



China, People's Republic of: Gansu Rural Clean Energy Development Project

Project Name	Gansu Rural Clean Energy Development Project		
Project Number	40635-012		
Country / Economy	China, People's Republic of		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 4935-PRC: Gansu Rural Clean Energy Development Project		
	ATF - Danida Grant	US\$ 800,000.00	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Governance and capacity development Partnerships		
Sector / Subsector	Energy / Energy sector development and institutional reform - Renewable energy generation - biomass and waste - Renewable energy generation - wind		
Gender	No gender elements		
Description	The TA will identify, rank and assess pre-feasibility of 3-5 priority investment renewable energy projects - hydro, wind and biomass power generation - in Gansu Province. It will also evaluate and package them in a bankable form to seek potential investment through domestic and international financial institutions.		
Project Rationale and Linkage to Country/Regional Strategy	<p>After the USA, People's Republic of China (PRC) has the second largest power industry in the world. Both the installed generation capacity and power generation increased at an average annual rate of more than 8% over the last two decades. By end of 2005, the total installed capacity reached 508 gigawatt (GW), an increase of 13% over 2004. Despite the impressive growth and achievements, the power sector faces many challenges, which include (i) increasing dependence on coal?PRC is the world's largest producer and consumer of coal. The coal production has doubled in the last 5 years. Increasing coal consumption has resulted in associated environmental problems; (ii) power shortages?since 2001, PRC is facing power shortages, which is likely to be overcome by 2007 through accelerated capacity addition. However, the greater challenge remains to meet the power needed to quadruple the economy by 2020; (iii) unreliable power supply to rural areas?about 97% of population has access to electricity. However, still about 30 million do not have access to electricity and often the reliability and quality of electricity supply to rural areas, which are located at the far end of the distribution network, is poor.</p> <p>The 11th five-year plan 2006?2010 (FYP) aims for resource effective and environment friendly power sector development; it aims to reduce energy intensity by 20%, and diversify energy mix with less dependence on coal. The renewable energy law became effective from 1 January 2006 and is expected to stimulate renewable energy development in PRC. Development of local power sources to reduce associated transmission and distribution losses is a key element to improving energy efficiency of the power system. All out development of renewable energy sources is one of the four priorities in optimizing the energy industry development in the 11FYP. Small- and medium-sized hydropower development has been a core priority in expanding renewable energy in the energy mix. The 11FYP specifically targets accelerated development of wind and biomass power sources to achieve 5 GW and 5.5 GW capacity, respectively.</p> <p>Like many other provinces, Gansu province has achieved more than 9.5% average GDP growth in the last 3 years; the electricity demand has grown by an average of 12% a year during the same period. The rapid growth has been met mostly by addition of coal-fired power plants, which provided about 80% electricity in 2005. Gansu province has identified promotion of clean and renewable energy as a key priority to meet its growing electricity demand through development of local power sources?wind, hydro and biomass. Gansu is one of the four provinces that have been targeted to contribute significantly to the national target of 5 GW of wind power. ADB has been supporting Gansu Province since 2002 in the development of the renewable energy sources to accelerate and promote rural growth. This included (i) support to Heihe river cascade hydropower development in Gansu and, (ii) successfully pilot test of an integrated 200 kW stalk gasifier and power generation in Qidian village of Zhangye City under the technical assistance (TA)?Renewable Energy for Poverty Reduction (TA 4309-PRC), which was approved in December 2003 and cofinanced (\$450,000) by the Government of Denmark.</p> <p>Promotion of clean energy sources and improvement of energy efficiency are ADB's key strategic priorities in the sector. The proposed project is a logical next step in ADB's assistance to Gansu Province, a poor western province, for sustainable economic development through promotion of clean and renewable energy.</p>		
Impact			
Project Outcome			
Description of Outcome			
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs			
Status of Implementation Progress (Outputs, Activities, and Issues)			
Geographical Location			
Summary of Environmental and Social Aspects			
Environmental Aspects			
Involuntary Resettlement			
Indigenous Peoples			
Stakeholder Communication, Participation, and Consultation			

During Project Design

During Project Implementation

Business Opportunities

Consulting Services A simplified technical proposal will be requested by ADB and consultants will be recruited using the QCBS selection method. An estimated total of 40 person-months of consulting services will be required: 10 person-months for international consultants and 30 person-months for national consultants.

- (i) Rural Biomass Energy Expert/Team Leader (4.5pm)
- (ii) Wind Power Expert (2.5 pm)
- (iii) Energy Economist (1.5 pm)
- (iv) Financial Analyst (1.5 pm)

A team of national consultants will supplement and support the international consultants with similar expertise. The national consultants team will comprise

- (i) two rural renewable energy specialist (6 pm each)
- (ii) one wind power specialist (4 pm)
- (iii) one energy economist (3 pm)
- (iv) one financial analyst (4 pm)

Responsible ADB Officer	Bhargava, Ashok
Responsible ADB Department	East Asia Department
Responsible ADB Division	Energy Division, EARD
Executing Agencies	Gansu Provincial Government Ms. Zhang Xiaoping, Deputy Director xpzhang@vip.sina.com No. 136 Jinning Road Lanzhou City, Gansu Province People's Republic of China

Timetable

Concept Clearance	23 Feb 2007
Fact Finding	20 Mar 2007 to 27 Mar 2007
MRM	-
Approval	01 Jun 2007
Last Review Mission	-
PDS Creation Date	23 Mar 2007
Last PDS Update	16 Apr 2010

TA 4935-PRC

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
01 Jun 2007	18 Jul 2007	18 Jul 2007	30 Jun 2008	31 Dec 2009	19 Feb 2010

Financing Plan/TA Utilization

ADB	Cofinancing	Counterpart				Total	Cumulative Disbursements	
		Gov	Beneficiaries	Project Sponsor	Others		Date	Amount
0.00	800,000.00	0.00	0.00	0.00	0.00	800,000.00	17 Jun 2022	775,204.60

Project Page	https://www.adb.org/projects/40635-012/main
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