Environmental and Social Management System

March 2022

People’s Republic of China: Fujian Xianyou Mulan River Basin Integrated Ecological Improvement and Environmental Management Project

**CURRENCY EQUIVALENTS**
(as of 9 March 2022)

<table>
<thead>
<tr>
<th>Currency unit</th>
<th>yuan (CNY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNY1.00</td>
<td>€0.1452</td>
</tr>
<tr>
<td></td>
<td>or $0.1583</td>
</tr>
<tr>
<td>$1.00</td>
<td>CNY6.3187</td>
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<tr>
<td></td>
<td>or €0.9175</td>
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<tr>
<td>€1.00</td>
<td>CNY6.8868</td>
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<tr>
<td></td>
<td>or $1.0899</td>
</tr>
</tbody>
</table>

**ABBREVIATIONS**

- ADB – Asian Development Bank
- ADBC – Agricultural Development Bank of China
- CNY – Chinese Yuan
- COVID-19 – coronavirus disease
- CPP – consultation and participation plan
- DDR – due diligence report
- EEB – Ecology and Environment Bureau
- EMA – External monitoring agency
- EMDP – Ethnic minority development plan
- EMP – environmental management plan
- ESMS – environmental and social management system
- FIL – financial intermediation loan
- GAP – gender action plan
- GCG – green credit guideline
- GRM – grievance redress mechanism
- IEE – initial environmental examination
- LURPI – Land use for rural public infrastructure
- PAM – project administration manual
- PIC – project implementation consultant
- PMO – Project Management Office
- PRC – People’s Republic of China
- REA – rapid environmental assessment
- SCA – social compliance audit
- SDAP – social development action plan
- SPS – Safeguard Policy Statement
- TEIA – tabular environmental impact assessment
- XCG – Xianyou County Government

This environmental and social management system 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.
Dear Mr. Cai Xueliang,

尊敬的蔡学良先生:

An Environmental and Social Management System (ESMS) was prepared in accordance with People's Republic of China's laws and regulations, and ADB's Safeguard Policy Statement (2009) for the financial intermediation loan component of Fujian Xianyou Mulan River Basin Integrated Ecological Improvement and Environmental Management Project.

The Agricultural Development Bank of China (Putian Branch), as the financial intermediary for the financial intermediation loan component, would like to inform you that we: (i) endorse the ESMS, and (ii) have no objection to the disclosure of the ESMS on the ADB website, following ADB's standard procedures.

中国农业发展银行（莆田分行）作为金融中介贷款子项的金融中介，谨此通知您，我们：(i) 承诺实施环境社会管理体系，并且（ii）同意按照亚行的标准流程，在亚行网站上披露环境社会管理体系。

Yours sincerely,

Xie Qingfeng 谢庆丰
Vice President 副行长
中国农业发展银行（莆田分行）
People's Republic of China 中华人民共和国

February 2022
2022 年 2 月
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I. INTRODUCTION

A. The project

1. The Fujian Xianyou Mulan River Basin Integrated Ecological Improvement and Environmental Management Project (the Project) aims to assist Xianyou County in Putian City, Fujian Province of the People’s Republic of China (PRC) in developing an integrated solution to flood control, ecological restoration, and water quality improvement of Mulan River, taking into consideration of climate change and environmental management to contribute to the achievement of the government's goal of fostering green, sustainable, resilient, and inclusive growth for rural development.

2. The project is aligned with the following impact: ecological resilience and rural livelihoods enhanced. The project will have the following outcome: ecological and environmental risks in the Mulan River Basin mitigated.

3. Output 1: Institutional capacity for smart ecological and environmental management strengthened. This output will strengthen the XCG’s institutional, managerial, and technical capacity in EIEM for climate resilience improvement. The output will include (i) establishing one-Mulan smart environment management digital platform by developing and integrating water resources management, disaster risk reduction, wastewater and solid waste management, forest management, and drainage management decision support systems; (ii) developing climate change adaptation action plan including disaster risk reduction and integrated environment management strategies; (iii) enhancing capacity and raising awareness on EIEM, climate change and disaster risks among local governments, communities, businesses, and stakeholders concerned; and (iv) promoting best practices and innovations through training and knowledge sharing events.

4. Output 2: Innovative financing mechanism piloted. This output will pilot an innovative and sustainable financing mechanism to address insufficient long-term investments in ecological improvement and environmental management (EIEM) in the Mulan River Basin. The output will include (i) tailoring a land value capture method for funding the investments; (ii) establishing a market-oriented financing mechanism for ecological protection and environment management. It includes a financial intermediation loan (FIL) component. The Agricultural Development Bank of China (ADBC), represented by its Putian Branch, is the selected financial intermediary. Subloans will be provided to qualified subborrowers for qualified subprojects that are selected against established criteria (Appendix 5), which encourages investment in areas such as forestry management, biodiversity conservation, water supply, flood protection, wastewater management, and solid waste recovery and reuse. An indicative list of subloans is included in Appendix 5; and (iii) supporting the feasibility study and design of a Mulan River conservation and development fund for consideration by XCG to help create incentives, increase and diversify capital investment (private firms, state-owned enterprises, and financial institutions) in integrated EIEM.

5. Output 3: Urban water environment and flood risks management improved. This output will implement integrated solutions for systematic and inclusive wastewater and storm water management in Xianyou urban center and Fengting Town. The output will include (i) an integrated smart geographic information system to monitor and manage sewage and urban drainage, which will be an integral part of the one-Mulan smart platform (output 1); (ii) rainwater and sewage separation facilities along the Mulan River and urban Xianyou, including collection and treatment of initial stormwater; (iii) domestic and industrial sewage collection from 12 communities and Fengting Town; and (iv) technical support and capacity building on sewage and
drainage management.

**B. Purpose of the ESMS**

6. The ADBC (Putian Branch) is selected as the financial intermediary for the FIL component of the project. Pursuant to ADB’s Safeguard Policy Statement (SPS) (2009), it is required to establish an appropriate environmental and social management system (ESMS) as part of its overall management system to meet national legal framework and ADB’s requirement for FIL using ADB funds.

7. The key components of the ESMS that are assessed include: (i) environmental and social policies as per ADB SPS 2009 specific to environmental, involuntary resettlement, and indigenous peoples safeguards, and other social dimensions; (ii) ADB prohibited investment activities list screening, project categorization, review and approval procedure, public consultation and participation, disclosure requirements, and grievance redress mechanism (GRM); (iii) organizational capacity, including organizational structure, staffing, skills training, and competencies in environmental and social areas; and (v) monitoring and reporting.
II. ENVIRONMENTAL AND SOCIAL DUE DILIGENCE AND REVIEW

8. To meet the SPS 2009 requirements for FIL, a detailed due diligence on the ADBC (Putian Branch)’s environment and social safeguards review and clearance process and systems was carried out in 2021.

A. Brief Introduction of the Financial Intermediary

9. Established in 1994, ADBC is a state-owned policy bank that supports the sustainable and healthy development of agriculture and rural areas. As an agricultural policy bank, ADBC clearly put forward the strategic goal of building a “green bank” brand during the 14th Five-Year Plan period and formulated the guidance on “Building a Green Bank and Providing High-quality Services for Development of Ecological Civilization” in 2021, planning to increase credit support for clean energy, ecology and environment protection, green upgrading of infrastructure, energy conservation and green services. At the asset level, ADBC aims to double the balance of green credit in the 14th Five-Year Plan period compared to the 13th Five-Year Plan period, and to achieve the overall target of the bank's green credit scale to more than 20% of its credit assets.

10. ADBC (Putian Branch) was set up on 18 December 1996, which is the only agricultural policy bank in Putian City. Its main responsibilities are to raise funds based on national credit and undertake agricultural policy financial services in accordance with national laws and regulations and policies, and to act as an agent for the disbursement of financial support to agriculture and serve the development of the agricultural and rural economy. The percentage of green credit projects has gradually increased in recent years, accounting for 16.23% as of September 2021, with an average growth rate of about 60.98%.

B. Current Institutional Settings of the Financial Intermediary

11. ADBC (Putian Branch) has five internal departments, including General Office, Client Department, Credit and Risk Management Department, Planning and Finance Department, Internal Control and Compliance Department. Among them, The Client Department is responsible for external coordination, front-end management of anti-money laundering, undertaking client investigation and evaluation, and post-loan management. The Credit and Risk Management Department is mainly responsible for implementing the rules, regulations and management rules, examining the loans within the approval authority of the Putian Branch. At present, there are 52 official employees in the bank, with a male to female ratio of 15:11 and an average age of 39. Total of 48 people have bachelor’s degree or above, accounting for 92% of the total staff, including 38 people with bachelor's degree, 9 people with master's degree and one person with PhD degree.

C. Review of the Current Environmental and Social Management Procedures of ADBC

12. The loan assessment and approval procedures of ADBC (Putian Branch) are mandated by the Banking Regulation No.2 [General Rules for Loans] 1996, issued by the People's Bank of China. The main procedures as follows: (i) loan applications; (ii) credit rating of a borrower; (iii) investigation of loans; (iv) examination and approval of loans; (v) entry into a loan contract; (vi) provision of loans inspection after lending; and (vii) repayment of a loan.

13. Despite the absence of a formal ESMS, the ADBC (Putian Branch) follows the Green Credit Guidelines of the Agricultural Development Bank of China (revised in 2021) (GCG) issued
by the headquarter. The environmental and social risks refer to the hazards and related risks that may be brought to the environment and the society by the customer and its important related parties in construction, production and operation activities, including environmental and social issues related to energy consumption, pollution, land, health, safety, resettlement, ecological protection, climate change, etc. as defined in the GCG. The GCG requires that environmental and social risk management be integrated into all aspects of the credit business process.

14. In addition to applicable PRC’s national regulations on project classification, ADBC also adopts the classification system which follows the Key Evaluation Indicators for Green Credit Implementation (China Banking Regulatory Commission, 2014). For all domestic and foreign currency credit business of the ADBC, clients (projects) will be classified as A, B and C according to the significance of environmental and social impacts of the sectors involved (Table 1). In case there are conflicts between the two classification systems, national regulations will prevail.

- **Category A:** Clients whose construction, production and operation activities are likely to seriously alter the original state of the environment and produce adverse environmental and social consequences that cannot be easily eliminated.
- **Category B:** Clients whose construction, production and operation activities will have adverse environmental and social consequences, but which can be more easily eliminated through mitigation measures.
- **Category C:** Clients whose construction, production and operation activities do not have obvious adverse environmental and social consequences.

**Table 1: Environmental and Social Risks Classification for Sectors**

<table>
<thead>
<tr>
<th>Category</th>
<th>Project or main business</th>
<th>Industry Code</th>
<th>Industry Name</th>
<th>Main stages</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>Nuclear power plants</td>
<td>4413</td>
<td>Nuclear Power Generation</td>
<td>Construction, operation, and shutdown</td>
<td></td>
</tr>
<tr>
<td>Large hydropower plants</td>
<td>4412</td>
<td>Hydroelectricity</td>
<td>Construction</td>
<td>Projects approved and endorsed by the State Council, National Development and Reform Commission and relevant competent ministries.</td>
<td></td>
</tr>
<tr>
<td>Large-scale water projects</td>
<td>482</td>
<td>Water and inland waterway port construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mineral and non-mineral resource extraction projects</td>
<td>06</td>
<td>Coal mining and washing industry</td>
<td>Construction and Operation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>07</td>
<td>Oil and gas extraction industry</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>08</td>
<td>Ferrous metal mining industry</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>09</td>
<td>Non-ferrous metal mining industry</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>10</td>
<td>Non-metallic mining industry</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>12</td>
<td>Other mining industry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large facilities in environmentally and ecologically fragile areas (including tourism facilities)</td>
<td>/</td>
<td>/</td>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large facilities in ethnic minority areas</td>
<td>/</td>
<td>/</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Project or main business</td>
<td>Industry Code</td>
<td>Industry Name</td>
<td>Main stages</td>
<td>Remarks</td>
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<tr>
<td></td>
<td>Large-scale industrial projects adjacent to dense residential areas and water intake areas</td>
<td>/</td>
<td>/</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category B</td>
<td>Printing and dyeing, and finishing</td>
<td>1713</td>
<td>Cotton printing and dyeing finishing</td>
<td>Construction and Operation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1723</td>
<td>Wool dyeing and finishing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1733</td>
<td>Hemp dyeing and finishing</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>1743</td>
<td>Silk printing, dyeing, finishing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1752</td>
<td>Chemical fiber fabric dyeing and finishing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1762</td>
<td>Knitting or crocheted fabric printing and dyeing, finishing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tanning process</td>
<td>1910</td>
<td>Leather tanning</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>1931</td>
<td>Fur tanning</td>
<td></td>
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<tr>
<td></td>
<td>Paper Making</td>
<td>221</td>
<td>Pulp manufacturing</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>222</td>
<td>Paper making</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oil processing, etc.</td>
<td>25</td>
<td>Petroleum processing, coking and nuclear fuel processing industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chemical production</td>
<td>26</td>
<td>Chemical raw materials and chemical products manufacturing</td>
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<td></td>
<td>Pharmaceuticals</td>
<td>27</td>
<td>Pharmaceutical manufacturing</td>
<td></td>
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<tr>
<td></td>
<td>Rubber and plastic production</td>
<td>29</td>
<td>Rubber and plastic products industry</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Non-metallic mineral production</td>
<td>30</td>
<td>Non-metallic mineral goods industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Metal Smelting and Rolling Processing</td>
<td>31</td>
<td>Ferrous metal smelting and rolling processing industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>32</td>
<td>Non-ferrous financial smelting and rolling processing industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thermal power generation, heat production and supply, gas production and supply</td>
<td>4411</td>
<td>Thermal power generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4430</td>
<td>Heat production and supply</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4500</td>
<td>Gas production and supply industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construction of large facilities</td>
<td>47</td>
<td>Housing construction industry</td>
<td>Operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>48</td>
<td>Civil engineering construction industry</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
15. This classification system greatly depends on the sector in which the project or client belongs to and is easy to operate for bank staff who are not environmental and social professionals. However, it does not take into account the technology adopted by the specific project, the sensitivities of the surrounding environment and other factors. It lacks the process of identifying and screening the environmental and social risks of the specific project, which may cause misjudgment of the level of environmental and social risks, especially the category B sectors in Table 1 is very likely to have significant environmental. In addition, this classification system does not have a specific involuntary resettlement and indigenous peoples framework that aligns with the ADB SPS 2009. This is due to the lack of national requirements in the three main commercial bank lending guidelines of PRC’s General Lending Rule (1996), Interim Measures for the Administration of Fixed Asset Loans (2009), and Guidelines for Commercial Project Financing (2009).

16. When a loan application is submitted to the bank, it is accompanied by (i) an environmental assessment document prepared in line with the PRC Categorization List of Environmental Impact Assessment of Construction Projects and its approval by competent environmental protection authority; and (ii) an emission permit issued by the local Ecology and Environment Bureau (EEB) and/or the relevant regulatory authority if is required according to the PRC’s laws and regulations. These two documents cover the requirements for bank loans to meet national and local environmental laws and regulations. In terms of social safeguards, the loan application is accompanied by (i) a national land use permit, (ii) a planning permit for construction land, (iii) a planning permit for building works, and (iv) a construction permit. These documents will satisfy national and local requirements for land acquisition and resettlement. The current environmental and social considerations are mainly focused on environmental and social permits, violation to laws or regulations through review of documents.

17. At the contract signing stage, the client shall confirm it has not violated any laws and regulations relating to environmental protection, energy conservation, pollutant control, and strictly comply with such laws and regulations after signing the contract and accept the supervision of the ADBC. For clients involved in significant environmental and social risks, the client will be required to submit environmental and social risk reports with the contract and set up declaration and guarantee clauses for the client to strengthen its environmental and social risk management, as well as relief clauses of the ADBC in case of default by the client in managing environmental and social risks.

18. At the disbursement stage, the implementation of the mitigation measures in the approvals relating to environment, occupational health and safety and safety production that issued by regulatory authorities, as well as environmental and social risk management performance of the client will be reviewed.

19. In the post-loan management phase, the requirements for environmental and social risk management specifically include:
(i) Communication and contact with relevant government departments, news media, and other information channels to obtain timely information on the latest regulatory requirements and environmental compliance of the client.

(ii) Dynamic assessment of progress in controlling environmental and social risks for clients (projects) in categories A and B.

(iii) For clients whose environmental and social risks are classified as category A in the industry classification, the competent client department of the head office shall take the lead in guiding the approving bank to formulate special post-loan management measures for the clients; for clients classified as category B, special post-loan management measures shall be formulated by the provincial branches. Clients shall be required to report on the implementation of environmental and social risk management measures and risk response plans at least once every six months. The account manager shall visit the client's site at least once every six months to inspect and evaluate the implementation of the client's environmental and social risk response plan.

(iv) For green financing, the post-loan inspection report shall reflect relevant contents on the effectiveness of green financing, conduct a dynamic assessment of the green attributes of green financing, and dynamically adjust the green attributes of the project according to the results of the dynamic assessment.

20. **Information disclosure.** The implementation of green credit by the ADBC will be released in due course, and the scope of information disclosure is limited to:
   
   (i) Publishing bank-wide social responsibility reports and disclosing the green credit strategies and policies of the ADBC.
   
   (ii) Disclosing information on specific projects involving significant environmental and social risk impacts in accordance with relevant laws and regulations and accepting supervision from the public and other stakeholders.

   (iii) Engaging independent third-party institutions to evaluate and certify green industrial projects using green financial bond funds and disclosing quarterly and annual reports on the use of funds.

   (iv) Engaging a qualified and independent third party to assess or audit the activities of the ADBC in fulfilling its environmental and social responsibilities.

21. **Grievance Redress Mechanism.** The ADBC does not have a dedicated environmental and social complaints mechanism in place. For environment, grievances are addressed through the environmental complaint's hotline operated by environment protection authorities (e.g., 12369 hotline, 12369 WeChat platform and www.12369.gov.cn).

D. **Gaps between the ADB and ADBC ESMS Procedures and Gap-Filling Measure**

22. According to the review of the current environmental social management practices of ADBC (Putian Branch), although it has established a green credit management system in compliance with the Green Credit Guidelines (revised in 2021) of the head office of the ADBC, there are still certain gaps against the requirements of ADB Safeguard Policy Statement (Table 2).

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>ADB SPS</th>
<th>ADBC (Putian Branch)</th>
<th>Gap Filling Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prohibited financing activities</td>
<td>ADB has a prohibited financing activities list (PIAL).</td>
<td>No equivalent provisions.</td>
<td>ADBC (Putian Branch) will screen the candidate</td>
</tr>
<tr>
<td>No.</td>
<td>Item</td>
<td>ADB SPS</td>
<td>ADBC (Putian Branch)</td>
<td>Gap Filling Measures</td>
</tr>
<tr>
<td>-----</td>
<td>-------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2</td>
<td>Screening and categorization</td>
<td>ADB will carry out project screening and categorization at the earliest stage of project preparation when sufficient information is available for this purpose. Screening and categorization are undertaken to (i) reflect the significance of potential impacts or risks that a project might present; (ii) identify the level of assessment and institutional resources required for the safeguard measures; and (iii) determine disclosure requirements.</td>
<td>This classification system greatly depends on the sector in which the project or client belongs. However, it lacks the process of identifying and screening the environmental and social risks of the specific project, which may cause misjudgment of the level of environmental and social risks, especially the category B sectors in Table 1 is very likely to have significant environmental. In addition, this classification system does not have a specific involuntary resettlement and indigenous peoples framework.</td>
<td>ADB’s safeguards screening checklists will be adopted to facilitate the categorization.</td>
</tr>
<tr>
<td>3</td>
<td>Monitoring and reporting</td>
<td>Borrowers/clients are required to implement safeguard measures, as provided in the legal agreements, and to submit periodic monitoring reports on their implementation performance.</td>
<td>No equivalent provisions.</td>
<td>See section IV.E. Sub borrower under the FI loan is required to submitted semiannual report to ADB (Putian Branch). ADBC (Putian Branch) will submit environmental and social monitoring report to ADB on an semiannual basis.</td>
</tr>
<tr>
<td>4</td>
<td>Information disclosure, consultation, and public participation</td>
<td>Relevant information (whether positive or negative) about social and environmental safeguard issues shall be made available in a timely manner, in an accessible place, and in a form and language understandable to affected people and to other stakeholders. ADB will require borrowers/clients to engage with communities, groups, or people affected by proposed projects, and with civil society through information disclosure, consultation, and informed participation in a manner commensurate with the risks to and impacts on affected communities.</td>
<td>Information disclosure and public consultation are only required for the project with significant environmental and social impacts.</td>
<td>ADB SPS’s requirements on information disclosure, consultation and public participation will be applied to the subprojects financed by ADB through FIL component.</td>
</tr>
<tr>
<td>5</td>
<td>Grievance redress mechanism</td>
<td>ADB requires that the borrower/client establish and maintain a grievance redress mechanism to receive and</td>
<td>ADBC (Putian Branch) does not have a dedicated environmental and social complaints mechanism in place. Grievance GRM will be established in line the requirements of this ESMS.</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Item</td>
<td>ADB SPS</td>
<td>ADBC (Putian Branch)</td>
<td>Gap Filling Measures</td>
</tr>
<tr>
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<tr>
<td></td>
<td></td>
<td>facilitate resolution of affected peoples’ concerns and grievances about the borrower’s/client’s social and environmental performance at project level.</td>
<td>mainly relies on the complaint channels of the relevant government regulatory authorities.</td>
<td></td>
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</tbody>
</table>

III. ENVIRONMENTAL AND SOCIAL MANAGEMENT POLICY AND APPLICABLE REQUIREMENTS

23. This chapter of the ESMS describes environmental and social management policies and applicable requirements that will be used for the FIL component. ADBC (Putian Branch) is committed to enhancing the existing environmental and social risk management procedures, especially on the classification, information disclosure and grievance to comply with the ADB SPS requirements for FIL.

A. Policy

24. The FIL component of the project will only invest in rural wastewater management, urban water supply and water environment improvement, integrated urban-rural solid waste management, and forestry improvement and source protection. These potential investment areas are among the green industries identified in the Green Industry Catalogue (2019 edition).1 The objectives of the ESMS policy are to:

(i) Avoid adverse impacts of subprojects on the environment and affected people, where possible.
(ii) Minimize, mitigate, and/or compensate for adverse subproject impacts on the environment and affected people when avoidance is not possible; and
(iii) Maximize opportunities for environmental and social benefits including development of subprojects’ capacity to manage environmental and social risks.

B. Environmental and Social Safeguards Requirements

25. ADB’s Safeguard Policy Statement (2009).2 The ADB’s SPS 2009 sets out the policy objectives scope and trigger, and principles for the following three key safeguard areas: (i) environmental safeguard; (ii) involuntary resettlement safeguard; and (iii) indigenous peoples safeguard. The objective and scope of these key areas are briefly described below.

(i) Safeguards Requirement 1 (SR1) on Environment. SR1 ensures the environmental soundness and sustainability of subprojects and supports the integration of environmental considerations into the project decision-making process. Environmental safeguards are triggered if a project is likely to have potential environmental risks and impacts.

(ii) Safeguards Requirement 2 (SR2) on Involuntary Resettlement. SR2 requires avoidance or minimization of involuntary resettlement by exploring project design alternatives; to enhance, or at least restore, the livelihoods of all displaced person(s) in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. The involuntary resettlement safeguards cover physical displacement (relocation loss of residential land or loss of shelter) and economic displacement (loss of land assets, access to assets, income sources, or means of livelihoods) because of involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers them whether such losses and involuntary restrictions are full or partial, permanent, or temporary.

(iii) Safeguards Requirement 3 (SR3) on Indigenous Peoples/Ethnic Minorities. SR3 requires the design and implementation of projects in a way that fosters full respect for indigenous peoples’ identity, dignity, human rights, livelihood systems, and cultural

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1 https://www.china-cba.net/Index/show/catid/284/id/35358.html
uniqueness as defined by the indigenous peoples themselves so that they: (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse impacts because of projects, and (iii) can participate actively in projects that affect them. SR3 is triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems or culture of indigenous peoples or affects the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset.

26. **ADBC (Putian Branch) will ensure that:**

   (i) All proposed subprojects are screened against the Prohibited Investment Activities List (PIAL) (Appendix 1) of ADB’s SPS that any subprojects involving activities included in the PIAL are not supported by the project (using the ADB funds);
   (ii) All proposed subprojects’ potential environmental and/or social impacts are screened, categorized, reviewed and evaluated against Safeguards Requirements 1-3 of ADB’s SPS 2009;
   (iii) All proposed subprojects are reviewed and evaluated against international good industry practices and the applicable national laws, regulations, and standards on environment, health, safety, involuntary resettlement, indigenous peoples, and physical cultural resources;
   (iv) The following subprojects are excluded from ADB financing: (a) those with significant environmental impacts (Category A); (b) those with significant involuntary resettlement impacts (Category A); and (c) those that significantly (directly or indirectly) affect the dignity, human rights, livelihood systems, or culture of indigenous peoples or affects the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset (Category A).
   (v) Subproject should not involve coal-related business and activities;
   (vi) The subproject should be consistent with the objectives of the project; and
   (vii) The subproject meets all applicable specific technical and financial criteria in the PAM.

27. **ADBC (Putian Branch) will also ensure that:**

   (i) Any subproject that involves new land use for rural public infrastructure (LURPI) proposals, the applicant must prepare LURPI agreement(s) in accordance with the LURPI Framework (Appendix 2 of the Resettlement Plan)\(^3\) and submit them to the Project Management Office (PMO) and ADBC social officers, as well as ADB, for review and concurrence. Any subproject that involves land with existing LURPI, the applicant must prepare a detailed due diligence report (DDR) to confirm that there are no pending issues in accordance with the LURPI Framework and submit them to the PMO and ADBC social officers, as well as ADB, for review and concurrence.

   (ii) Meanwhile, the subprojects should be implemented in accordance with the project Social Development Action Plan (SDAP), Gender Action Plan (GAP) and Consultation and Participation Plan (CPP) that are included in the PAM. For the actions in the SDAP, GAP and CPP that are relevant to the subproject activities, ADBC (Putian Branch) and PMO will ensure the applicant implements them and reports on results, with assistance of PIC.

   (iii) Include all relevant requirements (actions) of the SDAP, GAP and CPP in the social conditions of the contract for the loan application.

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\(^3\) Resettlement Plan (accessible from the list of linked documents in Appendix 2 of the RRP).
IV. ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCEDURES

28. This ESMS sets out screening, categorization, and review procedures for subprojects that are being considered to be financed using ADB loan through FIL. Subprojects that comply with all environmental and social requirements under the ESMS and meet other technical and financial requirements can be financed. This ESMS also establishes monitoring requirements for all subprojects to be financed by the FIL.

A. Environmental and Social Screening and Categorization

29. All candidate subprojects will be screened for eligibility by the ADBC and PMO. Once the applications for ADB financing through the FIL are received, the procedure described below will be followed for subproject screening and categorization.

- Does it involve an excluded activity as listed in the ADB prohibited investment activities list (see Appendix 1)?
  - If yes, the subproject will NOT be considered for financing
  - If no, the subproject CAN be considered for financing

- Does the subborrower have a history of significant environmental and social incidents?
  - If yes, the subproject will NOT be considered for financing
  - If no, the subproject CAN be considered for financing

30. ADBC (Putian Branch) has established a dedicated Coordination Group for the project. At the subproject identification stage, the Coordination Group will work with the applicants to review industry sector and technical aspects of subproject and conduct preliminary assessment of the proposed subproject’s potential environmental and social (E&S) impacts. The Coordination Group will request the subborrower to (i) detailed description of the subprojects, including description of the subborrower, its business activities, subproject location, description of existing and associated facilities of the subprojects, indication on subproject status whether construction already started, indication on level of domestic EIA requirements and EIA approval status; and (ii) rapid assessment of the likely environmental and involuntary resettlement impacts, effects on ethnic minorities, and labor retrenchment of the subprojects by using the ADB’s rapid environmental assessment (REA) checklist, Involuntary Resettlement and Indigenous People Impact Checklists (Appendices 2, 3 and 4). The Coordination Group will also screen the candidate subprojects based on the eligibility criteria provided in the PAM.

31. The completed checklist will provide to the leader of the Coordination Group of Putian Branch and PMO (if needed) for determination of the environment, indigenous peoples and involuntary resettlement categorization. The safeguards screening checklist shall be reviewed and endorsed by ADB. ADB will determine whether subsequent subprojects need to be reviewed based on the professional competence of ADBC.

32. Environment Category: The subproject’s environment category is determined by the category of its most environmentally sensitive component, including direct, indirect, cumulative, and induced impacts in the project’s area of influence. Each proposed subproject is scrutinized as to its type, location, scale, and sensitivity and the magnitude of its potential environmental impacts. The subproject will be classified as one of the following three categories:

- Category A. A proposed project is classified as category A if it is likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These

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4 Specific sector REA checklists will be provided to the ESMS manager of Putian Branch of ADBC and the environment safeguard staff of PMO.
impacts may affect an area larger than the sites or facilities subject to physical works. An environmental impact assessment is required.

- **Category B.** A proposed project is classified as category B if its potential adverse environmental impacts are less adverse than those of category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for category A projects. An initial environmental examination is required.

- **Category C.** A proposed project is classified as category C if it is likely to have minimal or no adverse environmental impacts. No environmental assessment is required although environmental implications need to be reviewed.

33. Environment category A subproject will be excluded from ADB financing.

34. **Involuntary Resettlement Category:** The categorization for involuntary resettlement will be determined whether or not a potential subproject involves involuntary resettlement, including restrictions on land use or access to common properties (e.g., environmental protection buffer zone). The degree of impact shall be determined by (i) the scope of physical and economic displacement, and (ii) the vulnerability of the affected persons. Category A refers to project activities with potential significant involuntary resettlement impact, which will be excluded from ADB financing. Category B refers to project activities that have involuntary resettlement impact but not significant. Category C refers to project activities that do not have any impact on involuntary resettlement.

35. **Indigenous Peoples Category:** The categorization for indigenous peoples will be determined by screening whether or not a subproject has potential impacts on ethnic minority communities. The degree of impact is determined by evaluating (i) the magnitude of the impact on ethnic minority customary rights of use and access to land and natural resources; socioeconomic status; cultural and communal integrity; health, education, livelihood systems, and social security status; or indigenous knowledge; and (ii) the vulnerability of the affected ethnic minority people or communities. Category A refers to project activities with potential significant impact on ethnic minorities, which will be excluded from ADB financing. Category B refers to project activities that have impact but not significant impact on ethnic minorities. Category C refers to project activities that do not have any impact on ethnic minorities.

36. Once the safeguards categorizations are completed for the proposed subprojects, the specific selection criteria will be applied to the subproject to determine whether the subproject is qualified to be financed by FIL component (Appendix 5). Based on the subproject selection criteria, the client department will present the pre-selection list of the potential subprojects and submit it to the management of Putian Branch and PMO to review and approve the pre-selected subprojects.

37. The Coordination Group will inform the candidate subborrower about the ESMS established for the Project, including the specifics on the selection criteria, due diligence, screening and categorization, preparation of safeguards documents, and reporting and monitoring requirements. Table 3 summarizes the safeguards screening, categorization, and requirements for subprojects. The requirements to prepare and review the resettlement plan, ethnic minority development plan (EMDP) and an initial environmental examination (IEE), including an EMP shall be prepared for category B subproject following ADB requirements, and are subject to the evaluation of the subproject’s specific risks.
### Table 3: Safeguards Screening, Categorization, and Requirements

<table>
<thead>
<tr>
<th>Impacts/Risk Rating Category</th>
<th>Environmental Safeguards</th>
<th>Involuntary Resettlement Safeguards</th>
<th>Indigenous Peoples Safeguards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category A</strong></td>
<td></td>
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<tr>
<td></td>
<td>A selected subproject is classified as Category A if it is likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works.</td>
<td>A selected subproject is classified as Category A if it is likely to have significant involuntary resettlement impacts. The involuntary resettlement impacts of an ADB-supported project are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating).</td>
<td>A selected project is classified as category A if it is likely to have significant impacts on Indigenous Peoples/Ethnic Minorities.</td>
</tr>
<tr>
<td><strong>Environment Category A</strong></td>
<td>A subproject is excluded from financing.</td>
<td>Resettlement Category A subproject is excluded from financing.</td>
<td>Indigenous People Category A subproject is excluded from financing.</td>
</tr>
<tr>
<td><strong>Category B</strong></td>
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<tr>
<td></td>
<td>A selected project is classified as Category B if its potential adverse environmental impacts are less adverse than those of Category A projects. These impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed more readily than for Category A projects.</td>
<td>A selected project is classified as Category B if it includes involuntary resettlement impacts that are not deemed significant i.e., fewer than 200 persons will experience major impacts.</td>
<td>A selected project is classified as Category B if it is likely to have limited impacts on Indigenous Peoples/Ethnic Minorities.</td>
</tr>
<tr>
<td></td>
<td>Subprojects Category B can be financed in compliance with national and local laws and regulations, ADB’s SPS and this ESMS.</td>
<td>Subprojects Category B can be financed in compliance with national and local laws and regulations, ADB’s SPS and this ESMS.</td>
<td>Subprojects Category B can be financed in compliance with national and local laws and regulations, ADB’s SPS and this ESMS.</td>
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<tr>
<td><strong>Category C</strong></td>
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<td></td>
<td>A selected project is classified as Category C if it is likely to have minimal or no adverse (past, present and future impacts) environmental impacts and comply with national laws and ADB’s PIAL.</td>
<td>A selected project is classified as Category C if it has no (past, present and future impacts) involuntary resettlement impacts. No further action is required.</td>
<td>A selected project is classified as Category C if it has no (past, present and future impacts) impacts on Indigenous Peoples/Ethnic Minorities. No further action is required.</td>
</tr>
</tbody>
</table>
### Impacts/Risk Rating Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Environmental Safeguards</th>
<th>Involuntary Resettlement Safeguards</th>
<th>Indigenous Peoples Safeguards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category C</td>
<td>Subprojects can be financed in compliance with national and local laws and regulations, ADB’s SPS and this ESMS.</td>
<td>Subprojects can be financed in compliance with national and local laws and regulations, ADB’s SPS and this ESMS.</td>
<td>Subprojects can be financed in compliance with national and local laws and regulations, ADB’s SPS and this ESMS.</td>
</tr>
</tbody>
</table>

**ADB** = Asian Development Bank, **EMDP** = ethnic minority development plan, **ESMS** = environmental and social safeguards management system, **PIAL** = prohibited investment activities list, **SPS** = safeguard policy statement.

**Source:** Asian Development Bank.

### B. Due Diligence

38. At the investigation stage, the Coordination Group will undertake environmental and social due diligence. Depending on the complexity of the subproject, due diligence can be a desk review (for category C subprojects) with the support of loan implementation environment consultants (LIECs) who will be funded by ADB loan and recruited by PMO.

39. For category B subprojects, due diligence will be undertaken by ADBC and PMO if the subproject is identified by PMO with the support of LIECs. The scope and coverage of due diligence will meet the requirements as embodied in national laws and regulations regarding to environmental and social aspects, as well as safeguards requirements of ADB. The subborrower must provide all requested information to the ADBC (Putian Branch) and should be able to demonstrate responsiveness with regard to the applicable environmental and social safeguards requirements. The subborrower will be responsible for implementing the mitigation measures stipulated in the assessments.

40. **Category B**

   (i) **Environment.** If the selected subproject is categorized B for environment, a domestic tabular environmental impact assessment (TEIA) report needs to be prepared in accordance with PRC’s laws and regulations. The TEIA report will be conducted by an EIA institute contracted by the subborrower to satisfy domestic requirements. ADBC (Putian Branch) should review the submitted TEIA to ensure that (i) it complies with the PRC laws and regulations, and (ii) it has been approved by the respective local environment and ecology departments or bureaus. Considering the gaps between domestic TEIA and ADB’s IEE, especially on public consultation, an IEE (**Appendix 6**) will be prepared by the Coordination Group with support of environmental and social safeguards experts hired under the project implementation consultants (PICs) by the PMO.

   (ii) **Involuntary resettlement.** If the selected subproject is categorized B for involuntary resettlement, ADBC (Putian Branch), jointly with the PMO, will verify that the subborrowers complies with the national laws and regulations and this ESMS. For subprojects which will involve land acquisition and resettlement, a resettlement plan will be prepared (**Appendix 7**). For existing facilities that do not involve new land acquisition or associated facilities, ADBC (Putian Branch) will perform a (social) DDR or social compliance audit report (**Appendix 8**) to determine whether any corrective actions are required. These plans will be prepared by PMO and ADBC (Putian Branch) with the support from project implementation consultants.

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(iii) Indigenous peoples. Indigenous people safeguards are triggered when a project affects either positively or negatively and either directly or indirectly the indigenous people, i.e., (i) dignity, human rights, livelihood systems or culture (intangible aspects that are integral to their distinctiveness); or (ii) territories or natural or cultural resources (the tangible aspects of their identity). If the selected subproject is categorized B for indigenous peoples, the ADBC (Putian Branch), jointly with the PMO, will verify that the subborrowers complies with the national laws and regulations and this ESMS. For subprojects which will involve impacts on concentrated ethnic minority villages/communities, an EMDP or a combined resettlement and ethnic minority development plan is required. A suggested outline of EMDP is provided as Appendix 9.

41. Category C. If the selected subproject is categorized C for environment, involuntary resettlement, or indigenous peoples AD BC (Putian Branch) will perform due diligence to confirm this, and to further confirm that no further action is required to comply with the ADB SPS 2009. AD BC (Putian Branch) needs to ensure the subprojects’ compliance with national laws and regulations and ADB SPS. AD BC (Putian Branch) will submit project monitoring and review reports for verifications that the subprojects continue to remain safeguard category C during project implementation.

42. The DDRs, IEEs, resettlement plans, EMDPs, will be submitted by AD BC (Putian Branch) and PMO to ADB for prior review and clearance until ADB determines that AD BC has adequate expertise. The ADB review will continue if it is found that quality is low and/or AD BC (Putian Branch) and the PMO have capacity issues in reviewing and implementing resettlement ESMS requirements.

43. In case of subprojects with past land acquisition or involuntary resettlement, the AD BC (Putian Branch), in consultation with the concerned government agencies, will conduct further due diligence to assess implementation of land acquisition and resettlement activities. If there are no pending issues, the subproject will be classified as Category C. If there are any outstanding or legacy issues, the bank will either (i) decide to reject the application in case of major issues, or (ii) submit the DDR, including time-bound corrective actions in case of minor issues, to ADB for review and consideration. ADB will decide if the selected subproject can be financed under the project.

44. The PRC’s country system has no such requirements for subprojects involving associated facilities or existing facilities and/or business activities that already exist or are under construction. ADB requires the conduct of due diligence (also referred to as a social compliance audit), including on-site assessment, to identify past or present concerns related to impacts on social safeguards. The AD BC (Putian Branch), together with PMO and other concerned government agencies, will prepare a due diligence or social impact audit (SCA) report. If there are no pending issues, the subproject will be classified as Category C. If there are any outstanding or legacy issues, the bank will either (i) decide to reject the application in case of major issues, or (ii) submit the SCA report including time-bound corrective actions in case of minor issues, to ADB for review and consideration. ADB will decide whether the selected subproject can be financed under the project.

45. All subproject investment agreements will contain appropriate environmental and social covenants requiring subproject to be in compliance in all material respects with the applicable environmental and social safeguard requirements.

C. Consultation and Participation
46. The ADB (Putian Branch), together with PMO and sub-borrower will conduct meaningful consultation with affected persons and other stakeholders and will be properly documented. ADB’s SPS defines meaningful consultation as a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation under the ADB-funded project will be carried out in a manner commensurate with the impacts on affected communities. The ADB (Putian Branch) will pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line (e.g., minimum living security), the landless, the elderly, female-headed households, women and children, Indigenous Peoples/Ethnic Minorities, and those without legal title to land.

D. Grievance Redress Mechanism

47. A GRM will be established to receive feedbacks and facilitate the resolution of affected persons’ concerns and grievances about environmental and social impacts, paying particular attention to the impacts on vulnerable groups. This is to be designed and established by the ADB (Putian Branch) and the PMO. ADB will require such a GRM be reviewed and/or established following its categorization clearance process. The GRM will address affected persons’ concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to the affected persons at no costs and without retribution. The mechanism should not impede access to the country’s judicial or administrative remedies. The ADB (Putian Branch) and the PMO will inform affected persons about the mechanism. Irrespective of the subproject categorization, a proper GRM needs to be established at the subproject level. If the GRM has been established prior to the subloan application, the bank needs to ensure it is compliant with the ADB SPS requirement. If not established prior to the subloan application, the bank needs to ensure that it is established in compliance with the ADB SPS 2009.

48. The ADB (Putian Branch) and the PMO will establish a GRM tracking system during implementation which will include the following: (i) preparation of tracking forms and procedures for gathering information from project personnel and complainant(s); (ii) regular updating of the GRM database by bank staff; and (iii) a simple but effective filing system, so that data can be retrieved for reporting purposes. A GRM Reporting Form (available upon request) will be provided to the subborrowers, concerned villages, Natural Resource Bureau, and Ecology and Environment Bureau. The forms will be filled in by the subborrowers, village committees, Natural Resource Bureau, and EEB to document and track the grievances, complaints and/or requests received, and resolutions made by their respective offices. ADB (Putian Branch) staff will regularly meet with and obtain the information from concerned staff and input this information in the GRM tracking system. Summary of grievances in terms of nature of grievance, resolutions and status will be included in the semiannual environmental and social performance monitoring reports.

49. At the subproject level, regardless of categorization, all subprojects must establish the following five main steps of GRM and implement them accordingly. At the project level, the designated ESMS manager will be the main focal person of the GRM and will ensure effective
GRM implementation and GRM information disclosure through close cooperation and communications with subprojects.

50. If any grievance was not effectively solved at the subproject level, ADBC (Putian Branch) and the PMO will facilitate the development of a reasonable, effective, and satisfactory resolution. The following describes the five main steps of the project level GRM.

(i) **Step 1: Resolution at Subproject Level.** If a concern arises, the affected person (AP) may try to resolve the issue of concern with the GRM designated staff at the subproject or complain to the local authorities, such as the local EEB or Natural Resources Bureau (NRB). If the concern is resolved successfully by the subproject, no further follow-up is required. Nonetheless, the GRM designated staff at the subproject shall record any complaint and actions taken to resolve the issues and report the results to the GRM designated staff at the ADBC (Putian Branch) and the PMO. If no solution is found within 10 working days or if the complainant is not satisfied with the suggested solution, proceed to Step 2.

(ii) **Step 2: Official Complaint to ADBC (Putian Branch) and the PMO.** The AP will submit the grievance directly, or via the GRM designated staff at the subproject, to the GRM designated staff at ADBC (Putian Branch) and the PMO who must assess the eligibility of the complaint, including whether Step 1 has been implemented properly, identify a solution in conjunction with the subproject, and give a clear reply within 10 working days to the complainant and to the GRM designated staff at the subproject with the suggested solution. The sub-borrower shall implement the redress solution and convey the outcome to the Management Company within 7 working days.

(iii) **Step 3: Stakeholder Meeting.** If no solution is identified or if the complainant is not satisfied with the suggested solution under Step 2, the GRM designated staff at the subproject will organize, within 10 days, a multi-stakeholder meeting where all relevant stakeholders, including the complainant, the GRM designated staff at the subproject or other representative(s), the GRM designated staff at ADBC (Putian Branch), and local EEB will be invited. The meeting will aim to find a solution acceptable to all parties and identify responsibilities and an action plan. The sub-borrower will implement the agreed-upon redress solution and convey the outcome to the ADBC (Putian Branch) and the PMO within 7 working days.

(iv) **Step 4: Large Scale Stakeholder Meeting.** If the complainant is not satisfied with the suggested solution under Step 3, the sub-borrower, the ADBC (Putian Branch), the PMO, local EEB or local NRB, and other local government authorities, shall organize another multi-stakeholder hearing process within 10 days and shall find a solution acceptable to all parties. Based on the agreement, an action plan shall be developed and implemented by the sub-borrower within the agreed timeframe.

(v) **Step 5:** If the complaint is still not addressed, affected person(s) may seek legal redress through local legal system

51. The GRM designated staff at the sub-borrower, the ADBC (Putian Branch), and the PMO shall accept the complaints/grievances lodged by the APs free of charge. Any cost incurred in dealing with a complaint/grievance should be covered by the contractors, the subborrowers, or ADBC depending on the nature of the complaints/grievances. The grievance procedures will remain valid throughout the duration of subproject construction and until subproject closure.

52. Affected person can also submit complaints to ADB directly, which will first be handled by the ADB project team. If the affected person is still unsatisfied and believes that he/she has been harmed due to a violation of ADB safeguard policy, he/she may submit a complaint to ADB's
Accountability Mechanism.

E. Monitoring and Reporting

53. The ADBC (Putian Branch) and the PMO will (i) communicate with the subborrower and confirm from time to time that the subborrower is undertaking the obligations of compliance with all applicable environmental and social safeguard requirements; and (ii) the bank will promptly report to ADB any actual or potential breach of the compliance requirements after becoming aware of it. In this connection, the ADBC (Putian Branch) and the PMO will work with the subborrower to develop a time-bound corrective action plan with the accompanied budget provisions and submit it to ADB for approval. The subproject monitoring and review requirement is provided in Table 4 below. During the subproject implementations, the subborrower should conduct internal monitoring and submit semi-annual environmental and social internal monitoring reports to the ADBC (Putian Branch) and the PMO (Appendices 10 and 11).

<table>
<thead>
<tr>
<th>Reports</th>
<th>From</th>
<th>To</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Environmental Monitoring Report and Social Monitoring Report</td>
<td>Subborrower</td>
<td>ADBC (Putian Branch) and PMO</td>
<td>Semi-annually for Category B. Not required for Category C.</td>
</tr>
<tr>
<td>Environmental Monitoring Report and Social Monitoring Reporta</td>
<td>ADBC (Putian Branch) and PMO</td>
<td>ADB</td>
<td>Semi-annually</td>
</tr>
<tr>
<td>External environmental and social monitoring reports for the project respectively, including the subprojects under FIL component</td>
<td>External monitoring agencies</td>
<td>ADBC (Putian Branch) and PMO</td>
<td>Semi-annually</td>
</tr>
</tbody>
</table>

a The environmental monitoring reports and social monitoring reports submitted by ADBC and PMO will be consolidated with the monitoring reports of the project loan component by PMO and will be submitted to ADB for review and disclosure.

or the ESMS can change the wording slightly stating the semiannual monitoring submitted by ADBC will be consolidated with the monitoring of project loan and submitted together or something to that extent.

54. The ADBC (Putian Branch) will be required to monitor and measure the progress of implementation of the EMP, resettlement plan and EMDP in close coordination with the PMO and concerned agencies during the subproject implementation phase with the support of LIECs. The extent of monitoring activities will be commensurate with the subproject’s risks and impacts. In addition to recording the progress of EMP, resettlement plan, EMDP and any corrective actions, the ADBC (Putian Branch) and the PMO will prepare monitoring reports to ensure that the implementation of the EMP, resettlement plan and EMDP, if applicable, has produced the desired outcomes. For subprojects with significant unforeseen environmental impacts such as chance find site or artifacts of cultural and historical significance, the PMO will retain qualified and experienced external experts or qualified nongovernment organizations to verify the subborrower’s or client’s monitoring information. The external experts engaged by the PMO will advise on safeguard compliance issues. If any significant environment and/or social issues are identified, a corrective action plan will be prepared to address them. Until such planning documents are formulated, disclosed, and approved, the ADBC (Putian Branch) will not proceed with implementing the specific subproject components for which impacts are identified.

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6 For further information, see: http://www.adb.org/Accountability-Mechanism/default.asp
55. The ADBC (Putian Branch), jointly with the PMO, will prepare semi-annual environmental and social monitoring reports concerning subproject compliance and corrective action plans, as per loan fact-finding mission agreement. An environmental monitoring agency and an external resettlement and social monitoring agency will be engaged by the PMO. For subprojects that require closer monitoring, more frequent environment and social monitoring and review reports will be required upon ADB’s request. These reports will follow the environmental and social monitoring indicators agreed between the PMO and ADB, such as those provided in the project design and monitoring framework. An indicative outline of the semi-annual environmental and social performance monitoring report is provided as Appendix 12.

56. PMO will recruit one external monitoring agency (EMA) to conduct the external environmental monitoring and another one to conduct the external resettlement and social monitoring during project implementation stage. The two EMAs will submit semiannual external environmental and social monitoring reports for the project respectively, including the subprojects under FIL component, to the PMO and ADBC (Putian Branch), with the results of the monitoring included in the semi-annual environmental and social monitoring reports which will be disclosed on ADB website.

57. In line with ADB’s Access to Information Policy (2018), relevant subproject information (whether positive or negative) about social and environmental safeguard issues is made available in a timely manner, in an accessible place, and in a form and language(s) understandable to affected people and to other stakeholders, including the general public, so they can provide meaningful inputs into project design and implementation.

58. The semi-annual environmental and social monitoring reports will be disclosed on the ADB’s website. Regarding subprojects classified as Category B, the IEEs, resettlement plans, updated resettlement plans and resettlement DDRs (if any) will be disclosed on ADB’s website after clearance.

59. The ADBC with PMO will submit annual report on ESMS implementation following the outline in appendix 12.

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7 Social monitoring will cover the implementation progress and performance of EMDP, GAP, and SDAP.
V. ORGANIZATIONAL RESPONSIBILITIES, RESOURCES, AND CAPACITIES

60. The XCG is the executing agency. XCG has set up the Project Leading (PLG), which is chaired by the Mayor of XCG, with members from County Development and Reform Commission (CDRC), Xianyou County Bureau of Finance (CBOF), Ecology and Environment Bureau (EEB), Water Resources Bureau (WRB), Bureau of Agriculture and Rural Affairs (BARA), Forestry Bureau, Housing and Urban-Rural Development Bureau, Urban Management and Law Enforcement Bureau, Culture and Tourism Bureau, Port Management Commission, Planning and Financial Office of Xianyou Economic Development Zone. A Project Management Office (PMO) has been set up under the PLG, responsible for the management and implementation of the project. Project Agreement will be signed between ADB, FPG and XCG jointly. Under the FIL component, the selected FI (i.e., Putian Branch of ADBC) will be the implementing agency. Under the project loan component, PMO will act as the implementing agency with designated environmental and social staff. The PMO will also include focal staff to oversee relevant social and environmental safeguard tasks.

61. PMO’s major functions for ESMS implementation include: (i) if PMO identifies a potential subproject, it will be responsible for reviewing and screening subproject applications with the support of LIECs, then refer the subproject to the ADBC (Putian Branch); (ii) at the subproject identification stage, PMO and the ADBC (Putian Branch) will work for a further rapid assessment of the subproject’s likely environmental, involuntary resettlement impacts, and effects on indigenous peoples/ethnic minorities of an investment with the support of LIECs, social safeguards consultants and preparation of plans and reporting; (iii) review and approve pre-selected subprojects from other resources; (iv) recruitment of external resettlement and social monitoring agency; (v) recruitment of environmental monitoring agency; (v) recruitment of PICs, including environmental and social safeguards experts; and (vii) organizing ESMS trainings. PMO will dedicate a focal person to coordinate and oversee the ESMS implementation. The PIC will provide trainings to PMO.

62. The ADBC (Putian Branch) as selected FI, will (i) have ultimate responsibility to implement the ESMS, including preparation of plans and reporting jointly with PMO; (ii) oversight for environmental and social issues on all subprojects with the support of LIECs, (ii) ensure adequate resources are allocated to undertake environmental and social management of all subprojects.

63. ADBC (Putian Branch) has established a project Coordination Group in December 2021. The Coordination Group is chaired by the Director of the bank and composed of seven staff (one vice president, four from client department, one from risk control department, and one from legal department). The Coordination Group will be responsible for:

- (i) communication with PMO and ADB;
- (ii) prepare environmental and social categorization forms using ADB’s categorization system for each subproject and submit it to PMO. The categorization forms of the subprojects will be submitted to ADB through PMO for confirmation until ADBC has adequate expertise;
- (iii) conduct environmental and social safeguards due diligence and prepare relevant reports as required in the Table 2; the environmental and safeguards DDRs for two subprojects will be submitted to ADB until ADBC has adequate expertise; and
- (iv) post-loan monitoring and management. The ADBC (Putian Branch) is also encouraged to maintain a pool of qualified environmental and social consultants who can be called upon to assist in conducting environmental and social reviews, as appropriate.
64. The environmental and social safeguards experts recruited under the PIC will provide the technical support and guidance to ADBC (Putian Branch) for ESMS implementation including additional capacity building and orientation on ADB's policies and guidelines on social safeguards (ADB’s Safeguard Requirement 2 and 3: Involuntary Resettlement and Indigenous Peoples) including meaningful consultation, disclosure requirements, GRM and accountability mechanism.

65. The sub-borrower will be required to i) construct and operate the subproject facilities in compliance with PRC environmental and social related laws and regulations and ADB SPS requirements; ii) submit semi-annual environmental and social monitoring reports to ADBC; iii) hold the overall responsibilities for the implementation of the EMP; and iv) recruit an EIA institute to undertake environmental safeguard assessments.

66. To ensure effective ESMS implementation across the ADBC (Putian Branch), sufficient resources will be allocated to prepare and distribute ESMS documentation and materials, to train staff on ESMS procedures, and to account for staff time to perform their ESMS responsibilities in their day-to-day duties. An indicative training program is presented in Table 5. Trainings will be provided by the environmental and social consultants hired under the PIC.

67. A participatory capacity building program will be designed to make it more effective with different training means such as learning by doing, role playing, group exercises, on-the-job training, etc. in addition to presentations and lectures. Pre- and post-training assessments will be conducted to measure the effectiveness of the program.

<table>
<thead>
<tr>
<th>Subjects</th>
<th>Participants</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC environmental and social policy and regulatory requirements. ADB SPS requirements. Introduction of the ESMS. Screening of potential environmental and social risks.</td>
<td>PMO, ADBC</td>
<td>Once after the project initiation.</td>
</tr>
<tr>
<td>Environmental and social due diligence procedures.</td>
<td>PMO, ADBC</td>
<td>Semi-annually during project implementation, or more frequently as needed</td>
</tr>
<tr>
<td>Implementation of EMP, and environmental and social risk mitigation measures.</td>
<td>PMO, ADBC, sub-borrowers, contractors engaged by sub-borrowers</td>
<td>Semi-annually during project implementation, or more frequently as needed</td>
</tr>
</tbody>
</table>

Appendix 1: ADB Prohibited Investment Activities List

The following do not qualify for Asian Development Bank financing:

(i) production or activities involving harmful or exploitative forms of forced labor\(^1\) or child labor\(^2\);
(ii) production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans, such as (a) pharmaceuticals\(^3\), pesticides, and herbicides\(^4\), (b) ozone-depleting substances\(^5\), (c) polychlorinated biphenyls\(^6\) and other hazardous chemicals\(^7\), (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora\(^8\), and (e) transboundary trade in waste or waste products\(^9\);
(iii) production of or trade in weapons and munitions, including paramilitary materials;
(iv) production of or trade in alcoholic beverages, excluding beer and wine\(^10\);
(v) production of or trade in tobacco\(^19\);
(vi) gambling, casinos, and equivalent enterprises\(^19\);
(vii) production of or trade in radioactive materials\(^11\), including nuclear reactors and components thereof;
(viii) production of, trade in, or use of unbonded asbestos fibers\(^12\);
(ix) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
(x) marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats

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\(^1\) Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.

\(^2\) Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention" (www.ilo.org).

\(^3\) A list of pharmaceutical products subject to phaseouts or bans is available at http://www.who.int.

\(^4\) A list of pesticides and herbicides subject to phaseouts or bans is available at http://www.pic.int.

\(^5\) A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at http://www.unep.org/ozone/montreal.shtml.

\(^6\) A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

\(^7\) A list of hazardous chemicals is available at http://www.pic.int.

\(^8\) A list is available at http://www.cites.org.

\(^9\) As defined by the Basel Convention; see http://www.basel.int.

\(^10\) This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.

\(^11\) This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded.

\(^12\) This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
### Appendix 2: Environmental Categorization Form

Name of Subproject: ____________________________________________

Subproject Description:

Rational for the Classification (please briefly describe the baseline environment, major anticipated environmental impacts, and mitigation measures):

Environmental Safeguard Categorization:  
- Category A
- Category B
- Category C

*Category A Subproject is not eligible for Financing.

<table>
<thead>
<tr>
<th>Screening Questions</th>
<th>Yes</th>
<th>No</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Does the subproject:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ alterations in the pattern of land use or land use conflicts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ impacts on the environment through increased exploitation of natural resources (e.g., forests, fisheries, minerals)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ impacts on the environment through changes in agricultural inputs (e.g., land, water, energy, fertilizer, pesticides, biotechnology, mechanization)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ reduced incentive, capability, or resources for small and medium size enterprises (SMEs) to comply with environmental protection laws and regulations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ dismantling of environmental regulations or changes in the regulatory framework for environmental management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ any other policy outcomes that might have major environmental implications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ include major infrastructure development?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ be located at or near an environmentally sensitive area?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ lead to the generation of hazardous waste?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ generate significant air or water pollution?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ cause a large population influx during project construction and operation that causes increased burden on social infrastructure and services (such as water supply and sanitation systems)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ add infrastructure that can harm community health and safety when it is accessed or when it fails?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ dislocation or involuntary resettlement of people?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Screening Questions

<table>
<thead>
<tr>
<th>Remarks</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>• disproportionate impacts on the poor, women and children, Indigenous Peoples or other vulnerable groups?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### A CHECKLIST FOR PRELIMINARY CLIMATE RISK SCREENING

**Subproject Title:**

<table>
<thead>
<tr>
<th>Screening Questions</th>
<th>Score</th>
<th>Remarks¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location and Design of subproject</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is siting and/or routing of the subproject (or its components) likely to be affected by climate conditions including extreme weather-related events such as floods, droughts, storms, landslides?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would the subproject design (e.g., the clearance for bridges) need to consider any hydro-meteorological parameters (e.g., sea-level, peak river flow, reliable water level, peak wind speed, etc.)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Materials and Maintenance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would weather, current and likely future climate conditions (e.g., prevailing humidity level, temperature contrast between hot summer days and cold winter days, exposure to wind and humidity) hydro-meteorological parameters likely affect the selection of project inputs over the life of project outputs (e.g., construction material)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would weather, current and likely future climate conditions and related extreme events likely affect the maintenance (scheduling and cost) of project output(s)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Performance of subproject outputs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would weather/climate conditions, and related extreme events likely affect the performance (e.g., annual power production) of subproject output(s) (e.g., hydro-power generation facilities) throughout their design lifetime?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Options for answers and corresponding score are provided below:

<table>
<thead>
<tr>
<th>Response</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Likely</td>
<td>0</td>
</tr>
<tr>
<td>Likely</td>
<td>1</td>
</tr>
<tr>
<td>Very Likely</td>
<td>2</td>
</tr>
</tbody>
</table>

Prepared by: ___________________________ Date: __________________

Reviewed by: ___________________________ Date: __________________

Endorsed by: ___________________________ Date: __________________

---

¹ If possible, provide details on the sensitivity of project components to climate conditions, such as how climate parameters are considered in design standards for infrastructure components, how changes in key climate parameters and sea level might affect the siting/routing of project, the selection of construction material and/or scheduling, performances and/or the maintenance cost/scheduling of project outputs.
Appendix 3: Involuntary Resettlement Categorization Form

Name of Subproject: ____________________________________________
Location (city/county/township/village): ____________________________________________

Subproject Description:
Nature of subproject, land area needed, location, etc.

Involuntary Resettlement Safeguard Categorization: □ Category A* □ Category B □ Category C

*Category A Subproject is not eligible for Financing.

<table>
<thead>
<tr>
<th>A. Permanent Land Acquisition</th>
<th>Yes</th>
<th>No</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Will there be permanent land acquisition?</td>
<td></td>
<td></td>
<td>If the answer is no, please go to Section B, C, and D. For items 2-9 below, put “not applicable” If yes, what is the total land area?</td>
</tr>
<tr>
<td>2. Is the site for land acquisition known?</td>
<td></td>
<td></td>
<td>Please indicate if the design document (project proposal/feasibility study report) is ready.</td>
</tr>
<tr>
<td>3. Is the ownership status and current usage of land to be acquired known?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Will there be loss of shelter and residential land due to land acquisition?</td>
<td></td>
<td></td>
<td>Please provide estimates</td>
</tr>
<tr>
<td>5. Will there be loss of agricultural and other productive assets due to land acquisition?</td>
<td></td>
<td></td>
<td>Please provide estimates</td>
</tr>
<tr>
<td>6. Will there be losses of crops, trees, and fixed assets due to land acquisition?</td>
<td></td>
<td></td>
<td>Please provide estimates</td>
</tr>
<tr>
<td>7. Will there be loss of businesses or enterprises due to land acquisition?</td>
<td></td>
<td></td>
<td>Please provide estimates</td>
</tr>
<tr>
<td>8. Will there be loss of income sources and means of livelihoods due to land acquisition?</td>
<td></td>
<td></td>
<td>Please provide type of income source/livelihood</td>
</tr>
<tr>
<td>9. Additional Information if the answer is yes. Based on initial screening, the following preliminary information has been obtained.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Estimated households and persons and other entities affected by land acquisition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Total number of estimated households and persons and other entities affected by house demolition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Estimated number of poor and vulnerable households identified</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Other information:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other documents can be added as appendix:
| • Design (project proposal/feasibility study report) approval |
| • Land Use Pre-examination; |
| • Site selection approval |
### B. Temporary Occupation of Land*

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Will there be temporary occupation of land?</td>
<td></td>
<td></td>
<td>Please indicate if the land is state-owned or collective.</td>
</tr>
<tr>
<td>2. Is the site of the land to be temporarily occupied known?</td>
<td></td>
<td></td>
<td>Please indicate if the design document (project proposal/feasibility study report) is ready.</td>
</tr>
<tr>
<td>3. Is the ownership status and current usage of land to be occupied known?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Will there be loss of access for residents during temporary occupation?</td>
<td></td>
<td></td>
<td>Please provide estimates</td>
</tr>
<tr>
<td>5. Will there be loss of agricultural and other productive assets?</td>
<td></td>
<td></td>
<td>Please provide estimates</td>
</tr>
<tr>
<td>6. Will there be loss of crops, trees, and fixed assets?</td>
<td></td>
<td></td>
<td>Please provide estimates</td>
</tr>
<tr>
<td>7. Will there be loss of access for businesses or enterprises during construction?</td>
<td></td>
<td></td>
<td>Please provide estimates</td>
</tr>
<tr>
<td>8. Will there be loss of income sources and means of livelihoods during construction?</td>
<td></td>
<td></td>
<td>Please provide type of income source/livelihood</td>
</tr>
<tr>
<td>9. For temporary occupation of land, please provide estimated timeframe (i.e., 6 months temporary occupation, 1 year etc.).</td>
<td></td>
<td></td>
<td>- Estimated number of households and persons and other entities affected by land acquisition</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Villages to be temporarily affected by land acquisition</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Type of structures that will be potentially affected (fences, waiting sheds, etc.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Other information</td>
</tr>
</tbody>
</table>

### C. Past Land Acquisition

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has there been any past land acquisition for the sites?</td>
<td></td>
<td></td>
<td>If the answer is yes, please attaching the due diligence report or please state that due diligence will be carried out by ____ and the due diligence report will be submitted to ADBC (Putian Branch) by ___</td>
</tr>
</tbody>
</table>

Additional Information if the answer is yes. Based on initial screening, the following preliminary information has been obtained.
- When it was acquired and for what purpose
- Name of village/s and county where project is located and from whom land was acquired
- Total land area occupied by the project
- Total houses/structures demolished by the project
- Status of land acquisition for the facility/project
- Information on status of payment of compensation
- Type of land acquired (i.e., land classification prior to project construction)
- Amount paid by the government agency to original land users for land and/or fixed assets
- Name of local government agency who handled land acquisition and resettlement activities
- Number of persons/households affected by land acquisition and house demolition by the Government
- For the HHs affected by house demolition, have they been relocated well or still in transition?
• If the Certificate of State-owned Land Using Right has been issued by the government?

If during screening, outstanding or legacy issues were identified, please inform ADB immediately and seek guidance.

Other documents can be added as appendix:
- Design (project proposal/ feasibility study report) approval
- Land Use Pre-examination;
- Site selection approval
- Land Acquisition Approval (transferring the farmland to construction land)
- Certificate of State-owned Land Using Right

a For temporary occupation of state-owned land, it should include information on users of land (temporary allocation or encroachers). For example, farmers may be using the land temporarily or there may be structures on land.

<table>
<thead>
<tr>
<th>D. Existing Facilities</th>
<th>Yes</th>
<th>No</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Will the project financing involve existing facilities?</td>
<td>If the answer is yes, please attach social compliance audit report or please state that social compliance audit will be carried out by ____ and the SCA report will be submitted to ADBC (Putian Branch) by ______</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional Information if the answer is yes. Based on initial screening, the following preliminary information has been obtained.
- When it was acquired and for what purpose
- Name of village/s and county where project is located and from whom land was acquired
- Total land area occupied by the project
- Total houses/structures demolished by the project
- Status of land acquisition for the facility/project
- Information on status of payment of compensation
- Type of land acquired (i.e., land classification prior to project construction)
- Amount paid by the government agency to original land users for land and/or fixed assets
- Name of local government agency who handled land acquisition and resettlement activities
- Number of persons/households affected by land acquisition and house demolition by the Government
- For the HHs affected by house demolition, have they been relocated well or still in transition?
- If the Certificate of State-owned Land Using Right has been issued by the government?

If during screening, outstanding or legacy issues were identified, please inform ADB immediately and seek guidance.

Other documents can be added as appendix:
- Design (project proposal/ feasibility study report) approval
- Land Use Pre-examination;
- Site selection approval
- Land Acquisition Approval (transferring the farmland to construction land)
- Certificate of State-owned Land Using Right

Prepared by : ___________________________ Date: ______________
Reviewed by : ___________________________ Date: ______________
Endorsed by : ___________________________ Date: ______________
(ESMS Manager)
Appendix 4: Indigenous Peoples Categorization Form

Name of Sub-project: ____________________________
Location (city/county/township/village): ____________________________

Subproject Description:

Provide information on the presence of ethnic minority groups in the project area.

Indigenous Peoples Safeguard Categorization:  [ ] Category A  [ ] Category B  [ ] Category C

*Category A Subprojects are not eligible for Financing.

<table>
<thead>
<tr>
<th>KEY CONCERNS (Please provide elaborations on the Remarks column)</th>
<th>YES</th>
<th>NO</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Indigenous Peoples Identification</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Are there socio-cultural groups present in or use the project area who may be considered as ethnic minorities?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Are there national or local laws or policies as well as anthropological research/studies that consider these groups present in or using the project area as belonging to &quot;ethnic minorities&quot;?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Do such groups self-identify as being part of a distinct social and cultural group?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Do such groups speak a distinct language or dialect?</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>7. Has such groups been historically, socially, and economically marginalized, disempowered, excluded, and/or discriminated against?</td>
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<tr>
<td>8. Are such groups represented as ethnic minorities in any formal decision-making bodies at the national or local levels?</td>
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<tr>
<td><strong>B. Identification of Potential Impacts (positive or negative impacts)</strong></td>
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<tr>
<td>9. Will the project directly or indirectly benefit or target Indigenous Peoples?</td>
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<tr>
<td>10. Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g., child-rearing, health, education, arts, and governance)</td>
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<tr>
<td>11. Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)</td>
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<tr>
<td>12. Will the project be in an area (land or territory) occupied, owned, or used by ethnic minorities, and/or claimed as ancestral domain?</td>
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<tr>
<td><strong>C. Identification of Special Requirements</strong></td>
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<tr>
<td>Will the project activities include:</td>
<td></td>
<td></td>
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<tr>
<td>13. Commercial development of the cultural resources and knowledge of Indigenous Peoples?</td>
<td></td>
<td></td>
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<tr>
<td>14. Physical displacement from traditional or customary lands?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KEY CONCERNS</td>
<td>YES</td>
<td>NO</td>
<td>Remarks</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------------------------</td>
<td>-----</td>
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</tr>
<tr>
<td>15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied, or claimed by indigenous peoples?</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>17. Acquisition of lands that are traditionally owned or customarily used, occupied, or claimed by indigenous peoples?</td>
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</tbody>
</table>

Prepared by : ________________________________  Date: __________________

Reviewed by : ________________________________  Date: __________________

Endorsed by : ________________________________  Date: __________________
(ESMS Manager)
Appendix 5: Selection Criteria and Procedures – FIL Component

1. Selection Criteria

1. The Qualified Subprojects to be supported with the subloans made by the participating financial intermediary must meet the technical, financial, economic, environmental, and social criteria as presented below. These criteria will ensure that the selected Qualified Subprojects contribute to environmental improvement of Mulan River Basin, are financially viable and sustainable, and provide substantial benefits to the economy, society, and environment. The following criteria will apply to the subprojects that are financed by the Asian Development Bank (ADB) loan through financial intermediate loan (FIL) modality.

A. Subproject Technical Criteria

2. All Qualified Subprojects must meet the following criteria, in particular:

(i) The subproject must contribute to integrated ecological restoration and environmental management in the Mulan River Basin within the territory of Xianyou County;
(ii) The subproject shall adopt feasible technical design with reliable and measurable output indicators that will contribute to at least one of the indicators set in the design and monitoring framework (DMF);
(iii) Domestic feasibility study report of the subproject is prepared and approved by the national, provincial, municipal and county authorities in-charge;
(iv) Design and construction of the subproject is in accordance with the applicable guidelines, standards, norms and local best practices;
(v) Baseline for benefits to be achieved shall be established before the subprojects are implemented. Benefits produced by the subproject after implementation shall be monitored and recorded; and
(vi) Climate change adaptation and/or mitigation measures (at least 15% of the subproject cost will be categorized as climate finance) should be incorporated into the subproject design.

B. Subproject Financial Criteria

3. All Qualified Subprojects must be financially viable and/or financially sustainable. The financial due diligence should be carried out in accordance with ADB's Guidelines on the Financial Management and Analysis of Projects, and Financial Analysis and Evaluation. In particular:

(i) The estimated subproject investment and operation and maintenance (O&M) cost must be clearly presented and must be reasonable;
(ii) If the subproject is intended to recover all costs without any external support, a) the financial internal rate of return (FIRR) shall be greater than the weighted average cost of capital (WACC); b) the FIRR must be robust under various sensitivity scenarios; c) the payback period of subprojects shall match the repayment period of subloans; and d) the average debt-service coverage ratio is appropriate, otherwise the FI will require the subborrower to provide additional credit enhancement measures, including land value increase captured; and
(iii) If the subproject is not able to recover all costs, the financial sustainability shall be assessed with the provisions of sufficient evidence for financing O&M costs and loan repayment.
C. Subproject Economic Criteria

4. For all the proposed subprojects, the total economic benefits must exceed the total economic costs. The economic internal rate of return (EIRR) of the subproject must be sufficient and must be viable under adverse sensitivity scenarios.

D. Subproject Social and Environmental Safeguards Criteria

5. All Qualified Subprojects must meet the following criteria:

(i) Subproject should not involve any prohibited activates in the Prohibited Investment Activities List (PIAL) set forth at Appendix 5 of the ADB Safeguards Policy Statement (2009);

(ii) Subproject should not involve coal-related businesses and activities;

(iii) Environment category A subprojects will be excluded from ADB financing;

(iv) Involuntary Resettlement category A subprojects will be excluded from ADB financing;

(v) Indigenous Peoples category A subprojects will be excluded from ADB financing;

(vi) The subprojects must not be in any designated environmental protection zone and cultural heritage site;

(vii) The subprojects must not support enterprises which have activities involving commercial development of cultural resources of Indigenous Peoples without their consent and broad community support for the commercialization of such resources;

(viii) Each subproject must be designed, constructed, and operated in accordance with relevant national and provincial social and environmental laws and regulations;

(ix) Subproject must meet requirements of the environmental and social safeguards management system (ESMS) developed for the FIL component;

(x) Each subproject must obtain relevant approvals from the national, provincial, municipal and county authorities in-charge;

(xi) The subprojects shall not result in labor retrenchment and labor redundancies;

(xii) For any subprojects which involve the expansion of, or links with, existing activities by the subborrower, the new activities will only be supported if the existing activities are following domestic safeguard regulations and that there are no major outstanding or legacy issues on social and environmental safeguards; and

(xiii) The subproject shall generate employment, local economic development and environmental co-benefits in addition to climate change mitigation and/or adaptation benefits.

2. Subborrower Selection Criteria

6. All Qualified Subborrowers must meet the following criteria, in particular:

(i) The Qualified Subborrowers must be financially independent entity legally registered in Xianyou County;

(ii) The Qualified Subborrowers must be capable to finance the remaining project costs contributing a minimum of 20% of the total subproject investment cost as counterpart

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21 The subproject proposal will be screened through a rapid environment assessment checklist in accordance with procedures contained in the ESMS, which is included as Appendix 2 of the ESMS.

22 The subproject proposal will be screened through an involuntary resettlement impact screening checklist in accordance with procedures contained in the ESMS, which is included as Appendix 3 of the ESMS.

23 The subproject proposal will be screened through an indigenous peoples impact screening checklist in accordance with procedures contained in the ESMS, which is included as Appendix 4 of the ESMS.
financing;

(iii) The Qualified Subborrowers shall commit to enhance capacities in project planning, financing, implementing and monitoring during the subproject preparation and implementation periods;

(iv) The Qualified Subborrowers must have complied with all relevant domestic environmental regulations;

(v) The Qualified Subborrowers must obtain relevant approvals from the national, provincial, municipal and county authorities in-charge, for its related subprojects; and

(vi) The Qualified Subborrowers must be in compliance with relevant domestic occupational health and safety standard.

7. If a subproject has a good potential for the integrated ecological restoration and management around Mulan River Basin, but does not meet some of the above-mentioned criteria, the Xianyou County Government may instruct the PMO to recommend it to ADB, up to ADB’s review and approval.

8. ADB, the XCG, the PMO and the participating FI will conduct annual review on the co-financing achieved by the subprojects to determine compliance with designed co-financing targets.

3. Selection and Approval Procedure

9. The participating FI (i.e., ADBC (Putian Branch)) will be the implementing agency for the proposed FIL component. The selection process of Qualified Subprojects will be conducted in the following order:

(i) PMO will be responsible to select candidate subprojects, and preliminarily screen candidate subprojects as per the project screening criteria. It will notify the FI (currently ADBC (Putian Branch)) of the candidate subproject pipeline having passed its preliminary screening;

(ii) The FI will conduct due diligence with the support of LIECs on the screened candidate subprojects as per its own credit policy and environmental and social safeguards screening, categorization and due diligence as required in the ESMS;

(iii) After the due diligence is completed, the FI will make a decision on which subprojects it will provide co-financing and should feedback its co-financing decision and due diligence reports to the PMO;

(iv) PMO and ADBC (Putian Branch) will submit relevant subproject documents to ADB for technical, financial, economic and safeguard clearance irrespective of the subproject size and must not be retroactively financed until ADBC has adequate expertise;

(v) Upon successful completion of the review by ADB, the PMO will submit the list of subprojects, with all review information including the FI’s co-financing decision and due diligence reports, to XCG for final decision;

(vi) After a subproject is approved by the XCG, subloan agreement and project implementing agreement signing will be completed with the related Qualified Subborrowers. The Qualified Subborrowers will initiate procurement, and the PMO will be responsible for preparing the withdrawal application to ADB via CBOF and Fujian Provincial Department of Finance in turn;

(vii) ADB will then disburse the funds through the advance account to the Escrow Account in ADBC (Putian Branch); and

(viii) ADBC (Putian Branch) disburses the individual subloans to the subborrowers.
### 4. **Summary of the First Batch Indicative Qualified Subprojects – FIL Component**

<table>
<thead>
<tr>
<th>No.</th>
<th>Subproject</th>
<th>Main Activities</th>
<th>Targeted Indicators</th>
<th>Cost Estimate (CNY million)</th>
<th>Sub-borrower</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Improvement of forest ecological services in Mulan River basin</td>
<td>a. Restoration and improvement of forest ecological services through planting new trees, tending of young/degraded forest for 15,900 mu, forest fire protection belt maintenance of 757 mu, and integrated pest and disease control of 585 mu; b. Improvement of Mulan River Source Area Natural Reserve management capacity through provision of facilities on monitoring, wildlife rescue, pest control, associated office equipment, construction of dissemination and education center, and services on biodiversity survey and forest ecosystem benefits and cost-effective assessment.</td>
<td>About 1,100ha degraded forest will be rehabilitated and the biodiversity management facilities in the Natural Reserve will be developed, which will contribute to indicators 1f and 1g in DMF.</td>
<td>70</td>
<td>Xianyou Ecological State-owned Forest Farm</td>
</tr>
<tr>
<td>2</td>
<td>Development of an integrated water resources management system</td>
<td>Improve urban and ecological water supply through water diversion system, including 14.4 km long tunnels and pipelines (3.07 m³/s) from the Shuangxikou Reservoir</td>
<td>One water diversion system will be developed, and 0.26 million urban and rural residents will be serviced with stable safe water supply and water ecological functions of four rivers will be maintained, which will contribute to indicator 1c in DMF</td>
<td>203</td>
<td>Xianyou Water Affair Investment Group Co., Ltd</td>
</tr>
<tr>
<td>3</td>
<td>Development of rural wastewater collection system in Gaiwei Township</td>
<td>Development of wastewater collection system including 463 km main pipelines and 2,150 km household connection pipelines with the total capacity of 15,000 t/d to service 11 villages in the township</td>
<td>One township level wastewater collection system will be developed and 85% of domestic wastewater in 13,000 rural households will be collected and treated by the system, with total of 52,000 rural residents to be benefited from the provision of wastewater services, which will contribute to indicator 1d in DMF</td>
<td>226</td>
<td>Xianyou Water Affair Investment Group Co., Ltd</td>
</tr>
<tr>
<td>4</td>
<td>Development of an inclusive integrated solid waste</td>
<td>a. Construction of county wide integrated and inclusive solid waste collection and recycling facilities, including construction waste recycling plant, household bulk waste</td>
<td>One inclusive urban-rural solid waste management system will be developed, and 1.17 million urban and rural residents will be serviced by the solid waste collection and treatment, which</td>
<td>466</td>
<td>Xianyou Water Affair Investment Group Co., Ltd</td>
</tr>
<tr>
<td>Management system</td>
<td>Recycling plant; kitchen waste disposal centers, waste transfer stations. b. Urban-rural waste sorting and collection system including smart sorting bins, waste sorting bins, waste sorting houses, waste transfer vehicles etc., and waste collection and transportation concentrated control system.</td>
<td>will contribute to indicators a and 1e in DMF</td>
<td></td>
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</table>

DMF = design and monitoring framework, m³/s = cubic meter per second, t/d = tons per day.
Source: domestic feasibility study reports, December 2021.
Appendix 6: Outline of Initial Environmental Examination

A. Executive Summary

This section describes concisely the critical facts, significant findings, and recommended actions.

B. Policy, Legal and Administrative Framework

C. Description of the Subproject

This section describes the proposed subproject; its major components; and its geographic, ecological, social, and temporal context, including any associated facility required by and for the subproject (for example, access roads, power plants, water supply, quarries and borrow pits, and spoil disposal). It normally includes drawings and maps showing the subproject’s layout and components, the subproject site, and the subproject's area of influence.

D. Description of the Environment (Baseline Data)

This section describes relevant physical, biological, and socio-economic conditions within the study area. It also looks at current and proposed development activities within the subproject's area of influence, including those not directly connected to the subproject. It indicates the accuracy, reliability, and sources of the data.

E. Anticipated Environmental Impacts and Mitigation Measures

This section predicts and assesses the subproject's likely positive and negative direct and indirect impacts to physical, biological, socio-economic (including occupational health and safety, community health and safety, vulnerable groups and gender issues, and impacts on livelihoods through environmental media, and physical cultural resources in the subproject's area of influence, in quantitative terms to the extent possible; identifies mitigation measures and any residual negative impacts that cannot be mitigated; explores opportunities for enhancement; identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions and specifies topics that do not require further attention; and examines global, transboundary, and cumulative impacts as appropriate.

F. Analysis of Alternatives

This section examines alternatives to the proposed subproject site, technology, design, and operation—including the no subproject alternative—in terms of their potential environmental impacts; the feasibility of mitigating these impacts; their capital and recurrent costs; their suitability under local conditions; and their institutional, training, and monitoring requirements. It also states the basis for selecting the particular subproject design proposed and justifies recommended emission levels and approaches to pollution prevention and abatement.

G. Information Disclosure, Consultation and Participation

This section:

(i) describes the process undertaken during subproject design and preparation for engaging stakeholders, including information disclosure and consultation with affected people and other stakeholders;
(ii) summarizes comments and concerns received from affected people and other stakeholders and how these comments have been addressed in subproject design and mitigation measures, with special attention paid to the needs and concerns of vulnerable groups, including women, the poor, and indigenous peoples; and

(iii) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for carrying out consultation with affected people and facilitating their participation during subproject implementation.

H. Grievance Redress Mechanism

This section describes the grievance redress framework (both informal and formal channels), setting out the time frame and mechanisms for resolving complaints about environmental performance.

I. Environmental Management Plan

This section deals with the set of mitigation and management measures to be taken during subproject implementation to avoid, reduce, mitigate, or compensate for adverse environmental impacts (in that order of priority). It may include multiple management plans and actions. It includes the following key components (with the level of detail commensurate with the subproject’s impacts and risks):

(i) Mitigation:
   (a) identifies and summarizes anticipated significant adverse environmental impacts and risks;
   (b) describes each mitigation measure with technical details, including the type of impact to which it relates and the conditions under which it is required (for instance, continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate; and
   (c) provides links to any other mitigation plans (for example, for involuntary resettlement, indigenous peoples, or emergency response) required for the subproject.

(ii) Monitoring:
   (a) describes monitoring measures with technical details, including parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits and definition of thresholds that will signal the need for corrective actions; and
   (b) describes monitoring and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures and document the progress and results of mitigation.

(iii) Implementation arrangements:
   (a) specifies the implementation schedule showing phasing and coordination with overall subproject implementation;
   (b) describes institutional or organizational arrangements, namely, who is responsible for carrying out the mitigation and monitoring measures, which may include one or more of the following additional topics to strengthen environmental management capability: technical assistance programs, training programs, procurement of equipment and supplies related to environmental management and monitoring, and organizational changes; and
   (c) estimates capital and recurrent costs and describes sources of funds for implementing the environmental management plan.
(iv) Performance indicators: describes the desired outcomes as measurable events to the extent possible, such as performance indicators, targets, or acceptance criteria that can be tracked over defined time periods.

J. Conclusion and Recommendation

This section provides the conclusions drawn from the assessment and provides recommendations.
Appendix 7: Outline of A Resettlement Plan

1. A resettlement plan is required for all subprojects with involuntary resettlement impacts. Its level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the resettlement plans, although not necessarily in the order shown.

A. Executive Summary

2. This section provides a concise statement of subproject scope, key survey findings, entitlements and recommended actions.

B. Subproject Description

3. This section provides a general description of the subproject, discusses subproject components that result in land acquisition, restricted access to land, and/or involuntary resettlement, and identifies the subproject area. It also describes the alternatives considered to avoid or minimize resettlement. Includes a table with quantified data and provides a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

4. This section:
   (i) discusses the subproject’s potential impacts, and includes maps of the areas or zone of impact of subproject components or activities;
   (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment subproject;
   (iii) summarizes the key effects in terms of assets acquired and displaced persons; and
   (iv) provides details of any common property resources that will be acquired.

D. Socioeconomic Information and Profile

5. This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:
   (i) definition, identification, and enumeration of the people and communities to be affected;
   (ii) description of the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
   (iii) discussion of the subproject’s impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
   (iv) identification of gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

6. This section:
   (i) identifies subproject stakeholders, especially primary stakeholders;
(ii) describes the consultation and participation mechanisms to be used during the different stages of the subproject cycle;

(iii) describes the activities undertaken to disseminate subproject and resettlement information during subproject design and preparation for engaging stakeholders;

(iv) summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;

(v) confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and

(vi) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during subproject implementation.

F. Grievance Redress Mechanisms

7. This section describes mechanisms to receive and facilitate the resolution of affected persons’ concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

G. Legal Framework

8. This section:
   (i) describes national and local laws and regulations that apply to the subproject and identifies gaps between local laws and Asian Development Bank’s (ADB) policy requirements; and discuss how any gaps will be addressed.
   (ii) describes the legal and policy commitments from the executing agency for all types of displaced persons;
   (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods; and sets out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided; and
   (iv) describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

H. Entitlements, Assistance and Benefits

9. This section:
   (i) defines displaced persons’ entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
   (ii) specifies all assistance to vulnerable groups, including women, and other special groups; and.
   (iii) outlines opportunities for affected persons to derive appropriate development benefits from the subproject.

I. Relocation of Housing and Settlements

10. This section:
   (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
(ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;

(iii) provides timetables for site preparation and transfer;

(iv) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;

(v) outlines measure to assist displaced persons with their transfer and establishment at new sites;

(vi) describes plans to provide civic infrastructure; and

(vii) explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

11. This section:
   (i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
   (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include subproject benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
   (iii) outlines measure to provide social safety net through social insurance and/or project special funds;
   (iv) describes special measures to support vulnerable groups;
   (v) explains gender considerations; and
   (vi) describes training programs.

K. Resettlement Budget and Financing Plan

12. This section:
   (i) provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation;
   (ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items);
   (iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs; and
   (iv) includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

13. This section:
   (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
   (ii) includes institutional capacity building program, including technical assistance, if required;
   (iii) describes role of non-government organizations (NGO), if involved, and organizations of affected persons in resettlement planning and management; and
   (iv) describes how women’s groups will be involved in resettlement planning and management.
M. Implementation Schedule

14. This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the subproject schedule of civil works construction and provide land acquisition process and timeline.

N. Monitoring and Reporting

15. This section describes the mechanisms and benchmarks appropriate to the subproject for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.
Appendix 8: Outline for Social Due Diligence Report or Social Compliance Audit Report

I. INTRODUCTION

A. Subproject Description

B. Objectives and Scope of the Report. (Please describe the purpose/objectives of this report.)

C. Methodology. (Please describe the methodology for conducting the due diligence. Please also describe what activities were undertaken to complete the due diligence - this can be a review of relevant policies, national laws, interviews with representatives of local government agencies responsible for land, interviews with local people from the village collective from whom lands were acquired and conduct site inspection. Please attach a list of persons met/interviewed and all secondary documents reviewed.)

II. INVOLUNTARY RESETTLEMENT DUE DILIGENCE FINDINGS

A. Scope of Land Acquisition and Resettlement Impacts.
   Please enumerate in matrix format all the subproject components requiring land acquisition, the amount of land required for each component. Provide information on whether acquisition of the land or right of way required any physical or economic displacement or affected any buildings or structures and required the payment of compensation. Please attach copies of pictures of the subproject site, maps of the subproject site showing the project and the locations of communities.

B. Applicable Laws and Regulations.
   Describe the national, provincial, prefectural laws, regulations, and policies related to land acquisition.

C. History of Land Acquisition and Resettlement.
   - Please discuss how the land was transferred from previous owners/users to the subproject.
   - Information on whether past land acquisition required any physical displacement from housing or economic displacement from land. Please provide information on amount of compensation paid and how the compensation rate was negotiated with the village collective or land user households.
   - Please provide information on the year land was acquired and by whom, type of land acquired (whether state owned or collectively owned). If collectively owned, indicate land classification - is it agricultural land, commercial land, residential, cultivated dry land, irrigated land, or wasteland, etc.
   - Please indicate number of villages and farmers from whom the land was acquired, the amount of compensation paid for the land and whether the compensation has been paid; whether affected village collective is satisfied with the compensation, whether compensation amount is equivalent to replacement value.
   - Please provide information on options for relocation, arrangement during transition, progress of relocation of AHs;
   - Please attach copies of documents in English related to land ownership to show that the Project has legal tenure over the land.
- Please describe the detailed consultation procedures for land including who are participants, where and when the consultation took place, what issues were discussed? Please attach the documents, photos.
- Information on any outstanding issues, complaints or grievances related to land acquisition and the actions proposed to address these issues/grievances.

III.  INDIGENOUS PEOPLES/ETHNIC MINORITIES DUE DILIGENCE FINDINGS

A. Screening of Indigenous peoples/ethnic minorities in project area
   Please screen and identify if there are any indigenous peoples/ethnic minority groups living in project area that will trigger ADB’s indigenous peoples safeguards

B. Social Impact Assessment on Indigenous peoples/ethnic minorities
   If there are indigenous peoples/ethnic minority groups in project area, please carry out social impact assessment to analyze how indigenous peoples/ethnic minority groups will be benefited and/or impacted by the subproject.
   Based on social impact assessment, please confirm the subproject’s category in terms of Indigenous Peoples Safeguards and the safeguard documents to be prepared.
   For the subprojects categorized as B, please prepare and submit ethnic minority action plan (EMDP) to ADB for review and concurrence referring to the outline in Appendix 9.

C. Information Disclosure and Consultation
   Please elaborate the information disclosure and public consultation conducted during the DDR with ethnic minority groups and other stakeholders, as well as their views, expectations, and concerns on the subproject.

IV.  CONCLUSION

On involuntary resettlement safeguards, please discuss whether (i) subprojects entailed any land acquisition, restricted access to land, relocation of housing or loss of livelihoods, crops, trees, etc.; (ii) all land acquisition and compensation complied with national laws; (iii) all mitigating measures implemented complied with ADB and national requirements; and (iv) there is any outstanding major or minor non-compliance issue.

On indigenous peoples safeguards, please discuss (i) whether the subprojects involve any ethnic minority groups that triggering ADB’s indigenous peoples safeguards; (ii) the main benefits and impacts on ethnic minority groups brought by the subprojects and the categorization result in terms of indigenous peoples; (iii) the indigenous peoples safeguard documents to be prepared for the subprojects; and (iv) if there is any outstanding major or minor non-compliance issue.

V.  CORRECTIVE ACTION PLAN

If the findings of the resettlement due diligence of subprojects identified any gaps in the entitlements of affected people as per national law and ADB’s requirements, what are the corrective actions required to ensure compliance with the SPS. Please provide information on corrective actions, budget and timing of implementation.

If the findings of the indigenous peoples due diligence of subprojects identified any gaps in the entitlements of ethnic minorities as per national law and ADB’s requirements, what are the corrective actions required to ensure compliance with the SPS. Please provide information on corrective actions, budget and timing of implementation.
Appendix 9: Outline of An Ethnic Minority Development Plan

A. Executive Summary of the Ethnic Minority Development Plan

This section concisely describes the critical facts, significant findings, and recommended actions.

B. Description of the Subproject

This section provides a general description of the subproject; discusses project components and activities that may bring impacts on ethnic minority people and ethnic minority communities; and identify project area.

C. Social Impact Assessment

This section:
1. reviews the legal and institutional framework applicable to ethnic minority groups in project context.
2. provides baseline information on the demographic, social, cultural, and political characteristics of the affected ethnic minority communities; the land and territories that they have traditionally owned or customarily used or occupied; and the natural resources on which they depend.
3. identifies key project stakeholders and elaborate a culturally appropriate and gender-sensitive process for meaningful consultation with ethnic minority groups at each stage of project preparation and implementation, taking the review and baseline information into account.
4. assesses, based on meaningful consultation with the affected ethnic minority communities, the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is a gender-sensitive analysis of the relative vulnerability of, and risks to, the affected ethnic minority communities given their particular circumstances and close ties to land and natural resources, as well as their lack of access to opportunities relative to those available to other social groups in the communities, regions, or national societies in which they live.
5. includes a gender-sensitive assessment of the affected ethnic minority groups’ perceptions about the project and its impact on their social, economic, and cultural status.
6. identifies and recommends, based on meaningful consultation with the affected ethnic minority communities, the measures necessary to avoid adverse effects or, if such measures are not possible, identifies measures to minimize, mitigate, and/or compensate for such effects and to ensure that the ethnic minority groups receive culturally appropriate benefits under the project.

D. Information Disclosure, Consultation and Participation

This section:
1. describes the information disclosure, consultation and participation process with the affected ethnic minority communities that was carried out during project preparation;
2. summarizes their comments on the results of the social impact assessment and identifies concerns raised during consultation and how these have been addressed in project design;
3. in the case of project activities requiring broad community support, documents the process and outcome of consultations with affected ethnic minority communities and
any agreement resulting from such consultations for the project activities and safeguard measures addressing the impacts of such activities;
4. describes consultation and participation mechanisms to be used during implementation to ensure ethnic minority group participation during implementation; and
5. confirms disclosure of the draft and final ethnic minority development plan to the affected ethnic minority communities.

E. Beneficial Measures

This section specifies the measures to ensure that the ethnic minority groups receive social and economic benefits that are culturally appropriate, and gender responsive.

F. Mitigative Measures

This section specifies the measures to avoid adverse impacts on ethnic minority groups; and where the avoidance is impossible, specifies the measures to minimize, mitigate and compensate for identified unavoidable adverse impacts for each affected ethnic minority groups.

G. Capacity Building

This section provides measures to strengthen the social, legal, and technical capabilities of (a) government institutions to address Indigenous Peoples issues in the project area; and (b) ethnic minority groups organizations in the project area to enable them to represent the affected ethnic minority groups more effectively.

H. Grievance Redress Mechanism

This section describes the procedures to redress grievances by affected ethnic minority communities. It also explains how the procedures are accessible to ethnic minority groups and culturally appropriate and gender sensitive.

I. Monitoring, Reporting and Evaluation

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the EMDP. It also specifies arrangements for participation of affected ethnic minority groups in the preparation and validation of monitoring, and evaluation reports.

J. Institutional Arrangement

This section describes institutional arrangement responsibilities and mechanisms for carrying out the various measures of the EMDP. It also describes the process of including relevant local organizations and NGOs in carrying out the measures of the EMDP.

K. Budget and Financing

This section provides an itemized budget for all activities described in the EMDP.
Appendix 10: Suggested Template for An Environment Monitoring Report

A. Subproject Name and Summary Information
   (i) Location
   (ii) Scale/size/capacity
   (iii) Reporting period covered by this monitoring report (month/year)
   (iv) Specification of subproject stage (design, construction, operation, or closure stage)
   (v) Key developments and any major changes in subproject location and design if any

B. Relevant Environmental Permits or Compliance Certificates
   (i) Issued by government agency(ies) (include name of agency)
   (ii) Issuance dates and duration of validity
   (iii) Permit conditions and renewal requirements
   (iv) Other standards and/or certificates (e.g., ISO 14000 Environmental Management Systems and Standards)

C. Grievance Redress Mechanism
   (i) Date established and description of organizational arrangements
   (ii) Complaints, grievance, or protests received from local communities, recorded dates and organizations involved, actions taken to resolve grievances; any outstanding issues and proposed measures for resolution

D. Occupational and Community Health and Safety
   (i) Training programs carried out
   (ii) Incidents recorded, including date, scale of damage and injury, if any; authorities in charge of investigation/recording, and media or community reactions, if any; action taken to respond to the incident; and any outstanding issues and proposed measures
   (iii) Other health and safety events or out-reach activities

E. Environmental Management Capacity
   (i) Number of staff, qualifications, and experience in environmental management
   (ii) Awareness of: (i) environmental issues, (ii) health and safety, (iii) national environmental laws and regulations, and (iv) applicable ADB’s environmental safeguard requirements
   (iii) Training programs carried out
   (iv) Assessment of environmental management capacity needs (including planned capacity building programs)

F. Stakeholder Consultation

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24 This template is applicable to both environmental monitoring reports prepared by the subborrowers and ADBC (Putian Branch).
25 Including incidents that have caused damage on the environment or to human health, and/or attached attention of outside parties (e.g., fire, explosion, chemical or oil spill, and pollution release).
26 Including fatalities, serious injures (requiring emergency treatment or hospitalization), lost time accidents (requiring more than one day off work to recover), and incidents involving compensation claims.
(i) Details of information disclosure and consultations, if any, with affected people, local communities, civil society groups, and other stakeholders
(ii) Details of approach/methodology on addressing the concerns and issues raised at consultations

G. Compliance with Applicable Environmental Safeguard Requirements

Implementation of EMP (citing changes in the EMP, where warranted) during construction or operation phase, focusing on mitigation measures and monitoring program. Attach copies of monitoring reports from the licensed 3rd party environmental monitoring company. If standards or thresholds are exceeded, specify the corrective actions implemented or to be implemented.

H. Other Information and Feedback

Please list any other information that ADBC (Putian Branch) should be aware of. This may relate to broader environmental matters, community initiatives within your company, positive media or NGO attention, training activities, management system initiatives or cost savings through process efficiency, environment-friendly processes.

Name and Signature

Name: ........................................ Date: 
Position: .................................. Phone: 
Signature: ................................. E-mail: 

Note: (i) The subborrower of each subproject financed by ADB will submit its own environmental monitoring reports to ADBC and PMO on semi-annual basis; (ii) ADBC (Putian Branch) and PMO with assistance of PIC consultants, will consolidate the reports and submit the consolidated semi-annual monitoring reports to ADB for review and disclosure on ADB website.
Appendix 11: Suggested Scope for A Social Safeguard Monitoring Report

Note: (i) The subborrower of each subproject financed by ADB will submit its own report to the FI and PMO; (ii) with assistance of PIC consultants, social monitoring reports of FI subprojects will be submitted to the PMO and ADB for review.

A. Introduction
   (i) Brief subproject description

B. Physical Progress of Subproject Components with Resettlement and Indigenous Peoples/Ethnic Minorities Impacts
   (i) List of subproject components with resettlement and indigenous peoples impacts and progress updates (including engineering progress, and ground clearing, land acquisition and structure demolition progress)

C. Scope of Resettlement Impacts and and/or Impacts on Indigenous Peoples/Ethnic Minorities
   (i) Actual scope of land acquisition and resettlement (including the methodology to determine the actual scope of land acquisition and resettlement, and comparison with the scope of impacts in resettlement plan(s))
   (ii) Actual impacts on Indigenous Peoples/Ethnic Minorities (including the methodology to determine the actual scope of impacts on Indigenous Peoples/Ethnic Minorities, and comparison with the scope of impacts in Ethnic Minority Action Plan(s))

D. Institutional Arrangements
   (i) Key organizations involved in resettlement plan and/or EMDP implementation
   (ii) Progress of activities implemented by other organizations
   (iii) Specific implementation arrangements for Indigenous Peoples/Ethnic Minorities

E. Compensation Rates, Payment and Assistance Delivery
   (i) Compensation rates for land, resettlement subsidies, standing crops, and trees
   (ii) Compensation for buildings and allowances for relocation
   (iii) Allocation and utilization of resettlement compensation
   (iv) Payment delivery to affected village groups and individuals
   (v) Assistance delivery to affected Indigenous Peoples/Ethnic Minorities

F. Status of Land Acquisition, Resettlement, and Reconstruction
   (i) Housing relocation and reconstruction
   (ii) Provision of replacement agricultural and/or commercial land
   (iii) Restoration of affected public infrastructure and facilities
   (iv) Restoration of land used for construction-related activities
   (v) Implementation progress of income restoration activities
   (vi) Support to vulnerable groups
   (vii) Implementation progress of specific measures for affected Indigenous Peoples/Ethnic Minorities

H. Consultation and Disclosure Activities and Grievance Procedures
   (i) Consultations on compensation standards and fees, relocation options, etc.
   (ii) Specific consultations conducted with Indigenous Peoples/Ethnic Minorities on
the subproject, its
(iii) impacts and assistance to Indigenous Peoples/Ethnic Minorities
(iv) Any good faith negotiation to resolve major disagreements with Indigenous Peoples/Ethnic Minorities
(v) Grievances received and actions taken to address them

H. Grievance Redress Mechanism

(i) Date established and description of organizational arrangements
(ii) Grievances reported and resolution processes (e.g., nature of grievance, recorded dates and organizations involved, actions taken to resolve grievances, and media or community reactions (if any))

I. Compliance with Applicable Social Safeguard Requirements

J. Concerns and Work Plan

Concerns encountered, solutions provided, and good practices established
Work plan (staffing, training, and work schedules)

Name and Signature

Name: Date:
Position: Phone:
Signature: E-mail
Appendix 12: Outline of ESMS implementation Report

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. The Bank is required to submit the performance report to ADB.

<table>
<thead>
<tr>
<th>Name of Organization</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed by (name):</td>
<td></td>
</tr>
<tr>
<td>Position in organization:</td>
<td>Date:</td>
</tr>
<tr>
<td>Reporting period</td>
<td>From: To:</td>
</tr>
</tbody>
</table>

A. Portfolio Information for ADB loan

<table>
<thead>
<tr>
<th>Report Covering Period:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>From:</td>
<td>To:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of Subproject</th>
<th>Tenor of loan (months)</th>
<th>Value of exposure (US$ mn)</th>
<th>Sub sector</th>
<th>Safeguard category</th>
<th>Any outstanding environmental and involuntary resettlement and indigenous peoples issues during reporting period and actions taken to address the issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Env</td>
<td>IR</td>
<td>IP</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Environmental and Social Management System (ESMS)

<table>
<thead>
<tr>
<th>Policies &amp; Processes</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?</td>
<td>If yes, please provide a copy of the updates including dates and reasons for the same.</td>
</tr>
<tr>
<td>Has senior management signed off on the updated policy/procedure?</td>
<td>If yes, please provide the date and internal communication indicating the same.</td>
</tr>
<tr>
<td>Has your organization appointed staff tasked to implement the ESMS?</td>
<td>IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.</td>
</tr>
<tr>
<td>Please give details of any transactions rejected due to environmental and/or social concerns.</td>
<td></td>
</tr>
<tr>
<td>Please state any difficulties and/or constraints related to the implementation of the ESMS.</td>
<td></td>
</tr>
<tr>
<td>Policies &amp; Processes</td>
<td>Yes/No</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Please describe how you ensure that your subproject companies and their subprojects are operated in compliance with the national laws and regulations and applicable ADB’s requirements.</td>
<td></td>
</tr>
<tr>
<td>Please give details of any material social and environmental issues associated with clients during the reporting period in particular.</td>
<td></td>
</tr>
<tr>
<td>In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?</td>
<td>Please provide information or cite recommendation made by ADB’s review mission to improve the ESMS and its implementation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please provide the name and contact information of the Environmental Officer or Coordinator who has the overall responsibility for the implementation of ESMS.</td>
<td></td>
</tr>
<tr>
<td>Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.</td>
<td></td>
</tr>
<tr>
<td>What was the budget allocated to the ESMS and its implementation during the year?</td>
<td>Please provide budget details including staff costs and training as well as any actual costs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monitoring</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you receive environmental and social monitoring reports from subproject companies that you finance?</td>
<td>If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.</td>
</tr>
<tr>
<td>Do you check for ongoing compliance of your subproject companies with national regulation and any other requirements?</td>
<td>If yes, please describe the process including any social and environmental considerations if applicable.</td>
</tr>
<tr>
<td>Please describe how you monitor the sub-borrower and their subproject’s social and environmental performance.</td>
<td>Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reporting</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there an internal process to report on social and environmental issues to Senior management?</td>
<td>If yes, please explain the process, reporting format and frequency and actions taken if any.</td>
</tr>
</tbody>
</table>
### Policies & Processes

<table>
<thead>
<tr>
<th>Do you prepare any social and environmental reports:</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>For other multilateral agencies</td>
<td></td>
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<tr>
<td>Other stakeholders</td>
<td></td>
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<tr>
<td>E&amp;S reporting in the Report</td>
<td></td>
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<tr>
<td>Sustainability reports</td>
<td></td>
</tr>
<tr>
<td>If yes, please provide copies of these reports.</td>
<td></td>
</tr>
</tbody>
</table>

### C. Subprojects Using ADB Funds

Please provide information about all new subprojects using ADB funds approved during this reporting period.

<table>
<thead>
<tr>
<th>Name of Subproject:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subproject location:</td>
<td></td>
</tr>
<tr>
<td>Sub sector:</td>
<td></td>
</tr>
<tr>
<td>Value of exposure (US$):</td>
<td></td>
</tr>
<tr>
<td>Safeguard category:</td>
<td>Environment:</td>
</tr>
<tr>
<td></td>
<td>Involuntary Resettlement:</td>
</tr>
<tr>
<td></td>
<td>Indigenous Peoples:</td>
</tr>
<tr>
<td>Were any environmental and social due diligence undertaken and by your organization?</td>
<td>If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.</td>
</tr>
<tr>
<td>Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?</td>
<td>If yes, please provide the names of documents reviewed.</td>
</tr>
<tr>
<td>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</td>
<td></td>
</tr>
<tr>
<td>Did you discuss with the subproject the applicable environmental and social safeguard requirements and their implementation?</td>
<td></td>
</tr>
<tr>
<td>For category A subprojects, were safeguards related documents such as EIA, resettlement plan and IPP, or audit reports made publicly available, in addition to posting on ADB’s website?</td>
<td>Category A projects are disqualified for financing under this Project.</td>
</tr>
<tr>
<td>Were any conditions or covenants related to environmental and social issues made along with the investment?</td>
<td>If yes, please briefly describe.</td>
</tr>
<tr>
<td>Does the subproject comply with applicable government requirements?</td>
<td></td>
</tr>
<tr>
<td>Does the subproject comply with applicable ADB safeguard requirements?</td>
<td></td>
</tr>
</tbody>
</table>