

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Jiangxi Natural Gas Transmission System Development Project
Country	The People's Republic of China
Type	Sovereign
Area of Operation	Clean Energy & Energy Efficiency
Financing Approval Date	16 November 2018
Total Project Cost	USD 1,116 million
Initial Limit of NDB Financing	USD 400 million
Current Limit of NDB Financing	USD 254 million
Borrower	The People's Republic of China
Project Entities	The People's Government of Jiangxi Province Jiangxi Provincial Natural Gas Group Co., Ltd
Project Context	After decades of rapid economic growth, China is endeavoring to transform its growth model from high-speed to high-quality growth. Environmental sustainability has been a growing focus on this path of economic transformation. While coal has been a cheap source for power generation for a long time in the past, heavy use of coal takes a toll on the economy's sustainability with negative impacts on the environment, including harmful pollutants such as CO₂, NO_x and SO₂. To improve the environmental footprints and promote sustainable economic development, Chinese Government has set goals to reduce carbon emissions with a series of policies established in energy sector. In Jiangxi Province, the energy supply has long been a serious bottleneck for the province's economy with acute shortage of energy supply and unsustainable energy structure heavily rely on coal. While cost-effective, this reliance has led to rising air pollution and CO₂ emissions, and is becoming increasingly unsustainable amid central government's tightening control over coal use. In this context, the Project was designed to help address the province's constraint to its economic growth and to rebalance the province's energy structure through the development of the natural gas transmission system. The Project is in close alignment with NDB's mandate of supporting sustainable development.
Project Description	The Project consisted of three components: (i) Component A: the construction of Jiangxi provincial natural gas transmission

	system and its supporting facilities to supply the natural gas from the national pipelines to the distribution companies; (ii) Component B: the development of facilities for improving gas management system in the Province, including, Component B1 urban gas distribution infrastructure development and Component B2, emergency storage and peak demand management; and (iii) Component C: project management and capacity building to support construction supervision, studies, training, project preparation, and other project related costs. At completion, all the three components were successfully commissioned. As a result of the Project, Jiangxi's intra-provincial gas transmission network expanded from 1,192.27 to 3,176.61 kilometers, increasing piped gas access from 55% to 100% of counties. The expansion brought about 0.69 billion cubic meters to previously underserved counties in 2024, contributing to a substantial avoidance of harmful emissions.
Project Objective	The objective of the Project was, through expanding the provision of natural gas as a clean, efficient and convenient energy source, to promote sustainable economic development of Jiangxi Province with improved environmental footprints and to improve the local residents' quality of living with improved conditions of urban environment. In addition to achieving significant reduction of harmful emissions (CO₂, NO_x, SO₂, solid particulates), the Project has managed to build the Province's capacity for developing and managing the natural gas supply system. The proposed NDB loan through the modality of Project Loan was used by the Government of the People's Republic of China for on-lending to the People's Government of Jiangxi Province for development of the natural gas transmission system in Jiangxi.
Implementation Arrangements	The Project was implemented over 6 years. Jiangxi Provincial Natural Gas Group Co., Ltd was the Project Implementation Agency. Contractors for the Project were selected through a competitive and transparent bidding process.
Environmental and Social Information	The Project has contributed to (i) significant reduction of harmful emissions (CO₂, NO_x, SO₂, solid particulates) in Jiangxi Province; (ii) enhanced living quality of the local residents from improved conditions of urban environment; (iii) greener energy mix of Jiangxi Province; (iv) filling the gap for the energy supply shortage; (v) promoting sustainable economic development of Jiangxi Province. The Project is categorized as

	Category “A” in accordance with the NDB Environmental and Social Framework as well as China’s environmental impact assessment regulations, due to environmental and social impacts including resettlement of local residents, local ecology effects, and vibration/dust impacts on nearby communities. NDB has monitored the Project closely and engaged with the Project Implementation Agency during implementation. Considering the potential community safety risk of facilities failure, gas leaks and possible explosions during the operation stage, mitigation measures were in place to address the concerned impacts and the risks. These impacts were also mitigated by adherence to requirements of E&S country system.		
Financing	The total cost of the Project at completion amounted to around USD 1,116 million. The costs were financed by the NDB loan of USD 254 million and the remaining amount by Jiangxi Provincial Natural Gas Group Co., Ltd and domestic banks.		
	Source of Fund	Amount (USD million)	
	NDB	254	
	Jiangxi Provincial Natural Gas Group Co., Ltd	429	
	Commercial banks	433	
Contacts	NDB	Borrower	Project Entity
	Project Portfolio Management Department Danwei Zhang	Ministry of Finance Lei Zhang mof_operation1@mof.gov.cn	Jiangxi Provincial Natural Gas Group Co., Ltd. Qifan Wang ndbpmo@jxtrq.com