China, People's Republic of: Shandong Green Development Fund Project

Project Name	Shandong Green Development Fund Project
Project Number	51194-001
Country	China, People's Republic of
Project Status	Proposed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	**Loan: Shandong Green Development Fund Project**
	Ordinary capital resources — US$ 100.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	**Finance** - Infrastructure finance and investment funds
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The Financial Intermediary Loan will finance a pool of green projects sponsored by local governments through ring fenced and special purpose vehicles with mandatory green (e.g. carbon reduction plus land, water, and air pollution indicators) and financial bankability (e.g. financial internal rate of return, debt service coverage ratio) indicators; conditional on PIC leverage ratios; and cross-sector: (i) water and sanitation, including drainage and sponge cities; (ii) urban transport, including electric vehicles and public transport; (iii) waste management, including waste to energy and hazardous waste; (iv) environment, including forestry and land remediation. The program could also support ADB PRC flagship programs, particularly "Yangtze River Economic Belt Framework," "Low Carbon City," and the "Belt and Road" initiative by leveraging sovereign funding.
Project Rationale and Linkage to Country/Regional Strategy	The Financial Intermediary Loan aims to integrate an explicit leveraging of concessional funds with bankability development and direct catalysis of private, institutional and commercial (PIC) finance into green projects, defined by two pillars, financial bankability and environmental sustainability. Facility funds will be linked to, (i) achieving project bankability, (ii) creating powerful green impacts, (iii) ushering high-end technology, construction and operational efficiencies, (iv) revolving and innovative financing structures aligned with risk mitigating periods, and (v) accessing capital markets. The Facility will be designed to attract PIC funds to a pooled de-risked structure.
Impact	Peaking of carbon dioxide emissions by 2030 or earlier on best efforts achieved Share of non-fossil fuels in primary energy consumption increased.
Outcome	Climate resilience increased in Shandong Province.
Outputs	Shandong Green Development Fund established Knowledge and skills of local governments to prepare climate resilient projects enhanced.
Geographical Location	

Summary of Environmental and Social Aspects
Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Responsible ADB Officer	Jenny, Hubert M.
Responsible ADB Department	East Asia Department
Responsible ADB Division	Public Mgt, Financial Sector and Regional Coop Division, EARD
Executing Agencies	*Ministry of Finance* *Sanlihe, Xicheng District* *Beijing,100820* *People's Republic of China*

Timetable	
Concept Clearance	03 Oct 2017
Fact Finding	30 Jul 2018 to 17 Aug 2018
MRM	23 Nov 2018
Approval	-
Last Review Mission	-
Last PDS Update	01 Oct 2018

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