

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC15746

Date ISDS Prepared/Updated: 10-May-2016

Date ISDS Approved/Disclosed: 16-May-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	China	Project ID:	P153473
Project Name:	Three Gorges Modern Logistics Center Infrastructure Project (P153473)		
Task Team Leader(s):	Binyam Reja		
Estimated Appraisal Date:	19-Sep-2016	Estimated Board Date:	30-Mar-2017
Managing Unit:	GTI02	Lending Instrument:	Investment Project Financing
Sector(s):	Ports, waterways and shipping (40%), General industry and trade sector (40%), Rural and Inter-Urban Roads and Highways (20%)		
Theme(s):	Infrastructure services for private sector development (70%), Trade facilitation and market access (30%)		
Financing (In USD Million)			
Total Project Cost:	478.00	Total Bank Financing:	200.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			278.00
International Bank for Reconstruction and Development			200.00
Total			478.00
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

B. Project Objectives

21. The PDO is to improve the efficiency and utilization of multi-modal freight transport system and modern logistics services in Yichang Municipality along the Yangtze River.

C. Project Description

2. Total Project cost is estimated at USD478.3 million, which will be financed in part by a

World Bank loan of USD200 million; the remainder will be financed by loans from commercial banks and Yichang Municipality fiscal funds.

3. Component 1: Baiyang Port and operations area along the Yangzi River (total area: 0.45square km; total cost: USD158 million). This component will finance the construction of port facilities, and the purchase of equipment and installation to support port operations. Seven berths, a heavy container yard, a break bulk yard, an empty container yard, a bulk cargo yard, administration buildings, warehouses, and parking lots will be constructed under this component. The counterpart is currently constructing six other berths from its own resources, making the total number of berths in the port 13.

4. Component 2: Baiyang Logistics Park (total area: 0.90 square km; total cost: USD241 million). This component will finance the construction of warehouses, trans-shipment yard facilities, urban distribution facilities, living service facilities, business facilities, cleaning and maintenance work areas, internal roads, green spaces, administration buildings, and equipment.

5. Component 3: Transport Connection Infrastructure (total cost: USD51.5 million): This component will finance the construction of: (i) an overpass road connecting Baiyang Port and the Logistics Park to Shawan Marshalling Yard; (ii) G318 underpass section; (iii) surrounding roads, i.e., Guihu Road and Songgang Second Road; and (iv) Traffic engineering

6. Component 4: Baiyang Logistics Information Platform and Facilities (total cost: USD25.2 million): This component will finance the purchase of: (i) computer hardware and equipment, and their installation in the information center; (ii) a system platform; (iii) field surveillance devices; and (iv) tele-communication infrastructure.

7. Component 5: Capacity Building (total cost: USD3 million): This component will finance technical assistance to develop port and logistics operations model, project management consultants, training and capacity building, and port and logistics related sector studies.

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

8. The Project is located in Baiyang Industrial Park of Yichang Hi-tech Industry Development Zone. Baiyang, where the Baiyang Port and Logistics Park facilities would be located, is 40 km south of downtown Yichang, and 70 km downstream of the Three Gorges Dam. The location is ideal in that it is removed from the main urban transport corridors and hence does not add to the city's congestion and air pollution, but is close enough to serve the urban freight logistics demand for Yichang Municipality. The proposed site is also well connected to all modes of transport, including the national expressway system, nearby Ziyun Railway Marshalling Yard, and the Three Gorges Airport.

9. The Baiyang Port will primarily serve containers, bulk cargo, general cargo, liquid bulk, and roll on-roll off trucks. The Logistics Park will be used to process shipments for equipment, building material, food industry, steel, and city distribution. Currently, a feasibility study is under preparation to project the demand for the port and the logistics park.

10. The Yangzi River, the longest and biggest river in China, provides sufficient space for the future Logistics industry and a well-functioning Port. Though the project site is outside the natural reserve for Chinese sturgeon, an endangered migrating species, it is only a few kilometers

downstream from the natural reserve's boundary. Yichang is strategically located at the junction of the upper and middle branch of Yangzi River. It is a medium sized and the third largest city in Hubei Province, central south China, with a population of 1.2 million. It has a hilly geography with lush vegetation and subtropical continental climate with annual precipitation averaging at 1210 mm, mostly falling in summer.

11. All land needed for the project are collective owned land of two villages, Yazishan and Guixihu. These two villages are typical rural villages. Most of labors are working outside the village as migrant labor. All families have contracted land in the village but they do not rely on land for their livelihood. The income is mainly salary from working as migrant labor. The acquired land is mainly used for orchard, fish pond. A small proportion of the land is for construction purpose of residential houses and other structures. Although these two villages are along the Yangtze River, none in these two villages engage fishery.

E. Borrowers Institutional Capacity for Safeguard Policies

12. A project management office (PMO) has been established within the Three Gorges Port Authority of Yichang. The PMO is responsible for communication with, and reporting to the Bank, and will monitor project implementation. The PMO will also perform the coordination, supervision and quality assurance role. The PMO consists of members from some key government Bureaus of Yichang Municipality, including DRC, Finance Bureau, and Transport Bureau. The Deputy Commissioner of the Three Gorges Port Authority chairs this office.

13. Under the leadership of PMO, a Project Implementation Unit (PIU), which rests in the Yichang Transport Investment Co., Ltd, has been established with specialized technical, environmental and social safeguards staff. The PIU will perform the day-to-day preparation and implementation of the project, including consultant hiring, financial management, procurement, and environmental and social safeguards etc. Although PIU has staff on environmental and social safeguards, they do not have experience in preparation of the Bank financed projects. Its capacity on environmental and social safeguards will require strengthening, as this is the first WB project in Yichang.

14. On environmental safeguard, Term of Reference (ToR) for Environmental Assessment (EA) had been developed, and Hubei Provincial Environmental Institute has been selected as the EA consultant. It is a highest-class certified EA institute with recent experience in WB projects, e.g. Jingzhou Historic Town Conservation Project and Xinxiang New Countryside Project, both category A. The Bank team provided training on the WB safeguard policies and requirements to the PMO, PIU and EA team, provided samples, reviewed the ToR and discussed the key issues and challenges for this project. Capacity building in safeguard preparation and implementation will be continued throughout the project cycle.

F. Environmental and Social Safeguards Specialists on the Team

Chaogang Wang (GSU05)

Xin Ren (GEN2A)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment	Yes	The proposed project will involve building of major

OP/BP 4.01		<p>port infrastructure in the upper-middle branches of the biggest river in China. It also includes construction of an overpasses road, roads and other facilities inside the logistic park. The potential issues associated with construction and operation include impacts on river environment, aquatic ecology, fishery, navigation safety, ship waste management, risks of leakage and contamination during loading/unloading operation, social disturbance, induced and cumulative impacts of multiple ports under the Yichang Hub. Given the nature, scale and sensitivity of impacts and risks involved, a category A is proposed.</p> <p>Environmental Assessment (EA) shall be carried out by an experienced EA institute. Based on the impact screening, alternative analysis, and baseline definition, key impacts will be assessed thoroughly, especially those on aquatic ecology, water quality and fishery of the river, both during construction and operation. Off-site impacts, such as a borrow pit, disposal site, will be addressed.</p> <p>Social impacts assessment will be carried out separately with the results being integrated into the Environmental and Social Impact Assessment (ESIA) as a chapter which will also covers analysis on induced impacts.</p> <p>To mitigate adverse impacts, a standalone Environmental and Social Management Plan (ESMP) will be prepared to facilitate its implementation, taking into account the relevant Environmental, Health and Safety (EHS) Guidelines of the WB, namely, the general EHS Guidelines, the EHS Guidelines for Ports, Harbors and Terminals and the EHS Guidelines on Shipping, and including measures to address social impacts.</p> <p>Yichang municipal government has consolidated all existing or planned ports under its jurisdiction into Yichang Navigation Hub, of which the proposed project is a part. For the master plan of Yichang Hub, Strategic Environmental Assessment (SEA) was undertaken per domestic requirement and approved. The SEA constitutes the basis for cumulative impact assessment (CIA).</p>
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Natural Habitats OP/BP 4.04	Yes	<p>The segment of Yangzi River around Yichang has a long history as port and transportation hub. However, the development of Baiyang port and associated logistic park will have the potential to add negative impacts on aquatic ecology, natural habitats, and spawning and feeding grounds for migrating species such as the endangered Chinese sturgeon. The borrow pits and disposal sites might also affect terrestrial natural habitats as defined by this OP.</p> <p>To address this issue, a comprehensive investigation and description of the riverine and terrestrial natural habitats will be included in the ESIA. The cumulative impacts of the project, combined with past and future developments in the area of influence, on ecosystems and migratory species such as the Chinese sturgeon will be assessed as part of the CIA. Mitigation or compensation measures will be devised in the ESMP.</p>
Forests OP/BP 4.36	No	Policy does not apply as the project will not be implemented in any forested areas.
Pest Management OP 4.09	No	Policy is not triggered as the project will not procure any pesticides nor will it induce an increase in the current non-existent to low levels of pesticide use.
Physical Cultural Resources OP/BP 4.11	TBD	Although no physical cultural resources as defined by this OP was spotted during initial site visit, a systematic survey shall be conducted through field investigation and consultations with the local cultural relics bureau as well as communities during the EA

		preparation. Relevant measures and chance find procedures will be included in the EMP in case physical cultural resources might be uncovered or affected during construction.
Indigenous Peoples OP/BP 4.10	No	Policy is not triggered as indigenous people as defined in the policy are not present in project areas.
Involuntary Resettlement OP/ BP 4.12	Yes	The project will involve permanent acquisition of about 2134 mu of land, physical displacement of about 244 households (880 persons) and 6 enterprises and public units. All land needed for the project are collective land owned by two villages, called Yazishan village and Guixihu village. A Resettlement Action Plan will be prepared by following the Bank policy and relevant government laws and regulations. As part of the project preparation, analysis of linked activities as per provision of Paragraph 4 of OP 4.12 has been carried out and two activities are identified as linked activities which are first phase of Baiyang Port and about 4 km of reroute of National Road 318 from Baiyang Port to Taibaochang. Construction of both linked activities has been completed. A resettlement retroactive review will be carried out for the land acquisition involved in these two activities and the retroactive review report will be included in the RAP as an Annex. Mitigation measures will be included in the RAP as well if the review found that the land acquisition of these two linked activities are not consistent with the requirements of the Bank Policy OP 4.12. The RAP will be reviewed and cleared by the Bank, and disclosed both in country and at the Bank InfoShop prior to appraisal.
Safety of Dams OP/BP 4.37	No	Policy is not triggered as the proposed project will not affect or be affected by the dam about 70 km upstream.
Projects on International Waterways OP/BP 7.50	No	Policy is not triggered as the project will not undertake any activities in the catchment areas of international waterways and shared aquifers.
Projects in Disputed Areas OP/ BP 7.60	No	Policy is not triggered as project activities will not be implemented in any disputed areas.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-May-2016

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

¹ 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.

The resettlement consultant has been recruited and a draft Resettlement Action Plan will be available for the Bank review by April 2016.

The EA consultant has been recruited. The draft EA and ESMP will be available for the Bank review in April 2016.

IV. APPROVALS

Task Team Leader(s):	Name: Binyam Reja	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Josefo Tuyor (SA)	Date: 12-May-2016
Practice Manager/ Manager:	Name: Michel Kerf (PMGR)	Date: 16-May-2016