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Report No: 87873-CN

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING  
OF  
GRANT FOR PREPARATION OF ESTABLISHMENT OF MEASUREMENT AND  
VERIFICATION SYSTEM FOR ENERGY EFFICIENCY IN CHINA  
PROJECT

GLOBAL ENVIRONMENTAL FACILITY (GEF) PPG GRANT TF013687-CN  
APPROVED ON October 11, 2012

IN THE AMOUNT OF US\$ 200,000

TO THE

PEOPLE'S REPUBLIC OF CHINA

May 12, 2014

Regional Vice President:	Axel van Trotsenburg, EAPVP
Country Director:	Klaus Rohland, EACCF
Sector Manager:	Charles Feinstein, EASWE
Task Team Leader:	Xiaodong Wang, EASCS

China and Mongolia Sustainable Development Unit  
Sustainable Development Department  
East Asia and Pacific Region

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**DATA SHEET***China**Grant for Preparation of Establishing Measurement and Verification System for Energy Efficiency in China (P132748)**EAST ASIA AND PACIFIC**EASCS*

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<b>Basic Information</b>										
Project ID:	P132748			Lending Instrument:	Global Environmental Facility Grant					
Regional Vice President:	Axel van Trotsenburg			Original EA Category:	C					
Country Director:	Klaus Rohland			Current EA Category:	C					
Sector Director:	John A. Roome			Original Approval Date:	11-Oct-2012					
Sector Manager:	Charles Feinstein			Current Closing Date:	30-Jun-2014					
Team Leader:	Xiaodong Wang									
Borrower:	People's Republic of China									
Responsible Agency:	Ministry of Finance									
<b>Restructuring Type</b>										
Form Type:	Short Form			Decision Authority:	Country Director Approval					
Restructuring Level:	Level 2			Explanation of Approval Authority:	Level II restructuring to extend the project closing date only.					
<b>Financing ( as of 30-Oct-2013 )</b>										
<b>Key Dates</b>										
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date			
P132748	TF-013687	Effective	11-Oct-2012	03-Jan-2013	06-Jan-2013	30-Jun-2014	30-Jun-2015			
<b>Disbursements (in Millions)</b>										
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed	
P132748	TF-013687	Effective	USD	0.20	0.20	0.00	0.10	0.10	50	
<b>Policy Waivers</b>										
Does the project depart from the CAS in content or in other significant respects?							Yes [ ]	No [ X ]		

Does the project require any policy waiver(s)?	Yes [ ]	No [ X ]
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### A. Summary of Proposed Changes

The request is to extend the project closing date by twelve months, i.e. from June 30, 2014 until June 30, 2015. A request was received from the Ministry of Finance on May 6, 2014. The objective of the Grant is to prepare the Establishing Measurement and Verification System for Energy Efficiency in China Project (the Project). Since the effectiveness of the Grant, the Project preparation has faced delay due to (1) institutional coordination issues between the Ministry of Finance and National Development and Reform Commission; and (2) political uncertainty on energy efficiency trading mechanism. Since December 2013, it has become clear that energy efficiency trading has been listed as a priority in the government's Third Plenary Session, and would become one of the important policies to help China to achieve the energy intensity target. In addition, the Ministry of Finance (MOF) and National Development and Reform Commission (NDRC) have also reached agreement on institutional coordination on the Project implementation. As the Project has resumed preparation, this request is to extend the Project Preparation Grant period that would allow the on-going preparation to be completed for the Board approval scheduled in March 2015. This is the 1st restructuring for the preparation grant.

### B. Project Status

The Grant implementation is moderately satisfactory. Some of the key activities have been completed, including carrying out survey to assess stakeholders' needs for improving capacity for the M&V system, customizing supporting plans to the selected third-party verifiers and eligible energy saving certificates trading scheme participants, and reviewing existing practice for energy saving M&V in China (component d). A number of key components have been contracted and are now under implementation. These activities include undertaking project preparation activities (component c), designing detailed activities and preparing the project implementation plan (component b), and an incremental cost analysis and the estimation of global environmental benefits (component a).

Approximately US\$150,000 has been committed to support the above activities by current closing date (June 30, 2014), with US\$100,000 disbursed. The remaining US\$50,000 is committed to support the PMO staff salary until the full GEF Project becomes effective. There are no outstanding audits for this project.

### C. Proposed Changes

#### Financing

#### Change in Loan Closing Date(s):

#### Explanation

With the extension of the project closing date, the project management office can maintain its staff to support the Project preparation.

Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
TF-013687	Effective	30-Jun-2014	30-Jun-2014	30-Jun-2015	30-Jun-2014