

Project Summary for Public Disclosure

Project Name	Jiangxi Industrial Low Carbon Restructuring and Green Development Pilot Project
Country	The People's Republic of China
Sector	Environmental Protection
Board Approval Date	30 August 2017
Total Project Cost	N/A (Project Financing Facility)
Loan Amount	USD 200 million
Borrower	The People's Republic of China
Implementing Agency	Jiangxi Provincial Industry and Information Technology Commission
Introduction	<p>The rapid pace of industrialization with China's economic rise has boosted Jiangxi province's GDP with the industry sector's contribution to GDP increased by more than 10% in the past 6 years. Along with industrialization, a range of environmental problems have also surfaced. Industrial energy consumption currently accounts for over 70% of the province's total energy consumption. Low energy efficiency in heavy industry exacerbates the environmental impact. Incentives for companies to invest in upgrading their factories to meet energy conservation goals are low, due to a perceived low financial return. To provide tax incentives to the industry, the provincial government is establishing a fund with the ultimate goal of enhancing energy efficiency and reducing energy consumption. In this context, the Jiangxi Industrial Low Carbon Restructuring and Green Development Pilot Project (the Project) is designed, supported by the New Development Bank to enhance energy efficiency and conservation. This is in alignment with the NDB's objective to promote infrastructure and sustainable development.</p>
Project Description	<p>The objective of the Project is to upgrade traditional industries to achieve energy conservation, emissions reduction and better waste management. NDB will support the Project through a Project Financing Facility (PFF) loan up to USD 200 million. The loan will be on-lent to eligible subprojects. The Project comprises of a series of subprojects, which on an aggregate level will promote energy conservation, reduce waste regeneration and pollutants emission and increase industrial water reutilization in the Jiangxi Province. The PFF modality will allow the preparation of subprojects in a sequencing approach, with benefits from the lessons drawn from previous subprojects in the early phases.</p>

	<p>NDB will appraise the fitness of the subprojects for fund allocation and will promote lessons learned across the subprojects to benefit the overall Project.</p>				
<p>Environmental and Social Aspect</p>	<p>The approved subprojects will contribute to an energy saving level of 95,118 tons of coal equivalent per annum and a carbon emission reduction of 263,476 tons per annum on an aggregate level, through increased recycling ratios, upgraded factory machinery, increased utilization of heat waste, enhanced institutional capacity and improved energy conservation. NDB’s due diligence on environmental and social aspects found the Project unlikely to have any significant negative impact on the environment or involuntary resettlement. The Project is classified as Category “B”, according to NDB’s environment and social framework.</p>				
<p>Financing Aspects</p>	<p>NDB will provide a long-term loan up to USD 200 million, not exceeding 70% of eligible subproject expenditure. The remaining cost will be financed jointly by the People's Government of Jiangxi Province and commercial lenders.</p> <table border="1" data-bbox="491 1093 1428 1182"> <thead> <tr> <th data-bbox="491 1093 1062 1137">Financier</th> <th data-bbox="1062 1093 1428 1137">Amount (USD million)</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 1137 1062 1182">New Development Bank</td> <td data-bbox="1062 1137 1428 1182">200</td> </tr> </tbody> </table>	Financier	Amount (USD million)	New Development Bank	200
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<p>Implementation</p>	<p>The Jiangxi Provincial Industrial and Information Technology Commission will be the Project Implementation Agency, with a four-level institutional arrangement put in place for effective management and implementation of the Project. Procurement for the Project will be carried out in accordance with the requirement of China’s national procurement laws and regulations, and the principles of NDB’s procurement policy. The loan will be repayable in 30 semi-annual equal principal installments over 15 years.</p>				