

SAFEGUARDS AND SOCIAL DIMENSIONS SUMMARY

A. Safeguards

1. The Loan Program for Clean Bus Leasing is classified as Category FI (treated as C) under the Safeguards Policy Statement (2009) of the Asian Development Bank (ADB) for environment, involuntary resettlement, and indigenous peoples impacts. The program will offer funding to help up to five financial leasing companies (FLCs) deploy clean buses and information technology systems that will improve fleet operating efficiency for urban, suburban, or intercity bus services in the People's Republic of China (PRC). ADB's due diligence regarding the safeguard aspects of the proposed program involved determining the significance of potential environmental and social impacts and risks of clean bus leasing.

2. The program will fund the leasing of buses that run on cleaner fuels such as compressed or liquefied natural gas and biomethane, hybrid and electric buses, and conventional buses that meet the most advanced regulatory thresholds. Compliance with bus engine emission standards is mandatory in the PRC and the leased buses will require the permits, testing, and registration required to meet national and local vehicle emission standards and regulations.¹ The program will have no or only minimal environmental impacts. All FLCs will also apply the Prohibited Investment Activities List in Annex 5 of the ADB Safeguards Policy Statement.

3. The program will not entail acquisition of land or restrictions on land use. The program's activities are also unlikely to affect any indigenous people. The FLCs also need to comply with the relevant national laws and regulations in these safeguard areas. The regular reporting of participating FLCs to ADB will include information on compliance with relevant local laws and standards.

B. Social Dimensions

4. The deployment of more and cleaner buses under the program will provide more efficient, more comfortable, cheaper, and more health-friendly public transport to people in the PRC, where the public is now often negatively affected by the inadequate availability, quality, and safety of bus services. These improvements will benefit the poor, the disabled, women, and children especially, because these groups depend more heavily on public transport than the general population overall. The program is expected to benefit all, regardless of gender. No specific gender measures are integrated in the program and it is categorized as having no gender element.

5. By expanding the fleet of buses serving the public, the program may help create new job opportunities. The FLCs and their lessees are expected to comply with the internationally recognized core labor standards, consistent with national labor laws, and with ADB's Social Protection Strategy (2001). Regular reporting by participating FLCs to ADB will include information on compliance with relevant laws and requirements.

¹ The PRC's emission standards are based on the European emission regulations commonly referred to as Euro I-VI. They are applicable to all vehicles registered in the PRC.