Early Warning System

WB-P512669

Hubei Yichang Energy Transition and Industrial Decarbonization Project

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Quick Facts

Countries	China
Specific Location	Yichang City
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	A
Voting Date	2026-07-30
Borrower	Government of China - Yiling Economic Development Group (YEDG)
Sectors	Climate and Environment, Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 250.00 million
Project Cost (USD)	$ 325.00 million

Project Description

According to the Bank’s website, the objective of this project is to reduce GHG emissions focusing on the hard-to-abate sectors in Yichang City.

The proposed project is structured as investment project financing (IPF), concentrated at Yiling district level, while the institutional development and capacity building at the Yichang municipal level. This proposed project intends to adopt a system planning and portfolio approach to reduce carbon emissions in all key energy-consuming sectors, contributing to the dual carbon goals in Yichang City and Yiling District. As carbon emissions in Yiling District primarily come from the hard-to-abate industrial, transport, and building sectors, the investments will mainly focus on decarbonizing these sectors. For the power sector, this project will finance a biomass co-generation plant and pilot an innovative technology of CCUS to generate negative emissions. The detailed project eligibility criteria and appraisal framework for technical, environmental and social, and fiduciary assessment will be laid out in the Project Operational Manual (POM).

Early Warning System Project Analysis

Environmental risk is rated **Substantial**. The environmental risks from the construction activities are dust, solid waste, soil erosion, vegetation loss, noise, wastewater, and traffic safety issue, which are expected to be temporary, site-specific and easily to be managed with mitigation measures. Operational environmental risks will vary by activities. The operation of the biomass Combined Heat and Power (CHP) and CCUS technology pilot will generate waste gas (particles, SO2, NOx), wastewater, solid waste and hazardous waste, and OHS risks. The failure of the dam of the hydropower stations to be retrofitted will pose adverse impacts on the downstream communities and Bank investments. The biomass CHP, energy charging stations and the hydrogen station in an energy charging station may have potential fire and explosion risks and OHS risks during operation. The energy storage facilities have potential risk of electrolyte leakage and OHS risks during operation. The operation of other activities such as energy storage systems, industrial park distribution network and microgrid, underground heating pipeline, virtual power plants (VPPs), industrial energy efficiency (EE) renovation pilots, and public buildings EE improvement will generate solid waste such as hazardous waste, waste metal and electronic waste, as well as OHS risks.

Social risks are considered **Substantial**. substantial social risks—primarily concentrated in Yiling District—require careful management. These include: (a) Land Acquisition and Resettlement: The development of CCUS-related building materials processing and utilization, installation of charging piles, upgrades to distribution networks, and heating pipeline projects will necessitate land acquisition and resettlement. The project will permanently acquire 33.5 mu of collectively owned land and 297.9 mu of state-owned land, and will temporarily use 5 mu of collective land and 66 mu of state-owned land. In total, 17 households comprising 62 farmers will experience impacts to their livelihoods. Due diligence reviews for existing facilities have found no outstanding issues. (b) Labor and Occupational Health and Safety (OHS): The project will engage direct, contracted, and primary supply workers. For clearly defined subprojects identified before appraisal, the workforce is expected to total approximately 650 individuals, including 77 direct workers and 573 contracted workers. Labor-related risks are primarily associated with occupational health and safety concerns during the construction and operation of facilities such as carbon capture units, CO2 mineralization reactors, hydropower stations, biomass power plants, and electricity charging stations. (c) Community Health and Safety: The construction and operation of infrastructure—including distribution networks, heating pipelines, carbon capture units, CO2 mineralization reactors, and electricity charging stations—pose risks such as explosions, electric shocks, increased traffic, noise, and dust. Improper operation of heating pipelines and CCUS facilities could result in accidents, potentially endangering both workers and nearby communities. (d) Information Disclosure and NIMBY (Not In My Backyard) Risks: Projects involving CCUS facilities, pipeline installations, and charging pile construction may trigger NIMBY responses due to public concerns about potential risks.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 325.00 million
International Bank for Reconstruction and Development (IBRD): US$ 250.00 million

Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: https://www.inspectionpanel.org/how-to-file-complaint

Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - Hubei Yichang Energy Transition and Indus
- Appraisal Project Information Document (PID)
- Concept Environmental and Social Review Summary (ESRS) - Hubei Yichang Energy Transition and Industr
- Concept Project Information Document (PID)
- Environmental and Social Audit Hubei Yichang Energy Transition and Industrial Decarbonization Projec
- Environmental and Social Commitment Plan (ESCP) - Hubei Yichang Energy Transition and Industrial Dec
- Environmental Impact Assessment (EIA) Hubei Yichang Energy Transition and Industrial Decarbonization
- Labor Management Procedures Hubei Yichang Energy Transition and Industrial Decarbonization Project (
- Record of Approval on an Absence of Objection Basis on July 29, 2026
- Record of Approval on an Absence of Objection Basis on July 30, 2026
- Resettlement Plan Hubei Yichang Energy Transition and Industrial Decarbonization Project (P512669)
- Social Assessment Hubei Yichang Energy Transition and Industrial Decarbonization Project (P512669)
- Stakeholder Engagement Plan (SEP) - Hubei Yichang Energy Transition and Industrial Decarbonization P