



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

Concept Stage | Date Prepared/Updated: 20-Jun-2017 | Report No: PIDISDSC19451



BASIC INFORMATION

A. Basic Project Data

Country China	Project ID P159883	Parent Project ID (if any)	Project Name China: GEF Efficient and Green Freight Transport Project (P159883)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Oct 16, 2017	Estimated Board Date Feb 15, 2018	Practice Area (Lead) Transport & ICT
Financing Instrument Investment Project Financing	Borrower(s) PEOPLE'S REPUBLIC OF CHINA	Implementing Agency Ministry of Transport	GEF Focal Area Climate change

Financing (in USD Million)

Financing Source	Amount
Borrower	5.42
Global Environment Facility (GEF)	8.25
Local Govts. (Prov., District, City) of Borrowing Country	150.00
Total Project Cost	163.67

Environmental Assessment Category

B-Partial Assessment

Concept Review Decision

Track I-The review did authorize the preparation to continue

Other Decision (as needed)

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B. Introduction and Context

Country Context

1. China's rapid economic growth over the last three decades has been accompanied by equally rapid growth in energy consumption and greenhouse gas (GHG) emissions. According to the International Energy Agency (IEA)¹, China's total energy consumption grew from 854 Mtoe² in 2002 to 1944 Mtoe in 2013, at an annual growth rate of

¹ <http://www.iea.org/statistics/>

² Mtoe: Million tons of oil equivalent



7.8 percent. China's total CO₂ emissions also grew from 3548 Mt³ in 2002 to 8977 Mt in 2013, at an annual growth rate of 9.4 percent.

2. The central government of China attaches great importance to reducing energy consumption and carbon emissions, and has issued a series of policies, strategies and action plans in recent years in support of a low-carbon economic development strategy. Recently, at the United Nations Climate Change Conference held in Paris, China's Intended Nationally Determined Contribution (INDC) targeted a 60 to 65 percent reduction in carbon intensity – defined as GHG emissions per unit of GDP – by 2030, compared to the 2005 level. Although by 2013, approximately 28 percent reduction in carbon intensity has been achieved⁴, sustained efforts in all sectors are needed to achieve the ambitious INDC targets.

3. The transport sector is a major contributor of energy consumption and CO₂ emissions. In 2013, transport accounted for nearly 50 percent of total oil consumption and over 8 percent of CO₂ emissions in China⁵. Freight transport accounted for over 50 percent of the total transport CO₂ emissions, although freight vehicles only account for 16 percent of the total vehicles.

4. China's new model for economic growth calls for shifting the sources of growth from export-oriented industry and infrastructure investment towards domestic consumption. Consequently, it is relocating new industries to inland regions, and such relocation has led to increased demand for freight transport and logistics. Therefore, the efficiency of freight movements will become increasingly critical in lowering China's carbon footprint and meeting its global commitments to reduce GHG emissions, especially in the context of the new economic growth model. In addition, now that freight is diversified across space and commodities, the traditional long-haul freight services are no longer suitable for China's new economy. A network of multi-modal freight services is needed, and intermodal transport is particularly essential to improve overall freight efficiency and reduce reliance on road freight transport.

Sectoral and Institutional Context

5. **China's economy is one of the most freight intensive economies in the world.** In 2015, total freight volume in China was 42 billion tons and 18 trillion ton-kilometers. Compared to the United States, China's total freight volume is approximately 2.5 times in tonnage terms and 2 times in tonnage-kilometer terms. It is expected that China's freight volume will continue to grow at an annual rate of 7 to 8 percent during the 13th Five-Year Plan period. Freight transport intensity, measured in ton-kilometer per GDP, is gradually decreasing. In 2015, China's freight transport intensity was 1.7 ton-kilometer/USD, a 35 percent decrease compared to 2006. Yet, it is still substantially higher than the US (0.48 ton-kilometer/USD) and European Union (0.19 ton-kilometer/USD)⁶.

³ Mt: Million tons

⁴ *China's Policies and Actions on Climate Change (2014)*, the National Development and Reform Commission, November 2014

⁵ The statistics includes commercial/public vehicles only, but does not include private vehicles.

⁶ *EU Transport in Figures*: http://ec.europa.eu/transport/facts-fundings/statistics/pocketbook-2016_en.htm



6. **Intermodal freight transportation is underdeveloped.** Over the past decades, China has developed a large transport infrastructure network consisting of over 123,500 kilometers of expressway, 121,500 kilometers of railway and 127,000 kilometers of navigable inland waterway. Nonetheless, 76 percent of the freight in China are moved by road transport, which is more carbon intensive than railway and waterway. One major impediment in China's freight transport sector is the underdeveloped intermodal transport nodes and hubs. Despite the good infrastructure network by mode, there is a missing link between the various transport modes, especially lack of efficient freight hubs to facilitate seamless intermodal transport between sea and rail, waterway and rail, and rail and road transport, etc. In addition, the transport units, equipment and operational rules and documentation varies by mode and are not standardized, making the interconnection between modes inefficient. Thirdly, there are institutional barriers between mode operators and lack of incentives for them to work across modes. Finally, information of intermodal transport is fragmented and not shared among various stakeholders such as the infrastructure operators, logistics services providers, and logistics customers. As a result, the transshipment cost between various modes accounts for one-third of total freight transport cost in China.

7. The government of China has recognized the key challenges and bottlenecks in intermodal freight transport. The 13th Five-Year Plan for Economic and Social Development (2016-2020) called for accelerated development in intermodal transport and construction of intermodal freight hubs. The Mid- to Long-Term Logistics Development Plan (2014-2020) issued by the State Council also emphasizes intermodal transport as one of the most critical area for logistics development in China. In response, local governments have accelerated the planning and investment of intermodal freight hubs and logistics parks. In 2015, the State Council and the Ministry of Transport jointly launched a national intermodal pilot demonstration program, which provided policy support and financial incentives to 16 selected intermodal transport projects across the country.

8. **Emerging development corridors raised new requests for freight and logistics development.** With the adoption of new development strategies including "One Belt One Road" and "Yangtze River Economic Belt", China has identified a number of national and international freight and logistics corridors to support the new trade routes and industrial development locations. However, the current corridor plan are very crude, and detailed development strategies and investment plans need to be developed based on a review of the existing infrastructure, detailed survey of commodity flows along various potential freight corridors, and a better understanding of the major impediments in policies, regulations, infrastructure and operations, in order to improve the efficiency and environmental sustainability of freight movement along these corridors. In particular, there is an urgent need to ensure the new freight corridors are designed, developed, and operated to support a more efficient and green freight transport and logistics system.

9. **Last mile urban distribution is inefficient.** China ranks first in the world in terms of number of express deliveries and the demand will continue to grow as a result of the booming e-commerce across the country. According to OECD's⁷ report on *Delivering the Goods: 21st Century Challenges to Urban Goods Transport*, urban freight accounts for 10 to 15 percent of total traffic in developed countries, while contributing to 40 to 50 percent of

⁷ OECD: The Organization for Economic Co-operation and Development



traffic-related pollution in the urban area. Many Chinese cities are already suffering from the negative externalities of urbanization such as air pollution, GHG emissions and traffic congestion. While cities have taken actions to promote public transport and manage travel demand for passenger transport, relatively little has been done to facilitate the essential flows of goods in urban areas and to reduce the adverse impacts of urban freight transport.

10. In order to improve the efficiency of urban distribution, coordinated efforts from both the public and private sectors are required. Firstly, consolidation is a key to achieving sustainable urban distribution. Some urban logistics companies in China are developing offsite consolidation centers for “joint distribution”, and lessons learned and supporting policies required may be summarized from these initiatives to promote its replication. Secondly, freight transport planning and management need to be integrated into the urban transport planning and traffic management process, which currently emphasizes passenger transport only. For instance, infrastructure capacity may be more efficiently used on a 24 hour basis; loading/unloading zones for goods need to be carefully planned and strictly enforced; designated delivery routes may be planned for freight distribution. Thirdly, the introduction of technological innovation can further support sustainable urban distribution. Finally, better integration of urban freight transport with long haul transport can not only improve the efficiency of urban distribution, but also facilitate urban-rural integrated distribution.

11. **The trucking industry have great potential to reduce CO₂ emissions.** There are currently over 20,000 types of freight vehicles manufactured in China and less than 20 percent of them are containerized. These non-standardized trucks significantly reduce the efficiency of intermodal logistics. In addition, many aged trucks are still in operation and have become the major source of air pollutants and GHG emissions. More financial assistance and incentives need to be provided to upgrade the existing truck fleet to larger, more efficient, and standardized trucks in order to reduce CO₂ emissions from freight trucks.

12. **ICT could promote logistics efficiency and service quality.** New concepts such as “internet plus”, “big data” and “internet of things” are gradually being introduced into the logistics services in China by the private sector. However, most of these information are fragmented and owned by individual companies. The public sector therefore has an important role to play in creating an open platform with standardized protocols so that information may be shared among all stakeholders. In addition, once information is made available, a logistics credit system may be established for logistics companies, individuals and intermediaries.

13. **The proposed project design has reflected lessons learned from similar GEF transport projects implemented in China.** The GEF Green Freight Demonstration Project, which was implemented in Guangdong Province, primarily focused on improving the fuel efficiency of trucks (the “improve” approach). The project demonstrated that while this may reduce GHG emissions from road freight to some extent, there is an urgent need to reduce the overall freight truck mileage through “avoid” and “shift” approaches; this is as a key focus of the proposed project. Other GEF projects that include multiple pilot cities confirmed the demonstration effect and the replication potential of successful pilot projects; this is being continued under the proposed project. The project will utilize the online



TransFORM platform that was developed under the GEF Large City Congestion and Carbon Reduction Project to disseminate key project outputs and outcomes.

14. **The private sector will be closely involved in the proposed project.** The national component will include consultations with the private sector in strategy development. The local component will work with several private logistics companies to pilot innovations in intermodal transport and urban distribution. The Ministry of Transport has called for proposals nationwide for projects that: (i) feature good practices in intermodal transport and urban distribution; and (ii) demonstrate potential in GHG emission reduction. In order to ensure the success of the pilot projects, MOT has carefully evaluated the financial and technical capacity of the pilot entities, as well as the expected freight volume of the pilot projects, during the selection process, so that the innovations and best practices could be replicated throughout the country.

Relationship to CPF

15. The proposed Project is consistent with the World Bank Group's China Country Partnership Strategy (CPS) for 2013-2016. In particular, it supports two of the strategic themes of the CPS:

- *Strategic Theme 1: Supporting Greener Growth.* The Project will improve the efficiency of intermodal freight transportation so that long-distance road freight will be shifted to greener transport modes such as railway and waterway. The Project will also promote green urban logistics to reduce the emissions.
- *Strategic Theme 2: Promoting More Inclusive Development.* The Project will support more efficient freight and logistics in the relatively lagging central and northeastern regions which facilitates logistics cost reduction and economic development.

16. The proposed Project will support the World Bank's twin goals for ending extreme poverty and promoting shared prosperity. Improvements in freight and logistics in the central and northeastern regions will boost economic growth and creating new job opportunities in these regions that will, *inter alia*, benefit the poor and contribute to the development of these relatively less developed regions of China.

17. The proposed Project is also aligned with the climate change mitigation (CCM) goal of the GEF-6 program, which is to support developing countries and economies in transition to make transformational shifts towards a low-emission, resilient development path. In particular, it support the CMM Program 1: Promote the timely development, demonstration, and financing of low-carbon technologies and mitigation options.

C. Proposed Development Objective(s)

The development objective of the project is to improve the efficiency of China's freight transport sector and contribute to the reduction of carbon emissions.



Key Results (From PCN)

The achievement of the PDO will be measured through the following key results indicators:

- National strategies for intermodal freight transportation development developed and adopted.
- National guidelines for green and efficient urban freight distribution system developed and adopted.
- CO₂ emissions from the pilot projects.

D. Concept Description

The proposed project will develop policies, strategy and standards at the national level to improve the efficiency and environmental sustainability of China's freight transport sector. The project will also pilot the key policies, strategies and technologies at the local level in five selected cities/provinces. In addition, the project will develop a statistical system for energy consumption in the freight sector and conduct monitoring and evaluation of CO₂ emission reduction of the pilot projects.

Component 1: National Level TA and Policy Development (US\$3.048 million GEF grant + US\$1.70 million counterpart funding)

Component 1A: Development of Low Carbon Intermodal Freight Transportation System. Development and issuance of national policies, strategy and standards aimed at improving the efficiency and environmental sustainability of long-distance intermodal freight transportation systems. This component is expected to encourage modal shift of road freight transport to railway and inland waterway transport and reduce deadhead freight mileages.

- National Strategy for Low Carbon Intermodal Freight Transportation Development in China.** This component will carry out a detailed research on existing weaknesses and impediments in the intermodal transportation system in China, review international best practice through case studies, and develop a set of comprehensive national strategy and guidelines for promoting an efficient intermodal freight transportation system in China, which will facilitate the physical, operational and technological interconnections among the different modes across the entire freight logistic chains. The Strategy and Guidelines would include, among other things (i) introduction of harmonized standards for equipment, documentation and information systems used to move freight across different modes; and (ii) strengthening national institutions and stakeholder participation in freight transportation and logistics, including the introduction of a national forum for consultation and coordination of decision making and policies that affects different modes.
- Development of Intermodal Freight Strategy for the Yangtze River Economic Belt (YREB).** This component will finance (i) commodity flow surveys across the YREB; (ii) assessing the existing capacity and operational situation in intermodal transport infrastructure and hubs along YREB; (iii) develop freight transport strategy for different modes; (iv) identify infrastructure and operational bottlenecks for effective intermodal transport for YREB; and (v) recommend policy, investment strategy and information technology to improve freight transport across YREB.



- c. **Development of Action Plan for Efficient and Green Freight Corridor Improvement.** This component will (i) review the infrastructure and operational bottlenecks on major national and international freight corridors, key intermodal nodes and hubs, and land border port nodes; and (ii) develop recommendations to (a) improve the capacity and efficiency of the selected freight corridors, and (b) improve service levels and integration at selected intermodal freight nodes/hubs. The major corridors are linked to freight corridors being developed under the “One Belt, One Road” (OBOR) initiative, and as such this component will contribute to the improvement of freight corridors in some sections of the OBOR corridors.
- d. **Truck Traffic Management Improvement in Ports.** This component will develop solutions and guidelines to reduce congestion and air pollution associated with trucks circulating in port areas, as well as major truck routes within port cities. The study will be carried out on selected major port cities in China, examine international best practices, and develop national guidelines to be used by ports across China.

Component 1B: Green Urban Freight Distribution and Logistics. Development and issuance of national policies, strategy and standards aimed at improving the efficiency and environmental sustainability of (i) the urban freight distribution system, and (ii) the interconnection between long-distance freight transport and urban freight distribution system. This component is expected to avoid excessive urban distribution mileage and improve the energy efficiency of the vehicle fleet for urban delivery.

- a. **Development of Green and Efficient Urban Freight Distribution System.** The component will review the current system of freight distribution in China and international case studies (such as CityLog in Europe and CityMove in the United States), and develop strategy and guidelines for layout planning for distribution centers, new distribution technologies and introducing an efficient system of urban freight distribution.
- b. **Development of policy for e-Commerce transport and distribution system.** This component will study the various modes used for express and last-mile delivery and provide a set of recommendations for standardized vehicles (including electric vehicles for last-mile delivery) and distribution system (including the introduction of joint distribution systems and self-collect parcel lockers).
- c. **Integration of Freight Transport and Urban Transport Planning and Management.** This component will review the impact of freight transport on urban transport in Chinese cities and develop guidelines for integrated freight and urban transport planning and management to reduce traffic congestion resulting from freight vehicles.

Component 1C: Energy Consumption and Pollution from the Freight Sector. Development of a national statistical framework for energy consumption from the freight transport sector and green driving certification system. This component is expected to improve the monitoring and evaluation framework of energy consumption and emissions from the freight sector.



- a. **Development of emission reduction and pollution control schemes for the freight transport sector.** This component will carry out an inventory survey of the pollutants from freight vehicles and vessels, and develop policies and schemes for emission reduction and pollution control from freight transport, such as financial and institutional incentives to promote higher standards for the trucking industry, and technological innovations in the freight transport sector.
- b. **Development of energy consumption statistical system of the freight sector.** This component will establish the statistical system and monitoring framework for energy consumption of freight transport.

Component 2: Subnational Level TA and Pilot Projects (US\$3.780 million GEF grant and US\$150.00 million IBRD loan as co-financing)

Component 2A: Xiamen Municipality, Fujian Province. An intermodal freight hub is currently under construction outside of Xiamen Port (20 km from the port) to serve as an inland port to process incoming and outgoing freight to Xiamen Port. The freight hub will facilitate intermodal transport among sea, rail and road and connect the Xiamen Port to the major freight corridor serving Fujian and Jiangxi province.

- a. **Information System to Support Intermodal Freight Transportation.** This component will finance the development and installation of information system for the intermodal freight hub in Xiamen serving the Fujian-Jiangxi corridor. The information system will be developed to facilitate information sharing among railway, road transport and port operators (inland and main Xiamen port), as well as with major customers and logistics service providers.
- b. **Implementation Support for New Intermodal Equipment and Documentation Standards.** The component will finance technical assistance to help the new inland port to introduce uniform documents and standard load units across different modes.
- c. **Traffic Management for Xiamen Port and the New Inland Port.** This component will develop a detailed strategy to de-congest the Port of Xiamen, its surrounding area, and the new inland port currently under construction.

Component 2B: Yantai Municipality, Shandong Province. An intermodal transport system consisting of freight hubs in Yantai and Dalian and ship services across the Bohai Bay is currently being developed, which will reduce the distance between Yantai and Dalian from 1400 kilometers by road to 165 kilometers by sea. Drop-and-pull transport will be implemented so that only the container trailer will be shipped across the bay and towed by a tractor at the freight hub. A trucking association is being established consisting trucking companies that will provide tractors and drivers for the transport service between the origin and the freight hub or the freight hub and the destination.



This component will include, among others, (i) provision of standard container-trailers to be used for tractors and ships across the Bohai Bay; (ii) technical assistance for regulation of trucking associations; and (iii) introduction of a pooled-financing method to support trucking companies.

Component 2C: Weifang Municipality, Shandong Province. A logistics park is currently under construction which locates 10 kilometers south of Weifang's downtown area. The logistics park consolidates logistics providers and customers in one location and provides intelligent green warehouses to the manufacturing companies. The logistics park will also support add-value services provided by third-party logistics companies.

This component will include, among others, (i) development and installation of an open information platform for logistics providers and customers; (ii) piloting green warehousing technologies such as solar panels and LED energy saving light bulbs; and (iii) establishment of access mechanism to the logistics park including emission standards of truck fleets owned by the logistics companies.

Component 2D: Guangdong Province. Some logistics companies in Guangdong are currently developing offsite freight consolidation centers on the outskirts of the cities to support joint distribution and/or urban-rural integrated distribution.

This component will include, among others, (i) implementation support to pilot joint distribution and urban-rural integrated distribution in selected cities; (ii) development of strategies and guidelines for "internet of things" development; and (iii) study on freight transport management scheme in the urban area including night delivery, dock scheduler and queue management system, dedicated urban distribution routes, etc., for selected cities.

Component 2E: Hubei Province. The World Bank is providing a US\$150 million loan to support the construction of the Yakou Navigation-Hydropower Complex under the Hubei Inland Waterway Improvement Project. The loan project will upgrade the waterway capacity on Han River in support of inland waterway development.

This component will improve inland waterway transport utilization and intermodal connectivity for the Han River. It will develop policies and guidelines for promoting inland waterway and port utilization, and develop an information platform for promoting intermodal transport on the Han River.

Component 3: Capacity Building and Monitoring and Evaluation (US\$1.063 million GEF grant + US\$0.52 million counterpart funding)

Component 3A: Capacity Building. This component will include, among others, (i) workshops and trainings to enhance the knowledge and capacity of government authorities and logistics practitioners for freight and logistics; (ii)



dissemination activities and online knowledge platform to promote the project outputs and outcomes; and (iii) eco-driving training for truck drivers.

Component 3B: Monitoring and Evaluation (M&E). This component will provide technical assistance to the national and sub-national agencies to develop the M&E methodology, collect the data and calculate the CO₂ emission reduction from the sub-national pilot projects.

Project Management Cost (US\$0.355 million GEF grant + US\$3.20 million counterpart funding)

The project design will be gender-informed. The policies, strategies and standards to be developed will incorporate gender dimensions where applicable. The pilot projects will conduct gender analysis and explore gender sensitive actions to promote gender equality and women's empowerment. The project will also ensure that females have equal access to the capacity building activities, and will in particular target female logistics entrepreneurs to build up their professional and management skills.

SAFEGUARDS

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

The project involves national level activities and 3 municipalities and 2 provinces, namely Guangdong Province, Hubei Province, Xiamen Municipality, Yantai Municipality, and Weifang Municipality. The project is primarily technical assistance. Central PMO will be the Ministry of Transport (MOT).

B. Borrower's Institutional Capacity for Safeguard Policies

The Ministry of Transport (MOT) will be the implementing agency of the project. MOT will establish a Project Management Office (PMO) under its Comprehensive Planning Department to be in charge of day-to-day management of the project. It has experiences on WB safeguards policies, after implementing two similar GEF projects. The subnational agencies include the Guangdong Provincial Department of Transport (DOT), Hubei Provincial DOT, Xiamen Municipal Transport Bureau (TB), Yantai Municipal TB and Weifang Municipal TB. Except for Guangdong and Hubei, the other three transport bureaus are all new to the Bank. WB safeguards related training will be integrated into the project preparation and implementation. The safeguards related preparation will be centralized at the national PMO. The PMO will engage experienced environmental and social consultants to prepare the safeguard instruments with a TOR agreed by the Bank.

C. Environmental and Social Safeguards Specialists on the Team

Songling Yao, Ning Yang



D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
		<p>The project is technical assistance that doesn't involve physical works. According to initial project proposals, environmental screening has been conducted. In general, the project will bring about environmental benefits in terms of reduction of carbon emissions and air emissions from the transport sector. Notably, several activities are designed to directly address environmental issues, such as the development of Greenhouse Gas Reduction and Air Control Pollution Control Strategy for China's Freight Transport under Component 1, and other studies addressing transport air emission monitoring, statistics, etc.</p> <p>Other proposed activities will have environmental and social implications, hence OP4.01 is triggered and it is proposed to assign Category B to the project given the technical assistance nature of the project and the fact that the anticipated safeguards issues are rather limited.</p>
Environmental Assessment OP/BP 4.01	Yes	<p>The proposed activities can be grouped into several types. Environmental screening of each type and proposed environmental instruments are discussed in below.</p> <p>1. Development of various strategies, policies, plans, technical guidelines, IT-based management information systems (for data analysis, monitoring and operational decision making etc.) and studies. Firstly, strategic environmental assessment is not deemed to be a feasible environmental assessment instrument because (i) the project aims to better regulate and manage existing transport assets rather than guiding or promoting the development of new transport infrastructure; (ii) some of these studies aim to address specific technical issues or bottlenecks such as intermodal integration and distribution that do not have explicit environmental implications or geographic context. Second, the project will not support feasibility study or other types of technical assistance activities that are detailed or concrete</p>



enough to warrant meaningful project level environmental impact assessment. Therefore, for these TA activities, where relevant, environmental and social considerations will be incorporated into the scope of work and terms of references.

2. Development of an Action Plan for Efficient and Green Freight Corridor Improvement. It is a national level study that aims to review existing infrastructure and operational bottlenecks on major national freight corridors and to develop recommendations to improve capacity and service levels of selected freight corridors. The output of the Action Plan will be at strategic level and may not include recommendations for specific infrastructure investments. Nevertheless, since this action plan may lead to downstream investment activities, at the project preparation stage a simple Environmental and Social Management Framework (ESMF) will be prepared during the project preparation to address potential environmental and social issues. At the project implementation stage, a strategic environmental assessment (SEA) or EA should be prepared along with the development of the Action Plan. The ESMF will include screening, environmental documentation and public consultation and information disclosure requirements for the preparation of SEA or EA. Whether SEA or EA needs to be prepared during the project implementation will be determined at appraisal.

3. Goods procurement and installation. According to the project proposals, the project will support two activities that includes goods procurement, namely piloting green warehousing technologies such as solar panels and LED energy saving light bulbs under the Weifang Municipality component. For this activity, environmental guidelines for the installation of the goods will be prepared.

4. Development of IT-based information management systems for logistics centers in Guangdong Province, Xiamen and Weifang Municipalities. These logistics centers are under construction. The project supported activities (i.e. the



logistics IT system that will be open to the public) do not link to the logistics centers based on the following rationale: (a) these IT systems are developed with government support to facilitate municipal or regional level logistics service demand-and-supply at a scale beyond a single facility; and (b) these IT systems will be developed by the government with or without the physical infrastructure. Therefore, these activities are not linked to the project, as such no safeguard instruments are needed for such activities.

5. Development of policies and guidelines for better managing the inland waterway operation in Han River in Hubei Province. The Bank is currently preparing a Han River inland waterway improvement project (namely, Yakou project) in the province. Environmental and social safeguard issues of the Yakou project are addressed following the Bank safeguard policies. The project PAD will summarize this issue.

Natural Habitats OP/BP 4.04	Yes	The policy is triggered given the nature of the project and its national coverage. The downstream investment activities of the Action Plan may have impacts on natural habitats. Considerations for protecting natural habitats will be incorporated into development of the ESMF for the Action Plan.
Forests OP/BP 4.36	No	The project doesn't involve any forests. The policy is not triggered.
Pest Management OP 4.09	No	The project doesn't involve procurement or use of pesticides. The policy is not triggered.
Physical Cultural Resources OP/BP 4.11	No	The project is not anticipated to involve any physical cultural resources. The policy is not triggered.
Indigenous Peoples OP/BP 4.10	Yes	Given the nature of the project and its national coverage, the policy is triggered. Ethnic Minority Planning Frameworks (EMPFs) will be developed for the Action Plan as part of the ESMF.
Involuntary Resettlement OP/BP 4.12	Yes	The TA will include the development of an action plan for efficient and green freight corridor improvement, which may not exclude recommendations of downstream physical investment, therefore Resettlement Policy Frameworks (RPFs) will be developed for the Action Plan as part of the ESMF.
Safety of Dams OP/BP 4.37	No	The project will not involve any dams. The policy is not triggered
Projects on International Waterways OP/BP 7.50	No	The project doesn't involve any international waterways. The policy is not triggered.



Projects in Disputed Areas OP/BP 7.60	No	The project doesn't involve any disputed areas. The policy is not triggered.
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E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jul 31, 2017

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

Preparation of the safeguard-related studies will be launched after PCN clearance. They are expected to be completed in 4 months prior to appraisal.

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APPROVAL

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