Early Warning System

ADB-50050-002

Guangxi Regional Cooperation and Integration Promotion Investment Program

Early Warning System

ADB-50050-002

Guangxi Regional Cooperation and Integration Promotion Investment Program

Quick Facts

Countries	China, Vietnam
Specific Location	Pingxiang City, Gangkou District
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	B
Voting Date	2016-12-01
Borrower	Government of Guangxi Zhuang Autonomous Region
Sectors	Communications, Construction, Finance, Industry and Trade, Transport, Water and Sanitation
Potential Rights Impacts	Healthy Environment, Indigenous Peoples, Labor & Livelihood, Right to Water
Investment Type(s)	Loan
Investment Amount (USD)	$ 450.00 million
Project Cost (USD)	$ 1,180.00 million

Project Description

The project aims to develop the North-South Economic Corridor under the Greater Mekong Subregion (GMS) Cooperation Program and to assist private business in border areas of China and Vietnam by improving cross-border connectivity as part of the Silk Road Economic Belt and 21st Century Maritime Silk Road Initiative.

According to bank documents, the project will support:

- Expansion of small and medium-sized enterprises (SMEs) in border areas
- Increase cross-border financial transactions and investment, develop integrated cross-border e-commerce platforms
- Build key infrastructure and services for trade including roads, water supply and sewage treatment, logistics facilities. This include the constructions of 4-6 storey training center for Chinese and Vietnamese workers on Fengchenggang Poly Tech Vocational School Campus, 13 buildings for warehouse, custom declaration and inspection, payment and account settlement, Cross-border Labor Cooperation Demonstration Park for product exhibition, training, business offices and staff dormitory in Pingxiang Border Economic Zone; and
- Improve physical and informational connectivity and policy coordination by improving border crossing points infrastructure and border roads including expansion of road from Kafeng to Coc Nam of Vietnam, a new road from Nonghuai BCP to Puzhai BCP linking Tan Thanh of Vietnam

Location: Pingxiang City, Gangkou District-Guangxi Zhuang Autonomous Region border with Quang Ninh, Lang Son and Cao Bang of Vietnam

Resources needed: land acquired.

Early Warning System Project Analysis

Risk Category: Category B. According to the Asian Development Bank, proposed projects are screened based on the type, location, sensitivity, and magnitude of its potential environmental impacts including direct, indirect, induced and cumulative impacts. Category B because “it is considered the tranche 1 subprojects are unlikely to have significant adverse environmental impacts that are irreversible, diverse or unprecedented.”

Applicable Environmental and Social Policies

According to ADB documents, the following environmental and social safeguards are triggered:

Environment-triggered because “during the construction of subprojects 10 villages and 1 school would affected by dust and noise.” During the operation of subproject 2 there will be “generating of air pollutants such as volatile organic carbon (VOC), fine dust and smoke. The wastewater and muddy runoff on construction sites would be collected and treated using sedimentation tanks.”

Involuntary Resettlement – triggered because “15 households of 70 persons were affected by land acquisition of 27,035 mu in 2013. The land compensation, resettlement subsidies and compensation for standing crops had been paid.” “70 households with 280 persons were affected by forest land acquisition for the Fangchenggang Training Centre” Bank document stated that land for subprojects 1,2 and 6 was acquired by local governments prior to ADB funding. No additional land acquisition, house demolition and resettlement would be induced as a result of the project.

Indigenous People-triggered because “40% affected population from land acquisition is ethnic minority Zhuang,”

People Affected By This Project

Our Risk Assessment

Based on available ADB documents, the project may pose risks to the following human rights:

Rights to Livelihood: While some local people may get unskilled jobs at the project,the acquisition of farm land and forest land may pose potential impacts to livelihoods if the adequate livelihood restoration is not implemented properly.

Indigenous People Rights: Though the due diligence report stated that “the Tranche 1 project will not incur any adverse impacts on ethnic minorities,” the subprojects involve construction of infrastructure development which has not been finalized can potentially be located where ethnic minority including Zhuang, Jing, Miao, Yao live that may cause potential impacts to their culture identities.

Right to Water: During the construction and operation, the project is likely to use water from nearby sources and will create wastewater. This could potentially affect Banling river about 1.7 km away and a shrimp culture pond.

Transboundary impact: According to the location and project activities, the project may cause transboundary impacts to Vietnam but the EWS team found no document explicitly mentions about impacts to Vietnam side.

Investment Description

- Asian Development Bank (ADB)

Government of the People's Republic of China: US$ 730 Million

Contact Information

Project Contacts

Government of Guangxi Zhuang Autonomous Region, through Guangxi Foreign Loans Project Management Office
18th Floor, Guangxi Development Plaza
East Building, No. 111-1 Minzu_Avenue
Nanning, Guangxi

Consultations

The bank documents stated that the public consultation in the form of discussion forum were organized by PPTA consultant on the three subprojects involving civil works in August 2016 in Fengchenggang and Pingxiang. There were approximately 60 people participated in the three meeting represented local village, enterprises and government though the majority of participants are not villagers. Bank documents indicate that the concerns from affected people were about dust, noise and water quality during the construction and wastewater discharge during project operation.

The project plan for future consultation and participation includes “(i) involvement of affected people in discussion forums during inspection and monitoring of EMP implementation during construction and operation phases; (ii) participatory evaluation on the environmental and social-economic benefits and impacts in these forums; and (iii) consultation with the public after the project completion.”

Bank documents also state that the environment progress will be reported in the quarterly project progress reports and the annual environmental monitoring reports which will be
disclosed on ADB’s project website

Project Level Grievance Mechanism

The grievance mechanism includes:
1) a set of clear procedures developed by Guangxi Foreign Loans Project Managmenet Office (GMPO) to receive, record and address any concerns raised,
2) specific contact details for individuals at the GPMO, PIEs and the contractors. Contact information of all GRM entry points and the complaint center hotline will be disclosed on the construction site information boards; and
3) local Environmental Protection Bureau.

The grievance mechanism can be accessed by face-to-face meetings, written complaints, hotline number and telephone conversations, anonymous drop-boxes for written comments, and/or e-mail.

Accountability Mechanism of ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- GRCIPIP - Fangchenggang Training Centre Subproject: Land Acquisition and Resttlement Due Dillgence R
- GRCIPIP - Youyiguan Industrial Park Subproject: Land Acquisition and Resettlement Due Diligence Repo
- Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 1: Initial Envir
- Guangxi Regional Cooperation and Integration Promotion Investment Program: Environmental Assessment
- Guangxi Regional Cooperation and Integration Promotion Investment Program: Environmental Assessment
- Guangxi Regional Cooperation and Integration Promotion Investment Program: Ethnic Minorities Develop
- Guangxi Regional Cooperation and Integration Promotion Investment Program: Facility Administration M [Original Source]
- Guangxi Regional Cooperation and Integration Promotion Investment Program: Initial Poverty and Socia [Original Source]
- Guangxi Regional Cooperation and Integration Promotion Investment Program: Procurement Plan [Original Source]
- Guangxi Regional Cooperation and Integration Promotion Investment Program: Report and Recommendation [Original Source]
- Guangxi Regional Cooperation and Integration Promotion Investment Program: Resettlement Framework
- Pingxiang Border Trade Service Center Subproject: Land Acquisition and Resettlement Due Diligence Re
- Project Disclosure PDF
- Yan Xi Cu Jin Qu Yu He Zuo Yu Yi Ti Hua Tou Zi Xiang Mu : Xiang Mu Shu Ju Biao [Original Source]

Other Related Projects

- ADB-50050-003 Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 1
- ADB-50050-001 Guangxi Regional Cooperation and Integration Promotion Investment Program
- ADB-50050-004 Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 2
- ADB-50050-005 Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 3