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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 01-Apr-2019 | Report No: PIDISDSC25310

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
China	P168181		Chuzhou-Nanjing Intercity Railway PPP Project (P168181)
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
EAST ASIA AND PACIFIC	Jul 29, 2019	Jan 10, 2020	Transport
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	People's Republic of China	Anhui Development and Reform Commission	

Proposed Development Objective(s)

The project development objective is to demonstrate a public-private partnership consistent with good international practices to implement an intercity railway project between Chuzhou and Nanjing Municipalities.

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	2,500.00
Total Financing	2,500.00
of which IBRD/IDA	150.00
Financing Gap	0.00

DETAILS

Private Sector Investors/Shareholders

Equity	Amount	Debt	Amount
Government Contribution	50.00	IFI Debt	150.00
Government Resources	50.00	IBRD	150.00
Non-Government Contributions	450.00	Commercial Debt	1,850.00
Private Sector Equity	450.00	Unguaranteed	1,850.00
Total	**500.00**		**2,000.00**

Payment/Security Guarantee

Total	**0.00**

Environmental Assessment Category	Concept Review Decision
A - Full Assessment	Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **China has achieved remarkable development results in the past 40 years.** GDP growth has averaged almost 10 percent a year and has lifted more than 850 million people out of poverty. Per capita gross income (Atlas method) reached US$8,690 in 2017[1], making China an upper middle-income country. Yet China remains a developing country with economic and institutional challenges. Continued institutional strengthening, especially at the provincial and local government levels, will help China further advance poverty, shared prosperity, and environmental goals.

2. **China's 13th Five-Year Plan (2016-2020) and policy commitments made at the 19th National Congress (October 2017) of the Communist Party of China promote a more sustainable economic development path.** This would include pursuing productivity and innovation-driven development; continuing to rebalance towards consumption, market-based services and further opening up of the economy; improving equitable access to basic public services; ensuring sustainable infrastructure development and finance; and reversing environmental degradation and curtailing carbon emissions.

3. **Rapid infrastructure development in China has helped to boost economic growth and reduce poverty, yet, previous infrastructure development had negative consequences and led to unsustainable use of natural and financial resources.** Development of human capital to effectively plan and manage resources has not caught up with the high pace of investment spending. The quality of the infrastructure, operations and maintenance plans, safety, and climate resilience call for new business models, practices, and institutions. In addition, inefficiencies in planning led to fragmentations in the infrastructure coverage, as well as to the overdesign of infrastructure facilities, which consume unnecessary natural and financial resources.

[1] World Bank. 2017. Gross national income per capita 2017. Report available at: http://databank.worldbank.org/data/download/GNIPC.pdf

4. **The Government of China (GoC) recognizes that future infrastructure investments should be delivered with institutional innovations that reduce local government fiscal burden and promote sustainability with proper maintenance, resilience, safety, and care for environmental issues.** Local government institutions in charge would need to adapt, gain additional technical and financial knowledge, and build their capacity to reach those objectives. As a result, GoC has called for major reforms in the way infrastructure is financed, developed, and operated. The promotion of Public-Private Partnership (PPP) for the development of infrastructure is at the heart of GoC reform initiatives to ensure future infrastructure development is sustainable in all respects[2].

Sectoral and Institutional Context

5. **China's 1994 Tax Reform created mismatch of central-local fiscal relationships that led local governments to reply on off-budget financing to carry out public investments thus creating systemic financial risks.** The local governments share a large **proportion** of their tax revenue with the central government but receive a much smaller proportion of their expenditure from central government subsidies. For example, 50 percent of local tax revenue is shared with the central government but only 15 percent of local expenditure is subsidized by the central government. Prior to 2015, local government financing vehicles, mostly in the form of Urban Development Investment Corporations (UDICs), were responsible for infrastructure financing with implicit government guarantees mostly collateralized by future land revenues (land is injected into the UDICs as capital by the local governments). This type of off-budget financing quickly created a large amount of debt in UDICs, creating significant contingent liability to the local governments.

6. **Given China's strong commitment to infrastructure investment, local officials are rewarded for their ability to deliver physical assets resulting in insufficient attention to the provision of long-term public service.** Infrastructure maintenance and operation, quality of public service, and sustainable financing are overlooked. In addition, local governments generally lack adequate modern institutions, sustainable funding mechanisms, and technical tools and capacity to deliver quality service to users and to sustainably operate and maintain their large infrastructure network.

7. **To mitigate financial risks and improve the provision of public services, since 2014 the GoC has instituted several major reforms, which included amending the Budget Law and promoting PPPs as an alternative model for delivering infrastructure and public service.** The New Budget Law puts legal constraints on local government spending, limits UDICs from serving as financing platforms, and improves local debt management. Within this context, PPP has been actively promoted as an option for developing and financing public facilities. It is also seen as a means for the public sector to play more of a regulator's role in the development of infrastructure and provision of public services, while entrusting the private sector the role of a developer and operator of public infrastructures so to leverage private sector technical expertise, operation efficiency, and financing for lower life-cycle cost and better operation performance. In addition, recent reforms stipulate that a local government's financial obligations to the PPP projects must be accounted for in its annual budget. Further, total local government financial obligations to PPP projects cannot exceed 10 percent of the annual general public expenditure budget.

8. **By 2016, China's PPP project pipeline has reached a scale of more than 10,000 projects, but there is an increasing gap between central government PPP policy objectives and outcomes of local government PPP practices.** Several patterns emerge. The screening and evaluation of PPP projects lacks discipline. The value for money analysis required by the Ministry of Finance (MoF) is qualitative with optional quantitative analysis. As such, many projects that are

[2] World Bank. 2017. China Municipal Finance and PPP Study. Internal Document.

not suitable for PPP have been procured as PPPs, which are more expensive to prepare and develop, thus constraining local government resources. In addition, local governments, especially those with weak fiscal capacity, tend to view PPP as a financing tool rather than an alternative project delivery model that encourages competition and technical innovation. In such cases, PPP procurement does not have sufficient build-in processes to facilitate competition and create opportunity for the private sector to introduce technical innovation and operation efficiency. In China, the average time for PPP procurement is between six months and one year, too short to facilitate the dialogues required between the private and public sectors to fully leverage competition. Moreover, the institutional capacity at the local level is insufficient to prepare and deliver PPP projects given the complexity of PPP structuring and the required skills of technical, procurement, financial and legal experts.

9. **Corporate financing is the prevailing financing tool for PPP.** Bidders with strong balance sheet, such as SOEs and large-scale private enterprises, enjoy competitive advantage in obtaining favorable financing terms. Non-recourse or limited recourse project financing based on project cash flow is rarely used in China's PPP projects.

10. **Transport is a leading sector for the PPP market growth in China.** Implementing a PPP model reflecting international good practices could have large potential demonstration effects in China, particularly in the urban and intercity rail sector, where demand for infrastructure is strong as China continues rapid urbanization and where projects are large scale and technically complex, suitable for PPP. As of 2016, 58 cities in China have approved urban rail plans, of which 30 already have urban rail systems in operation with 133 lines and 4,153 km of rail3. China plans to spend about RMB4.7 trillion on urban rail in the next three years and by 2020 the country expects to have at least 6,000km of urban rail and 4,000 metro stations in operation. As the expansion requires large capital investment, PPP is expected to play an important role in China's urban rail sector. The pipeline of urban rail PPP projects accounts for 36 percent of the MOF PPP database. However, completed urban rail PPP examples are very few and do not follow good international practices, such as revenue-based project finance with balanced risk allocation and limited recourse financing.

11. **The proposed project was selected through a collaborative process with NDRC to demonstrate innovation in PPPs.** Since March 2017, the Bank has been working with NDRC and MoF on screening potential PPP projects for Bank financing and support. In June 2017, NDRC longlisted 41 projects out of over 100 proposals received based on its selection criteria. After reviewing the project proposals, the Bank proposed a shortlist of 21 projects in water, urban and transport for potential candidates for Bank financing; and the proposed project was one of 11 transport projects. In addition, the Bank has reviewed and visited six proposed sites recommended by MoF for consideration for potential Bank financing under the proposed China PPP Promotion and Demonstration Project.

12. **The proposed project is an intercity railway line between Chuzhou Municipality in eastern Anhui Province and Nanjing Municipality (capital of Jiangsu Province) to the east**. Chuzhou is a 3rd tier city in China and is one of 43 cities identified by NDRC and MOHUD for priority development. Chuzhou Municipality is within the Wanjiang Economic Belt and the Nanjing City Cluster. It has a population of 4.54 million and an area of 13,398 km^2. Chuzhou Municipality's economy is ranked no. 5 in Anhui Province with a Gross Domestic Product (GDP) in 2017 of RMB 160.8 billion and an estimated GDP annual growth of about 9 percent. The Nanjing Municipality has a population of 8.3 million and its GDP in 2017 was RMB1.2 trillion (US$ 173.5 billion), with estimated annual growth rate of about 8 percent. The Greater Nanjing Metropolitan Region includes surrounding cities and areas, covering over 60,000 km^2 with a population of over 30 million.

[3] China Urban Rail Transit Association. 2016. Urban Rail Transit Statistics and Analysis Report 2016.

13. **The proposed project has been designated as a "PPP Innovation Project" by NDRC and Ministry of Housing and Urban-Rural Development (MOHUD) at the national level.** The project is expected to demonstrate the potential for introducing more fiscal discipline and private sector participation through competition, modern governance and a risk-based financing approach. Furthermore, the project is a strategically important rail project for Chuzhou, Nanjing and regional integration considering that: (i) it will connect Chuzhou to Hefei-Nanjing high-speed railway; and (ii) it will connect to Nanjing metropolitan area, Hefei economic zone and cities agglomeration alongside Huaihe River. As existing transport facilities between Chuzhou and Nanjing approach design capacity, the productivity of passengers and freight transport is hampered. In September 2015, the NDRC approved the Wanjiang Intercity Railway Network, including the Chuzhou-Nanjing Intercity line as part of Bozhou-Bengbu-Chuzhou-Nanjing Intercity Railway Plan. Therefore, the section from Chuzhou to Nanjing is considered a backbone intercity line in the Wanjiang Region. Moreover, Nanjing has established a solid base in manufacturing, financing, education and technology, which provide vast potential for Chuzhou's economic development.

14. The project design will benefit from the Bank's extensive experience with PPPs and passenger rail projects in client countries. The Bank has supported more than 10 PPP projects in the urban transport sector in the past 15 years with lessons including the importance of market sounding, project structuring, capacity building and institutional arrangements. The Bank also has more than 20 years of experience with urban and intercity rail projects in China and regions throughout the world, with lessons documents in a recent WB publication entitled "Urban Rail Development Handbook" (Pulido, Darido, Munoz-Raskin, Moody, 2018). The World Bank project team will include experts in urban and rail transport, PPP project structuring, transaction advisory, and capacity building, the Global Infrastructure Facility (GIF) and IFC.

Relationship to CPF

15. The proposed operation is aligned with the 2013-2016 World Bank Group Country Partnership Strategy (CPS) for China. The CPS focuses on three main pillars: support of greener growth, promotion of more inclusive development, and advancement of mutually beneficial relations with the world. The proposed project supports these pillars by improving urban transport through a low-carbon electrified intercity railway, improving regional connectivity for more sustainable urban development, and supporting private-sector participation that maximizes finance for development. The GoC and the World Bank are currently developing a new Country Partnership Framework (CPF) for the period of FY2020-2025. The objectives of the proposed project are expected to be consistent with the new CPF and the element(s) of the new CPF will be incorporated in the project during the preparation stage.

16. The GoC is seeking the World Bank's support to develop a PPP demonstration project that introduces and showcases international good practices for financing, designing, preparing, implementing and operating as a PPP. A successful PPP model developed under the proposed project will have the potential to be widely replicated in other cities in China. The proposed project would also provide for better learning and dissemination of PPP knowledge and international best practice.

C. Proposed Development Objective(s)

The project development objective is to demonstrate a public-private partnership consistent with good international practices to implement an intercity railway project between Chuzhou and Nanjing Municipalities.

Key Results (From PCN)

17. The achievement of the PDO will be measured through the following possible outcome indicators:

    i. Demonstration PPP: (a) Procurement process resulting in a bid including either international equity holder and/or international operator, and/or international lender; (b) Financial close achieved [plus 26 years of successful operations as per the BOT contract]. During the preparation, the Bank team will help define the methodology so that this indicator is measurable at ICR.
    ii. Maximizing Finance for Development (MFD) indicator of mobilization of capital (to be based on the finance plan for the project)
    iii. Accessibility: number or % of jobs accessible in the project influence areas within a 60-minute commute.
    iv. Public transport ridership in project influence area (with/without project). This indicator will be disaggregated by gender and income.
    v. Safety: rate of transport-related injuries and/or fatalities along project impact areas (e.g. fatalities/1000 vehicle-kilometers). During the preparation, the Bank team will help define the methodology to ensure that this indicator is attributable to measure the impact of road safety.
    vi. Global and local emissions impact: estimated impact on GHG and local pollutants based on changes to the share of trips on electrified modes, vehicle travel patterns, and network effects.

D. Concept Description

18. Among the PPP good practices and characteristics to be supported during project preparation include: (i) "**Ensuring Value for Money**" including whole of life cycle optimization for achieving best project performance; (ii) "**Open Competition**" which leverages competitive pressures to achieve the lowest price for a specified quality standard; (iii) "**Replicable PPP Model**" with continuous improvement opportunities; (iv) "**Financial Sustainability**" for the users, government and private sector partners; and (v) "**Good Contract Management**" to ensure benefits to all parties involved in the concession.

19. The proposed project will focus on the following: creating templates of urban rail PPP project bidding documents and contracts; establishing a PPP bidding process that encourages competition and innovation; piloting cash flow-based project finance to alleviate local government debt burden and encourage better lending practices; and capacity building.

20. The Project is also expected to improve transport connectivity and accessibility, reduce greenhouse gas emissions and other negative externalities from transport, and promote inclusive and green development by providing a clean and safe transport mode integrated with the intercity rail network.

21. **The proposed Chuzhou-Nanjing Intercity Railway project consists of a new 54.3 km passenger rail line with 16 stations.** The project alignment would traverse two jurisdictions: Chuzhou Municipality in Anhui Province and Nanjing Municipality in Jiangsu Province. The Chuzhou section will have 14 stations and stretch for 46.05 km, of which 40 km (>85% of alignment) are on elevated structures. The Nanjing section will be 8.25 km long with two stations, of which the Nanjing North Railway Station will be the main terminal. The Nanjing North Railway Station is planned as a

regional transit hub connecting three high-speed railways (Chengdu-Shanghai, Nanjing-Huai'an, Nanjing-Bengbu), three metro lines (Nanjing Metro Line 3, 4 and 15), and one inter-city railway (the proposed project). The project is expected to create critical regional transport and economic linkages to stimulate urban, social, and economic development in Chuzhou and towns along the corridor connecting it to Nanjing.

Project Status

22. **The estimated cost of the 54.3 km project is RMB17.1 billion (US$2.5 billion).** The cost estimate will be updated during project preparation with the completion of Feasibility Study Reports (FSRs) and detailed designs. The **Chuzhou Section** (46.05 km) is estimated to cost RMB14.50 billion (US$2.13 billion) per the FSR being developed by Chuzhou Municipal Government (CMG). Phase 1 of Chuzhou Section is a 32.95 km alignment traversing a rapidly urbanizing corridor of Chuzhou from North Fengyang Road to the border with Nanjing. Phase 2 of Chuzhou Section is a 13.1 km alignment traversing a densely populated corridor from Chuzhou high-speed station to North Fengyang station (downtown Chuzhou). Anhui Province DRC approved Phase 1 in June 2018 and a decision on Phase 2 will be made at a later date. Phase 1, estimated to cost US$1.33 billion with eight stations planned, will be on elevated structures and available rights-of-way. Phase 2, estimated to cost US$0.79 billion with six stations planned, will be a mix of underground and aboveground systems. The **Nanjing Section** (8.25km) is estimated to cost is RMB2.6 billion (US$382 million). Jiangsu Province will include the project in its near-term plan for the City Cluster Intercity Rail Transit Network by the end of 2018 and will complete the FSR for the Nanjing section by the end of 2019.

Project Components

23. This project will support the implementation and technical assistance components for the Chuzhou–Nanjing Intercity Railway Line, a national priority intercity railway corridor, to connect Anhui and Jiangsu provinces and strengthen regional integration among cities and towns in the Yangzi Delta. The following components are under discussion with the Borrower:

Component 1: Contract(s) to finance, build, and operate the 54.3 km Chuzhou–Nanjing Intercity Railway Line (Estimated Cost: US$2.45 billion; IBRD loan: US$146 million). Under the proposed build-operate-transfer (BOT) contract, the governments of Chuzhou and Nanjing will grant a concession to a private company to finance, build and operate the proposed rail investment. The company is expected to operate the project for a period of time – [26] years – with the goal of recouping its investment, then transfers control of the project to the governments. A number of variations on the basic BOT model exist: under build-own-operate-transfer (BOOT) contracts, the contractor owns the project during the project period; under build-lease-transfer (BLT) contracts, the government leases the project form the contractor during the project period and takes charge of operation. Other variations have the contractor design as well as build the project: one example is a design-build-operate-transfer (DBOT) contract. These variations are to be discussed with the governments.

Component 2: Technical Assistance (TA) on transaction advisory services, construction and operations management (Estimated Cost: US$42 million; IBRD loan: US$2.5 million). The component will assist the agencies in Chuzhou and Nanjing to develop a mechanism for risk allocation and mitigation for the PPP and enhance their institutional capacity throughout the implementation and operations of railway line. This TA will finance the following activities: PPP transaction advisory, contract management, design review, construction management and quality assurance. As BOT is being considered for this PPP project, the TA will also provide training for the relevant Chuzhou agencies and staff as well as staff at relevant Anhui Provincial agencies, to build their knowledge in operations supervision, asset management, and performance monitoring.

Component 3: TA on system integration and Transit Oriented Development (TOD) (Estimated Cost: US$25 million; IBRD loan: US$1.5 million). This TA provides Chuzhou City with knowledge exchanges, policy development, and best practice on public transport integration and TOD. The Bank will bring its international experience on such policy and strategic developments as well as lessons from Chinese cities where the Bank financed railways. Developing a system that provides physical and fare interoperability in both Chuzhou and Nanjing would sustain ridership growth and promote the use of high-capacity transit over single occupancy vehicles. At the same time, a well-defined TOD strategy addresses land-use and transport integration, parking policy, land transfer mechanism and value capture. This component could also develop guidelines and strategies to support fare integration, passenger accessibility, intermodal station development, and TOD. This component may also include capacity building and technical assistance on cross-cutting issues including gender considerations, citizen engagement, road safety, climate change and disaster risk management.

24. **Project Cost and Financing.** CMG is expected to invest its contribution of US$50 million as equity in the project company with the following objectives: (i) to have the ability to be more involved in the project and have access to information, and (ii) to provide confidence to the private sector. From the estimated US$2.5 billion total cost (including interest during construction) for the proposed 54.3 km project, IBRD loan will finance up to US$150 million of expenditures. About US$450 million is expected to be mobilized in the form of private sector equity, and about US$1.85 billion of domestic/international commercial debt will complete the expected finance plan for the project. This finance estimate includes the GoC's initial costing for land acquisition and resettlement of about US$135 million, which is low because the availability of right-of-way for most of the alignment.

25. **The Bank Loan is proposed to be used to finance government's share of debt or equity and/or grants to the private sector led implementing agency (to be agreed with the Borrower)**. The funds will be used either to finance the civil works, equipment and rolling stock for the intercity railway line and/or station area improvement and project accessibility features. According to the preliminary design, approximately 63 percent of total project cost accounts for the construction of infrastructure and facilities, and the acquisition of equipment and rolling stock. The remaining 37 percent of total cost accounts for land acquisition, vehicle purchase, contingency and other implementation costs. Usually in the PPP model for metro projects, the private sector brings a substantial portion of financing for rolling stock and equipment. The detailed cost allocation for civil works and goods, to be financed under the IBRD loan, will be determined once the final design is completed during the project preparation. The IBRD loan may be used to finance a construction capital grant (or commonly known as Viability Gap Funding or VGF) if a viability gap is identified, and/or as project finance debt to the project, and/or as government equity. The Bank will also discuss credit enhancements (an IBRD guarantee) to project lenders, if deemed necessary. IFC and MIGA support will be sought as deemed necessary by project proponents as well. Finally, the Bank Group will provide support through capacity building and PPP project preparation and transaction advisory support, including through the Global Infrastructure Facility.

SAFEGUARDS

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

Chuzhou Municipality is located in eastern Anhui Province, bordering Nanjing Municipality (capital of Jiangsu Province) to the east. It has a population of 4.54 million and an area of 13,398 km2. The Nanjing Metropolitan Region includes surrounding cities and areas, covering over 60,000 km2 with a population of over 30 million. Chuzhou City is located in Nanjing metropolitan circle with frequent traffic flow to Nanjing City. Most of the alignment will utilize existing road corridor.

B. Borrower's Institutional Capacity for Safeguard Policies

Chuzhou Municipal Government (CMG) will create the Chuzhou-Nanjing Intercity Railway Development Company (CNIRDC). CNIRDC will represent CMG in the development of the proposed project. Nanjing Municipal Government (NMG) will designate Nanjing Metro Company (NMC) as its representative. The two companies will sign a cooperation framework agreement on behalf of their respective governments to jointly develop the proposed project. Specifically, CNIRDC will be responsible for the FSR and engineering design of the entire 54.3 km project. However, approval of the FSR and engineering design of sections in the two provinces will be processed separately in the respective jurisdictions by CNIRDC and NMC. Further, CNIRDC and NMC will each be responsible for land acquisition and resettlement in Chuzhou and Nanjing respectively. The two companies will form a project company that will be responsible for project implementation.

The Bank team will provide training to clients from responsible institutions to build their knowledge and capacity in safeguards. The CNIRDC will engage environmental and social safeguard specialists to prepare the safeguard documents, oversee the project implementation and ensure the proposed project complies with the Bank's safeguards policies.

C. Environmental and Social Safeguards Specialists on the Team

Feng Ji, Environmental Specialist
Aimin Hao, Social Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project finances large scale civil works which have the potential to cause substantial environmental and social impacts, especially during construction phase. Potential impacts may include: (i) passing through/nearby sensitive sites (e.g. residential and office buildings, schools, hospitals, streams); (ii) noise, dust, waste, wastewater, soil erosion and social disturbance during construction; and (iii) noise, vibration, waste and waste water management, safety and community connectivity during operation etc.. An EA report has been prepared for the Chouzhou section (total 46.05km) in accordance with Che EA regulations. The EA will be revised and updated based on the latest project design and the Bank's safeguards

		polices, and include the assessment for the Nanjing section (approximately 8km) . As a Category A project, the EA will include cumulative impact assessment, associated facilities and the proposed consultation and disclosure process, and consider the E&S implications of the proposed TA activities. A stand-alone Social Assessment(SA) as described under OP4.10 and OP4.12 will be prepared. The key findings of the SA will be reflected in the Executive Summary. Based on the EA and SA, a stand-alone ESMP will be developed to address the adverse environmental and social impacts, and include monitoring plan, institutional arrangement, capacity building, and budget for the implementation of the ESMP etc.. An EA Executive Summary for the project will be prepared summarizing the key findings of the EA and SA.
Performance Standards for Private Sector Activities OP/BP 4.03	TBD	Further information will be provided with respect to the rationale for triggering OP4.03 during project preparation. The eligibility of OP 4.03 will be determined based on policy requirements, if (a) the activity is designed, constructed, operated and/or owned, by a Private Entity (or consists of technical assistance in preparation for such activity), is productive and is necessary to meet the development objectives of the member country in which it is implemented; (b) the Private Entity is fully responsible for identifying, assessing and managing the environmental and social risks associated with the activity; and (c) the Private Entity has a generally recognized capacity to identify, assess and manage the environmental and social risks associated with the activity. If OP/BP 4.03 is triggered, then private entity is responsible for developing an environmental and social management system (ESMS) in accordance with the Bank Performance Standards by appraisal stage.
Natural Habitats OP/BP 4.04	TBD	The EIA for Chuzhou Section indicate that the project would not have adverse impacts on Natural Habitats.

		Whether OP4.04 is triggered or not for the Nanjing section will be determined by the findings of the final EA which includes the assessment.
Forests OP/BP 4.36	No	The alignment will use existing ROW. The project will not have impacts on the health and quality of forests, nor affect the rights and welfare of people and their level of dependence upon or interaction with forests, nor aim to bring about changes in the management, protection, or utilization of natural forest or plantations
Pest Management OP 4.09	No	The project will not include any procurement of pesticides or pesticide application equipment; nor introduce any new pest management practices, or expand/alter existing pest management practices; nor lead to substantially increased pesticide use and subsequent environmental and health risks.
Physical Cultural Resources OP/BP 4.11	TBD	The EIA for Chuzhou Section indicate that the project would not have adverse impacts on PCRs. Whether OP4.11 is triggered or not for the Nanjing section will be determined by the findings of the final EA which includes the assessment which is currently underway
Indigenous Peoples OP/BP 4.10	TBD	A social impact assessment will assess whether ethnic minorities present in project locations. Initial assessment indicates there is no ethnic minority concentration.
Involuntary Resettlement OP/BP 4.12	Yes	The project may require permanent and temporary land use to satisfy construction needs. A social impact assessment which is underway will focus on local communities' views of the proposed project and their willingness to support the project by cooperating with land acquisition and resettlement. Feasibility study team will carry out alternative design analysis to recommend the best options and how to address the impacts
Safety of Dams OP/BP 4.37	No	The project will not finance construction or rehabilitation of any dams as defined under this policy, and there are no dams impact on the safety and operation of the project financed facilities.
Projects on International Waterways OP/BP 7.50	No	The project is not associated with any international waterway. This policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in disputed areas. This policy is not triggered

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jul 29, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The Environmental Assessment documents are expected to be submitted prior to the appraisal (July 2019, TBD).

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APPROVAL

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