

 Early Warning System

AIIB-000866

China: JC Leasing Green and Blue Loan



Quick Facts

Countries	China
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-05-20
Borrower	JC International Finance & Leasing Co., Ltd.
Sectors	Energy, Finance, Transport, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Loan Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 225.00 million



Project Description

According to the AIIB, the objective of the project is to contribute to climate change mitigation and improved water supply and sanitation in China by enhancing access to green and blue leasing.

The Project encompasses a 5-year senior loan of up to USD100 million equivalent in CNY to JC International Finance & Leasing Co., Ltd. (JC Leasing) to help grow its green and blue finance portfolio in China. The financing will be aligned with the Green Loan Principles of the Loan Market Association to ensure transparency in use of proceeds, monitoring, and reporting. The Project is dedicated to proactively expanding JC Leasing's climate ambition into broader green assets and enhancing the contribution from China's non-bank financial institution sector to climate change mitigation. In the proposed Project, AIIB is partnering with the International Finance Corporation to jointly support the Borrower.

While part of the AIIB Loan proceeds is expected to support eligible 'green' activities (such as energy efficiency, clean transport, and renewable energy), the other part of loan proceeds will be earmarked for eligible 'blue' activities (such as water supply and water sanitation). Blue finance is an emerging area in climate finance with increasing interest from investors, financial institutions, and issuers globally. This financing will mark AIIB's first blue loan globally.

The Project supports JC Leasing's expansion of sustainable finance offerings, including energy efficiency, clean transport, renewable energy, water supply and water sanitation. JC Leasing's portfolio showcases a commitment to moderate-risk subprojects with relatively small ticket sizes and average tenures of 24 to 36 months. JC Leasing's operations follow three business models: direct leasing, sale-leaseback, and operational lease. Most of its green and blue portfolio and pipeline relate to the leasing of energy-efficient manufacturing equipment and upgraded public utility infrastructure.



Early Warning System Project Analysis

The AIIB categorized the project E&S risks as 'FI'. It also stated that "all Category A and higher risk Category B subprojects will be excluded as defined by AIIB's ESP."



Investment Description

- Asian Infrastructure Investment Bank (AIIB)

The project will be financed as follows:

- IFC Loan USD100 million equivalent in CNY;
- AIIB Loan USD100 million equivalent in CNY;
- Commercial bank loan USD25 million equivalent in CN.

The AIIB Loan will be split into two tranches:

1. Committed tranche of USD60 million equivalent in CNY;
2. Uncommitted tranche of USD40million equivalent in CNY.

There should be at least 12 months in between each commitment.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [JC International Finance & Leasing Co., Ltd](#) (Financial Intermediary)



Private Actors Description

As stated by Bloomberg, JC International Finance & Leasing Co.,Ltd. provides financial and leasing services. The Company offers leased property treatment, lease transaction consultation, lease guarantee, commercial factoring, and other services. JC International Finance & Leasing provides its services for public transport, urban infrastructure, gas, water, waste disposal, and other industries.



Contact Information

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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 an 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 AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. 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/project-affected-peoples-mechanism/submission/index.html>



Bank Documents

- [Project Summary \(April 24, 2024\)](#) [\[Original Source\]](#)
- [Response to the RFI 21AUG24](#)



Other Related Projects

- IFC-48071 JC Leasing Syndicated Sustainability Loan