Instit. | - | 8.0 | 8.0 |
| | 95 | Dalian Glass | Glass | 61.0 | - | 61.0 |
| | | Total Gross Commitments | | 146.2 | 47.4 | 193.6 |
| | | Less cancellations, terminations, repayments, write-offs, and sales | | 57.3 | - | 57.3 |
| | | Total Commitments now Held by IFC | | 89.0 | 47.4 | 136.4 |
| | | Total Undisbursed | | 17.5 | 28.4 | 45.9 |

