

ABOUT THE SPEAKER



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People's Republic of China

Hou Beilie has extensive experience in financial sector operations, compliance, and ADB project implementation. She has

worked with a national financial regulatory agency and a foreign bank, and has overseen procurement, financial management, ESG, safeguards, legal matters, and stakeholder coordination for ADB-financed projects. She holds a Master's degree in Management and a National Legal Professional Qualification Certificate.

CASE STUDY

Risk Management in Action

Guangxi Environmentally Sustainable
Rural Development Demonstration
Project



Guangxi Environmentally Sustainable Rural Development Demonstration Project **Risk Management Practices**

Guangxi Administration Center of Foreign Funded Project for Agriculture
The People's Republic of China

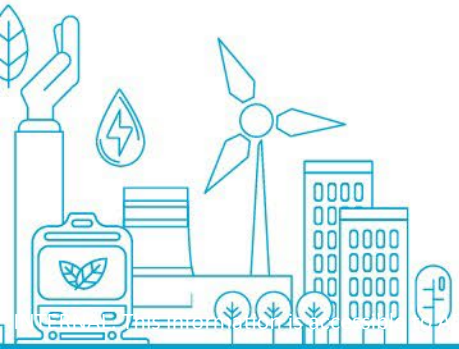
Ms. Beilei Hou
7 July 2026



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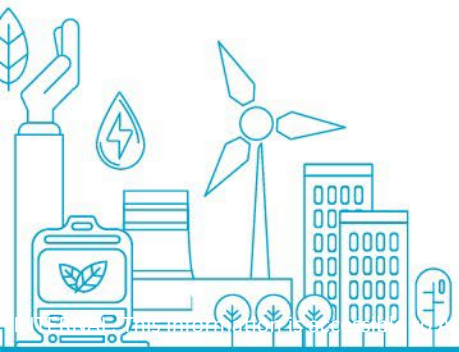




I. Project Overview

Project Overview

- A total investment of CNY 3 billion, including \$150 million loan from ADB
- A combination of project loan and FIL
- Covers the entire Guangxi Region.
- LA and PA were signed in 2023 and took effect in April 2024.



Project Overview

Output 1: Capacity Building and Institutional Development

The loan amount of US\$ 15 million (equivalent to CNY109 million), accounting for 10% of the total loan, is implemented by Guangxi Administration Center of Foreign Funded Project for Agriculture.



Output 2: Establishment and implementation of the rural ESG financing facility

The loan amount of US\$ 135 million (equivalent to CNY 989 million), accounting for 90% of the total loan, is implemented by Guangxi Beibu Gulf Bank(GBGB) and will be lent to support agricultural enterprise development.



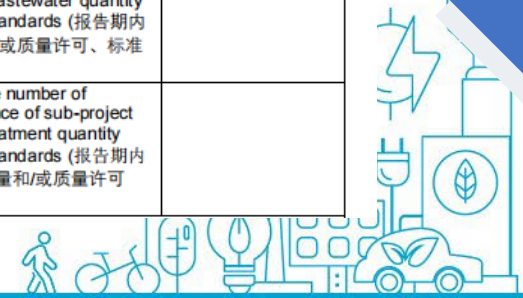
Project Overview – Key Highlights

- 1) The first time that ADB issued a sovereign loan in China denominated in RMB.
- 2) The first ESG investment project in the world dedicated to agricultural enterprises by implementing the ESG evaluation framework.
- 3) The first project in China to promote sustainable agricultural development by applying ESG principles, funded by ADB.



Table III-1 ESG Framework for the Project

ESG Metrics	Criteria		Performance Indicators	Compulsory (V)
1E	Environmental Metric			
EE01	Environmental Compliance (环境合规性)	Refers to the conduct, status, and management process wherein the sub-project's production, operation, and all activities maintain ongoing conformity with all applicable environmental laws and international commitments, among other mandatory requirements (指子项目的生产、经营和所有活动, 持续符合其所需遵守的全部环境适用法律以及国际承诺等强制性要求的行为状态和管理过程)	During the Reporting Period, the extent of the sub-project's compliance with the applicable PRC environmental laws and the mandatory environmental safeguard requirements under Asian Development Bank's Safeguard Policy Statement (报告期内, 子项目遵守中国环境适用法律及亚行《保障政策声明》中对环境保障的强制性要求的程度)	V
EE02	Emissions (废气)	Refers to emissions of sub-project into the air, including ozone-depleting substances (ODS), nitrogen oxides (NOX), sulfur oxides (SOX), odor, and other significant air emissions regarded as pollutants (指子项目向空气中的排放, 包括臭氧消耗物质 (ODS)、氮氧化物 (NOX)、硫氧化物 (SOX)、臭气 (odor) 以及其他视为污染物的重大废气排放)	During Report Period, the number of incidents of non-compliance of sub-project associated with relevant air quality guidelines and standards (报告期内子项目不符合相关空气质量指南和标准的事件数量)	
EE03	Effluents (废水)	Refers to the quantity and quality of wastewater discharged from sub-project (指子项目废水排放的数量和水质)	During Report Period, the number of incidents of non-compliance of the sub-project associated with wastewater quantity and /or quality permits, standards (报告期内子项目不符合废水数量和/或质量许可、标准的事件数量)	
EE04	Waste (废弃物)	Refers to any solid, liquid, or packaged gaseous substances that are disposed of by the sub-project through discarding, recycling, combustion, or incineration. (指子项目以丢弃、回收、燃烧或焚烧的方式加以处置的任何固体物质、液体物质或有包装的气体物质)	During Report Period, the number of incidents of non-compliance of sub-project associated with waste treatment quantity and /or quality permits, standards (报告期内子项目不符合废物处理数量和/或质量许可证、标准的事件数量)	





II. Risk Management Practices

1. Long-term Experience in the Management of Foreign Projects

- Guangxi is located in the western part of South China, bordering the Beibu Gulf to the south and facing Southeast Asia.
- The region is home to 12 indigenous ethnic groups, with the largest ethnic minority population among all provincial-level administrative regions in China.



1. Long-term Experience in the Management of Foreign Projects



Grain



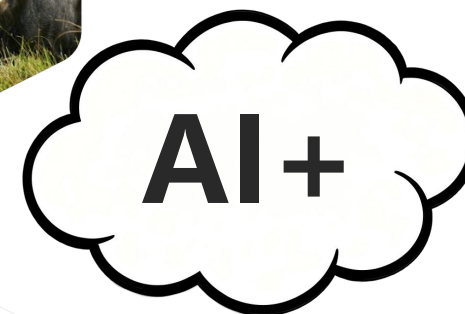
Sugarcane



Fruits



Husbandry



Aquaculture



Tea



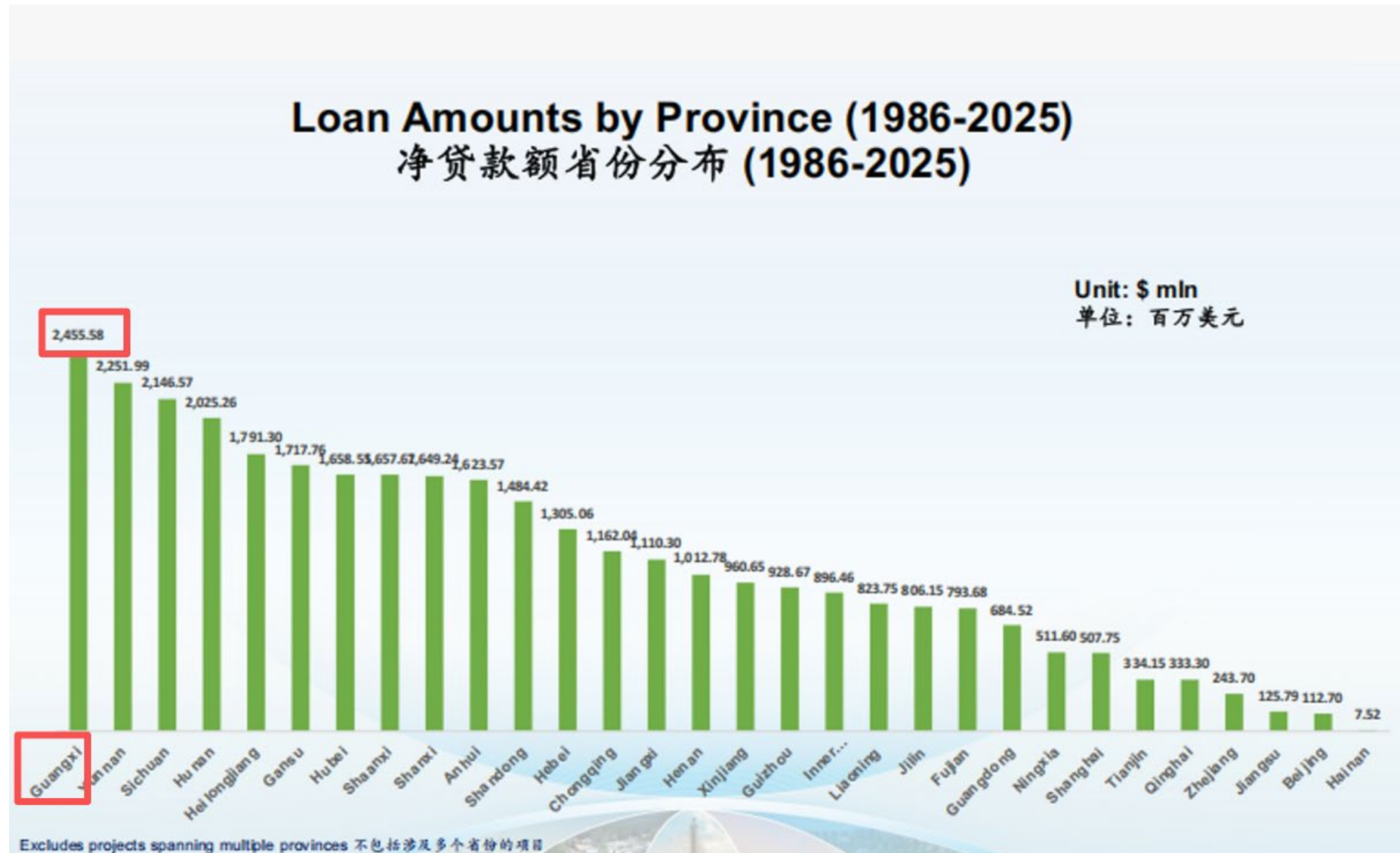
Silkworm Industry



Vegetables



1. Long-term Experience in the Management of Foreign Projects



1. Long-term Experience in the Management of Foreign Projects



2. High-level Attention from the Leadership and Close Collaboration

Guangxi DARA has established a leading group for the utilization of foreign loans, with its office located at the Center.

广西壮族自治区农业农村厅

自治区农业农村厅办公室关于成立 农业利用外资项目工作领导小组的通知

厅机关各处室、厅属各单位：

为加强我厅农业利用外资项目工作的组织领导，统筹协调推进农业利用外资项目各项工作，经研究，决定成立自治区农业农村厅农业利用外资项目工作领导小组。现将有关事项通知如下：



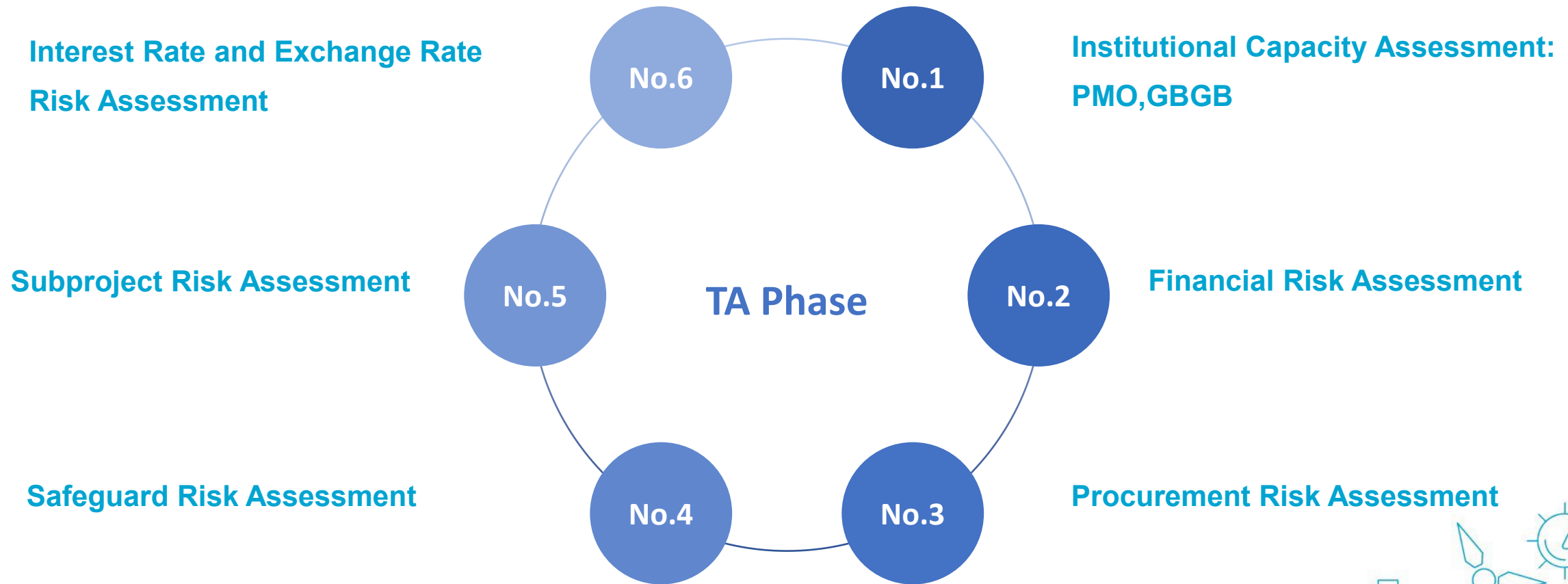
2. High-level Attention from the Leadership and Close Collaboration



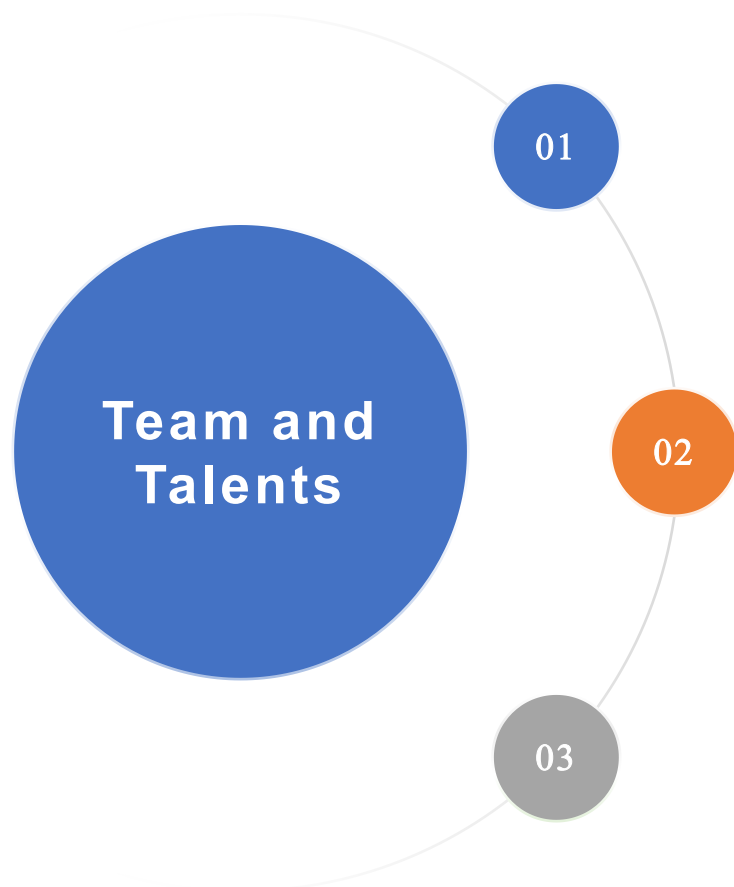
Strong support from departments including the DRC, the DOF and the Audit Department, as well as professional guidance from the ADB project team.



3. Conduct Due Diligence and Prevent Various Risks



4. Equipped with a Professional Team, Maintaining Team Stability



PMO

PMO is staffed with professionals in agriculture, economics, finance, accounting, and other fields, covering all aspects of project management, while maintaining team stability.

FI(GBGB)

GBGB has established a three-tier working mechanism comprising the head office, branches, and sub-branches. The head office assigns two personnel to manage the ADB project.

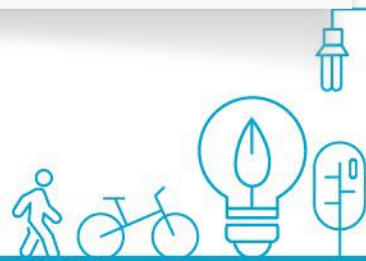
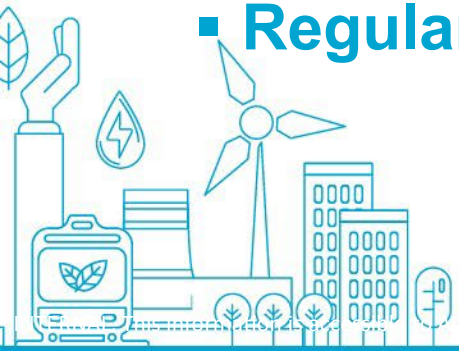
Consulting team

PMO has recruited 4 consulting teams comprising a total of 39 experts, covering expertise in environment, society, ESG, procurement, finance, law and other related fields.



5. Establish the Project Management Working Mechanism

- Project Management Process
- Capacity Enhancement Plan
- Contract Management Plan
- Financial Management Manual
- ESMS system
- ESG Assessment Guidelines
- MIS system
- Grievance Resolution Mechanism (GRM)
- Regular communication mechanism



5. Establish the Project Management Working Mechanism



Guangxi DARA

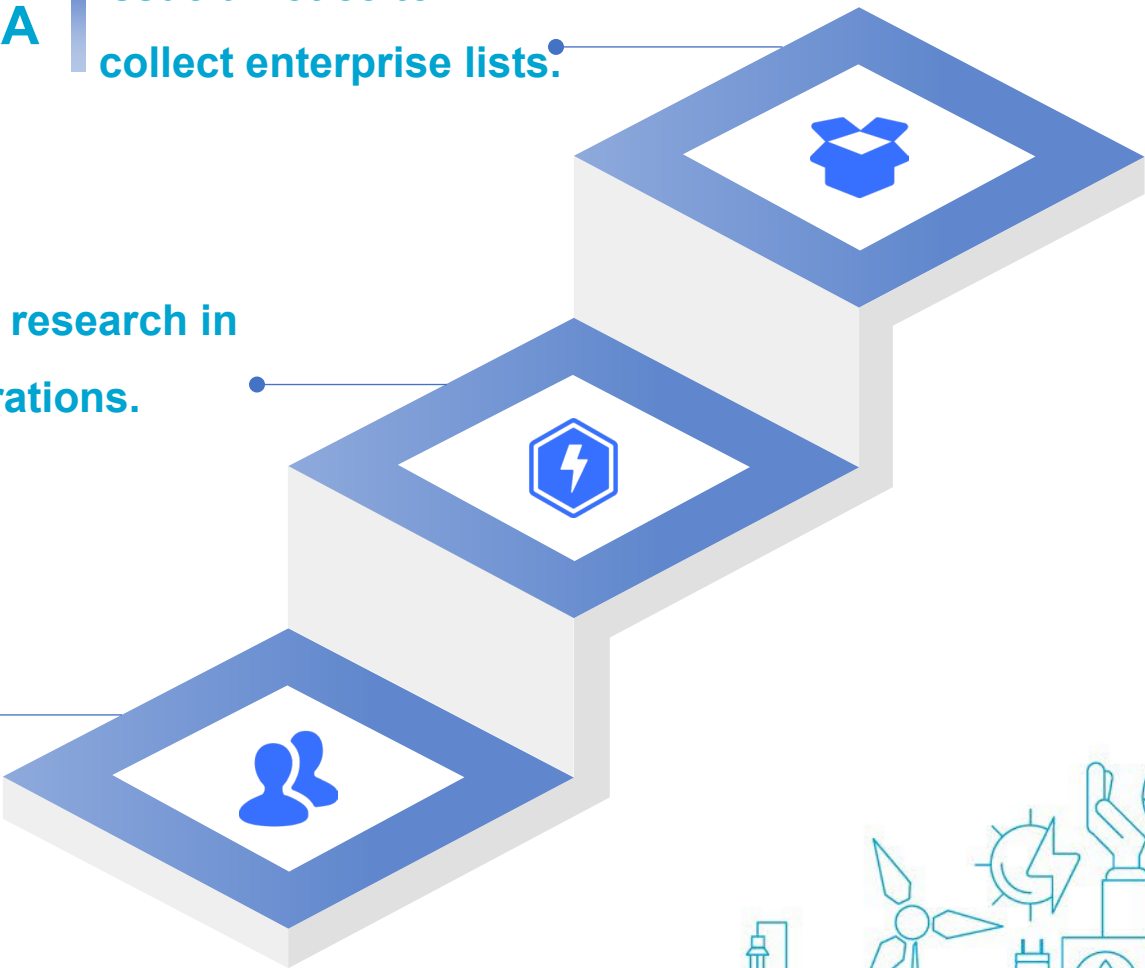
Issue a notice to collect enterprise lists.

PMO

Conducts research in daily operations.

GBGB

Selects eligible enterprises from the credit customer list.



5. Establish the Project Management Working Mechanism

Subproject Evaluation



Due Diligence

GBGB conducts due diligence, focusing on financial risks and operational conditions.



ESMS Assessment

The consulting experts conduct the ESMS assessment.



ESG Assessment

The consulting experts conduct the ESG assessment.



5. Establish the Project Management Working Mechanism

Questions:

1. Complex assessment mechanism
2. Limited options for subprojects
3. The first batch of subprojects is not eligible.
4. Action indicators are not applicable.

Solutions:

1. One-stop working list
2. Select the subprojects prudently
3. Revision of the Action Plans

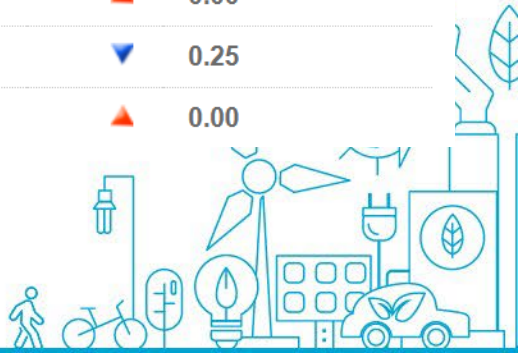


6. Strengthen the Interest Rate Risk Management

ADB RMB loan interest rate is around 2%,is lower than the USD interest rate,but 10-60 BP higher than the domestic agricultural loan rates.



Latest Shibor		About Shibor	
2026-06-29 11:00			
Term	Shibor(%)	Change(BP)	
➡ O/N	1.3560	▼	1.50
➡ 1W	1.4500	▼	1.70
➡ 2W	1.4610	▼	4.30
➡ 1M	1.4270	▼	0.30
➡ 3M	1.4370	▼	0.30
➡ 6M	1.4500	▲	0.00
➡ 9M	1.4700	▼	0.25
➡ 1Y	1.4800	▲	0.00



6. Strengthen the Interest Rate Risk Management

- Enhance high-level communication
- Promote the ADB rebate/surcharge policies and the domestic preferential interest rate policies
- Promote the value addition of ADB projects, such as the international advanced concepts, advanced technologies, personnel training, etc.
- Conducted capacity building activities



7. Strengthen Financial Risk Management

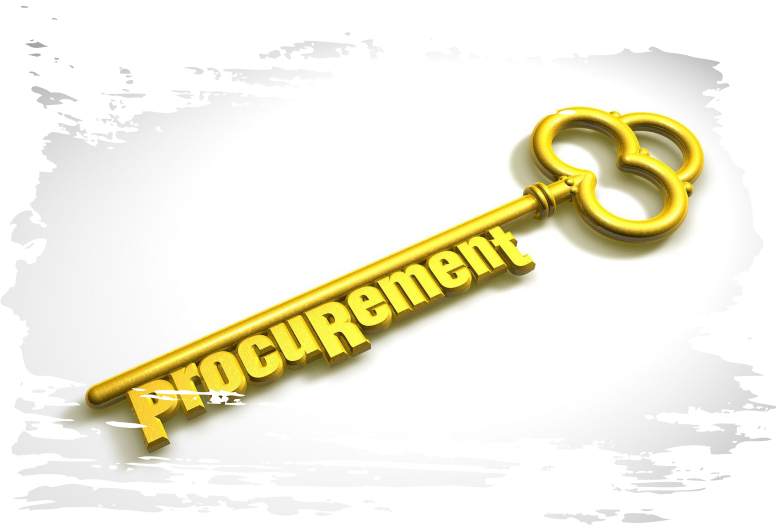
- Opened two RMB capital accounts
- Developed the Financial Management Manuals
- Streamlined the withdrawal and reimbursement process
- Strictly review the application documentation
- Conduct financial training workshops
- Prepare the annual financial statements
- Conduct the annual financial audit
- Submit the audit rectification reports
- Incorporated financial requirements into MIS system



8. Strengthen Procurement Risk Management

Slow Progress of Procurement :

1. Comply with two sets of procurement regulations
2. Not familiar with ADB procurement policies



Solutions:

1. Revisions to the Procurement Plan
2. Effective communication mechanisms
3. Ability-building activities
4. Enforce the pre-review mechanism



Thank you!

