



China, People's Republic of: Net Zero Transformation and Innovative Finance Development

Project Name	Net Zero Transformation and Innovative Finance Development	
Project Number	56356-001	
Country / Economy	China, People's Republic of	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 10078-PRC: Net Zero Transformation and Innovative Finance Development	
	Technical Assistance Special Fund	US\$ 225,000.00
Operational Priorities	OP6: Strengthening governance and institutional capacity	
Sector / Subsector	Finance / Finance sector development	
Gender	Some gender elements	
Description	<p>The small-scale TA is designed to support technical knowledge and capacity development in the People's Republic of China (PRC). The demand for the TA evolved from the changing regional dynamics in the post-coronavirus disease (COVID-19) environment and the emerging business needs to (i) address climate change impact, and (ii) promote high-quality growth. In particular, the TA will provide innovative financial solutions to address the emerging sectors, including those in which the project commercial bankability is yet to be achieved. These areas include, for example, net zero agricultural transformation, ecosystem conservation and biodiversity on the East Asian-Australasia Regional Flyway, and disaster risk finance, which are ADB's operational priorities from 2023-2025. The TA objective to promote innovative and sustainable finance is aligned with (i) the PRC's 14th Five-Year Plan (2021-2025) and (ii) the ADB country partnership strategy 2021-2025 for PRC. The TA activities will broadly cover climate change mitigation and adaptation, including, but not limited to, low carbon development in the agriculture sector value chain (from seed to food), wetland protection, habitat restoration, carbon sink, ecotourism, public financial management, capital markets development, and/or other related areas. The TA will support policy advice, capacity building, research and development, and knowledge development and dissemination.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The PRC's social and economic development over the past four decades has been unprecedented in its history. It has transformed itself from a low-income agricultural country in 1980 to a highly industrialized upper middle-income country in 2015. During the same period, the real gross domestic product (GDP) grew twenty-six-fold (footnote 3). However, the relentless industrialization, along with the rapid infrastructure development and urbanization, have led to significant environmental costs. In particular, due to the extensive use of coal as its primary energy source, the PRC has been the world's largest carbon emitter since 2006 and contributing to global climate change. They also undermine the PRC's 14th Five-Year Plan 2021-2025 (footnote 1) that aims at achieving higher-quality growth and sustainable development. In this context, beyond 2022, ADB projects and assistance programs should cover emerging climate change impact through innovative financial solutions to contribute to the PRC's 2030 carbon peaking and 2060 carbon neutrality goals. They should promote innovation, value addition, replicability, demonstrative impact, and knowledge spillover.</p>	
Impact	Inclusive and sustainable development for high-quality growth in the PRC facilitated.	
Project Outcome		
Description of Outcome	Country capacity to identify and develop innovative green financing programs enhanced.	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	Innovative knowledge development and dissemination supported The PRC's institutional capacity on innovative financing enhanced	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		
During Project Implementation		
Responsible ADB Officer	Huang, Anqian	
Responsible ADB Department	Sectors Group	
Responsible ADB Division	Finance Sector Office (SG-FIN)	
Executing Agencies	Asian Development Bank	
Timetable		
Concept Clearance	-	

Fact Finding	28 Nov 2022 to 28 Nov 2022
MRM	-
Approval	23 Dec 2022
Last Review Mission	-
Last PDS Update	27 Dec 2022

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
23 Dec 2022	-	23 Dec 2022	31 Dec 2025	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	09 Sep 2023	16,381.43

Project Page	https://www.adb.org/projects/56356-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=56356-001
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