



ADB



# **Asian Development Bank Loan 3999-PRC: Bank of Xingtai Green Finance Development Project**

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7 October 2021



# The Objective: To Promote Green Finance in the PRC





# Project Overview

- **Modality:** Financial Intermediation Loan (FIL)
- **Amount:** €170 million
- **Capacity development:** CNY7 million, funded by Bank of Xingtai
- **Borrower:** Ministry of Finance (PRC), which relends the ADB funds to Hebei Province and Xingtai City Government to Bank of Xingtai
- **Executing agency:** Hebei Provincial Government
- **Implementing agency:** Bank of Xingtai
- **Gender categorization:** Effective Gender Mainstreaming (EGM)



# Project Outputs

- **Output 1:** The Bank of Xingtai's green finance system established
- **Output 2:** Green finance lending by the Bank of Xingtai initiated and increased.
- **Output 3:** The Bank of Xingtai's environment, social, and governance and related institutional capacities improved



# The Rationales





# Xingtai City is One of the Most Polluted Cities in the PRC

- Hebei Province is among the most polluted industrial areas in the PRC [Shijiazhuang (ranked 2<sup>nd</sup>), Xingtai (3<sup>rd</sup>), Handan (5<sup>th</sup>), and Baoding (8<sup>th</sup>)] in 2019.
- Green finance is less developed in the relatively smaller city commercial banks.
- This project will demonstrate pilot approaches to green finance and support replications in other similar banks.



# Key Features of the Project

## **Promotion of Green Taxonomy**

- Adopt the PRC taxonomies and EU Sustainable Finance Taxonomy

## **Development of ESG System**

- Support ADB's environment and social management system
- Develop a sound environment impact assessment system

## **Establishment of a Green Finance IT System**

- Identify qualified green finance subprojects per stated taxonomies
- Identify subproject environmental and social performances
- Integrate ESG into the overall subproject risk management

## **Strengthening Information Disclosure**

- Adopt Global Reporting Initiative (GRI) standard



# Potential Areas of Business Opportunities

## Environment and Social Safeguards

- ADB standards of safeguard work at financial institution level

## Green Finance IT system

- Specialized IT services for green finance taxonomies, ESG development and disclosure

## Green Finance Knowledge Sharing

- Specialized knowledge on international best practices in green and sustainable finance
- Principles of Responsible Investment (?)
- Global Reporting Initiatives





# Potential Areas of Business Opportunities

## Technical Areas of Subproject Assessment

- Waste-to-energy, renewable energy, habitat restoration, eco-friendly manufacturing, etc.

## Green Bond

- International standards of green bond taxonomies

## Gender Mainstreaming

- Gender support at institutional, portfolio, and subproject levels



**Thank you**

