



**The World Bank**

China Economic Transformation and Institutional Capacity Building (P144270)

REPORT NO.: RES48530

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RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
CHINA ECONOMIC TRANSFORMATION AND INSTITUTIONAL CAPACITY BUILDING  
APPROVED ON MAY 22, 2014  
TO  
PEOPLE'S REPUBLIC OF CHINA

MACROECONOMICS, TRADE AND INVESTMENT

EAST ASIA AND PACIFIC

Regional Vice President:	Manuela V. Ferro
Country Director:	Martin Raiser
Regional Director:	Hassan Zaman
Practice Manager/Manager:	Deepak K. Mishra
Task Team Leader(s):	Ibrahim Saeed Chowdhury



I. BASIC DATA

Product Information

Project ID P144270	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 22-May-2014	Current Closing Date 31-Oct-2021

Organizations

Borrower People's Republic of China	Responsible Agency International Department, Ministry of Finance
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Project Development Objective (PDO)

Original PDO

Project Development Objectives are to (i) inform China’s policy making and (ii) strengthen capacity to implement priority reform areas articulated in China’s Five-Year Plans and other development programs.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-83750	22-May-2014	13-Jun-2014	30-Jul-2014	31-Oct-2021	26.00	18.48	7.52

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES



The objectives of the project are to (i) inform China's policy making and (ii) strengthen capacity to implement priority reform areas articulated in China's FYP. Project implementation spanned China's 12th and 13th FYP and the project has also provided input to support 14th FYP at the sectoral level. A broad range of the issues tackled in the project (e.g. ecological protection, rural revitalization, public service provision, etc.) are closely aligned with the priorities of the WB country program.

The project consists of two components. Activities under Component 1 account for 60 percent of the total loan amount and focus on analytical activities. Activities under component 2 consist of domestic and overseas trainings, institutional capacity building and the project implementation support. Analytical activities and activities on institutional capacity building including building information platforms and the project implementation support progressed well. However, overseas training activities were suspended due to the global pandemic and are unlikely to take place before October 31, 2021.

Following project restructuring in February 2019, the project has made good progress in implementation and notable achievements towards the project development objectives despite the pandemic. Implementation of the project has resulted in analytical output including strategic plans, sectoral documents, technical studies, and contributed to institution building through information platforms and various types of training. The project has two PDO indicators: (i) number of study recommendations adopted (end target at 19); and (ii) number of studies published (end target at 30). The target on the former has been surpassed with 25 study recommendations adopted by now. On the latter, some 25 knowledge studies have already been published and disseminated, with at least another 10 publications forthcoming in October.

The Ministry of Finance, through its letter dated September 30, 2021, requested an extension of the project closing date by 18 months from October 31, 2021 to April 30, 2023. This is the second extension of the closing date. Project extension would support the implementation of capacity building activities, specifically the overseas secondment program, which has been long delayed due to the COVID-19 pandemic. Under the secondment program, only two out of the planned six secondments have been completed as of October 2021. These were secondments of State Council staff to the World Bank Treasury and IFC. The secondments had a duration of 12 months. An additional four secondments to the World Bank offices in Washington DC have been planned for some time, but due to the pandemic situation potential secondees have not yet been placed. The Ministry of Finance attaches great importance to the secondment program as it can deepen their knowledge on IFI operations and improve their decision-making capacities in the future.

The project is in full compliance with fiduciary requirements and legal covenants. There are no outstanding audit or interim financial reports and no outstanding procurement-related issues. The project safeguard rating is satisfactory. Project restructuring will neither trigger any new safeguard policies nor change the environmental assessment category (B).

The overall risk is proposed as moderate (compared to the current rating of substantial) given significant achievements with regards to the PDO.

### III. DETAILED CHANGES



**LOAN CLOSING DATE(S)**

<b>Ln/Cr/Tf</b>	<b>Status</b>	<b>Original Closing</b>	<b>Revised Closing(s)</b>	<b>Proposed Closing</b>	<b>Proposed Deadline for Withdrawal Applications</b>
IBRD-83750	Effective	31-Dec-2019	31-Oct-2021	30-Apr-2023	30-Aug-2023