Henan Green Agriculture Fund Project

Overall Project Stakeholder Engagement Plan

Henan Agricultural Development Fund Investment Corporation

January 22, 2020
Contents

1 BRIEF INTRODUCTION ............................................................................................................1

1.1 PROJECT BACKGROUND .....................................................................................................1

1.2 STAKEHOLDER ENGAGEMENT PLAN, ITS OBJECTIVE AND APPLICATION SCOPE ..........1

2 STAKEHOLDER ANALYSIS .....................................................................................................2

2.1 MAIN STAKEHOLDERS AND THEIR INTERESTS ................................................................2

2.2 STAKEHOLDERS’ INFLUENCE ON THE PROJECT ............................................................3

3 STAKEHOLDER ENGAGEMENT PLAN .................................................................................4

3.1 INFORMATION DISCLOSURE ...............................................................................................4

3.2 PUBLIC CONSULTATION ....................................................................................................5

4 EXTERNAL COMMUNICATION AND GRIEVANCE REDRESS MECHANISM ......................12

4.1 EXTERNAL COMMUNICATION ..........................................................................................12

4.2 GRIEVANCE REDRESS MECHANISM ...............................................................................12

5 RESOURCES AND RESPONSIBILITIES ..............................................................................13

6 MONITORING AND REPORTING .........................................................................................13

ANNEX 1 TEMPLATE OF STAKEHOLDER ENGAGEMENT PLAN FOR SUBPROJECT ........15
1 Brief Introduction

1.1 Project Background

The proposed objective of the project is to strengthen the green agriculture initiatives in Henan by catalyzing commercial financing opportunities. The selected lending instrument is a Financial Intermediary (FI). The proposed World Bank funding is $300 million, with at least same amount being raised from social capital and other funding sources. The Project includes two components:

**Component 1: Green Agriculture Fund (GAF)** (World Bank financing $285 million). The Project will pilot a dedicated investment facility to demonstrate the viability of innovative financing vehicle at the provincial level. This facility will provide direct support to eligible firms with ‘patient capital’ using ‘blended finance options’. Direct investments by GAF are targeted on eligible enterprises in crop and livestock sectors within Henan Province covering full value chain (from technical input, equipment and materials, to production, processing and storage and circulation). In addition to the direct investment, indirect investment scheme could be considered, under which sub-funds for specific green agriculture projects would be established in a limited partnership with social capital.

**Component 2: Technical Assistance** (IBRD financing $15 million). The Project will support the Henan Agriculture Development Financing Investment Corporation (HADFIC) and its social capital partners in building their institutional capacity in managing green agriculture investment cycle including: pipeline development, investment policies, implementation guidelines and monitoring mechanisms meeting prudential and regulatory requirements under the framework for green financial system. Besides strategic staffing of GAF, the project will also hire third party certification agency for monitoring, reporting and verification (MRV) of environmental outcomes from its investments.

**Investment focus** of the proposed Project will pursue a broad cover of a range of activities that contribute to pollution control and environmental protection, resource efficiency, climate change mitigation and adaptation, and reduction of pesticides use and agri-food safety benefits.

The project will be implemented by the HADFIC, as a financial intermediary.

1.2 Stakeholder Engagement Plan, its Objective and Application Scope

To ensure the compliance of environmental and social aspects of the project and understand the agricultural projects implemented by enterprises, HADFIC will keep communications and consultations with relevant provincial government departments and potential subproject enterprises. The main objectives are to:

- Discuss project objective and contents,
- Identify potential environmental and social impacts/risks of subprojects,
- Collect related information to improve environmental and social management system (ESMS);
• Discuss environmental and social compliance of project
• Discuss arrangement on stakeholder engagement

Currently, the project is at preparation stage, and subproject list has not been decided yet. This overall project stakeholder engagement plan (SEP) therefore is only applied at HADFIC corporate level.

The stakeholders of the subproject need to be further identified and analyzed after the subproject is determined. HADFIC has developed a stakeholder engagement plan template for subproject (See Annex 1) in its ESMS to guide subproject enterprise to develop detailed stakeholder engagement plan after subproject identification.

2 Stakeholder Analysis

2.1 Main Stakeholders and their Interests

According to previous practice, the key stakeholders involved in the Project at corporate level include HADFIC staff, relevant Provincial government departments, subproject enterprises and local medias (local newspaper and TV stations. Their different roles and interests are identified in below Table 1.

Table 1 Key Stakeholders and Their Interests

<table>
<thead>
<tr>
<th>No</th>
<th>Stakeholders</th>
<th>Responsibilities in the Project</th>
<th>interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HADFIC</td>
<td>Overall coordination, supervision, and management of the project</td>
<td>Loan approval and project implementation</td>
</tr>
<tr>
<td>2</td>
<td>Relevant provincial government departments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development and Reform Committee,</td>
<td>Project examination and approval</td>
<td>Regulatory compliance, project implementation complied with local economic development plan and industry.</td>
</tr>
<tr>
<td></td>
<td>Finance department</td>
<td>Overall project financial management plan</td>
<td>Regulatory compliance, efficient and proper loan use</td>
</tr>
<tr>
<td></td>
<td>Ecology and environment department</td>
<td>Examination and approval of environmental impact assessment, supervision and monitor environment quality</td>
<td>Regulatory compliance, project environmental impacts on water, soil, gas and so on</td>
</tr>
<tr>
<td></td>
<td>Natural resources department</td>
<td>Formulation of land use plan, examination and approval of land use</td>
<td>Regulatory compliance, project land use and land use right leasing</td>
</tr>
<tr>
<td></td>
<td>Agriculture and rural affairs department</td>
<td>Guidance on rural and contracting, and land use right leasing, and dispute arbitration and resolution</td>
<td>Regulatory compliance, project land use and land use right leasing</td>
</tr>
<tr>
<td></td>
<td>Water resources</td>
<td>Protection of water</td>
<td>Regulatory compliance,</td>
</tr>
<tr>
<td>No</td>
<td>Stakeholders</td>
<td>Responsibilities in the Project</td>
<td>Interests</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1</td>
<td>HADFIC</td>
<td>Regulatory compliance, age of employment, Wages and welfare of workers, Working Conditions; occupational health and safety conditions; and so on</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Human resource and social security</td>
<td>Formulation of labor-related policies, guidance on implementation of labor policies, and protection of labor’s rights and interests.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Ethnic and religious affairs committee</td>
<td>Protection of ethnic minorities’ rights and interests</td>
<td>Regulatory compliance, project impacts on ethnic minorities.</td>
</tr>
<tr>
<td>3</td>
<td>Subproject enterprises</td>
<td>Subproject design, implementation and operation</td>
<td>Fund application, use and payment</td>
</tr>
<tr>
<td>4</td>
<td>Local medias</td>
<td>/</td>
<td>Project information, project environmental and social impacts</td>
</tr>
</tbody>
</table>

### 2.2 Stakeholders’ Influence on the Project

In terms of roles of stakeholders, their attitudes and influences on the project are analyzed in Table 2.

**Table 2 Stakeholders’ Attitude and Influence on the Project**

<table>
<thead>
<tr>
<th>No</th>
<th>Stakeholders</th>
<th>Attitude to the Project</th>
<th>Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HADFIC</td>
<td>Positive</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>Relevant provincial government departments</td>
<td>Supportive</td>
<td>High</td>
</tr>
<tr>
<td>3</td>
<td>Development and Reform Committee</td>
<td>Supportive</td>
<td>High</td>
</tr>
<tr>
<td>4</td>
<td>Finance department</td>
<td>Supportive</td>
<td>High</td>
</tr>
<tr>
<td>5</td>
<td>Ecology and environment department</td>
<td>Supportive</td>
<td>High</td>
</tr>
<tr>
<td>6</td>
<td>Natural resources department</td>
<td>Supportive</td>
<td>High</td>
</tr>
<tr>
<td>7</td>
<td>Agriculture and rural affairs department</td>
<td>Supportive</td>
<td>High</td>
</tr>
<tr>
<td>8</td>
<td>Water resources Department</td>
<td>Supportive</td>
<td>High</td>
</tr>
<tr>
<td>9</td>
<td>Human resource and social security</td>
<td>Supportive</td>
<td>Medium</td>
</tr>
<tr>
<td>No</td>
<td>Stakeholders</td>
<td>Attitude to the Project</td>
<td>Influence</td>
</tr>
<tr>
<td>----</td>
<td>--------------------------------------</td>
<td>-------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>1</td>
<td>HADFIC</td>
<td>Positive</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Ethnic and religious affairs committee</td>
<td>Supportive</td>
<td>Medium</td>
</tr>
<tr>
<td>3</td>
<td>Subproject enterprises</td>
<td>Positive</td>
<td>Medium</td>
</tr>
<tr>
<td>4</td>
<td>Local medias</td>
<td>Neutral</td>
<td>High</td>
</tr>
</tbody>
</table>

*Note: attitude to the Project is categorized as positive, supportive, neutral, negative, and rejective.*

*Influence is categorized as high, medium and low.*

3 Stakeholder Engagement Plan

3.1 Information Disclosure

At the preparation stage, HADFIC disclosed the draft ESMS, ESCP and the overall project SEP to the public and potential subproject enterprises through its official website (www.haifund.com) on **29 September, 2019**. The feedbacks have been integrated into the revised ESMS. Once the ESMS, ESCP and overall SEP are cleared by the World Bank, it will also be disclosed on HADFIC website.

As committed in the ESCP, **during the project implementation**, HADFIC will establish special column on its website to disclose project-related information. For subprojects with the E&S risks and impacts categorized as High or Substantial, the E&S reports prepared following relevant environmental and social standards (ESSs) should be disclosed locally and the websites of HADFIC and World Bank, which will include, but not limited to:

- Profiles of subprojects, which may cover its location, purpose, nature, scale, duration, as well as environmental and social risks and impacts on the communities and corresponding mitigation measures;
- Semi-annual environmental and social monitoring reports;
- Environmental and social documents (ESIAs, ESMPs, RAPs, EMDPs, Pest Management Plan, Labor Management Procedure, etc.) for sub-projects classified as substantial or high\(^1\) risk;

---

\(^1\) In case “High” risk subprojects are to be funded under the Project, HADFIC shall obtain the prior approval of the World Bank in the risk screening stage. Meanwhile, the World Bank will upgrade the overall project risk level to “High” following the requirement of ESF. HADFIC will review and adjust, in a manner acceptable to the World Bank, the ESMS when the environmental and social risk profile is changed to High. Following the updated ESMS, the high-risk subprojects should be assessed, prepared and implemented to meet the relevant requirements of the ESSs that are applied.
- Environmental and social due diligence reports of subprojects, if any;
- Subproject stakeholder engagement plan, highlighting the ways in which the stakeholders can participate;
- The process and means by which grievances can be raised and will be addressed; and
- Any environmental and social monitoring reports relocated to application of the ESSs.

For the subprojects that are categorized as moderate and low risk, the E&S documents, mainly embedded in the process of environmental impact assessment, land acquisition and resettlement as well as social stability risk assessment, will be prepared and disclosed in accordance with the China’s regulatory requirements, which can be referred to Annex 1.

HADFIC also permits the World Bank to disclose the above documents on the World Bank website.

In addition, during the implementation, HADFIC will ensure that its subproject enterprises will make relevant information (whether positive or negative) about social and environmental issues available in a timely manner, in an accessible place, and in a form and language(s) understandable to affected people and to other stakeholders, including the general public and civil society organizations, so they can provide meaningful inputs into project design and implementation. The information disclosure plan will be detailed in subproject stakeholder engagement plan.

3.2 Public Consultation

A Summary of Completed Public Consultation

The overall project SEP has been developed at the early stage of the project preparation to better the guide the public consultation activities. Following the SEP, HADFIC by far has conducted a series of public consultations with relevant provincial government departments including the Henan Provincial Finance Department (HPFD), Development Reform Committee (PDRC), and Henan Provincial Agriculture and Rural Affairs Department (HPARD) and three agriculture enterprises under HADFIC’s current portfolio to discuss overall project environmental and social impacts, mitigation measures and recommendations to manage environmental and social risks.

To ensure the ESMS in compliance with regulations and practices of Henan province, HADFIC organized relevant government departments and agriculture enterprises to discuss the ESMS on September 29, 2019. The opinions and suggestions from consultations have been integrated into the final ESMS.
The participants include social expert of WB, Henan Provincial Financial Department, Provincial Natural Resources Department, Provincial Ecology and Environment Department, Provincial Human Resources and Social Security department, representatives of two enterprises, Tianxiang Flour and Noodle Manufacturing Co., Ltd and Fengyuanhepu Animal Husbandry Co., Ltd and social consultant of HADFIC.

HADFIC and its social consultant first introduced to all participants the overview of the project, key aspect of ESMS, relevant existing laws and regulations of China and the gap with the ESF of the World Bank, environmental and social management process of the Project, and the stakeholder engagement plan. HADFIC focused on consulting the opinions and suggestions of various stakeholders on the following issues:

- Contents and conclusions of the preliminary screening of environmental and social impacts in this ESMS;
- Proposed procedures under ESMS;
- Efforts or measures to be taken to ensure enterprises of subprojects could meet ESMS requirements;
- Activities or measures subprojects could adopt to strengthen the draft ESMS.

Relevant government departments and enterprise representatives attending in the meeting all supported the project and stated that the project could promote the development of high-quality green agriculture in Henan Province. The participants agreed that:

- The draft ESMS has clear structure, comprehensive consideration, and strong operation likelihood with no objection;
- The participants discussed extensively the main environmental and social risks and possible impacts of the project, and believed that the preliminary screening of environmental and social impacts of the project in ESMS was informative and clear in conclusion;
- The participants believed that ESMS shall fully consider the environmental and social risks which could help encourage enterprises to meet both the requirements of Chinese laws and regulations and the ESF of the World Bank;

All participants suggested that some minor revision is needed on the draft ESMS at present, including exclusion list, labor management procedures and trainings regarding E&S management and so on.

The completed consultations are summarized in Table 3. Please note, the following table is a living document, which will be updated by HADFIC with the support of the consultant, on a routine and timely basis (e.g. monthly) over the project lifecycle to reflect the progress made on stakeholder engagements as well as its main outputs.
### Table 3 Summary of Completed Consultations for Developing the ESMS

<table>
<thead>
<tr>
<th>Time</th>
<th>Venue</th>
<th>Stakeholder/participant</th>
<th>main topic</th>
<th>model</th>
<th>Suggestions/findings</th>
</tr>
</thead>
</table>
| August 9, 2019 | HADFIC conference room                | Managers and Staff of three agriculture enterprises               | Land use right leasing issues including procedures, contract, rent payment and so on.            | Telephone interview and panel discussion  | • Land use right leasing contract should be signed, and enterprises prefer to sign the contract with village committee,  
• The rent adjustment is vague, and  
• The enterprises would undertake some social responsibility to enhance relationships with villages and farmer.                                                                                                                                                                                                                                            |
| Sep 4, 2019 | Conference room of Yuehai Hotel       | Henan provincial agriculture and rural affairs department         | Seed management and its social risks                                                             | Panel discussion                           | • Strict management system has been established in Henan Province                                                                                                                                                                                                                                                                                        |
| Sep 5, 2019 | Conference room of Yuehai Hotel       | Henan provincial agriculture and rural affairs department         | Policies on land use right leasing and practices in Henan                                        | Panel discussion                           | • The State and Henan Province have established a policy system and management system to oversee leasing of LUR.  
• In recent years, the rapid development of farmers’ professional cooperatives has successfully promoted the process of leasing of LUR in Henan province.  
• The rent is usually paid in cash or in kind, which is equal to the average net income of local planting crops for two seasons in one year and is higher than net income from most cropping activities available to farmers.  
• Procedure for consultation and information disclosure in the process of leasing of LUR is |
<table>
<thead>
<tr>
<th>Time</th>
<th>Venue</th>
<th>Stakeholder/participant</th>
<th>main topic</th>
<th>model</th>
<th>Suggestions/findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 29, 2019</td>
<td>Conference room of Hongyuan Hotel</td>
<td>Social expert of WB, Henan Provincial Financial Department, Provincial Natural Resources Department, Provincial Ecology and Environment Department, Provincial Human Resources and Social Security department, representatives of two enterprises, Tianxiang Flour and Noodle Manufacturing Co., Ltd and Fengyuanhepu Animal Husbandry Co., Ltd and social consultant of HADFIC</td>
<td>Introduction and discussion on draft ESMS</td>
<td>Panel discussion</td>
<td>not well established, and in some cases, contracts of leasing of LUR are not standard or not signed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• The draft ESMS has clear structure, comprehensive consideration, and strong operation likelihood with no objection;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• The participants believed that ESMS shall fully consider the environmental and social risks which could help encourage enterprises to meet both the requirements of Chinese laws and regulations and the ESF of the World Bank;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• All participants suggested that some minor revision is needed on the draft ESMS at present, including exclusion list, labor management procedures and trainings regarding E&amp;S management and so on.</td>
</tr>
</tbody>
</table>
B) Further Consultation during Preparation Stage

Once the E&S documents for the project, such as the ESMS, ESCP and the SEP, are cleared by the World Bank, it will be disclosed on the website of the HADFIC to further solicit the opinions of the stakeholders. The second-round disclosure of E&S document on HADFIC’s website is tentatively arranged in late November 2019.

C) Proposed Strategy for Consultation and Participation during Implementation

Based on above information, HADFIC will conduct meaningful consultations with relevant departments, subproject enterprises and others to keep them informed and solicit their opinions and suggestions during project implementation. The strategy for consultations with them is developed in Table 4 as below.
<table>
<thead>
<tr>
<th>No</th>
<th>Stakeholders</th>
<th>Method</th>
<th>Information</th>
<th>Time</th>
<th>Organizer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Relevant provincial government departments</td>
<td>Development and Reform Committee, Annual meeting</td>
<td>Annual environmental and social monitoring reports</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td></td>
<td>Finance department</td>
<td>GRM, Annual meeting</td>
<td>Annual environmental and social monitoring reports</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td></td>
<td>Ecology and environment department</td>
<td>GRM, Annual meeting</td>
<td>Annual environmental and social monitoring reports; Environmental documents of subproject</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td></td>
<td>Natural resources department</td>
<td>GRM, Annual meeting</td>
<td>Annual environmental and social monitoring reports; RAP of subproject, if any</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td></td>
<td>Agriculture and rural affairs department</td>
<td>GRM, Annual meeting</td>
<td>Annual environmental and social monitoring reports; Environmental documents of subproject</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td></td>
<td>Water resources Department</td>
<td>GRM, Annual meeting</td>
<td>Annual environmental and social monitoring reports; Environmental documents of subproject</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td></td>
<td>Human resource and social security</td>
<td>GRM, Annual meeting</td>
<td>Annual environmental and social monitoring reports; Environmental documents of subproject</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td>No</td>
<td>Stakeholders</td>
<td>Method</td>
<td>Information</td>
<td>Time</td>
<td>Organizer</td>
</tr>
<tr>
<td>----</td>
<td>--------------------------------------------------</td>
<td>---------------------------------------------</td>
<td>-------------------------------------------------------</td>
<td>-----------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>1</td>
<td>Ethnic and religious affairs committee</td>
<td>GRM, Annual meeting</td>
<td>Annual environmental and social monitoring reports; EMDP of subproject, if any</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td>2</td>
<td>Subproject enterprises</td>
<td>GRM, local medias, and promotional activities for the project</td>
<td>Fund information, and thresholds for fund application and use</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
<tr>
<td>3</td>
<td>Local medias</td>
<td>GRM, Keep informed</td>
<td>Fund information</td>
<td>During project implementation</td>
<td>HADFIC</td>
</tr>
</tbody>
</table>
4 External Communication and Grievance Redress Mechanism

4.1 External communication

HADFIC has established an external communication mechanism. If there are any questions and concerns, HADFIC could be touched in following methods, see details in Table 5.

Table 5 Contacts for External Communication

<table>
<thead>
<tr>
<th>Method</th>
<th>Time for acknowledgement of receipt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td><a href="mailto:guoqi@hnntgroup.com">guoqi@hnntgroup.com</a> 48 hours</td>
</tr>
<tr>
<td>telephone</td>
<td>0371-86520933 Immediate, or 48 hours if a message is left</td>
</tr>
</tbody>
</table>

At the time of the acknowledgment of receipt, HADFIC will provide an estimated date for response and request further information if needed.

4.2 Grievance Redress Mechanism

A  GRM for the Project

In order to respond to concerns and grievance of people related to environmental and social performances of the Project in a timely manner, HADFIC has established a grievance mechanism that is expected to address concerns promptly and effectively in a transparent manner. The GRM is culturally appropriate and readily accessible to all project affected parities at no cost and without retribution.

At HADFIC, any complaints or concerns directly related to the project including the eligibility of subprojects, lending procedures or environmental and social management requirements under the Project will be collected and addressed following the procedures as below that will also be public

Stage 1: The subproject enterprise, affected person or interested party of subproject can put forward his or her concern to project team of International Cooperation Unit (ICU) of the HADFIC, which will take records and verify on site and provide a reply or resolution to subproject enterprise, the affected person or interested party within 10 days;

Stage 2: The subproject enterprise, affected person or interested party of subproject can put forward his or her concern to Risk Control Unit (RCU) of the HADFIC, which will take records and consult with relevant departments and provide a reply or resolution to subproject enterprise, the affected person or interested party within 10 days;

Stage 3: If the subproject enterprise, affected person or interested party still does not accept the proposed resolution, he or she could appeal directly to HADFIC. HADFIC will provide response, reply or a resolution within 10 days.

B  GRM for Workers
HADFIC has put in place well-functioning internal channels for worker's appeals which are embedded in its existing labor management system. Workers can raise their workplace concerns through various in place channels such as worker’s organizations, HR manager, the General Management Unit and the management within HADFIC as well corresponding departments/units at the headquarter level. Staff can log this complaints and concerns via the Office Automation (OA) system.

Workers also have rights to access to arbitration procedure and/or judicial system to seek resolution on the grievances in terms of China’s Labor Law. The basic procedures are:

**Stage 1:** The party that asks for arbitration shall file a written application to the labor dispute arbitration committee within 60 days starting from the date of the occurrence of labor dispute. In general, the arbitration committee shall produce a ruling within 60 days after receiving the application. The parties involved shall implement arbitration rulings if they do not have any objections to these rulings. Labor dispute arbitration committees shall be composed of the representatives of labor administrative departments, representatives from trade unions at the same level, and the employer representatives. The chairmanship of such a committee shall be held by the representative of a labor administrative department.

**Stage 2:** If any of the parties involved in a labor dispute has objections to an arbitration ruling, it can raise a lawsuit with the People’s Court within 15 days after receiving the ruling.

The grievance mechanism will also be disclosed on the website of HADFIC. The records of all appeals, and the resultant resolutions will be kept and reported to the World Bank through the annual environmental and social monitoring mechanism.

5 **Resources and Responsibilities**

At the overall project level, HADFIC commits to assign the International Cooperation Unit (to be set up for daily operation of the GAF) to carry out project information disclosure and stakeholder engagement and to supervise the implementation of subproject SEPs that will be conducted by sub-borrowers. The budget for stakeholder engagement activities will be charged against the operational fee by HADFIC and sub-borrowers, respectively.

6 **Monitoring and Reporting**

HADFIC’s International Cooperation Unit will keep records of all stakeholder engagement and information disclosure activities and grievances and resolutions routinely. HADFIC will report the performances of stakeholder engagement at both the overall project level and subproject level in the semi-annual social and environmental monitoring report.

The indicative monitoring indicators and responsible agencies are presented in Table 6.

**Table 6 Indicative Monitoring Indicators regarding Implementation of SEP**

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>Unit</th>
<th>Frequency</th>
<th>Responsible Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of public engagements</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit,</td>
</tr>
<tr>
<td>No.</td>
<td>Indicator</td>
<td>Unit</td>
<td>Frequency</td>
<td>Responsible Agency</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------</td>
<td>------</td>
<td>-----------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>during project/subproject preparation</td>
<td></td>
<td></td>
<td>and sub-borrowers</td>
</tr>
<tr>
<td>2</td>
<td>Number of public engagements during project/ subproject construction and/or operation</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>3</td>
<td>Number of participants/audiences of the public engagement activities</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>3.1</td>
<td>Including: women</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>3.2</td>
<td>Vulnerable groups</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>3.3</td>
<td>Ethnic minorities, if any</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>4</td>
<td>Number of feedbacks received</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>5</td>
<td>Number of complaints received</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>6</td>
<td>Number of complaints addressed</td>
<td>No.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
</tbody>
</table>
Annex 1 Template of Stakeholder Engagement Plan for Subproject

**Note on how to apply this template:**

All the subprojects identified with environmental and social risks should prepare a Stakeholder Engagement Plan. Where a Subproject is categorized as moderate risk or low risk, the SEP will focus on a list of legally required engagement activities, which are summarized in Section 3.1 of this template. Where a Subproject is categorized as substantial- or high-risk, a comprehensive stakeholder engagement plan should be prepared by the sub-borrower following this template to guide stakeholder engagement and information disclosure over the life cycle of the subproject as set out in ESS10.

1 **Project Introduction**

The Henan Green Agriculture Fund Project ("the project") aims to strengthen the green agriculture initiatives in Henan Province. Under the project, a green agriculture fund (GAF) and a few sub-funds will be created and operated by HADFIC, with an aim to invest in "green solutions" of dozens of eligible enterprises in crop and livestock sectors. The investment will focus on Henan Provinces, covering the full value chain from inputs, to production, post-harvest, processing and distribution.

It should be noted, Paragraph 24 of ESS9 requires that FI subproject should conduct stakeholder engagement in a manner proportionate to the risks and impacts of the FI subproject. Therefore, the subprojects under GAF and its sub-funds should develop a Stakeholder Engagement Plan (SEP) as part of the environmental and social document package before subproject approval, which should be disclosed at the earliest.

At this Appraisal stage, the detailed information on subproject are not available. A template stakeholder engagement plan developed here is to guide subproject stakeholder engagement plan when subproject can be located, and activities can be defined. The overarching objectives of this template are to:

- Guide the subproject enterprise to summarize completed activities regarding information disclosure and public information;
- Identify stakeholders and analyze their interests;
- Propose likely methods for information disclosure;
- Establish external communication and grievance redress mechanism, and;
- Allocate necessary resources to implement and monitor stakeholder engagement.

2 **Objectives of Stakeholder Engagement Plan**

At subproject level, the specific objectives of stakeholder engagement include, but not limited to:

- Establishing a systematic approach to stakeholder engagement that will help the subproject enterprises identify stakeholders and build and maintain a constructive relationship with them, in particular project affected parties;
• Assessing the level of stakeholder interest and support for the subproject;
• Promoting and providing means for effective and inclusive engagement with the affected parties throughout the subproject lifecycle on issues that could potentially affect them;
• Providing stakeholders with access to appropriate subproject information in terms of the purpose, nature, and scale of the project, the duration of project activities, and any potential project-related impacts and associated mitigation plans;
• Providing the affected persons and broader communities with opportunities to express their views on potential project impacts and mitigation measures;
• Considering community inputs in project decision-making to minimize negative impacts and maximize potential project benefits;
• Providing project affected parties with accessible and inclusive means to raise issues and grievances; and
• Providing feedback to communities on how their grievances and concerns are being addressed and taken into account.

3 Administrative Framework for Subproject Stakeholder Engagement

This section presents a review of applicable standards that may potentially apply to stakeholder engagement for a subproject. These derive from:

• Chinese laws and regulations applicable to environmental and social considerations; and
• World Bank Environmental and Social Standards 10: Stakeholder Engagement and Information Disclosure.

3.1 China’s Laws and Regulations on Stakeholder Engagement

For almost two decades, China has been exploring and starting to implement institutionalize mechanisms to improve governance transparency and participation, and to allow the general public to have a greater input into government decisions and projects that may have impacts on their daily lives. Laws and regulations regarding stakeholder engagement during project development are listed and summarized as below:

• Method of Public Participation in EIA, Decree No.4 of Ministry of Ecology and Environment of PRC (effective on January 1, 2019);
• Environmental Impact Assessment (EIA) Law (effective in 2003 and amended in 2018);
• Land Administration Law of the PRC (amended on August 26, 2019);
• Law on Organization of Village Committees (effective in 2010);
• Measures on Land Acquisition Announcement (effective in 2010); and
• Notice Regarding the Interim Measures on Social Stability Risk Assessment for Key Projects (effective in 2012).

**A Information Disclosure and Public Participation during EIA Process**

China’s EIA regulations are becoming increasingly aligned with international standards. The EIA law (amended in 2018) requires on-going stakeholder consultation throughout the EIA process. Furthermore, the Method of Public Participation in EIA issued by the Ministry of Ecology and Environment in 2019 specified the requirements on public participation for EIA of specialized planning and the project subject to EIA report.

In practice, the following requirements have been widely adopted for the project subject to EIA report:

• Disclosure of the Project proponent’s name, EIA Contractor’s name and period over which the EIA will be undertaken;

• Disclosure of relevant project information;

• Consultation via written questionnaires, household surveys, town-hall meetings or other means; and

• Disclosure of a non-technical summary of the EIA Report and findings.

The outcomes from stakeholder consultation shall be carefully considered by the project proponent and EIA contractor, and the reasons for adoption or otherwise shall be documented in the EIA report.

**B Information Disclosure and Public Participation during Land Acquisition and Resettlement**

The Measures on Land Acquisition Announcement regulates disclosure and public consultation with the displaced communities and affected persons. Once the acquisition plan is approved, the government should publicly announce and solicit comments and suggestions from the affected rural collective economic organizations (RCEO, i.e. the affected Village Committee) and farmers. The laws also require disclosure of the results of land and asset inventory and main contents of Land Acquisition Compensation and Resettlement Plan (e.g. compensation policies, resettlement options and other assistance) prepared by government to the displaced persons. Where the displaced persons have disagreements, they may apply for a public hearing on compensation and resettlement policies and plans.

The Law on Organization of Village Committees (2010) is formulated to guarantee the rural villagers’ autonomy, develop rural grassroots democracy and maintain villages’ legal rights. The main requirements regarding public participation are as follows:

• Participants at the village meetings shall be over half of the villagers (aged above 18 years old) or more than two-thirds of the villager representatives. Decisions made during the villagers’ meeting shall be agreed by more than half of the representatives in the meeting (Article 22);

• The issues related with the interests of the villagers, shall be discussed and decided through the villagers’ meeting. (Article 24).

More importantly, China’s Land Administration Law was amended in August 26, 2019,
which will be effective since January 1, 2020. The law strengthens upfront stakeholder engagement to manage the social risks associated with the land acquisition and to better protect the interests of affected farmers. Article 47 of the new Land Administration Law has been substantially revised to require an application of land acquisition can be proceeded only after the following actions (but not limited to) are completed:

a) A survey of the status quo of the land to be acquired;

b) Social Stability Risk Assessment;

c) Public disclosure, with a term at least 30 days, on the scope of land acquisition, status quo, land use purposes, compensation measures and social pensions arrangement for PAPs;

d) Soliciting the options of various stakeholders on land acquisition;

e) Public hearings while most PAPs consider noncompliance of compensation and resettlement plan against the legal requirements;

f) Registration of land and assets by the owners; and

g) Reaching compensation and resettlement agreements with PAPs.

C. Information Disclosure and Public Participation during Social Stability Risk Assessment

In August 2012, the National Development and Reform Commission (NDRC) issued the “Interim Measures on Social Stability Risk Assessment of Major Capital Projects (NDRC Investment [2012] 2492)”. It requires a Social Stability Risk Assessment to be carried out for major capital projects approved at the national level. Specifically, it requires the project to adopt measures to avoid or minimize social impacts and risks and achieve “win-win” outcomes for the project and local communities. The project proponent shall:

• Conduct a study on social stability risk;

• Conduct public consultation;

• Identify social risks and conduct the impact assessment;

• Propose mitigation measures to manage the identified risk;

• Assess the level of project social stability risk after the implementation of mitigation measures; and

• Submit the Social Stability Risk Analysis (as a chapter in the Feasibility Study or a stand-alone specific topic report).

It should be noted that the applicability of Social Stability Risk Assessment will depends on the nature and scale of a subproject, which won’t be applied to all subprojects.

3.2 World Bank Environmental and Social Standards 10

The World Bank has released on a standalone standard under the ESF to govern the stakeholder engagement and information disclosure for a project. World Bank ESS10
and corresponding Guidance Note contain clear requirements for stakeholder engagement. As such, it is a key source of guidance for the Project’s ongoing engagement activities throughout the project cycle. ESS10 prescribes the following elements for stakeholder engagement:

- Engage with stakeholders throughout the project life-cycle, commencing such engagement as early as possible in the project process;
- Develop and implement a Stakeholder Engagement Plan which describes the timing and methods of engagement with stakeholders throughout the life-cycle of the project;
- Disclose project information to allow stakeholders to understand the risks and impacts of the project, and potential opportunities;
- Engage in meaningful consultations with all stakeholders. Provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation;
- Maintain a documented record of stakeholder engagement, including a description of the stakeholders consulted, a summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not; and
- Propose and implement a grievance mechanism to receive and facilitate resolution of concerns and grievances from project-affected parties.

4 Brief Summary of Previous Stakeholder Engagement Activities

Once there are information disclosure and public participation conducted prior to HADFIC involvement, the consultations and public participations conducted could be summarized as per Table 1 which provides a format.

Table 1 Format of Summary of Public Participations and Consultation

<table>
<thead>
<tr>
<th>Date</th>
<th>Participants</th>
<th>method</th>
<th>Address</th>
<th>Purpose</th>
<th>follow-up action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5 Initial Stakeholder Identification and Analysis

According to the nature and characteristics of the subproject, the key stakeholders of the subproject may include HADFIC, government-related departments at county level, township government, affected community/village, and affected persons as well.

Table 2 Key Stakeholders and Their Roles at Subproject Level
<table>
<thead>
<tr>
<th>No</th>
<th>Stakeholders</th>
<th>Interaction with project</th>
<th>Role in the Project</th>
<th>Attitude to the Project</th>
<th>Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HADFIC</td>
<td>Ensure operational implementation of the project</td>
<td>Fund management and operation</td>
<td>Positive</td>
<td>high</td>
</tr>
<tr>
<td>2</td>
<td>Government-related departments at county level</td>
<td>Control conformity of the project with national laws and regulations</td>
<td>Coordination and governance</td>
<td>Support</td>
<td>high</td>
</tr>
<tr>
<td>4</td>
<td>Subproject enterprises</td>
<td>Ensure the design, construction and operation of the subproject to be funded by the loan</td>
<td>Implementation subproject</td>
<td>Positive</td>
<td>high</td>
</tr>
<tr>
<td>4</td>
<td>Design institutes and Contractors</td>
<td>Design and construct the subproject</td>
<td>Technical support</td>
<td>positive</td>
<td>low</td>
</tr>
<tr>
<td>5</td>
<td>Affected towns and affected community/village</td>
<td>Ensure connection and relay information between local resident and subproject enterprise, and deal with grievance at local level</td>
<td>Coordination and project affected parties</td>
<td>positive</td>
<td>high</td>
</tr>
<tr>
<td>6</td>
<td>Local resident</td>
<td>Affected by land use right transfer</td>
<td>Project affected parties</td>
<td>Concern</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Affected by land acquisition</td>
<td>Project affected parties</td>
<td>Concern</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Affected ethnic minorities</td>
<td>Project affected parties</td>
<td>Concern</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Potential beneficiary of job opportunities</td>
<td>Beneficiaries, and other interested parties</td>
<td>Support</td>
<td>medium</td>
</tr>
</tbody>
</table>

A. Government-related departments

The role of the government-related departments is not totally similar at the provincial level and county level. In both case, government-related departments are in charge of controlling that the project implementation is conform to national laws, however, prerogatives will depend on the issues at stake.

The objective of the government-related departments is the implementation of the
project accordingly to the regulations in force.

The main government-related departments involved in the project are:

- Development and Reform Committee,
- Finance department,
- Ecology and environment department
- Natural resources department
- Agriculture and rural affairs department
- Water resources Bureau

**B. HADFIC**

It oversees any required actions to carry out the project and manage the fund.

**C. Subproject enterprise**

It mobilizes design institute and contractors to design and construct the subproject. The objective is to carry out the subproject in a timely manner, within the foreseen budget and achieve quality.

**D. Design institutes and contractors**

They will carry out studies and works according to requirements given by the subproject implementing agency/enterprise. Their main objective is to fulfil their contract requirement and make profit.

**E. Township government and village committee**

Township government and village committee do not have major role in the subproject implementation, but they are concerned by any event on their territory that could interact with the daily management of local citizens. They are the most convenient way to relay information between local people and subproject enterprise.

**F. Local resident**

Local resident including women and vulnerable people, do not play specific role in the implementation of the subproject. Some of local people might involve land use right leasing and land acquisition. Their main objectives among others are to be fairly compensate for property loss caused by the subproject and to take advantage of the increased of activity to improve their income. Local residents are likely to be of ethnic minorities in some subprojects.

**5 Stakeholder Engagement Program**

The goal of stakeholder engagement program is to ensure the timely provision of relevant and understandable information of the subproject. It is also to create a process that provides opportunities for stakeholders to express their views and concerns and allows subproject enterprise to consider and respond to them.

At the beginning of the subproject, the public consultation and participation plan should be formulated, which will be updated with the process of the project. Meanwhile, an updated ESCP following such consultation will be disclosed. Table 3 provides format
for formulating public consultation and participation plan.

Table 3 Format for Formulating Public Consultation and Participation Plan

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Place</th>
<th>Main activities</th>
<th>Targeted stakeholders</th>
<th>Methods</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6 Information Disclosure

The subproject enterprise will make relevant information (whether positive or negative) about social and environmental issues available in a timely manner, in an accessible place, and in a form and language understandable to affected parties and other stakeholders so they can provide meaningful inputs into subproject design and implementation.

Methods used for information disclosure may vary according to target stakeholders, including:

- Newspapers, posters, radio, television,
- Information board of affected villages,
- Brochures, leaflets, posters, and so on;
- Website, and social media

All information disclosure should be documented. Table 4 provides format for recording information disclosure.

Table 4 Format for Recording Information Disclosure

<table>
<thead>
<tr>
<th>Information to be disclosed</th>
<th>Place</th>
<th>Methods</th>
<th>Target stakeholders</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7 Strategy for Consultation

The subproject enterprise will conduct meaningful consultation with various stakeholders. Meaningful consultation is a process that (i) begins early in the subproject preparation stage and is carried out on an ongoing basis throughout the
subproject cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as subproject design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

The subproject enterprise will organize public opinion survey during the subproject preparation. After the survey, a hearing meeting for each subproject shall be undertaken at the community level with participants coming from affected villages when initial environmental and social impact assessment finding is made available during the assessment stage. During the hearing meeting, information on the subproject, its environmental and social impacts and proposed mitigation measures will be presented and feedback from the community obtained. Details including date, time, venue and agenda will be announced at least 10 working days before start of the hearing meeting. Selection of participants shall be unbiased, gender inclusive, and taken into account the participants’ ability to express opinions as well as the needs of disadvantaged and vulnerable groups. The meeting notes containing list of participants, expressed concerns and opinions by participants, and agreements shall be prepared and released within 10 working days after the hearing meeting.

If a subproject has land acquisition and involuntary resettlement impacts and will require preparation of a resettlement plan, the document will be prepared and implemented in close consultation with the local government and those affected and involve surveys and village meetings. Compensation and assistance level will be determined by local authorities in consultation with the affected people and their representatives. The compensation amounts will be finalized only after agreements between the authorities and affected people is reached. Resettlement information including measurement of losses, detailed asset valuations, entitlements and special provisions, grievance procedures, timing of payments and displacement schedule will be disclosed to the affected people. The disclosure will be in a manner accessible to the affected people where there are differing levels of literacy. Plans in local language will be made available to the public through postings in public places, such as township offices, for reasonable periods prior to actual dislocation.

The subproject enterprise will hold meaningful consultation with the affected indigenous peoples and ethnic minorities to ensure that they will participate after being fully informed. Subproject enterprise will design, implement and monitor activities to prevent subprojects from adversely affecting indigenous peoples and ethnic minorities. If such impact cannot be avoided, subproject enterprise will work to mitigate the negative impact, or make compensations for it, and will enable indigenous peoples and ethnic minorities to share the benefits of subprojects in a way which suits their cultural traditions.

Methods used may vary according to target stakeholders, including:

- Interviews with stakeholder representatives and key informants
- Surveys, polls, and questionnaires
- Public meetings, workshops, and/or focus groups with specific groups
- Participatory methods
- Other traditional mechanisms for consultation and decision-making

All public consultations and participations should be documented. Table 5 provides format for recording public participations.

**Table 5 Format for Recording Public Participations**

<table>
<thead>
<tr>
<th>Date</th>
<th>Place</th>
<th>Main activities</th>
<th>Main measures</th>
<th>Participants</th>
<th>Responsibilities</th>
<th>Main findings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In terms of subproject nature and initial identification of stakeholder and analysis, the stakeholder engagement program of subproject is summarized in Table 6 that will be updated and specified when more information of subproject is available.
Table 6 Summary of Stakeholder Engagement Program

<table>
<thead>
<tr>
<th>Objective</th>
<th>Main task</th>
<th>Main stakeholders</th>
<th>Information</th>
<th>Way of communication</th>
<th>Time</th>
<th>Responsibilitie s</th>
<th>Funding</th>
</tr>
</thead>
</table>
| Disclose project E&S information and project progress regularly | • Project contents and information disclosure  
• Participation and transparency of local residents and enterprises in project area in the implementation of the project  
• Cooperation mechanism of local residents and enterprises  
• Disclosure on employment opportunities information | • Subproject enterprise  
• Local residents  
• Village/community  
• Township government  
• Related department of county government  
• HADFIC  
• Local media, such as TV station | • National policies to support and promote the development of agriculture and livestock,  
• Participate and work with enterprises to generate higher revenue  
• Provide more employment opportunities to the poor families and vulnerable groups to increase their income | • Propagate the project to the local farmers  
• Disclose project information on village information board  
• Disclose project information by media  
• Hold the village meeting to the local villagers  
• Prepare project information and print into booklets and give out to the local residents | Throughout the life cycle of the project | Subproject enterprise  
Township government and village committee | Essentially the time and resources required of subproject enterprises should be conceived as an integrated approach to improved levels of social responsibility |
| Conduct public Participation and establish E&S and project information sharing mechanism | • Full information disclosure and participation  
• Use understandable | • Subproject enterprise  
• Local residents  
• Village/community  
• Township | • Put the views of stakeholders into project  
• Adopt the suggestions of communities and | • Hold public participation activities in consultation with local residents  
• Inform the stakeholders of all | Throughout the life cycle of the project | Subproject enterprise  
Township government and village | Essentially the time and resources required of subproject enterprises should be conceived as |
<table>
<thead>
<tr>
<th>Objective</th>
<th>Main task</th>
<th>Main stakeholders</th>
<th>Information</th>
<th>Way of communication</th>
<th>Time</th>
<th>Responsibilities</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish communication and grievance redress mechanism</td>
<td>Address concerns and appeals properly and timely</td>
<td>• Subproject enterprise&lt;br&gt;• Local residents&lt;br&gt;• Village/community&lt;br&gt;• Township government&lt;br&gt;• Related department of county government&lt;br&gt;• HADFIC&lt;br&gt;• Local media, such as TV station</td>
<td>• Put the views of stakeholders into project&lt;br&gt;• Adopt the suggestions of communities and local residents</td>
<td>• Through e-mail, telephone and other media&lt;br&gt;• Through village information board&lt;br&gt;• Establishment of effective complaints channel and released to stakeholders</td>
<td>Throughout the life cycle of the project</td>
<td>Subproject enterprise</td>
<td>Essentially the time and resources required of subproject enterprises should be conceived as an integrated approach to improved levels of social responsibility</td>
</tr>
</tbody>
</table>
8 Resources and Responsibilities for Implementing Stakeholder Engagement Activities

The subproject enterprise will be responsible for develop a stakeholder engagement plan and implement proposed activities. The subproject enterprise, with assistance of HADFIC, will assign a focal person to carry out subproject information disclosure and stakeholder engagement with adequate budget for stakeholder engagement activities.

9 Grievance Redress Mechanism

Grievance Redress Mechanism (GRM) for subprojects will be established in order to address any complaints directly towards subprojects in reference to their environmental and social impacts and performances of relevant mitigation measures. The subproject should adopt this GRM on the ground prior to subproject implementation.

Subproject GRM should be made accessible to the affected persons, local people and other interested parties in the project area of influence. The grievance mechanism for subproject is more relevant to address potential complaints regarding environmental and social aspects. The detailed procedures of GRM are as follow:

Stage 1: If any affected person or group is dissatisfied with the compensation or mitigation measures related with social and environment impacts caused by the subproject, he/she can make oral or written complaint to community/village committee; if he or she use verbal complaints, the village committee should handle and record it. Complaints will be addressed within 10 days.

Stage 2: if the complainant is not satisfied with the result of the first stage, he/she can appeal to township government. The township government shall make a decision to resolve the problem within 10 days.

Stage 3: if the complainant is not satisfied with the result of the second stage, he/she can appeal to RCU of HADFIC. The RCU of HADFIC will make decision with 15 days.

Stage 4: if the complainant is not satisfied with the results of any above stages, he/she can go through an administrative appeal according to the “Administrative Procedure Law of People’s Republic of China”.

At any time in the grievance mechanism, the complainant may contact the local courts. The grievance mechanism does not affect public rights under the PRC regulation on Letters and Visits, which requires a complaint acceptance mechanism at all levels of government and protects complainants from retaliation.

Each subproject enterprise will inform the local community and the affected people of the grievance and appeal procedure through public information meetings, the information brochure and other media, so that they can fully understand their rights for grievance and appeal.

If a subproject affects indigenous peoples or ethnic minority communities, a grievance mechanism will be established that will promptly respond to the concerns and dissatisfaction of the affected indigenous peoples. It should also adopt an easy-to-
understand and transparent procedure, be free of gender discrimination, and adapt to the cultural traditions of the affected indigenous people. News of the system’s establishment should be promptly sent to the affected indigenous peoples and community.

Meanwhile, the GRM should be publicized on HADFIC’s website, subproject enterprise’s website, project sites and related communities. When a loan to a subproject enterprise is approved, the RCU of HADFIC will supervise the subproject enterprise to take above-mentioned activities to ensure that local communities and people are aware of the grievance mechanism and its contact points.

Currently, subproject enterprise is unknown. Therefore, whether subproject enterprise has a grievance mechanism in place or not cannot be identified. Anyway, subproject enterprise will develop and implement a grievance mechanism for workers to address workplace concerns. This grievance mechanism for direct workers will be established. In addition, subproject will require contractors to develop and implement a grievance mechanism for their workforce prior to the construction commencement.

The construction contractors will prepare their labor management procedure before subproject construction, which will also include detailed description of the workers grievance mechanism. The workers grievance mechanism will include:

- A procedure to receive grievances such as comment/complaint form, suggestion boxes, email, a telephone hotline;
- Stipulated timeframes to respond to grievances;
- A register to record and track the timely resolution of grievances;
- A responsible unit to receive, record and track resolution of grievances.

The focal staff of subproject enterprise will monitor the contractors’ recording and resolution of grievances, and report these to HADFIC in their quarterly progress reports. The process will also be monitored by the ICU of HADFIC.

The workers grievance mechanism will be described in staff induction trainings, which will be provided to all project workers. The mechanism will be based on the following principles:

- The process will be transparent and allow workers to express their concerns and file grievances.
- There will be no discrimination against those who express grievances and any grievances will be treated confidentially.
- Anonymous grievances will be treated equally as other grievances, whose origin is known.
- Grievances will be seriously treated and timely and appropriate action in response will be taken.

Information about the existence of the grievance mechanism will be readily available to all project workers (direct and contracted) through subproject website, staff meetings, and
The subproject workers’ grievance mechanism will not prevent workers to use conciliation procedure provided in the Labor Law of PRC. The basic procedures are:

**Stage 1:** The party that asks for arbitration shall file a written application to the labor dispute arbitration committee within 60 days starting from the date of the occurrence of labor dispute. In general, the arbitration committee shall produce a ruling within 60 days after receiving the application. The parties involved shall implement arbitration rulings if they do not have any objections to these rulings. Labor dispute arbitration committees shall be composed of the representatives of labor administrative departments, representatives from trade unions at the same level, and the employer representatives. The chairmanship of such a committee shall be held by the representative of a labor administrative department.

**Stage 2:** If any of the parties involved in a labor dispute has objections to an arbitration ruling, it can raise a lawsuit with the People’s Court within 15 days after receiving the ruling.

### 10 Monitoring and Reporting

The subproject enterprise is responsible for keeping records of all stakeholder engagement and information disclosure activities and grievances and resolutions at subproject level and report to the GAF Management Unit quarterly through the routine monitoring and reporting mechanism. The GAF Management Unit will include the implementation of subproject SEPs in its semi-annual environmental and social monitoring report.

The indicative monitoring indicators and responsible agencies are presented in Table 7.

**Table 7 Indicative Monitoring Indicators regarding Implementation of SEP**

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>Unit</th>
<th>Frequency</th>
<th>Responsible Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of public engagements during project/subproject preparation</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>2</td>
<td>Number of public engagements during project/subproject construction and/or operation</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>3</td>
<td>Number of participants/audiences of the public engagement activities</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>3.1</td>
<td>Including: women</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>3.2</td>
<td>Vulnerable groups</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>3.3</td>
<td>Ethnic minorities, if any</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit,</td>
</tr>
<tr>
<td>No.</td>
<td>Indicator</td>
<td>Unit</td>
<td>Frequency</td>
<td>Responsible Agency</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------</td>
<td>------</td>
<td>-----------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>and sub-borrowers</td>
</tr>
<tr>
<td>4</td>
<td>Number of feedbacks received</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>5</td>
<td>Number of complaints received</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
<tr>
<td>6</td>
<td>Number of complaints addressed</td>
<td>no.</td>
<td>Quarterly</td>
<td>GAF Management Unit, and sub-borrowers</td>
</tr>
</tbody>
</table>