



China, People's Republic of: Coal Mine Methane Development Project

Project Name	Coal Mine Methane Development Project				
Project Number	30403-013				
Country	China, People's Republic of				
Project Status	Closed				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 2146-PRC: Coalmine Methane Demonstration Project</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 117.40 million</td> </tr> </table>	Loan 2146-PRC: Coalmine Methane Demonstration Project		Ordinary capital resources	US\$ 117.40 million
Loan 2146-PRC: Coalmine Methane Demonstration Project					
Ordinary capital resources	US\$ 117.40 million				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development Private sector development				
Sector / Subsector	Energy - Conventional energy generation				
Gender Equity and Mainstreaming	Some gender elements				
Description	The main objective of the Project is to establish a CMM demonstration project that covers all aspects of effective and efficient CMM and CBM production, capture, and utilization by applying the latest technologies, i.e., improved CBM production from vertical surface wells and directionally drilled wells from the surface, improved CMM drainage through the use of underground directional drilling and other modern equipment and materials, CMM-based power generation using gas engines, and transmission and distribution of CMM for residential, commercial, and industrial use. In this manner the Project will also contribute to improving mine safety, reduce GHG emissions, and improvement of the environment. Part A of the Project is to demonstrate the more efficient production of CBM, drainage and capture of CMM, and their use for power generation as a least-cost alternative using new technologies; Part B of the Project is to demonstrate the efficient use of CMM on a commercial basis for transmission and distribution to consumers; and Part C of the Project is to provide institutional strengthening to the concerned companies involved in the Project and promote the establishment of similar projects in the PRC.				
Project Rationale and Linkage to Country/Regional Strategy	The PRC accounts for about 40 percent of global methane emissions which are, among others, the result of methane gas emissions associated with coal mining activities in the PRC. Methane is a potent greenhouse gas and more efficient drainage of CMM and its use for power generation will help reduce the build-up of greenhouse gases in the atmosphere.				
Impact	Reduced green house gas emissions in Shanxi Province				

Project Outcome

Description of Outcome	Increased supply and use of CMM and CBM for power generation and residential, commercial and industrial consumers
Progress Toward Outcome	Outcome achieved.

Implementation Progress

Description of Project Outputs	<ul style="list-style-type: none"> Increased CMM and CBM production (JMC) New electric power generating capacity and connection to electricity transmission grid (JMC) Expanded CMM transmission network (SECC) Expanded CMM distribution network (JCCUC) Improved conditions for development of projects for CMM and CBM production and use
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Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Part A- Construction activities and installation of all the equipment and accessories associated with the power plant have been completed. The power plant was connected to the Shanxi power grid on 28 Mar 08 and on 3 Oct 08 passed the trial run tests requirements of the Shanxi Power Company. The Shanxi Provincial Development Reform Commission granted its final approval for completing the project requirements for operations on 9 February 2009 and on 5 July 2009 the power plant was put into commercial operations. JMC had turned over the project facilities to the new company established for the operation of the power plant.</p> <p>Part B- All civil works and equipment installation have been completed for the Zhanglin gas transmission station as of end September 08. Construction work at the 4 gas collection stations (Gaozhuang [main station], Pingshang, Duanshi and Chengzhuang). In Yangcheng Industrial Zone station, all works have been completed. For Yangcheng station however, no material progress has been reported as construction work has to coincide with the construction schedule of Yangcheng Minsheng Gas Company since the station will be at the latter's premises. Equipment for the station was purchased through the ADB loan. Installation cost will be financed from counterpart funds. All pipelaying activities have been completed.</p> <p>Distribution component for the Jincheng city has progressed well. Construction of the 50,000 m3 and the 80,000 m3 storage tanks and distribution stations, including the laying of medium pressure pipelines were completed and accepted in September 08 and on 18 Oct 08, the project was put in operation and began supplying gas to the city. The components for the 3 counties (Gaoping, Yangcheng, and Qinshui) have also progressed and in the final stages of completion. Lingchuan had dropped out of construction and ADB loan utilization due to funding problems, but has since completed its project scope with support from private investors.</p> <p>The Project won the 2009 China Habitat Environment Prize awarded by the Ministry of Housing and Construction and was nominated for the Dubai International Award for best practices to improve the living environment.</p> <p>Part C- Institutional Strengthening: Completed.</p>
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Geographical Location	Shanxi Province
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Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	

Summary of Environmental and Social Aspects

Environmental Aspects	There is no major issue on social and environment safeguard compliance for the Project. No complaint has been reported by the affected people and villages. Submission of more detailed social, land acquisition and environment related reports for Part B will be provided upon project completion. The three PIAs were also requested to provide the required inputs for the final project impact assessment.
Involuntary Resettlement	
Indigenous Peoples	

Stakeholder Communication, Participation, and Consultation

During Project Design	
During Project Implementation	

Business Opportunities

Consulting Services	ADB-financed consulting services will assist the project implementing agencies with (i) supervision of CMM drainage and CBM production, (ii) management and implementation of CMM transmission and distribution pipeline system component, (iii) institutional strengthening and capacity building, and (iv) promoting the development of additional CBM and CMM projects in Shanxi Province and will be carried out in accordance with ADB's Guidelines on the Use of Consultants.
Procurement	Procurement of ADB-financed goods including (i) internal combustion gas engines and auxiliary equipment, (ii) gas transmission and distribution pipelines, (iii) operation and maintenance equipment for gas pipelines, (iv) pressure regulating equipment, (v) transformers, and (vi) gas storage tanks will be carried out in accordance with ADB Guidelines for Procurement.

Responsible Staff

Responsible ADB Officer	Pajarillo, Merlita
Responsible ADB Department	East Asia Department

Responsible ADB Division

Energy Division, EARD

Executing Agencies

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Timetable

Concept Clearance	07 Mar 2004
Fact Finding	08 Sep 2003 to 26 Sep 2003
MRM	23 Feb 2004
Approval	20 Dec 2004
Last Review Mission	-
PDS Creation Date	10 Mar 2006
Last PDS Update	14 Feb 2011

Loan 2146-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
20 Dec 2004	24 Mar 2005	04 Oct 2005	30 Jun 2009	31 Dec 2010	28 Jan 2011

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	237.00	Cumulative Contract Awards			
ADB	117.40	20 Dec 2004	105.44	0.00	92%
Counterpart	119.60	Cumulative Disbursements			
Cofinancing	0.00	20 Dec 2004	114.64	0.00	100%

Project Page <https://www.adb.org/projects/30403-013/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=30403-013>

Date Generated 24 May 2017

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