

# INTEGRATED SAFEGUARDS DATA SHEET

## CONCEPT STAGE

**Report No.:** ISDSC8479

**Date ISDS Prepared/Updated:** 06-Jun-2014

**Date ISDS Approved/Disclosed:** 29-Jun-2014

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	China	<b>Project ID:</b>	P132562
<b>Project Name:</b>	CN-Hubei Xiaogan Logistic Infrastructure (P132562)		
<b>Task Team Leader:</b>	Arturo Ardila Gomez		
<b>Estimated Appraisal Date:</b>	25-Sep-2015	<b>Estimated Board Date:</b>	24-Mar-2016
<b>Managing Unit:</b>	EASCS	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Urban Transport (87%), Public administration- Transportation (13%)		
<b>Theme(s):</b>	City-wide Infrastructure and Service Delivery (100%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	234.52	<b>Total Bank Financing:</b>	100.00
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			134.52
International Bank for Reconstruction and Development			100.00
Total			234.52
<b>Environmental Category:</b>	A - Full Assessment		
<b>Is this a Repeater project?</b>	No		

#### B. Project Objectives

20. The PDO is to promote more efficient logistics in Xiaogan while mitigating environmental and social externalities from increased freight activities.

#### C. Project Description

22. The project comprises a balance of infrastructure and technology investments to support Xiaogan's vision for a Logistics Park in the Airport Economic Zone (AEZ). These components include internal and external roads, a technology platform and facilities enabling a green freight

strategy.

23. In this context, the Bank is considering financing the following components (C) and activities. The proposed Bank loan would amount to USD 100 million, and the proposed project cost would amount to USD 235 million:

- C.1 Logistics Park road infrastructure (USD 44.63 mln): This component could comprise five roads inside the Logistics Park for a total cost of USD 44.63 mln without contingencies. This component could be financed up to 10.8% by the World Bank loan (for an amount of USD 4.51 mln)
- C.2 Logistics Corridors to the Wuhan airport (USD 83.84 mln): This component could include two corridors along the Chentian Avenue, connecting the Logistics Park to the cargo park of the Wuhan airport, plus a major road within the AEZ, for a total cost of USD 83.84 mln without contingencies. This component could be financed up to 70% by the World Bank loan (for an amount of USD 58.62 mln):
  - o C.2.1: The dedicated logistics express road in Xiaogan Logistics Park to the Wuhan airport (USD 23.28 mln)
  - o C.2.2: The passenger and freight Corridor along the Chentian Avenue connecting the cargo park of the airport to the Xiaogan airport road (USD 30.08 mln)
  - o C.2.3: Road running through the Logistics Park for a total cost of USD 30.48 mln without contingencies.
- C.3 Green Logistics Park development (USD 21.9 mln): This component could be financed up to 84.6% by the World Bank loan (for USD 18.52 mln):
  - o C.3.1 Traffic coordination and management system (USD 12.88 mln)
  - o C.3.2 Vehicle access system (USD 3.38 mln)
  - o C.3.3 Fostering Airport Economic Zone Green Architecture and Green Logistics Park Executive Committee (USD 5.64 mln)
- C.4 Public Service Platform for Logistics development (USD 24.15 mln): This component could be financed up to 76% by the World Bank loan (for an amount of USD 18.36 mln):
  - o C.4.1 Creation of a Xiaogan Logistics Park Observatory and Development Commission aiming at better monitoring data, OD, transport prices and volume trends, and improving projections and investments for the Xiaogan Logistics Park (USD 4.83 mln).
  - o C.4.2 Creation of a Supply Chain Excellence Training Center, which would set logistics standards, train local resources, and share supply chain best practices. The Center would also invest into vocational training to enhance the employability of women, through the involvement of the partnering logistics companies (USD 19.32 mln).

In addition to these four components, logistics park social supporting activities would be financed up to USD 60 mln: land acquisition for USD 22 mln, household compensation for USD 2 mln, and resettlement for USD 33 mln. These activities component would not be financed by the World Bank loan.

**D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The project is located in Xiaogan, a prefecture-level city in east-central Hubei province, some 60km northwest of the provincial capital Wuhan. It has jurisdiction over seven counties (two of which are listed as national poverty counties) with a land area of 8,910km<sup>2</sup> and a population of 5.27 million in 2012. Around 50% of Xiaogan's population was below the income line of RMB 12,000 marking the bottom 40% of the population, the World Bank's definition of poverty in China.

The infrastructure roads under the project are in the logistic park zone of the Xiaogan Airport Economic Zone (AEZ). The logistic park zone has a total area of 3.6km<sup>2</sup> with current land use of farmland and rural communities (with total population of ca. 28,000). Development of logistic park zone is underway, with a few trunk roads completed according to the road network plan and a few land patches being developed by private logistic companies.

There is a Baishuihu Lake to the east of logistic park zone. The lake is a natural habitat located between the logistic park zone and the Wuhan Tianhe Airport. Two connection roads linking the logistic park to Wuhan Airport will traverse the lake via a long bridge.

### **E. Borrowers Institutional Capacity for Safeguard Policies**

As the proposed project is the first World Bank funded project in the city of Xiaogan, the Project Management Office and AEZ management authority do not have direct experiences of World Bank safeguards policies. The PMO has been established by Xiaogan Municipal Government, which include adequate dedicated staff responsible for different aspects of the project, including overall social and environment management. The Bank team has provided environmental and safeguards policy trainings to PMO at the project identification stage. Experienced EA and social assessment/RAP consultants have been retained by PMO. These consultants, i.e. Wuhan Environmental Science Institute and Wuhan University, have good experience of World Bank safeguards policies due to their involvement in several recent World Bank projects in China. The close interaction between the Bank's task team and the PMO will be maintained throughout the project preparation and implementation stage to ensure the adequacy of safeguards implementation.

### **F. Environmental and Social Safeguards Specialists on the Team**

Zhefu Liu (EASCS)

Peishen Wang (EASIN)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	Yes	The proposed project is a new construction of a number of roads in a green field, including two major connection roads (an exclusive freight highway and a passenger/freight mixed line) crossing over a natural habitat (Baishuihu Lake). Due to the project scale and ecological context, the project is likely to have significant environmental and social impacts, therefore is proposed to be a Category A project as per OP4.01. Full environmental and social assessment (ESIA) will be conducted. The EA documents to be submitted include: (1) a full

	<p>ESIA report; (2) a stand-alone ESMP; and (3) an ESIA Executive Summary.</p> <p>Besides common environmental issues (e.g. impacts of noise, dust, waste management etc.) during construction and operation, the EIA will also pay special attention to the following aspects (but not limited to):</p> <ul style="list-style-type: none"> <li>- Impacts on Baishuihu Lake, a natural habitat in the project area;</li> <li>- Cumulative impacts of other major construction activities in the project area within the timeframe of the Bank projects, as well as indirect environmental and social impacts induced from the proposed infrastructure project;</li> <li>- Physical cultural resources screening, with special attention to those buildings or physical resources that are not officially designated as protected cultural resources, but still present special historical values from social, cultural or religious perspective to local communities;</li> <li>- Alternative analysis: a scoping exercise will be carried out to determine the specific number and type of alternatives and impacts to be considered in the ESIA. This will include various alternatives (e.g. project schemes, alignments, locations) with due consideration of environmental, social, technical and economic perspectives, including “Without project” scenario.</li> <li>- Social impact: summarizing key findings and recommendations of the Social Assessment and Resettlement Action Plan, with particular attention to the Bottom 40% population;</li> <li>- Public consultation and information disclosure as per OP4.01</li> </ul> <p>Besides common environmental issues (e.g. impacts of noise, dust, waste management etc.) during construction and operation, the EIA will also pay special attention to the following aspects (but not limited to):</p> <ul style="list-style-type: none"> <li>- Impacts on Baishuihu Lake, a natural habitat in the project area;</li> </ul>
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		<ul style="list-style-type: none"> <li>- Cumulative impacts of other major construction activities in the project area within the timeframe of the Bank projects, as well as indirect environmental and social impacts induced from the proposed infrastructure project;</li> <li>- Physical cultural resources screening, with special attention to those buildings or physical resources that are not officially designated as protected cultural resources, but still present special historical values from social, cultural or religious perspective to local communities;</li> <li>- Alternative analysis: various alternatives (e.g. project schemes, alignments, locations) with due consideration of environmental, social, technical and economic perspectives, including “Without project” scenario.</li> <li>- Social impact: summarizing key findings and recommendations of the social Social Assessment and Resettlement Action Plan, with particular attention to the Bottom 40% population;</li> <li>- Public consultation and information disclosure as per OP4.01</li> </ul>
Natural Habitats OP/BP 4.04	Yes	The proposed project will traverse through the Baishuihu Lake, a natural habitat in the project area, therefore, this policy is triggered. As a natural habitat, Baishuihu Lake will be given special attention in the EA process in terms of ecological survey, presence of wetland, value of flora and fauna, potential impacts, significance of such impact in the context of ecological function/value of the whole lake, alternatives to reduce ecological footprint or construction impacts, consultation with relevant authorities and local communities, and mitigation measures.
Forests OP/BP 4.36	No	There is no forest in the proposed project area, therefore this policy is not triggered.
Pest Management OP 4.09	No	The project will not involve procurement of pesticide or have any impact on pest management practice. This policy is not triggered.

Physical Cultural Resources OP/BP 4.11	TBD	Based on initial field observation and available information, there is no known physical cultural resources identified in the project area of influence. While, further field investigation by EA consultant and consultation with relevant authority/local community will be conducted during the project preparation stage. Regardless findings of such investigation, chance-find procedures will be included in the EMP.
Indigenous Peoples OP/BP 4.10	No	Based on task team due diligence review, Xiaogan is a prefecture city with 531 million of populations, including about 7,000 Chinese minority populations scatted in the urban area and accounted in 44 Chinese minorities, and there are no Indigenous Peoples, as identified by the Bank, are present in, or have collective attachment to the project area. The information provided by the municipal department in charge of minority affairs also confirmed that the project area is Han population centralized area without any Chinese minority community in the project area and Han population is not identified as minority by the Bank. As the result, there are no Indigenous Peoples as identified by the Bank are present in, or have collective attachment to the project area. The task team concluded that the OP4.10 Indigenous Peoples is not triggered and IPDP is not requested.
Involuntary Resettlement OP/BP 4.12	Yes	Due to the land acquisition and resettlement, this policy is triggered, and a resettlement action plan will be developed.
Safety of Dams OP/BP 4.37	No	The project will not involve any dams, therefore, the policy is not triggered.
Projects on International Waterways OP/BP 7.50	No	The policy is not triggered. The project will not involve any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered. The project will not involve any disputed areas.

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 01-Dec-2014

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**

**The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

ESIA, ESMP, ESIA Summary, SA, RAP: Final by December 1, 2014

### IV. APPROVALS

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

Task Team Leader:	Name: Arturo Ardila Gomez	
<b><i>Approved By:</i></b>		
Regional Safeguards Coordinator:	Name: Peter Leonard (RSA)	Date: 27-Jun-2014
Sector Manager:	Name: Abhas Kumar Jha (SM)	Date: 29-Jun-2014