

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

Project Name	Guangdong Yudean Yangjiang Shapa Offshore Wind Power 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	RMB 6,778 million
Initial Limit of NDB Financing	RMB 2,000 million
Current Limit of NDB Financing	RMB 2,000 million
Borrower	The People's Republic of China
Project Entity	Guangdong Energy Group Co., Ltd.
Project Context	<p>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 Guangdong Province, one of the most populous provinces with the highest GDP in China, the energy structure still heavily relies on coal. In 2017, coal accounted for roughly 58% of the total generation capacity in the province. To achieve its sustainable development goal, Guangdong Province has decided to place high emphasis on emission control and environment protection. The province planned to shut down coal-fired power plants with a total capacity of 0.3 GW by 2020 and to reduce the share of coal fired generation capacity to 47.8% by 2020. Taking advantage of Guangdong's long coastline and rich offshore wind resources, the Project is designed with the above context to support the development of offshore wind power industry in Guangdong to ultimately help Guangdong achieve its goals of cleaner energy structure and sustainable economic development. The Project is in close alignment with NDB's mandate of supporting sustainable development.</p>

Project Description	The Project developed 300 MW of offshore wind capacity in Yangjiang's shallow water area. The Project aligns with the priority of the People's Government of Guangdong Province to achieve the objective of accelerating offshore wind power development and increasing power supply through clean energy. As the replacement of coal-fired power plants, wind power can save coal consumption of 247,200 tons annually. The 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 Guangdong Province.
Project Objective	The objective of the Project was, through financing the construction of an offshore wind farm, to provide clean power supply and improve energy structure of Guangdong Province. The outcomes of the Project are from: (i) electricity generation of 810 GWh annually, and contribution to avoidance of hazardous emission as illustrated above; and (ii) enhancing capacity for accelerating development of offshore wind power in the Province.
Implementation Arrangements	The Project was implemented from 2019 to 2021. Guangdong Energy 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) avoidance of consumption of fossil resources and reduction of pollution emissions of 499,500 tons of CO ₂ emissions annually; (ii) enhanced living quality of the local residences from improved conditions of urban environment; (iii) greener energy mix of Guangdong Province; (iv) developing offshore wind power capacity in the province; (v) promoting sustainable economic development of Guangdong Province. The Project was classified as Category "A" in accordance with the NDB Environmental and Social Framework and China's environmental impact assessment regulations. The Project's environmental and social impacts include biodiversity impacts on marine ecosystems, habitats, protected areas and species as well as social impacts arising from onshore land acquisition and restriction of access to offshore marine water. Mitigation measures were implemented to address the negative impacts.
Financing	The total cost of the Project at completion was estimated to be RMB 6,778 million. The NDB financed RMB 2,000 million, accounting for 30% of the total cost. The remaining balance was financed by counterpart fund of RMB 4,778 million.

	Source of Fund		Amount (RMB million)
	NDB		2,000
	Counterpart Fund		4,778
Contacts	NDB	Borrower	Project Entity
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