**CHINA:**

**Renewable Energy and Battery Storage PROMOTION Project**

**ENVIRONMENTAL and SOCIAL COMMITMENT PLAN**

**(ESCP)**

**Huaxia Bank**

**April 2019**

**Huaxia Bank**

**China Renewable Energy and Battery Storage Promotion Project**

***Environmental and Social Commitment Plan***

1. Huaxia Bank is planning to implement the China Renewable Energy and Battery Storage Promotion Project (the Project). The Ministry of Finance, National Development and Reform Commission and National Energy Administration will provide policy guidance for the Project. The World Bank has agreed to provide financing, implementation support and monitoring for the Project.

2. Huaxia Bank will implement measures and actions so that the Project is implemented in accordance with the World Bank Environmental and Social Standards (ESSs). This Environmental and Social Commitment Plan (ESCP) sets out a summary of the material measures and actions.

3. Where the ESCP refers to specific plans, whether they have already been prepared or are to be developed, the ESCP requires compliance with all mandatory provisions of such plans. In particular, the ESCP requires compliance with the mandatory measures and actions set out in Environmental and Social Management System (ESMS) and relevant framework and procedures that are identified in the ESCP, for example, the Environmental and Social Impact Assessment (ESIA), Resettlement Framework (RF), Ethnic Minority Development Framework (EMDF), and Stakeholder Engagement Plan (SEP).

4. The table below summarizes the material measures and actions that are required as well as the timing of the material measures and actions. Huaxia Bank is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by the Ministry, agency or unit referenced in 1. above.

5. Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the World Bank by Huaxia Bank as required by the ESCP and the conditions of the legal agreement, and the World Bank will monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.

6. As agreed by the World Bank and Huaxia Bank, this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to assessment of Project performance conducted under the ESCP itself. In such circumstances, Huaxia Bank will agree to the changes with the World Bank and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the World Bank and the Huaxia Bank. The Huaxia Bank will promptly disclose the updated ESCP. Depending on the project, the ESCP may also specify the funding necessary for completion of a measure or action.

7. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, the Huaxia Bank shall provide additional funds, if needed, to implement actions and measures to address such risks and impacts.

| **CHINA: Renewable Energy and Battery Storage Project**  **ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN**  03/28/2019 | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| ***Summary of the Material Measures and Actions to Mitigate the Project’s Potential Environmental and Social Risks and Impacts*** | | | ***Timeframe*** | ***Responsibility / Authority and Resources/Funding Committed*** | | ***Date of Completion*** |
| **ESCP Monitoring and Reporting** | | | | | | |
|  | Prepare and submit environmental and social monitoring reports that show status of compliance with the ESMS and ESCP. | | Annually throughout the project life | Green Finance Center of Huaxia Bank | | June 2025 |
|  | Huaxia Bank will immediately notify the World Bank of any environmental and social accidents/incidents following the World Bank requirements, as specified in the Environmental and Social Incident Response Toolkit (ESIRT). | | Immediately after safeguards incidents/accidents | Green Finance Center of Huaxia Bank | | June 2025 |
|  | HXB shall keep the World Bank timely informed of the increase of environmental and social risks of subprojects and obtain the prior approval of the World Bank at the risk screening stage in case any high-risk subproject is to be funded under the project. Meanwhile, the World Bank will upgrade the overall project risk level to “High” and the ESF requirements applicable to high-risk projects shall be implemented. | | Once any high-risk subproject(s) is identified and to be funded by the Project | Green Finance Center of Huaxia Bank | | June 2025 |
| **SUMMARY ASSESSMENT** | | | | | | |
| **ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS** | | | | | | |
| 1.1 | Huaxia Bank will establish and maintain the Environmental and Social Management System (ESMS) for the Project throughout the life of the Project, which will be applied to all sub-borrowers under the Project. | | By project approval and maintained throughout the project life | Green Finance Center of Huaxia Bank | | June 2025 |
| 1.2 | Huaxia Bank will ensure proper institutional arrangement for implementation of ESMS, which includes (i) assigning a senior manager in charge of environmental and social risk management for the Project; (ii) recruiting at least one directly employed environmental and social risk management specialist at Green Financing Center to manage project-related environmental and social risks during implementation; (iii) hiring at least two qualified external environmental and social experts with at least 10 years of relevant experience; and (iv) carry out staff capacity training among sub-project management teams in branch offices. | | By project approval and maintained throughout the project life | Huaxia Bank | | By project approval |
| 1.3 | Huaxia Bank will ensure preliminary environmental and social risk screening will be carried out for all potential sub-projects, in order to screen against exclusions in ESMS and the legal agreement and identify environmental and social risks and impacts. | | Prior to  sub-projects lending investigation | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| 1.4 | The preliminary environmental and social risks screening of subprojects should be sent to the World Bank for prior approval until HXB has demonstrated the capacity to screen adequately on its own. | | Prior to sub-projects loan approval | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| 1.5 | Huaxia Bank will ensure the compliance of environmental and social impacts assessment for all sub-projects according to ESMS. Appropriate safeguards instruments will be included as part of loan application package to be reviewed by Huaxia Bank Green Financing Center and the World Bank following ESMS requirements. | | Prior to sub-projects loan approval | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| 1.6 | All sub-projects with low environmental and social risks following ESMS, will be implemented in compliance with national laws and regulations and obtain all approvals and permits from different governmental agencies if applicable. | | Prior to sub-projects loan approval | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| 1.7 | For the first sub-project with Substantial, HXB will send the environmental and social safeguards document package to the World Bank for prior review and approval. The Bank will retain the right of prior review and clearance of subprojects with further Substantial risk subprojects subject to HXB’s demonstration of its capacity to manage safeguard issues on its own. | | Prior to sub-projects loan approval | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| **ESS 2: LABOR AND WORKING CONDITIONS** | | | | | | |
| 2.1 | Huaxia Bank maintains staff management procedures consistent with national law and ESS2. | | Throughout project life | Human Resource Dept. of Huaxia Bank | | June 2025 |
| 2.2 | Huaxia Bank will ensure incorporation of labor management requirements consistent with national law and ESS2 in loan agreements for sub-projects. | | At loan agreement signing stage and throughout sub-project implementation process | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| **ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT** | | | | | | |
| 3.1 | Huaxia Bank will ensure incorporation of pollution control compliance requirements in loan agreements for sub-projects, i.e. compliance with applicable emission standards and mitigation measures as developed in relevant safeguards documents. | | At loan agreement signing stage and throughout sub-project implementation process | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| **ESS 4: COMMUNITY HEALTH AND SAFETY** | | | | | | |
| 4.1 | Huaxia Bank will ensure sub-projects meet any applicable safety assessment requirements in compliance with national laws/regulations requirements at loan approval stage. | | Prior to sub-projects loan approval | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| **ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT** | | | | | | |
| 5.1 | Huaxia Bank will ensure that all sub-projects with potential land acquisition and resettlement will follow the provision of RF adopted as part of ESMS. Based on preliminary environmental and social risk screening, for those sub-projects with minor land acquisition impacts (less than 50 mu (3.3 ha) or with less than 5 households involved in relocation) they need to be in compliance with national laws and regulations by obtaining relevant land acquisition approval and making proper compensations with affected people and communities | | Prior to sub-projects lending investigation | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| 5.2 | For those sub-projects with moderate to significant environmental and social impacts with more than 50 mu (3.3 ha) of land acquisition or more than 5 households’ relocation, individual resettlement plans will be prepared by sub-borrowers according to RF. The completed resettlement plans will be included as part of loan application package to be reviewed by Huaxia Bank Green Financing Center and the World Bank following the ESMS requirements. | | Prior to loan approval | Sub-borrowers,  Green Finance Center of Huaxia Bank | | June 2025 |
| **ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES** | | | | | | |
| 6.1 | If any activity would bring significant impacts on natural habitats as defined by ESS6 and ESS9, then HXB would rate the subproject as Substantial risk and apply the requirements of ESS6. No subproject will be financed if identified with direct or indirect (e.g. through supply chains) impacts on critical natural habitats. | | Prior to sub-projects loan approval | Sub-borrowers,  Green Finance Center of Huaxia Bank | | June 2025 |
| **ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES** | | | | | | |
| 7.1 | Huaxia Bank will ensure that all sub-projects with potential negative impacts on ethnic concentrated communities will follow the provision of EMDF adopted as part of ESMS. Based on preliminary environmental and social risk screening, Huaxia Bank will determine if proposed sub-project will have negative impacts on ethnic minority communities. | | Prior to sub-projects lending investigation. | Sub-branches,  Green Finance Center of Huaxia Bank | | June 2025 |
| 7.2 | For those sub-projects which have negative impacts on ethnic minority communities, based on provisions of EMDF, individual EMDP will be prepared based on extensive consultations with affected individuals and communities by sub-project sponsor and sub-project management teams from Huaxia Bank. The completed EMDP will be included as part of loan application package to be reviewed by Huaxia Bank Green Financing Center. | | Prior to sub-projects loan approval | Sub-borrowers,  Green Finance Center of Huaxia Bank | | June 2025 |
| **ESS 8: CULTURAL HERITAGE** | | | | | | |
| 8.1 | Huaxia Bank requires compliance with chance-finds procedures by sub-projects. | | At loan agreement signing stage and throughout sub-project implementation process | Green Finance Center of Huaxia Bank | | June 2025 |
| 8.2 | For any subprojects screened for substantial risks and impacts on cultural heritage a cultural heritage management plan will be developed to stipulate relevant mitigation. | | At loan agreement signing stage and throughout sub-project implementation process | Green Finance Center of Huaxia Bank | | June 2025 |
| **ESS 9: FINANCIAL INTERMEDIARIES** | | | | | | |
| 9.1 | Huaxia Bank will establish and maintain the Environmental and Social Management System (ESMS) for the Project throughout the life of the Project, which will be applied to all sub-borrowers under the Project. | | By project approval and maintained throughout the project life | Green Finance Center of Huaxia Bank | | By project approval and maintained throughout the project life |
| 9.2 | Huaxia Bank will ensure proper institutional arrangement as specified in the ESMS, which includes (i) assigning a senior manager in charge of environmental and social risk management for the Project; (ii) recruiting at least one directly employed environmental and social risk management specialist at Green Financing Center to manage project-related environmental and social risks during implementation; (iii) hiring at least two qualified external environmental and social experts with at least 10 years of relevant experience; and (iv) carry out staff capacity training among sub-project management teams in branch offices. | | By project approval and maintained throughout the project life | Huaxia Bank | | By project approval and maintained throughout the project life |
| **ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE** | | | | | | |
| 10.1 | Disclose the ESMS on Huaxia Bank’s website and permits the Bank to disclose on the Bank’s external website. | | By project approval | Green Finance Center of Huaxia Bank | | June 2019 |
| 10.2 | Disclose safeguards documents (ESIAs, RAPs, EMDPs, etc) for sub-projects classified as substantial risk on Huaxia Bank’s website and permits the Bank to disclose on the Bank’s external website. | | Prior to sub-projects loan approval | Green Finance Center of Huaxia Bank | | June 2025 |
| 10.3 | Prepare and disclose a Stakeholder Engagement Plan (SEP) on Huaxia Bank’s website and permits the Bank to disclose on the Bank’s external website. | | By project approval | Green Finance Center of Huaxia Bank | | June 2019 |
| 10.4 | For those sub-projects with moderate and substantial environment and social impacts, stakeholder identification and engagement will be carried out throughout sub-project preparation and implementation. | | Prior to sub-projects loan approval and throughout the sub-project lifecycle | Sub-borrowers, Green Finance Center of Huaxia Bank | | June 2025 |
| 10.5 | Develop and implement the arrangements for the grievance mechanism. | | By project approval | Green Finance Center of Huaxia Bank | | June 2025 |
| **Capacity Support** | | | | | | |
| **Specify Training to be provided** | | **Specify Targeted Groups and Timeframe for Delivery** | | | **Specify Training Completed** | |
| Training on national laws and regulations on environmental and social risks and impacts management; HXB environmental and social management system; World Bank ESF; ESMS of the World Bank project. | | HXB senior management, headquarter units related to green financing review/approval, prior to loan effectiveness and repeated as necessary during implementation | | |  | |
| Training on detailed requirements and procedures of ESMS; key requirements of World Bank ESSs; Project monitoring and reporting requirements. | | HXB local branches involved, HXB Green Financing Center, external environmental and social experts prior to loan effectiveness and repeated as necessary during implementation | | |  | |