

## Project Summary for Public Disclosure

<b>Project Name</b>	Jiangxi Natural Gas Transmission System Development Project
<b>Country</b>	The People's Republic of China
<b>Sector</b>	Clean Energy
<b>Board Approval Date</b>	16 November 2018
<b>Total Project Cost</b>	USD 1,328 million
<b>Loan Amount</b>	USD 400 million
<b>Borrower</b>	The People's Republic of China
<b>Implementing Agency</b>	Jiangxi Provincial Natural Gas Holding Co., Ltd (JPNGHCO)
<b>Introduction</b>	<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 CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>2</sub>. 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. Currently coal accounts for roughly 70% of the total generation capacity in the province, while the share of renewable energy is considerably lower than the national average. In this context, the Project is 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.</p>
<b>Project Description</b>	<p>The objective of the Project is, through 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 (CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>2</sub>, solid particulates), the Project will help build the Province's capacity for developing and managing the natural gas supply system.</p>

	<p>The proposed NDB loan through the modality of Project Loan will be 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.</p>								
<p><b>Environmental and Social Aspect</b></p>	<p>The Project contributes to (i) significant reduction of harmful emissions (CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>2</sub>, 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.</p> <p>The Project is classified as Category “A” in accordance with the NDB Environmental and Social Framework and China’s environmental impact assessment regulations for its environmental and social impacts on resettlement of local residents from the Project site, local ecology and the vibration and dust impacts on local communities. During operation, there is a potential community safety risk of facilities failure, gas leaks and potential explosions. Mitigation measures are in place to address the negative impacts and the risks. These impacts will also be mitigated by adherence to requirements of E&amp;S country system. NDB will monitor the Project closely and engage with the Project Implementation Agency during implementation.</p>								
<p><b>Financing Aspect</b></p>	<p>The total cost of the Project is estimated to be USD 1,328 million. The NDB will finance USD 400 million, accounting for 30% of the total cost. The remaining balance will be financed by loans of USD 299 million from commercial banks and funds of USD 629 million from the Jiangxi Provincial Natural Gas Holding Co., Ltd (JPNGHCO).</p> <table border="1" data-bbox="491 1496 1425 1727"> <thead> <tr> <th>Financier</th> <th>Amount (USD million)</th> </tr> </thead> <tbody> <tr> <td>New Development Bank</td> <td>400</td> </tr> <tr> <td>Jiangxi Provincial Natural Gas Holding Co., Ltd</td> <td>629</td> </tr> <tr> <td>Commercial Banks</td> <td>299</td> </tr> </tbody> </table>	Financier	Amount (USD million)	New Development Bank	400	Jiangxi Provincial Natural Gas Holding Co., Ltd	629	Commercial Banks	299
Financier	Amount (USD million)								
New Development Bank	400								
Jiangxi Provincial Natural Gas Holding Co., Ltd	629								
Commercial Banks	299								
<p><b>Implementation</b></p>	<p>The Project is estimated to be implemented over 5 years. Jiangxi Provincial Natural Gas Holding Co., Ltd (JPNGHCO) will be the Project Implementation Agency. Contractors for the Project will be selected through a competitive and transparent bidding process.</p>								