

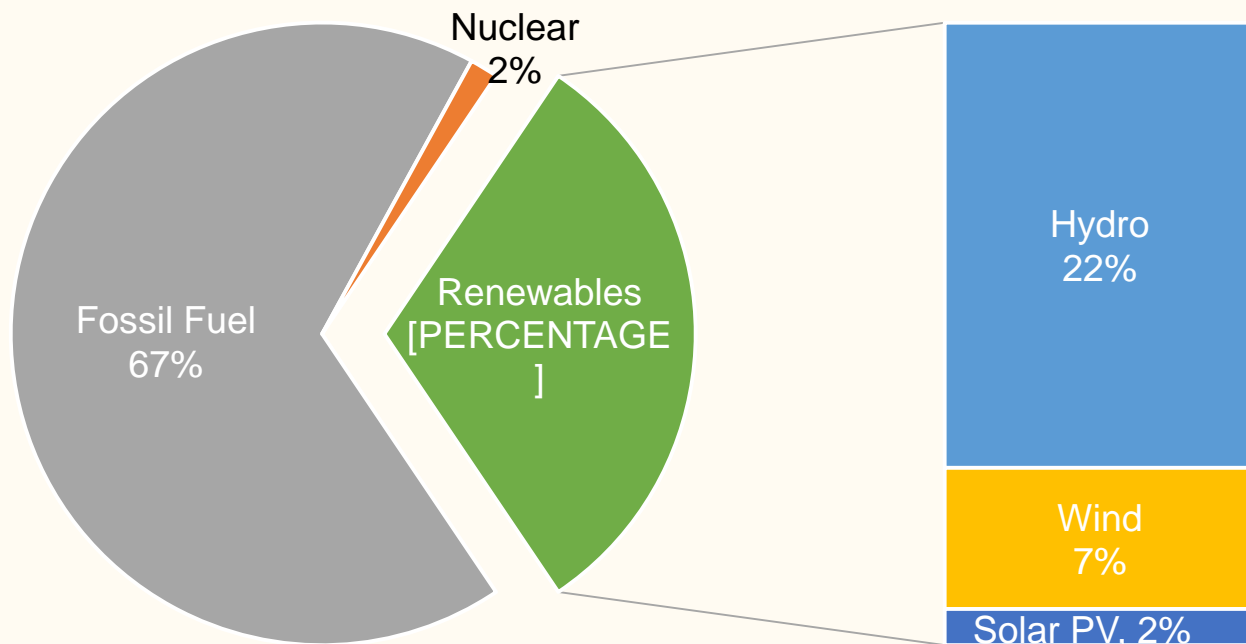


Session 4: Enhancing the Role of NDBs/MDBs In Sustainable Infrastructure Development

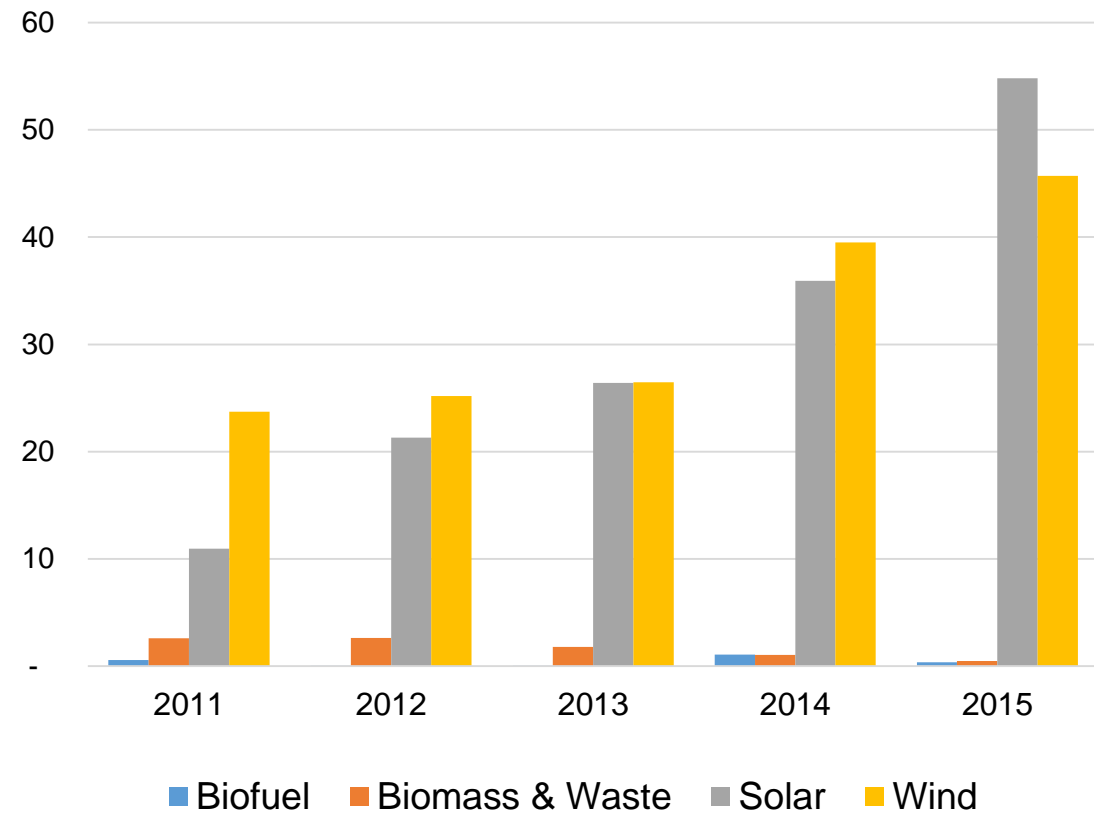
Chair: Zhu Shouqing, Senior Associate, World Resources Institute (WRI)

June 6-7, 2016, Geneva

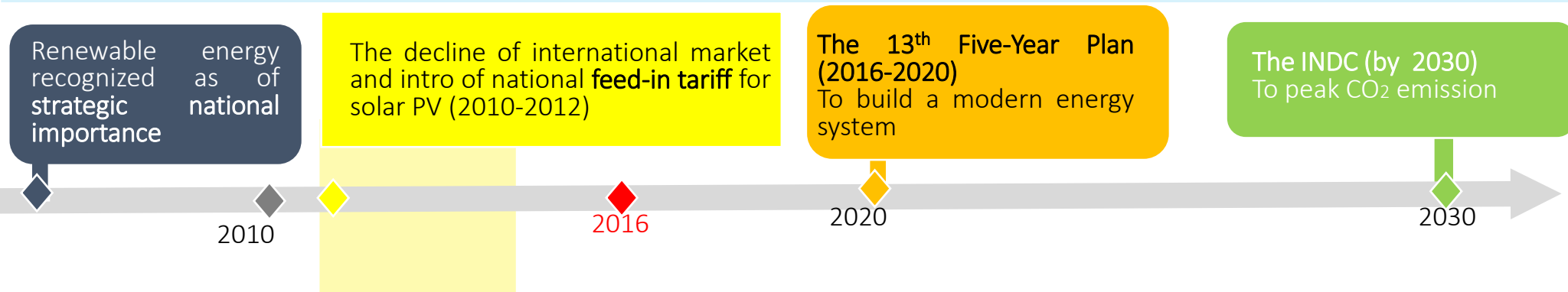
China's Power Generation Installed Capacity, 2014



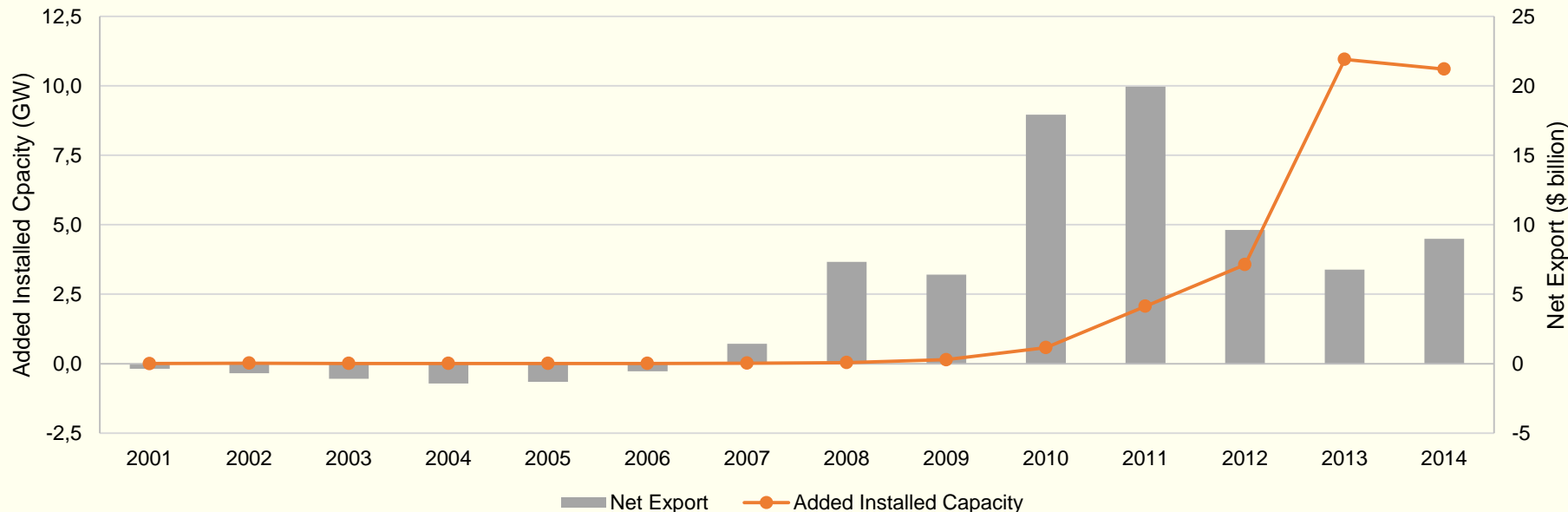
China renewable energy investment, 2011-2015 (\$ billion)



China | The renewable pathway and NDBs in overcoming challenges



China's Solar PV net export and added installed capacity, 2001-2014



Source: UN Comtrade Database, *China Renewable Energy Statistic Handbook 2015*

Challenges

Institutional factors

Mix policy signals and market distortions

Economical and financial barriers

Technical and social impediments

Other barriers

NDBs

CDB and China Exim take up a considerable share in providing low-cost financing

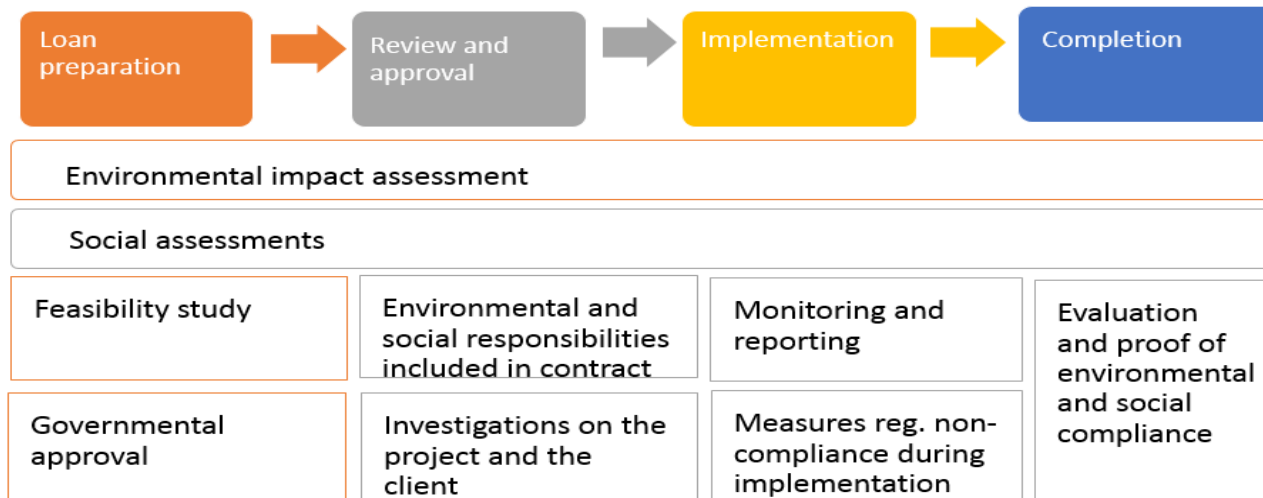
CDB: The balance of loans to the new energy projects had tripled over the past three years to 186.5 billion yuan in 2014

Exim: 2014 year-end outstanding loans for clean energies had grown by 14.78% over the beginning of the year.

Business type:

- Planning operations
- Lending business / On-lending business
- Financial cooperation and innovation

The substantial role to ensure project sustainability lies in the environmental and social policies implemented in the NDBs' project cycle.

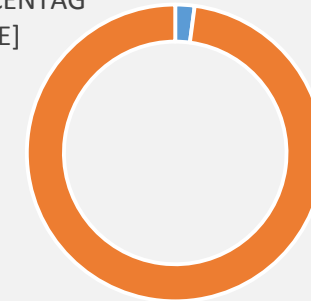


MDBs

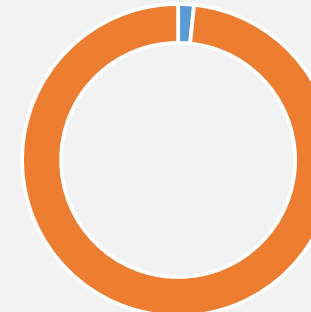
Role as consultant rather than funder

Financing to Clean Energy by WB and ADB (2007-2013)

[CATEGORY NAME]
World Bank Group
[PERCENTAGE]



Asian Development Bank
China
1,64%



Non-China
[PERCENTAGE]

Non-China
[PERCENTAGE]

Insufficient funds

Insufficient funds SMEs and distributed power generation projects

- In 2014, only 16.6% of China's total solar installed capacity was from distributed solar.
- A significant funding to the 13th FYP solar utilization goal. NDBs could play an important role to fill the gap.

Grid connection

Lack grid connection for wind power generation projects

- In 2014, a potential of 14.9 GWh of electricity generation was wasted.
- Better supporting infrastructure will increase the attractiveness of renewable energy projects to banks, creating more financing

Sustainability

Ensuring sustainability

- While most MDBs have established a “strategy-policy-operational manual and tools” framework, such set of guidance is often underdeveloped in Chinese NDBs.
- As a result, the executable safeguards are often not in place in renewable energy projects.