

# Environmental Monitoring Report

---

#11 Semi-Annual Report  
January 2023

## 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.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

# **Environmental Monitoring Report**

---

Reporting Period: July–December 2022  
Project Number: 50096-002  
Date of Submission: January 2023

## **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.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

## ABBREVIATIONS

ADB	–	Asian Development Bank
BTH	–	Beijing-Tianjin-Hebei
CO <sub>2</sub>	–	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

## CONTENTS

I. INTRODUCTION .....	1
A. Report Purpose and Rationale.....	1
B. Project Overview.....	1
C. Project Implementation Progress .....	2
II. PROGRESS IN IMPLEMENTING ESMS, EMP AND EMoP .....	3
A. Institutional Arrangement and Implementing Status for ESMS .....	3
B. Summary of Environmental Monitoring.....	4
III. COMPLIANCE WITH ENVIRONMENT RELATED LAWS AND REGULATIONS IN PRC.....	8
IV. PUBLIC CONSULTATION AND GRIEVANCE REDRESS MECHANISM.....	9
V. INSTITUTIONAL STRENGTHENING AND TRAINING .....	10
VI. KEY ENVIRONMENTAL ISSUES .....	11
A. Key Issues Identified in the Reporting Period .....	11
B. Corrective Actions Taken in the Reporting Period.....	11
VII. CONCLUSION .....	11

## I. INTRODUCTION

### A. Report Purpose and Rationale

1. This is the eleventh consolidated environmental monitoring report for the Air Quality Improvement in the Greater Beijing–Tianjin–Hebei (BTH) Region<sup>1</sup>–China National Investment and Guaranty Corporation (I&G)’s Green Financing Platform (GFP) Project, covering the period of July to December 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

---

<sup>1</sup> 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 (July to December 2022), one subproject was financed with details as below.

**Table 2: Implementation Status of the Subproject Supported in Reporting Period**

NO.	Subproject	Contents	Environment Category	Implementation Status	Location
1	Qida Electrical Vehicle Purchase Subproject	Purchase 7,000 EVs for renting to taxi platforms and online car-hailing platforms in the greater BTH Region to replace the existing gasoline cars and taxis that will be phased out.	C	In operation	Zibo City, Shandong Province



## **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. All of the subprojects financed or guaranteed by the GFP Project have met the ESMS requirements. The Due Diligence Reports and Rapid Environmental Assessment (REA) Checklists and Social Safeguard Screening Checklists were cleared by ADB.
6. 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.
7. For the subproject financed during the reporting period, the environment safeguard requirements have been included in the Entrusted Loan Contract.

**Table 3: Contract Articles for Environmental Protection and Liability**

<b>Name of the Contract</b>	<b>Prescriptions</b>
Entrusted Loan Contract No. [2022-B03-ZTB-004-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

## **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 subproject financed in the reporting period is summarized below.

### **B.1 Monitoring Plan and Responsibilities**

#### **B.1.1 Qida Electrical Vehicle Purchase Subproject (Qida Subproject)**

9. The subproject was financed in July 2022. Table 4 shows the EMoP and implementation status.

**Table 4: EMoP and Implementation Status of Qida Subproject**

Item	Monitoring Item	Location	Frequency	Implemented by	Supervised by	Implementation Status
Operation Stage						
Solid waste	Compliance inspection of operation phase solid waste management measures	Site	Quarterly	Subborrower	EA and local EEB	Being complied with

## B.2 Monitoring Results

10. 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.
11. 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 Daihai Subproject

12. Table 5-8 show the monitoring results of Daihai Subproject, which was conducted by Inner Mongolia Huazhi Monitoring Technology Co., Ltd. on September 19, 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 <sup>3</sup> )	3	2.2	2.3	Complied
SO <sub>2</sub> (mg/m <sup>3</sup> )	3	21	22	Complied
NO <sub>x</sub> (mg/m <sup>3</sup> )	3	25	26	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 <sup>3</sup> )	3	2.1	2.1	Complied
SO <sub>2</sub> (mg/m <sup>3</sup> )	3	15	16	Complied
NO <sub>x</sub> (mg/m <sup>3</sup> )	3	30	31	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 <sup>3</sup> )	3	2.1	2.7	Complied
SO <sub>2</sub> (mg/m <sup>3</sup> )	3	22	27	Complied
NO <sub>x</sub> (mg/m <sup>3</sup> )	3	28	33	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 <sup>3</sup> )	3	2.3	2.6	Complied
SO <sub>2</sub> (mg/m <sup>3</sup> )	3	19	22	Complied
NO <sub>x</sub> (mg/m <sup>3</sup> )	3	21	24	Complied

### III. COMPLIANCE WITH RELEVANT ENVIRONMENT LAWS AND REGULATIONS IN PRC

13. 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 9: 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

14. 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 are required for environment category C project.
15. For the subproject financed in the reporting period, i.e. Qida Subproject, based on domestic project classification, it is classified as category C and an EIA registration form has been completed.

#### **IV. PUBLIC CONSULTATION AND GRIEVANCE REDRESS MECHANISM**

16. Qida Subproject has no construction phase and there is no public consultation needed.
17. 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.
18. In the reporting period, no complaints were received.

## V. INSTITUTIONAL STRENGTHENING AND TRAINING

19. 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 10.

**Table 10: Institutional Strengthening and Training Program**

Date	Topic	Place
July 2022	Project implementation under ADB new procurement framework-facing Covid 19 and inflation	Virtual meeting
August 2022	Safeguards and Gender Online Training 2022	Virtual meeting
August 2022	The 3 <sup>rd</sup> China Clean Heating Industry Summit	Beijing
August 2022	Green Financial Innovation Seminar	Virtual meeting
November 2022	Seminar on financial support for the innovation and development of green and low-carbon technologies	Virtual meeting



Left: Attending Safeguards and Gender Online Training 2022

Right: I&G's case sharing at the 3rd China Clean Heating Industry Summit



## **VI. KEY ENVIRONMENTAL ISSUES**

### **A. Key Issues Identified in the Reporting Period**

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

### **B. Corrective Actions Taken in the Reporting Period**

21. None

## **VII. CONCLUSION**

22. 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.