

 Early Warning System

AIIB-000780

China: Liaoning Panjin Urban Climate Resilience with Nature Based
Approaches for Sustainable Municipal Service Infrastructure



Quick Facts

Countries	China
Specific Location	Panjin City
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	A
Borrower	Government of China - Ministry of Finance
Sectors	Climate and Environment, Infrastructure, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 200.00 million
Project Cost (USD)	\$ 354.00 million



Project Description

According to the Bank's website, the objective of this project is to improve the urban climate resilience of the Panjin City through integrated urban NBS approaches and sponge city transformation.

The City of Panjin is situated on the southernmost part of Liaohe River Delta where the river merges into the Bohai Sea, connecting to the Western Pacific Ocean. There are 21 rivers flowing through and abundant wetlands surrounding the urban area, providing biodiversity and ecological services to the estuary eco-system. However, due to fast urban expansion, the water area in Panjin City has decreased 26.5% whilst wetlands decreased 11.66%, putting the estuary eco-system into a critical situation, and making the city more prone to flood disaster and waterlogging issues. Obsolescent and poorly designed drainage systems add to the difficulties. Since 1984, Panjin City has had 6 major floods in 29 years caused by Liaohe River. It is listed as one of the top 31 Focus Cities for flood control, published by the State Office of Flood and Drought Relief.

As a coastal city, it is estimated that Panjin City will be more vulnerable to Climate Change. Bohai Sea level has been rising 3.6 mm per year on average during 1980-2020 and rose an additional 23mm in 2021. According to the Northeast Regional Climate Change Assessment Report - 2020 Policymaker Summary, extreme climate events and hazardous weather disasters strike the region more frequently. Therefore, it became an urgent task for Panjin City to build up its urban climate resilience.

The Project aims to support the Panjin City addressing various challenges related to frequent urban flooding, caused primarily by urban drainage blockages, and river affluent water quality and related pollution, caused by combined effects of rainwater and wastewater, especially in the context of increased climate change pressures. To achieve the Project objective, the following four pillars, or components, around which technical interventions will be put in place, are proposed and designed:

Component 1: Wetland Restoration and Conservation. This component includes rehabilitation of ecological corridors in the urban area, and reconnection of the fragmented wetland and river systems.

Component 2: Sponge City Infrastructure Transformation. This component includes expansion and upgrading of urban drainage systems and pumping stations, as well as separation of urban stormwater system from the sewerage system. Given that the Panjin city is a coastal city with high groundwater level, complex river systems and vulnerability to rising sea level caused by climate change, its sponge city transformation needs special design and consideration.

Component 3: Digitalization of Urban Drainage Management System. This component will build up City Information Modelling (CIM) and a digitalized system, enabling the smart management of urban drainage network, pumping stations, wastewater plants and associated facilities.

Component 4: Capacity Building. This component will provide project management support to the Panjin city during project implementation, and it will also support the Environmental and Social monitoring.



Early Warning System Project Analysis

AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to the Project. Based on the proposed project activities and the feasibility report, ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are applicable to the proposed Project. ESS 3 (Indigenous Peoples) will not be applicable to the Project as the Project-affected area does not contain distinct social and cultural group(s) possessing the distinct characteristics as per ESS 3. Given the nature and scope, Category A is proposed for the Project because of land acquisition leading to physical and economic displacement and environmental impacts that are unprecedented and irreversible.

Environment Aspects.

Panjin has a unique landscape (reed fields and red beach) and river systems, including estuary of the Liao River (downstream from the city's core areas); these wetlands that has been classified as a national level nature reserve and are internationally recognized by a number of conventions. The proposed project activities are not conducted in the environmentally sensitive areas, but mainly in modified environments, e.g., in urban or suburbs of urban districts. Nevertheless, a biodiversity baseline survey in the project area of influence will be conducted as part of ESIA, and if needed, a specific biodiversity management plan (BMP) may also be prepared. Environmental impacts during construction on the proposed components are expected, e.g., air pollution, dust, noise, water and solid waste pollutions, interruption to traffic and communities, and possible dredging activity.

Social and Gender Aspects.

The Project presents key social risks and impacts, particularly related to physical and economic displacement arising from the acquisition of collectively owned land for real estate development purposes and the occupation of state-owned land. The Project will result in economic displacement for 46 owners of commercial structures in a local village, as well as for nine households located on a state-owned farm. Additionally, 26 households will experience physical displacement. Temporary land occupation will also affect two households.



Investment Description

- Asian Infrastructure Investment Bank (AIIB)

According to the Project Summary Information, the Project's total cost is approximately USD 354 million and the proposed AIIB financing is USD 200 million.



Private Actors Description

Panjin Municipal Construction Group Co., Ltd. is a state-owned enterprise established in 2001 under the administration of the Panjin municipal government. Its primary business involves investment and operation of infrastructure projects, including urban construction, municipal facility construction, and land development services within China.



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Panjin Municipal Construction Group Co., Ltd.	Undisclosed	-



Contact Information

CONTACT INFORMATION

PROJECT TEAM LEADER

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IMPLEMENTING ENTITY

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.aiib.org/en/contact/information-request/index.html>

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html>

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>



Bank Documents

- [Panjin-ESIA ESMP \(Chinese\)](#)
- [Panjin-ESIA ESMP \(English\)](#)
- [Panjin-RAP \(English\)](#)
- [Panjin-RAP signed \(Chinese\)](#)
- [Project Summary \(January 14, 2025\)](#) [Original Source]