Implementation Status & Results
China
China Energy Efficiency Financing II (P113766)

Operation Name: China Energy Efficiency Financing II (P113766)  
Project Stage: Implementation  
Seq.No: 6  
Status: ARCHIVED  
Archive Date: 04-Jun-2014

Country: China  
Approval FY: 2010

Product Line: IBRD/IDA  
Region: EAST ASIA AND PACIFIC  
Lending Instrument: Financial Intermediary Loan

Implementing Agency(ies): China Minsheng Banking Corp. Ltd.

Key Dates
Board Approval Date 22-Jun-2010  
Original Closing Date 31-Dec-2014  
Planned Mid Term Review Date 28-Oct-2013  
Last Archived ISR Date 24-Dec-2013

Effectiveness Date 02-Nov-2010  
Revised Closing Date 31-Dec-2014  
Actual Mid Term Review Date 04-Nov-2013

Project Development Objectives
Project Development Objective (from Project Appraisal Document)
The objective of the Project is to improve the energy efficiency of selected enterprises, and thereby reduce their adverse environmental impacts through scaling-up commercial lending for energy efficiency investments.

Has the Project Development Objective been changed since Board Approval of the Project?
○ Yes  ○ No

Component(s)
Component Name  
Energy Efficiency Investment Sub-projects  
Technical assistance and capacity building

Component Cost  
100.00  
0.80

Overall Ratings

<table>
<thead>
<tr>
<th>Rating Area</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Unsatisfactory</td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Unsatisfactory</td>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

Implementation Status Overview
The CHEEF II project has made little progress and did not meet most of milestones agreed since last mission. To date, Minsheng Bank has only utilized $16.5 million IBRD loan to implement one energy efficiency subproject. Moreover, with the objective of scaling up green financing, the CHEEF II project requires $500 million parallel financing on energy efficiency and/or renewable energy subprojects. However, Minsheng Bank has not been able to report any such parallel financing with supporting subproject information. The allocated $0.8 million GEF grant which is designed to support project implementation has been barely used either with only $0.03 million disbursement. Therefore, both the overall implementation progress and the progress towards achievement of PDO remain Unsatisfactory.
### Locations

<table>
<thead>
<tr>
<th>Country</th>
<th>First Administrative Division</th>
<th>Location</th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Beijing Shi</td>
<td>Beijing</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Results

#### Project Development Objective Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected lifetime energy savings</td>
<td></td>
<td>Megawatt hour (MWh)</td>
<td>0.00</td>
<td>7651600.00</td>
<td>402116000.00</td>
</tr>
<tr>
<td>Date</td>
<td></td>
<td></td>
<td>21-May-2010</td>
<td>31-Mar-2014</td>
<td>31-Dec-2014</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The indicator is calculated from the indicator &quot;Associated annual energy savings from the EE investments (mtce)&quot;. The conversion factor used is 1 tce=8.14MWh and the lifetime is assumed to be 20 years.</td>
<td>The indicator is calculated from the indicator &quot;Associated annual energy savings from the EE investments (mtce)&quot;. The conversion factor used is 1 tce=8.14MWh and the lifetime is assumed to be 20 years.</td>
</tr>
</tbody>
</table>

| Amount of accumulated EE investments and renewable commercial lending supported and leveraged by the project |      | Amount(USD)     | 0.00     | 23.80            | 1000.00            |
| Date                                                     |      |                 | 21-May-2010 | 31-Mar-2014      | 31-Dec-2014         |
| Comments                                                 |      |                 |           |                  |                     |
|                                                          |      |                 |           | The actual data reflects the first subproject approved and under implementation. Parallel financing data is not included because the reported data is not consistent and lacks of detailed information. | The unit is in million USD. It includes $100 million IBRD loan, $500 million parallel financing, and $400 million equity from subproject beneficiary enterprises. |

| Associated annual energy savings from the EE investments |      | Number          | 0.00     | 0.05             | 2.47               |
| Date                                                     |      |                 | 21-May-2010 | 31-Mar-2014      | 31-Dec-2014         |
| Comments                                                 |      |                 |           |                  |                     |
|                                                          |      |                 |           | The actual data reflects the first subproject approved and under implementation. Parallel financing data is not included because the reported data is not consistent and lacks of detailed information. | The unit is in million tons of coal equivalent |

| Reduction in GHGs from the EE investments                |      | Number          | 0.00     | 0.12             | 6.10               |
| Date                                                     |      |                 | 21-May-2010 | 31-Mar-2014      | 31-Dec-2014         |
| Comments                                                 |      |                 |           |                  |                     |
The actual data reflects the first subproject approved and under implementation. Parallel financing data is not included because the reported data is not consistent and lacks of detailed information.

### Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative amount of EE lending</td>
<td></td>
<td>Amount(USD)</td>
<td>0.00</td>
<td>16.50</td>
<td>100.00</td>
</tr>
<tr>
<td>Date</td>
<td></td>
<td>Date</td>
<td>21-May-2010</td>
<td>31-Mar-2014</td>
<td>31-Dec-2013</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td>Comments</td>
<td>The actual data reflects the first subproject approved and under implementation.</td>
<td>The unit is in $million</td>
<td></td>
</tr>
<tr>
<td>Number of training courses conducted on the operation manual</td>
<td></td>
<td>Number</td>
<td>0.00</td>
<td>2.00</td>
<td>8.00</td>
</tr>
<tr>
<td>Date</td>
<td></td>
<td>Date</td>
<td>21-May-2010</td>
<td>31-Mar-2014</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td>Comments</td>
<td>The actual data reflects the first subproject approved and under implementation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental and social risk assessment and control system strengthening plan</td>
<td></td>
<td>Text</td>
<td>NA</td>
<td>Not conducted yet</td>
<td>Completed</td>
</tr>
<tr>
<td>completed and recommended to Minsheng management</td>
<td></td>
<td>Date</td>
<td>21-May-2010</td>
<td>31-Mar-2014</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study of business opportunities for Minsheng in carbon financing and trading is completed</td>
<td></td>
<td>Text</td>
<td>NA</td>
<td>Not conducted yet</td>
<td>Completed</td>
</tr>
<tr>
<td>Date</td>
<td></td>
<td>Date</td>
<td>21-May-2010</td>
<td>31-Mar-2014</td>
<td>31-Dec-2012</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Data on Financial Performance (as of 27-Dec-2013)

#### Financial Agreement(s) Key Dates

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Original Closing Date</th>
<th>Revised Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>P113766</td>
<td>IBRD-79350</td>
<td>Effective</td>
<td>22-Jun-2010</td>
<td>11-Aug-2010</td>
<td>02-Nov-2010</td>
<td>31-Dec-2014</td>
<td>31-Dec-2014</td>
</tr>
</tbody>
</table>

#### Disbursements (in Millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P113766</td>
<td>IBRD-79350</td>
<td>Effective</td>
<td>USD</td>
<td>100.00</td>
<td>100.00</td>
<td>0.00</td>
<td>40.25</td>
<td>59.75</td>
<td>40.00</td>
</tr>
</tbody>
</table>

### Disbursement Graph
Key Decisions Regarding Implementation

A supervision mission was conducted in March 2014. The rating for the overall implementation progress has been continually rated as Unsatisfactory due to slow implementation progress particularly lack of progress on management and reporting parallel financing as well as technical assistance and capacity building activities supported by the GEF grant. It is unlikely that the implementing agency Minsheng Bank will be able to achieve the project development objective by the project scheduled closing date of December 31, 2014. Restructuring options are currently being discussed to solve the outstanding issues.

Restructuring History

There has been no restructuring to date.

Related Projects

There are no related projects.