Early Warning System

# AIIB-000608

# China: Chongho Bridge Green Facility

Countries	China
Specific Location	Dashiqiao (Liaoning), Baodi (Tianjin)
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	В
Voting Date	2023-02-28
Borrower	Chongho Bridge Management Limited, Qi Li
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 50.00 million
Loan Amount (USD)	\$ 50.00 million
Project Cost (USD)	\$ 50.00 million



# **Project Description**

According to the AIIB website:

The objective of the Project is to increase penetration of rooftop solar power generation in rural China and to support rural revitalization in China.

The project is a non-sovereign backed loan facility to Chongho Bridge Management Limited (the "Company") to support its rooftop solar distributed generation business in rural China. The Company aims to reach total installed capacity of 100MW by end of 2023 and 500MW in 2025.

# ENVIRONMENTAL AND SOCIAL INFORMATION

AIIB's Environmental and Social Policy (ESP) including the Environmental and Social Standards (ESSs) and Environmental and Social Exclusion List (ESEL) apply to this Project. The Project has been identified as Category B, on the basis that any anticipated E&S risks and impacts will be localized, temporary and can be mitigated through an environmental and social management plan (ESMP). Procedures which are instituted in Chongho Bridge's environmental and social management system (ESMS) will be enhanced to be aligned to AIIB's ESP and include rooftop solar specific E&S considerations. Summary of ESMS both in English and Chinese will be disclosed timely by Chongho Bridge and AIIB in an appropriate manner.

# Environmental Characteristics.

Rooftop solar installation provides a valuable source of renewable energy in rural areas that help to avoid greenhouse gas (GHG) emissions and contribute to China's overall decarbonization journey. The Project's potential environmental impacts include health and safety on the construction of the physical works, operational maintenance of the solar PVs. Labor and working conditions in supply chains management following AIIB interim guidance will be incorporated in Chongho's ESMS. The client has prepared Environmental and Social Impact Assessment (ESIA) and Stakeholder Engagement Plan (SEP) for Liao II Project and Tianjin Project and disclosed on its official website Gong Si Dong Tai -Xing Ye Yan Jiu (chongho.net).

# Social Characteristics.

Chongho Bridge's rooftop solar business follows the rooftop rental (developer-owned) model, where Chongho Bridge is responsible for developing and maintaining the solar facilities, and rural households rent their rooftops to Chongho Bridge. This approach avoids the land acquisition risk for the proposed Project and will bring social benefits to the rural community. With Chongho Bridge responsible for developing, operating, and maintaining the rooftop solar power stations, rural households can enjoy long-term rental income and livelihood improvement.

#### Gender.

Chongho Bridge has been promoting gender leadership internally. The solar business unit is led by a woman CEO and aims to maintain a management team with 50% of woman. Women of the rural households participating the Project activities will be fully consulted to ensure they are aware of the Project's benefit to their households. Chongho Bridge will also promote woman participation in the Project's operating and maintenance activities through a gender inclusive training program. To prevent any Gender-based violence during project construction, the Company included Code of Conduct for Contractor's Workers in the bidding documents, with an emphasis on zero tolerance of gender-based violence.

#### Labor and Working Conditions.

The ESMS includes requirements to identify and mitigate potential health, safety, social and environmental hazards in all project activities that pose a risk to employees and may also have the potential for disruption of site works. In addition, all suppliers and contractors will be advised of the importance of implementing appropriate management measures to identify and address issues related to the environmental and social provisions of the ESMS for the Project, including labor and working conditions and health and safety matters. Compliance with the ESMS is an essential part of the contract document with



#### **Investment Description**

• Asian Infrastructure Investment Bank (AIIB)



#### **Private Actors Description**

Chongho Bridge (https://www.chongho.net/en/) is a comprehensive rural service institution with a focus on serving micro and small businesses in rural areas, which consists of Chongho Bridge Management Limited as well as subsidiary microfinance institutions and rural service enterprises. We aim to provide clients in operating counties with convenient, affordable and reliable services including microcredit, micro-insurance, e-commerce of agricultural inputs, direct procurement of agricultural products and technology training, in order to boost industry development, help farmers increase income and pursue better lives.



# Early Warning System China: Chongho Bridge Green Facility

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Chongho Bridge Management Limited	Client	-



# **Contact Information**

Project Team Leader from the AIIB:

# Huaixue Fu

Investment Officer - Financial Institutions & Syndications

huaixue.fu@aiib.org

Borrower:

## **Chongho Bridge Management Limited**

Qi Li

Senior Financing Manager

liqi@chongho.net

## ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

## ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/projectaffected-peoples-mechanism/submission/index.html



#### **Bank Documents**

• Project Summary (December 21, 2022) [Original Source]

# **Corporate Documents**

• ESIA and ESMP