

Environmental Monitoring Report

#10 Semi-Annual Report
July 2022

People's Republic of China: Air Quality Improvement in the Greater Beijing–Tianjin–Hebei Region—China National Investment and Guaranty Corporation's Green Financing Platform Project

Prepared by China National Investment and Guaranty Corporation for the Asian Development Bank.

This environmental monitoring report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

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Environmental Monitoring Report

Reporting Period: January–June 2022

Project Number: 50096-002

Date of Submission: July 2022

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ABBREVIATIONS

ADB	–	Asian Development Bank
BTH	–	Beijing-Tianjin-Hebei
CO ₂	–	carbon dioxide
EA		Executing Agency
EEB	–	Ecology and Environment Bureau
ESCO	–	energy service company
EMP	–	environmental management plan
EMS	–	Environmental Monitoring Station
EMoP	–	environmental monitoring plan
ESMS	–	environmental and social management system
GFP	–	green financing platform
I&G	–	China National Investment and Guaranty Corporation
ND	–	Not Detected
PMO	–	project management office
PRC	–	People's Republic of China
SDIC	–	State Development & Investment Corporation

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I. INTRODUCTION

A. Report Purpose and Rationale

1. This is the tenth consolidated environmental monitoring report for the Air Quality Improvement in the Greater Beijing–Tianjin–Hebei (BTH) Region¹–China National Investment and Guaranty Corporation (I&G)’s Green Financing Platform (GFP) Project, covering the period of January to June 2022. It was prepared by I&G in accordance with the Project Administration Manual (PAM) and Environmental and Social Management System (ESMS) Arrangement.

B. Project Overview

2. I&G’s GFP Project is dedicated to improving air quality in the Greater BTH Region by means of leveraging financing and scaling up investments in green and pollution-reduction subprojects. Loan Agreement of the Project was signed on May 25, 2017 and came into force on August 14 in the same year.

Table 1: Basic Project Information

Project Number	PRC: 50096-002
Loan Number	3504-PRC
Project Title	Air Quality Improvement in the Greater Beijing–Tianjin–Hebei Region—China National Investment and Guaranty Corporation’s Green Financing Platform Project
Recipient	People’s Republic of China
Executing Agency	China National Investment and Guaranty Corporation
Implementing Agency	China National Investment and Guaranty Corporation
Approval Date	12 December, 2016
Loan Signing Date	25 May, 2017
Loan Effective Date	14 August, 2017
Loan Closing Date	30 September, 2022
Elapsed Project Period	15 years
Total Amount of ADB Loan	458 million Euros

¹ Greater BTH Region consists of the Beijing and Tianjin municipalities; Hebei, Henan, Shandong, Shanxi, and Liaoning provinces; and Inner Mongolia Autonomous Region.

C. Project Implementation Progress

3. As the executing agency (EA) and implementing agency (IA), I&G is implementing the Project strictly as scheduled. During the reporting period (January to June 2022), two subprojects were financed and one subproject was guaranteed by the GFP Project. Details are as below.

Table 2: Implementation Status of the Subprojects Supported in Reporting Period

NO.	Subproject	Contents	Environment Category	Implementation Status	Location
1	Zibo new energy transportation promotion subproject ²	Purchase 216 new energy buses (including at least 100 hydrogen fuel-cell buses), develop 6 new energy bus hubs and construct 3 hydrogen filling stations.	B	Under construction	Zibo City, Shandong Province
2	Construction of Charging Stations by Duodatong ³	Construct two charging stations in Beijing: Towatt Barker Apartment Charging Station and Towatt Red Star Marcalline Charging Station.	C	Under construction	Beijing

² In reporting period, it is financed CNY 100 million, the last installment.

³ In reporting period, it is financed CNY 3 million, the last installment.

3	Mirattery BaaS ABN guaranty subproject	Construct BaaS (battery as a service) stations for running battery leasing business to electric vehicle users .	C	Under construction	Greater BTH region
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II. PROGRESS IN IMPLEMENTING ESMS, ENVIRONMENTAL MANAGEMENT PLAN AND ENVIRONMENTAL MONITORING PLAN

A. Institutional Arrangement and Implementing Status for ESMS

4. In August 2016, I&G has established the ESMS, which covers policy objectives and principles for the areas of environment, involuntary resettlement, and minority communities. Three staff members of the project management office (PMO) were designated as ESMS managers and are responsible for ESMS implementation. E-Town International Financial Leasing Co. Ltd., Bank of Beijing Financial Leasing Company and Hua Xia Financial Leasing Co. Ltd, as three partners of the GFP Project, have also adopted and implemented the ESMS.
5. For the subprojects financed or guaranteed by the GFP Project during the reporting period, the environment safeguard requirements have been included in the Entrusted Loan Contract and Subproject Agreement.

Table 3: Contract Articles for Environmental Protection and Liability

Name of the Contract	Prescriptions
Entrusted Loan Contract No. [2021-B03-ZTB-017-WT] [2021-B03-ZTB-018-WT]	15.2 ESMS The Borrower shall comply with all requirements in Appendix 1 of the contract. The Borrower shall immediately inform I&G and the Lender in case any violation or other abnormalities. Appendix 1: Subproject Information and Implementation Requirements Appendix 5: Selection Criteria for Subprojects
Subproject Agreement No. [2021-A010103-ZTB-001-ZXM]	Article 4 Environmental and Social Management System and Environmental Safeguard Appendix 1: Subproject Information and Implementation Requirements Appendix 2: Selection Criteria for Subprojects

6. All of the subprojects financed or guaranteed in the reporting period have met the ESMS requirements. The Due Diligence Reports and Rapid Environmental Assessment (REA) Checklists and Social Safeguard Screening Checklists were cleared by ADB.

7. The initial environmental examinations (IEEs)/environmental impact assessments (EIAs), including the environmental management plans (EMPs) were revised for each subproject to be aligned with relevant government regulations and guidelines on COVID-19 prevention and control, or with international good practice guidelines. The updated IEEs/EIAs, including EMPs, have been disclosed on ADB and I&G's websites.

B. Summary of Environmental Monitoring

8. The Environmental Monitoring Plans (EMoPs) of all subprojects have been or are being complied with. The EMoP implementation status of the subprojects financed or guaranteed in the reporting period is summarized below.

B.1 Monitoring Plan and Responsibilities

B.1.1 Zibo new energy transportation promotion subproject (Zibo Subproject)

9. The subproject was financed by installments. Table 4 shows the EMoP and implementation status.

Table 4: EMoP and Implementation Status of Zibo Subproject

Item	Monitoring Item	Location	Frequency	Implemented by	Supervised by	Implementation Status
Construction Stage						
Dust	TSP	Construction sites	Monthly	Subborrower	EA and local Ecology and Environment Bureau (EEB)	Being complied with
Wastewater	COD, pH, SS	Construction sites	Quarterly	Subborrower	EA and local Ecology and Environment Bureau (EEB)	Being complied with
Noise	Noise monitoring (day and night Leq dB(A))	Boundaries of the construction sites	Monthly during construction	Subborrower	EA and local EEB	Being complied with
Solid waste	Compliance inspection of solid waste management	Waste collection and disposal sites	Monthly during construction	Subborrower	EA and local EEB	Being complied with
Hazardous and Polluting Materials	Compliance inspections of hazardous materials management	Storage facilities for fuels, oil and other hazardous materials.	Monthly during construction	Subborrower	EA and local EEB	Being complied with
Health and Safety and Emergency	Compliance inspection of construction phase	Construction sites	Monthly during construction	Subborrower	EA and local authorities	Being complied with

Response	occupational and community health and safety management measures and Emergency Response Plan implementation					
Operation Stage						
Noise	Noise monitoring (day and night Leq dB(A))	Boundaries of the hubs	Quarterly	Subborrower	EA and local EEB	Not yet due
Solid waste	Compliance inspection of operation phase solid waste management measures	Hubs	Semi-annually	Subborrower	EA and local EEB	Not yet due
Health and Safety and Emergency Response	Compliance inspection of operation phase occupational and community health and safety management measures and Emergency Response Plan implementation	Hubs	Semi-annually	Subborrower	EA and local authorities	Not yet due

B.1.2 Construction of Charging Stations by Duodatong (Duodatong Subproject)

10. The subproject is classified as category C for environment; the subborrower has prepared environmental management plan and there is no EMoP required.

B.1.3 Mirattery BaaS ABN guaranty subproject (Mirattery ABN Subproject)

11. The subproject is to provide guarantee for funds raising to construct BaaS stations; it is classified as category C for environment, thus there is no EMoP required.

B.2 Monitoring Results

12. During the reporting period, all subborrowers have conducted monitoring of the pollutants emission regularly as required in the EMoP, and the monitoring results met relevant standards.
13. For the subprojects requiring monitoring by the third-party institutions, the monitoring results are shown below (subprojects in operation reported annually and subprojects under construction reported semi-annually according to the PAM).

B.2.1 Zibo Subproject

14. Table 5-8 show the monitoring results of Daihai Subproject, which was conducted by Inner Mongolia Huazhi Monitoring Technology Co., Ltd. on February 28, 2022, including four monitoring points: flue gas outlet of Unit No.1, Unit No.2, Unit No.3 and Unit No.4.

Table 5: Monitoring Results of Unit No.1

Inspection Items	Monitoring Times	Monitoring Results		
		Reference Mean	CEMS Mean	Compliance with applicable standards
Dust (mg/m ³)	5	2.1	4.1	Complied
SO ₂ (mg/m ³)	5	19	9	Complied
NO _x (mg/m ³)	5	19	12	Complied

Table 6: Monitoring Results of Unit No.2

Inspection Items	Monitoring Times	Monitoring Results		
		Reference Mean	CEMS Mean	Compliance with applicable standards
Dust (mg/m ³)	5	2.2	3.3	Complied
SO ₂ (mg/m ³)	5	22	15	Complied
NO _x (mg/m ³)	5	36	32	Complied

Table 7: Monitoring Results of Unit No.3

Inspection Items	Monitoring Times	Monitoring Results		
		Reference Mean	CEMS Mean	Compliance with applicable standards
Dust (mg/m ³)	5	2.2	2.0	Complied
SO ₂ (mg/m ³)	5	23	15	Complied
NO _x (mg/m ³)	5	27	22	Complied

Table 8: Monitoring Results of Unit No.4

Inspection Items	Monitoring Times	Monitoring Results		
		Reference Mean	CEMS Mean	Compliance with applicable standards
Dust (mg/m ³)	5	2.1	3.6	Complied
SO ₂ (mg/m ³)	5	23	13	Complied
NO _x (mg/m ³)	5	31	33	Complied

III. COMPLIANCE WITH RELEVANT ENVIRONMENT LAWS AND REGULATIONS IN PRC

15. Environmental impact assessment (EIA) procedures have been established in PRC for over 20 years. Article 14 of the PRC Law on Environmental Impact Assessment (2003) stipulates that an EIA document is required for any capital construction project producing significant environmental impacts. Projects are classified into three categories for environment impacts:

Table 12: Environmental Classification in PRC

Category	Description
A	Projects with significant adverse environmental impacts, for which a full EIA report is required
B	Projects with adverse environmental impacts which are of a lesser degree and/or significance than those of Category A, for which a simplified tabular EIA report is required
C	Projects unlikely to have adverse environmental impacts, for which an EIA registration form is required

16. A full EIA report for category A project and a simplified tabular EIA report for category B project are similar to ADB's EIA and IEE reports, respectively. Environment registration forms required for environment category C project.
17. For the three subprojects financed or guaranteed in the reporting period, based on domestic project classification, one subproject was classified as category A, two were classified as category C. The domestic EIA report or EIA registration form were completed and approved by local ecology and environment bureaus (EEB) in the PRC.

IV. PUBLIC CONSULTATION AND GRIEVANCE REDRESS MECHANISM

18. The public consultation was conducted online for the subproject as required by ADB, and the implementation of the subproject was supported by the residents nearby.
19. I&G has established a grievance redress mechanism (GRM), including setting up a hotline for public complaint with the number of 8610-88822668. Three ESMS managers of I&G are the main focal persons to ensure effective GRM implementation and information disclosure through close cooperation and communications with subborrowers.
20. In the reporting period, no complaints were received.

V. INSTITUTIONAL STRENGTHENING AND TRAINING

21. In the reporting period, I&G organized or attended a series of communication and training activities for skill improvement and institutional capacity enhancement. Details are shown in Table 13.

Table 13: Institutional Strengthening and Training Program

Date	Topic	Place
April 2022	Training on Environmental and Social Management System (ESMS) requirements	Virtual meeting
April 2022	Online seminar on green bond	Virtual meeting
May 2022	The Integrity Learning Series: People's Republic of China Executing and Implementing Agencies, and Project Management Units.	Virtual meeting
June 2022	Seminar on financial support for the innovation and development of green and low-carbon technologies	Virtual meeting
June 2022	Seminar on clean heating investment and financing	Virtual meeting



内容大纲

1. 亚行安全保障政策概述
2. 本项目的环境与社会安保类别及相关要求
3. 子项目筛选阶段的环境与社会安保审查和分类流程
4. 子项目准备阶段的环境与社会安保文件准备要求
5. 子项目实施阶段的环境与社会安保合规监测与报告要求
6. 子项目验收阶段的环境与社会安保完工审查要求
7. 环境与社会安保方面的机构和人员能力建设

Left: Seminar on financial support for the innovation and development of green and low-carbon technologies.

Right: Holding training on Environmental and Social Management System (ESMS) requirements .

VI. KEY ENVIRONMENTAL ISSUES

A. Key Issues Identified in the Reporting Period

22. This is the tenth environmental monitoring report. No major environmental issues were identified during the reporting period for all subprojects.

B. Corrective Actions Taken in the Reporting Period

23. None

VII. CONCLUSION

24. In the reporting period, the subprojects were well implemented following the EMPs and EMoPs. Based on the environmental monitoring of the subprojects, it is found that the subborrowers, contractors or operators of the subprojects financed by ADB have undertaken relevant environmental mitigation measures specified in the IEEs, EIA and domestic EIA reports, and paid sufficient attention to avoid possible negative environmental impacts due to the subproject implementation. No major environmental issues were identified, and no complaints were received.