Project Summary:

Purpose: To mainstream investment in energy conservation in China's industrial sector

Timeframe: 2010-2014

IBRD Financing: USD$100 million

Project ID: P113766

Mitigation: Energy efficiency improvements in medium and large-sized industrial enterprises

Energy Efficiency Financing II

China's energy-intensive manufacturing industries account for about 50% of their total energy consumption and operate at significantly higher levels of energy intensity than international best practices. The significant potential for conserving energy and reducing greenhouse gas emissions is largely untapped in these industries.

The Second Energy Efficiency Financing project builds on the program of the first Energy Efficiency Project and helps expand the Energy Services Company (ESCO) industry in China (which contracts with industry users to make investments in energy efficiency). The US$100 million loan will be provided to Minsheng Bank which, in turn, will on-lend the to industrial enterprises or ESCOs for energy efficiency investment projects. The major types of energy efficiency projects, such as more efficient industrial boilers, kilns, and heat exchange systems; recovery and utilization of by-product gas, waste heat and pressure; installation of highly efficient motors, pumps, heating and ventilation equipment; and industrial system optimization to reduce energy use. When the project is completed, it is estimated that the energy efficiency investments will render reductions in greenhouse gas emissions of 6.10 million tons of CO2 equivalent per year.

More Information: