Advanced Training Workshop on Identification and Evaluation of Environmental and Social Risk in Loan and Investment Projects

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Green Credit in China

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China’s Environmental Challenges

- Air
- Water
- Soil
- Food
- Health

Video: Environmental degradation
Drivers for change

External pressure
• Trade and environment
• Overseas investment
• Climate change talk
• International creditors
• International bodies

Internal pressure
• National development strategy
• Environmental cost & opportunity
• Limitation of legal enforcement
• Social unrest
Key Focus

• Leaders’ speeches
• Market approach

• Equator Principle Entered China

Video: Carbon Emission
Legal Development on Environment Protection in China (since 2000)

- [1989-12-26] Environmental protection law of the People’s Republic of China
- [2000-03-20] Specific Rules for Enforcing the Prevention and Cure Law on Water Pollution of the P.C.C.
- [2000-04-29] Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
- [2002-06-29] Law of the People's Republic of China on Promoting Clean Production
- [2002-06-29] Law of the People's Republic of China on Promoting Clean Production
- [2005-04-01] Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste
- [2007-10-28] Urban planning of the People's Republic of China
- [2008-02-28] Water pollution prevention of the People's Republic of China
- [2008-08-01] National hazardous waste list
- [2008-08-29] Circular economy law of the People's Republic of China
Regulatory Development on Environment Impact Assessment

Environment Impact Assessment
• Environment Protection Management on Construction Projects
• Technical Guideline to Environment Impact Assessment of Construction Projects
• Environment Impact Assessment of Urban Planning Projects

Energy Conservation
• 2006. Law on Renewable Energy of People’s Republic of China
• 2008. Law on Promotion of Cyclic Economy of People’s Republic of China
Regulatory Development on Green Credit

• 2007. *Recommendations on the Implementation of Environmental Protection Policy to Prevent Credit Risk (MEP + CBRC + PBOC)*

• 2007.12 *Recommendations on Improving CSR Among Banking Sector of Financial Institutions (CBRC)*

• 2011. *Guideline on Improving the Environment and Social Risk Management Evaluation, CBRC Statistic Department*
Implementation

- CBRC + MEP + PBOC
- Regional Initiatives
- Sample Banks
  - ICBC
  - Bank of Agriculture
  - Industrial Bank
  - Bank of Communications
<table>
<thead>
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<th>序号</th>
<th>企业名称</th>
<th>所属省、市、自治区</th>
<th>文号</th>
<th>违法行为</th>
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<td>河南商丘虞城县科迪食品有限公司</td>
<td>河南</td>
<td>环监[2007]1号</td>
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资料来源：中国环保总局

UNEPIFinance Initiative
Innovative financing for sustainability
Ways Forward

• Environment data
• Technical barrier
• Policy incoherence
• Monitor, evaluation, punishment mechanism
• Motivations from banks
• Limitation of domestic business
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