



## Innovative Financing for Air Pollution Control in Jing-Jin-Ji (P154669)

EAST ASIA AND PACIFIC | China | Energy & Extractives Global Practice |  
 IBRD/IDA | Program-for-Results | FY 2016 | Seq No: 2 | ARCHIVED on 18-Dec-2016 | ISR26065 |

Implementing Agencies: Hua Xia Bank

### Program Development Objectives

Program Development Objective (from Program-for-Results Appraisal Document)

To reduce air pollutants and carbon emissions through increasing energy efficiency and clean energy, with a focus in Beijing-Tianjin-Hebei (Jing-Jin-Ji) and neighboring regions.

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

### Implementation Status and Key Decisions

The Program became effective on August 18, 2016. Huaxia Bank (HXB) has undertaken aggressive market and business development to identify energy efficiency and renewable energy investments, in close cooperation with the national and local governments and industrial associations. HXB has also conducted a series of trainings to its branches in the Jing-Jin-Ji and its surrounding regions to enhance the staff's understanding and knowledge on green finance and PforR lending instrument. . The project in general is progressing well and satisfactorily.

**Data on Financial Performance****Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P154669	IBRD-85920	Effective	USD	500.00	500.00	0.00	1.30	498.75	0%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P154669	IBRD-85920	Effective	22-Mar-2016	20-May-2016	18-Aug-2016	30-Jun-2022	--

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

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

**Disbursement Linked Indicators (DLI)**

► DLI-1: Subloans (for eligible EE, RE, and pollution abatement subprojects) disbursed to sub-borrowers (US\$, millions) ()

Baseline

Actual (Previous)

Actual (Current)



Value	0	--	0
Date	20-Jun-2016	--	15-Dec-2016

► DLI-2: Coal reduction from eligible EE and RE subprojects (thousand tons of coal equivalent) ()

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	0
Date	20-Jun-2016	--	15-Dec-2016

► DLI-3a: Reduction of SO<sub>2</sub> emissions from desulfurization subprojects (thousand tons) ()

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	0
Date	20-Jun-2016	--	15-Dec-2016

► DLI-3b: Reduction of NO<sub>x</sub> emissions from denitrification subprojects (thousand tons) ()

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	0
Date	20-Jun-2016	--	15-Dec-2016

► DLI-4: Establishment of a Green Finance Center and adoption of internal procedures for the identification, risk assessment, appraisal, and approval of green lending ()

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	0
Date	20-Jun-2016	--	15-Dec-2016

► DLI-5: Number of different eligible innovative financial products for green financing deployed (# of products) ()



	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	0
Date	20-Jun-2016	--	15-Dec-2016

► DLI-6: Number of different ESCOs receiving subloans (for eligible EE, RE, and pollution abatement subprojects) (# of ESCOs) ()

	Baseline	Actual (Previous)	Actual (Current)
Value	0	--	0
Date	20-Jun-2016	--	15-Dec-2016

## Results

### Results Area

#### Intermediate Results Area

Intermediate Result Indicator 1: Total investments in eligible EE, RE and pollution abatement subprojects

Intermediate Result Indicator 2: Subloans (for eligible EE, RE, and pollution abatement subprojects) disbursed to sub-borrowers

Intermediate Result Indicator 3: Coal reduction from eligible EE and RE subprojects

Intermediate Result Indicator 4: Reduction of SO<sub>2</sub> emissions from desulfurization subprojects

Intermediate Result Indicator 5: Reduction of NO<sub>x</sub> emissions from denitrification subprojects

Intermediate Result Indicator 6: Establishment of a Green Finance Center at the HXB and adoption of internal procedures for the identification, risk assessment, appraisal, and approval of green lending

Intermediate Results Indicator 7: Number of different eligible innovative financial products for green financing deployed

Intermediate Result Indicator 8: Number of different ESCOs receiving subloans (for eligible EE and RE subprojects)

Intermediate Result Indicator 9: Number of subprojects financed by syndicated loans

### Project Development Objective Indicators

► PDO Indicator 1: Reduction in particulate emissions from eligible EE and RE subprojects (thousand tons) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.60
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021



► PDO Indicator 2: Reduction in SO2 emissions from eligible EE, RE, and desulfurization subprojects (thousand tons) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	16.90
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

► PDO Indicator 3: Reduction in NOx emissions from eligible EE, RE, and denitrification subprojects (thousand tons) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	12.70
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

► PDO Indicator 4: Reduction in CO2 emissions from eligible EE and RE subprojects (thousand tons) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2,461.00
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

Overall Comments

The results indicators are expected to be verified after the sub-loans are disbursed by the end of December.

Intermediate Results Indicators

► Intermediate Result Indicator 1: Total investments in eligible EE, RE and pollution abatement subprojects (US\$ millions) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,400.00
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021



► Intermediate Result Indicator 2: Subloans(for eligible EE, RE, and pollution abatement subprojects) disbursed to sub-borrowers (US# millions) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,000.00
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

► Intermediate Result Indicator 3: Coal reduction from eligible EE and RE subprojects (thousand tce) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,000.00
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

► Intermediate Result Indicator 4: Reduction of SO2 emissions from desulfurization subprojects (thousand tons) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.80
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

► Intermediate Result Indicator 5: Reduction of NOx emissions from denitrification subprojects (thousand tons) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7.40
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

► Intermediate Result Indicator 6: Establishment of a Green Finance Center at the HXB and adoption of internal procedures for the identification, risk assessment, appraisal, and approval of green lednin (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021



► Intermediate Result Indicator 7: Number of different eligible innovative financial products for green financing deployed (number of products) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

► Intermediate Result Indicator 8: Number of different ESCOs receiving subloans (for eligible EE and RE subprojects) (number of ESCOs) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

► Intermediate Result Indicator 9: Number of subprojects financed by syndicated loans ( number of projects) (, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	20-Jun-2016	20-Jun-2016	15-Dec-2016	31-Dec-2021

Overall Comments