

China**Innovative Financing for Air Pollution Control in Jing-Jin-Ji****March 22, 2016****Chair Summary***

The Executive Directors approved a loan to the People's Republic of China in the amount of Euro 460 million (US\$500 million equivalent) for Program for Results (PforR) Operation "Innovative Financing for Air Pollution Control in Jing-Jin-Ji" on the terms and conditions set out in the President's Memorandum.

Directors expressed broad support for this operation, being the Bank's first PforR operation in China and the first one in the energy sector. They welcomed the focus on the reduction of air pollutants and carbon emissions by means of increasing energy efficiency and renewable energy in the Beijing-Tianjin-Hebei region and the neighboring regions. Directors were satisfied that PforR was the appropriate instrument and the operation will leverage the efforts of the Government of China to achieve its Air Pollution Prevention and Control Action Plan.

Directors commended the commitment of the Chinese Authorities to clean and green development, and highlighted that tackling air pollution requires persistent and strenuous efforts. In this regard they welcomed the broad participation in the project, including the Government, Regions, companies, and the public. Directors noted that the implementation risks involved are substantial and call for effective mitigation measures, including building the capacity necessary for effective monitoring and managing the associated risks. They stressed the importance of independent and credible verification of the program results, and encouraged the Bank to strengthen the capacity for such results monitoring.

Directors encouraged the Bank to continue to work closely with IFC to harness synergies between their respective programs and to bring in MIGA as appropriate to support sustainable energy efficiency in China.

Finally, they urged the Bank to look for opportunities to replicate the approaches of this program in other parts of China and elsewhere in the world.

*This summary is not an approved record.