

Project Summary for Public Disclosure

Project Name	Beijing Gas Tianjin Nangang LNG Emergency Reserve Project
Country	China
Sector	Energy
Concept Approval Date	19 August 2020
Board Approval Date	09 March 2021
Total Project Cost	RMB 13.8 billion
Loan Amount	EUR 436 million (equivalent to RMB 3.4 billion)
Borrower	China
Implementation Agency	Beijing Gas Group Co. Ltd.
Project Context	<p>Improving air quality and combatting climate change have been on the top of China's agenda. To achieve this, the Government of China has taken strategic actions to create a favorable policy environment for promoting the use of clean energy and reducing energy reliance on coal. In this context, natural gas has been identified as an important substitute for coal. Coal-to-gas replacement has therefore been encouraged by the Government of China to be implemented nationwide. Natural gas subsector in China has been developing rapidly in recent years. In Beijing, for example, natural gas consumption accounted for about one-third of the total energy mix in 2019, representing a significant increase from less than 15% in 2010. The rapid implementation of coal-to-gas replacement policy has led to significant growth in consumption of natural gas, resulting in considerable gaps between demand and supply, especially during the peak seasons. This challenge is particularly pronounced in Beijing-Tianjin-Hebei region, where natural gas supply for the peak consumption seasons such as the winter period cannot be ensured. Further, due to insufficient emergency gas reserve capacity, the local natural gas suppliers cannot respond in time to accommodate the demand fluctuations.</p>

Project Objective	The objective of the Project is to increase natural gas emergency supply capacity, reduce reliance on coal and ultimately support low-carbon and sustainable development of the local economy.
Project Description	<p>The Project consists of the following parts:</p> <p>(1) <u>Part 1: construction of LNG receiving, storage and regasification facilities</u></p> <p>Constructing an LNG terminal consisting of: (i) an LNG receiving facility with annual handling capacity of five million tonnes of LNG; (ii) ten LNG storage tanks with a volume of no less than 200,000 cubic meters each; and (iii) a regasification facility with a maximum daily operating capacity of 60 million cubic meters of natural gas.</p> <p>(2) <u>Part 2: construction of unloading wharf</u></p> <p>Constructing an unloading wharf consisting of: (i) a working platform; (ii) four mooring dolphins; and (iii) six mooring cleats.</p>
Expected Benefits	The Project's positive impacts include reducing reliance on coal and ultimately supporting low-carbon and sustainable development of the local economy. Moreover, the positive health impact generated by the Project is expected to be considerable.
Environmental and Social Aspect	The Project is Category "A" in line with NDB's Environmental and Social Framework (ESF). Major E&S risks include biodiversity impacts to Bohai Bay and Laizhou Bay marine protected resources and benthonic habitat by dredging and constructing the wharf, impacts to Beidagang protected wetland by constructing the gas pipeline, deterioration of marine water quality by dredging and pollutant discharge, as well as land acquisition and temporary land use. These risks and impacts will be mitigated by adherence to country systems E&S requirements and fulfillment of the Project's environmental and social management plans. In addition, the Project will implement an Environmental and Social Impact Management Plan agreed between NDB and the Implementing Agency to ensure full compliance with country system and NDB's ESF.
Financing Aspect	The total cost of the Project is estimated at RMB 13.8 billion. NDB will finance EUR 436 million (equivalent to RMB 3.4 billion) or 24.68% of the total cost. Asian Infrastructure Investment Bank will finance USD 500 million (equivalent to RMB 3.3 billion) or 23.78% of the total cost. The remaining balance will be financed by counterpart funds from the People's Government of Beijing Municipality and Beijing Gas Group Co. Ltd.

	Source of Fund		Amount
	New Development Bank		EUR 436 million
	Asian Infrastructure Investment Bank		USD 500 million
	People's Government of Beijing Municipality and Beijing Gas Group Co. Ltd.		RMB 7.12 billion
Implementation	The Project will be implemented over five years. Beijing Gas Group Co. Ltd. will be the Implementing Agency. Procurement will be conducted in compliance with the national law and regulations, and will meet the core principles of NDB's Procurement Policy.		
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