

AIIB Loan

Zhengzhou International Logistics Hub Project

Social Impact Assessment Report

Zhengzhou International Hub Development and Construction Co., Ltd.

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Chapter I Overview of the Project

1.1. Project description and location

Zhengzhou International Logistics Hub Project is to provide long-term sovereign-backed financing to Zhengzhou International Hub Development and Construction Co., Ltd. (ZIH) for the expansion of its freight facilities, including Multimodal cold storage facilities, bonded logistics center, parallel vehicle imports facility and multi-modal logistics information platform upgrade. These facilities are integral value-added components to ZIH operation of CR Express connecting China and European/Central Asian countries. It is part of the strategy proposed by the Henan Provincial Government and the Zhengzhou Municipal Government in order to build an inland dry port and an opening-up platform for Henan province. ZIH with 453 employees has grown into a modern large-scale international logistics enterprise featuring a perfect mix of international multimodal transport, international trade, cross-border e-commerce, logistics technology research and development and logistics finance, and a coordinated development of automobile port, grain port, postal port and bonded logistics.

The project began its construction in early 2013. It is located in several urban blocks of Chaohe Sub-district in Zhengzhou Economic and Technological Development District (ZETD), which belong to the former Yinggang Village of Chaohe Sub-District as shown in Figure 1-1. As indicated in Figure 1-2, since most of surrounding land areas were zoned as industrial land uses and far from residential areas in the district, the construction of the Project would have limited impacts.

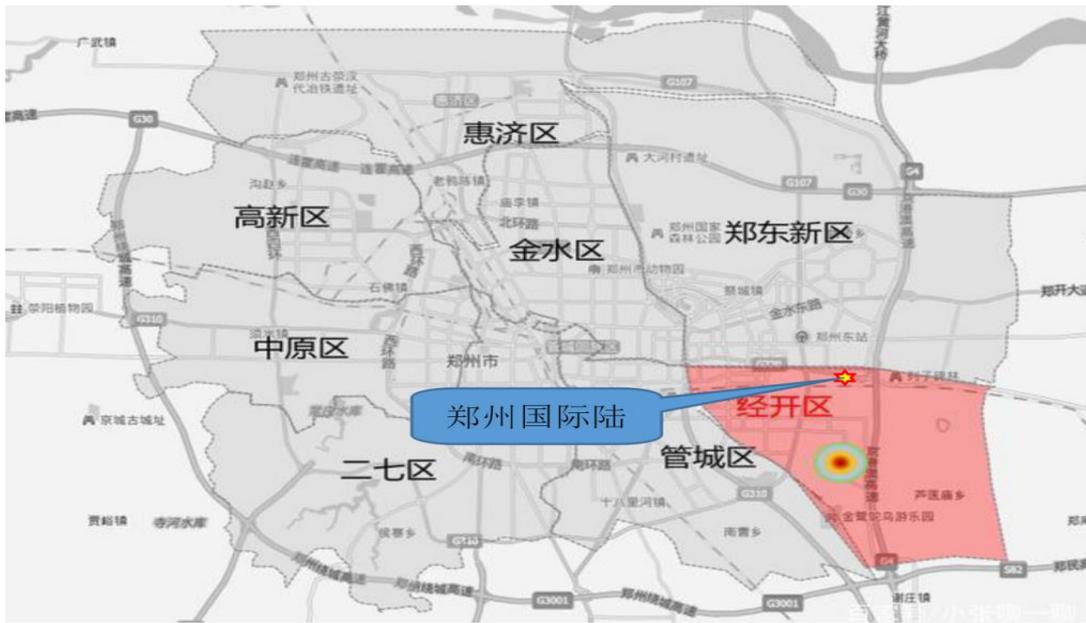


Fig. 1-1 Project location (red as ZETD and blue as Project)



Fig. 1-2 Land Use Plan of ZETD

(Red as Project, brown as industrial land use and yellow as residential)

1.2. Project details

Zhengzhou International Logistics Hub Project consists of four major components, which include (1) Multimodal cold storage facilities, (2) Type-B bonded logistics center, (3) Parallel Vehicle Imports Facility, (4) Multimodal Logistics Information Platform Upgrade. The detail shows in Fig. 1-2-1.

Component 1 - Multimodal cold storage facilities (US\$43.8 million): Expansion of the existing Intermodal Freight Distribution Center (IFDC) operation which has a total planned land area of 17.4 hectare. The current turnover is about 70,000 TEU p.a. (with a temporary cold-storage facilities on-site) with a long-term turnover target of 200,000 TEU p.a. Component 1 consists of the construction of two new multi-story Multimodal cold storage facilities, with total floor area of 58,179 square meters. Both storage facilities could support 50,000 tons of refrigerated and frozen goods. The component would greatly expand ZIH's capacity in handling perishable imported goods from Europe. The proposed design would include energy efficiency and greenhouse gas minimization considerations.

Component 2 - Type-B bonded logistics center (US\$81.5 million): This component will finance the construction of a Type-B bonded logistics center, which is a closed customs supervision area that has port functions. Goods in the bonded logistics center are temporarily exempted from customs duty. Type-A is operated by one enterprise and can only be used by that enterprise; Type-B refers to the ones operated by one enterprise but can be used by multiple enterprises. This component will enable ZIH to extend the storage of goods from 15 days to 90 days. The construction consists of buildings with a floor area of 145,248 square meters covering five warehouses and one business service center.

Component 3 - Parallel vehicle imports facility (US\$75.4 million): China's parallel-import program allows auto dealers to acquire vehicles directly from foreign markets. Prices for parallel imports, mostly luxury models, are often as much as 15 percent lower than franchised dealers. China launched a parallel-import pilot in a Shanghai free trade zone in 2015 and later expanded it to other free trade zones in the country. ZIH is already running the vehicle importation business at a very limited scale due to lack of suitable facilities. The parallel vehicle imports facility functions as vehicles inspections, modifications, trade and customs clearance, auto parts sales, and supply chain finance. When built, it will boost the importation capacity to 30,000 vehicles annually, with a five-year goal of 5,000 vehicles per year. This growth is partly driven by the lower working capital requirements for car importation taxation.

Component 4 - Multimodal logistics information platform upgrade (US\$5.0 million): This component upgrades and integrates the existing platform to support the ZIH operational efficiency. The main upgrade includes a Laser Phosphor Display (LPD) splicing system, central control system, visualization system, smart inspection, smart monitoring, sound reinforcement system, data center server expansions and software integration.



Fig. 1-2-1 Schematic Diagram of Project Planning

1.3. Land use situation and due diligence review

Among four project components, three of them involve physical construction. The total land areas involved amounted to 595.1 mu. These land areas were allocated to ZIH by Zhengzhou Municipal Government between 2015 and 2019. Before then these land areas used to belong to two natural villages in the former Yinggang Village (Yinggang Village for short, the same below), namely Putianying Village and Dongyinggang Village, which were acquired by local government in order to develop Zhengzhou Economic and Technology Development District. A total of 543 households with 2,507 people were relocated. In order to ensure land acquisition and resettlement was in compliance with national laws, local regulations and AIIB policies, a due diligence was carried out by the third party and confirmed that land acquisition and resettlement for these villages were completed in 2015 with compensation protocol signed with each affected people, and compensations and rehabilitation packages delivered as agreed. No remaining problem was reported.

1.4. Adjacent situation of the project

As mentioned before, the entire area is zoned as industrial land use. The proposed Project will include three physical construction projects occupying three different urban blocks (See Fig 1-4 in blue color). Next to these three components, there are four adjacent enterprises, which include China Railway Group Zhengzhou Central Station, Sinopec refueling station, COFCO Grain and Oil Co., Ltd., and Zhengshang Huihangming construction site. (See Fig 1-4 in red color) In order to understand any potential impacts of proposed Project on these different land users, consultation was carried out among these four enterprises.



Fig. 1-4 Distribution of adjacent units of the project

Chapter II Social Impact Assessment

The purpose of social assessment for the project is to identify the main stakeholders, carry out consultations, and identify potential project benefits and impacts during the construction and operation. Following consultation and assessment, measures to mitigate the negative effects and enhance project benefits will be proposed during project preparation and included in the project social management plan (see Chapter XIII for detail).

Since the proposed Project will be carried out on three urban blocks with no new land acquisition and resettlement, the focus of social assessment will be to identify potential positive benefits by the project implementation. In this regard, the project will have wide positive impacts through international network of the China-Europe Railway Express (Zhengzhou) forming a network covering 130 cities in 30 countries of the European Union, Russia and Central Asia, with 5,000 domestic and foreign partners. In terms of more concrete benefits and potential impacts by project implementation, they are mainly concentrated in the Chaohe Sub-District and Zhengzhou Economic and Technology Development District. They include promotion of urbanization and economic growth in Chaohe Sub-district and Zhengzhou Economic and Technology Development District, especially in the terms of employment and mainstream of gender in the project areas. In terms of potential impacts, consultation was carried out among neighboring enterprises and local government officials and issues and concerns during project construction and operation were also evaluated.

In the process of social assessment, various methods of social survey and assessment were used, which include literature review, meetings with staff of project sponsor (ZIH) and different government agencies, such as statistical bureau of ZETD, office of Chaohe Sub-district, and interviews among four neighboring enterprises. During due diligence review, participatory community survey method was used on the participation of community residents in the area affected by the project and collects information about their production, life, environment and other aspects.

Chapter III Socio - Economic Condition of the Project Area

3.1. Overview of the social economic condition of Zhengzhou City

Zhengzhou has jurisdiction over 6 districts, 1 county, 5 county-level cities as well as Zhengzhou Airport Economic Comprehensive Experimental Area, Zhengdong New Area, ZETD, and Zhengzhou High-tech Industrial Development District. It covers an area of 7,446 square kilometers, with a permanent population of 10.352 million and an urban population of 7.721 million, accounting for 74.6%, as shown in Fig. 3-1a.



Fig. 3-1a Diagram of Zhengzhou city

From 2015 to 2019, the total population of Zhengzhou City increased from 9.569 million to 10.352 million. The urbanization rate increased from 69.69 % to 74.58 %. See Table 3-1-1.

Table 3-1-1 Population Statistics of Zhengzhou City

Year	Total population (Ten thousand)	Urban population (Ten thousand)	Rural population (Ten thousand)	Urbanization rate
2015	956.9	666.9	290	69.69%
2016	972.4	690.6	281.8	71.02%
2017	988.07	713.71	274.36	72.23%
2018	1013.6	743.8	269.8	73.38%
2019	1035.2	772.1	263.1	74.58%

郑州市各区县2019年GDP排名					
排名	地区	2019年GDP (单位:亿元)	2018年GDP (单位:亿元)	增量 (单位:亿元)	名义增速
—	郑州市	11589.7	10143.3	1446.4	14.26%
1	金水区	1752.5	1378.8	373.6	27.10%
2	郑东新区	1139.63	538.12	601.51	111.78%
3	经开区	1059.03	732.38	326.65	44.60%
4	航空港实验区	980.80	800.24	180.56	22.56%
5	巩义市	801.2	815.6	-14.4	-1.76%
6	二七区	754.8	658.8	96.0	14.56%
7	新郑市	720.32	769.01	-48.69	-6.33%
8	中原区	688.6	470.7	217.9	46.28%
9	新密市	683.10	791.83	-108.73	-13.73%
10	管城区	654.8	383.1	271.7	70.93%
11	荥阳市	535.5	701.0	-165.5	-23.61%
12	高新区	496.24	348.46	147.78	42.41%
13	登封市	448.1	703.0	-255.0	-36.27%
14	中牟县	428.9	349.9	79.0	22.57%
15	惠济区	271.2	171.3	99.9	58.29%
16	上街区	158.5	128.9	29.6	23.00%

Fig. 3-1b GDP ranking by region, county (city) in 2019

In 2019, the total GDP of Zhengzhou City was CNY 1,158.97 billion, ranking 15th in the country. Among the GDP of all counties and districts in Zhengzhou, Jinshui District ranks first at CNY 175 billion, Zhengdong New District ranks second at CNY 114 billion, and Zhengzhou Economic and Technical Development District ranks third at CNY 106 billion. See Figure 3-1b for details.

From 2015 to 2019, the per capita disposable income of urban residents in Zhengzhou increased by 35.3% from CNY 31,099 to CNY 42,087. The per capita income of rural residents increased from CNY 17,125 to CNY 23,536, with an increase of 37.4%. See Table 3-1-2.

Table 3-1-2 Household Income of Zhengzhou from 2015 to 2019 (Unit: Yuan)

Year	Per capita disposable income of urban residents	Per capita disposable income of rural residents
2015	31099	17125
2016	33214	18426
2017	36050	19974
2018	39042	21652
2019	42087	23536

3.2. Economic and social development in Zhengzhou City Proper

Within Zhengzhou Municipality, Zhengzhou City Proper consists of 8 urban districts, which includes Zhongyuan District, Erqi District, Jinshui District, Guancheng District, Huiji District, Zhengdong New District, ZETD, and Zhengzhou High-tech District with total 651 square kilometers, as shown in Figure 3-2-1.

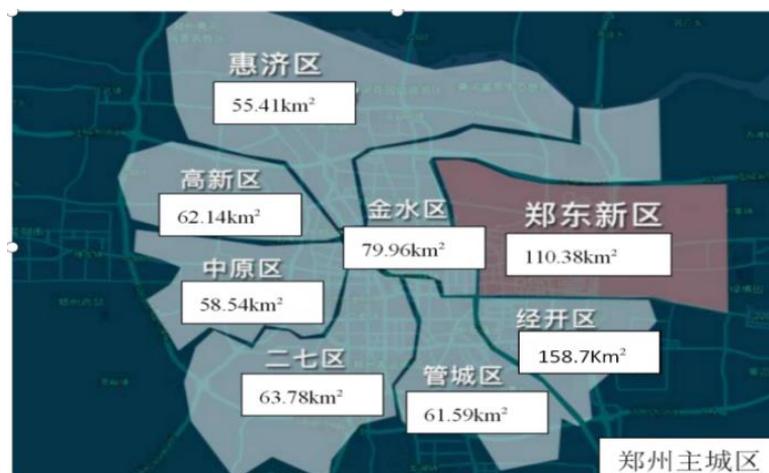


Fig. 3-2-1 Urban area of Zhengzhou

By the end of 2019, the population of Zhengzhou City reached 4.456 million, and about 85.9% of them as urban population. The total population of ZETD was 283,500, with an urbanization rate of 86.81%, slightly higher than that of the average of 8 districts city proper. See Table 3-2-1 for details.

Table 3-2-1 Population in Zhengzhou City Proper (8 Districts) 2019

District (county, city)	Number of households	Population (person) Total	Female	Urban population	Urbanization %
Zhongyuan district	258069	794851	393491	727766	91.56
Erqi district	285394	87622	15582	77160	91.05
Guancheng district	201795	585207	285230	512641	87.6
Jinshui district	452011	1333434	616507	1228893	92.16
Huiji district	95106	310996	157159	239395	76.98
ZETD	94530	283594	132721	246188	86.81
High-tech district	101278	319027	154608	279181	87.51
Zhengdong new district	239914	741335	346118	517674	69.83
Total City Proper	1626819	4456066	2101416	3828898	85.93
Zhengzhou City	3085421	10351600	5071005	7720702	74.58

Table 3-2-2 lists the per capita disposable income of urban residents in Zhengzhou City Proper. It includes CNY47,294 in Jinshui District, and CNY43,434 in ZETD, which was higher than the Zhengzhou City average or CNY42,087. The highest per capita disposable income of rural residents was CNY28,140 in Guancheng District, and the lowest was CNY24,856 in Zhengzhou High-tech District. But all of them were higher than average in Zhengzhou City or CNY23,536.

Table 3-2-2: Income status of 8 districts in Zhengzhou in 2019

Districts	Per Capita Disposable Income of Urban Residents (Yuan)	Per Capita Disposable Income of Rural Residents (Yuan)
Jinshui	47294	28093
Zhengdong New district	45948	26997
Erqi	45484	26384
ZETD	43434	26330
High-tech district	42786	24856
Zhongyuan	41130	24894
Guancheng	40897	28140
Huiji	33724	27444

3.3. Improvements in people's wellbeing

Urban infrastructure construction: the green coverage rate in the built-up areas reached 41.05 %, and all the 1,994 administrative villages achieved "double access" of rural roads. Household waste was effectively managed in more than 90% of administrative villages, and 252,000 rural household toilets were renovated.

Poverty alleviation: All 181 poor villages in the city have been lifted out of poverty, and 1715 poor people have been lifted out of poverty. A total of 115,000 new urban jobs were created, and 1.162 billion yuan of guaranteed loans were granted to start up business. The number of "zero-employment households" is zero.

Improvements in basic educational facilities: There were 113 new public kindergartens with 38,000 recruits; 34 new primary and secondary schools in urban areas were under construction; 23 new schools were in

operation, and 36,000 new students were added; and four new regular high schools began construction.

Infrastructure construction of sports and sports activities: A Olympic Sports Center has been completed and is in service. 39 museums with various types were started with construction; 22 ecological parks were built recently; 100 community-level comprehensive cultural service centers and 55 urban reading rooms were built, leading the country in reading among the adult population. A batch of cultural tourism projects, such as Jianye Film Town, were completed and opened to the public, and cultural tourism projects, such as Song Cheng Huangdi Eternal Love, were basically completed.

Convenience service construction: 20 standardized farm produce markets were built or rebuilt. 100 new demonstration units with food safety management were built; 100 new demonstration stores for catering and 100 new demonstration units for small food workshops were built. The construction of 100 edible agricultural products centralized trading markets (farmers' markets) were completed with traceable information. The supply of pork, eggs, and vegetables were increased from the government reserve. Adequate market supply and basically stable prices were ensured. More than 93,000 units of government-subsidized housing were completed, and 11,000 units of public rental housing were allocated; 28.32 million square meters of housing for resettlement were completed; 101,000 units were signed a contract online, and 170,000 people moved back to their hometowns.

Comprehensive analysis shows that Zhengzhou is in a peaceful and prosperous time with rapid economic development, social stability and

unity, and gradual advancement of urban civilization, which provides a good social environment for the implementation of the project.

3.4. Social Economic development of ZETD

ZETD, founded in 1993, was approved as the first national economic development zone in Henan Province in 2000. Its jurisdiction extends to New 107 National Highway to the east, Airport Expressway to the west, Fushan Road to the south and Longhai Railway to the north. It covers an area of 158.7 km², with 6 sub-districts under its jurisdiction (see Fig. 3-5 for details) and 283,594 permanent residents (See Table 3-4-1 for details in Zhengzhou Statistical Yearbook 2019).

Table 3-4-1 List of Sub-district, area and population of ZETD

Sub-District	Area (km ²)	Households number	Person
Xinghu	22.00	13789	41360
Jiulong	21.78	9757	29271
Jignhang	20.20	12741	38204
Xiangyun	26.77	12524	37573
Chaohe	34.00	7836	23447
Qiancheng	33.95	37883	113739
Total	158.70	94530	283594

ZETD has experienced rapid growth in the past decade. According to statistics, from 2015 to 2019, the number of key enterprises in the ZETD increased from 613 to 623, and the total number of employees from the large scale enterprises increased from 147,760 to 165,940 or 12.3%. The average monthly salary of workers increased from 4,765 yuan to 6,419 yuan per month, or 34.7% as shown in Table 3-4-2.

Table 3-4-2 Employment of key enterprises in ZETD

Years	Number of key enterprises	Employee (male)	Employee (female)	Wage per worker (yuan)	Total employment
2015	613	99070	48690	4765	147760
2016	619	103700	50100	4832	153800
2017	621	107170	50505	5156	157675
2018	634	112236	48550	5889	160786
2019	623	118076	47864	6419	165940

Note: Only the number of employment in key enterprises in the ZETD is collected, and there are more than 24,000 enterprises and operating subjects in the area, and the employment situation is relatively complex, so it is impossible to make accurate statistics here.

From 2014 to 2019, the per capita disposable income of urban residents in the ZETD was increased greatly from CNY29,532 to CNY40,236. Compared with Zhengzhou Municipality, the per capita income among urban residents in ZETD, were CNY437 higher in 2014, and CNY1377 higher in 2019. From 2014 to 2019, the per capita income of rural residents in the ZEDT was increased from CNY17060 to CNY26,330, and income level in ZETD were also higher than that in Zhengzhou, with CNY1,590 or 10.28% higher in 2014, and CNY2,794 or 11.87% higher in 2019. See Table 3-4-2 for details.

Table 3-4-2 Income of Residents in ZETD and Zhengzhou City (Unit: Yuan)

Year	Per Capita Disposable Income of Urban Residents (Yuan)		Per Capita Disposable Income of Rural Residents (Yuan)	
	ZETD	Zhengzhou	ZETD	Zhengzhou
2014	29532	29095	17060	15470
2015	32003	31099	18433	17125
2016	34563	33214	20007	18426
2017	37320	36050	21710	19974
2018	40236	39042	24342	21652
2019	43464	42087	26330	23536

Chapter IV Economic Development of Chaohe Sub-district

4.1. Administrative area

The Chaohe Sub-district of ZETD covers 8 village committees, including Gengzhuang, Caogu Temple, Sizhao, Wang Shiming, Gongma Village, Shanzhuang, Erlang Temple and Yinggang, with a total area of 34 square kilometers. The Chaohe Sub-district was set up in December 2004, following “the Notice on the establishment of two sub-district offices in Minghu and Chaohe of Zhengzhou Economic and Technological Development Zone”.by the people's government of Zhengzhou City. In 2015, the permanent resident population of Chaohe Sub-district was 21,336, with 30% as urban residents. From 2015 to 2018, along with development of ZETD and large scale of land acquisition, many rural areas were converted into urban areas, and all villages were converted into towns, and all farmers became urban residents. By the end of 2019, the per capita arable land in the sub-district was reduced to zero and all residents became urban residents with 100% urbanization rate (see Table 4-1-1). Among total population in 2019, 11,834 were males and 12,031 as females. Total labor forces were 13,554 persons (See Table 4-1-2).

Table 4-1-1 Population Statistics of Chaohe Sub-district

Year	Total population	Rural population	Urban population	Arable land per capita (mu)
2015	21336	14822	6514	0.071
2016	21596	12078	9518	0.036
2017	22138	6705	15433	0.019
2018	22975	2719	20256	0.013
2019	23447	0	23447	0.000

Table 4-1-2 Demographic Structure of Chaohe Sub-district (2020)

Age grades	Male (person)	Female (person)	Percent of Female	Total (person)
Under 6 years of old	1468	1295	46.9%	2763
Aged 7 to 17	1991	1635	45.1%	3626
Aged with 18-60	6487	7067	52.1%	13554
Over the age of 60	1888	2034	51.9%	3922
Total (person)	11834	12031	50.4%	23865

Note: The population figure does not include floating population, which is impossible to calculate accurately since there is no official statistics.

4.2. Employment and income

In the process of urbanization by converting villages into towns within Chaohe Sub-district and along rapid economic growth in ZETD, number of large scale enterprises increased rapidly in Chaohe Sub-district from 37 in 2015 to 86 in 2019, and total employees of the large scale enterprises also increased 14,800 in 2015 to 27,864 in 2019. Of these employees, about 5743 of them were from permanent residents of Chaohe Sub-district, which accounts for 42.9% of total labor force in the sub-district. In other words, the direct contribution rate of key enterprises to overall employment increased from 33.43% in 2015 to 42.97% in 2019 (see Table 4-3-1).

Table 4-3-1 Social Employment driven by Key Enterprises of Chaohe Office

Year	Number of key enterprises	Male worker	Female worker	Average monthly wage (yuan)	Total worker	Employees from local residents	Total local labor force	Percent (%)
2015	37	9567	5233	4785	14800	1278	3712	34.43
2016	46	12317	4933	4856	17250	2354	5425	43.39
2017	51	13487	4618	5213	18105	3120	8796	35.47
2018	63	16743	6882	5926	23625	3573	11545	30.95
2019	86	18795	9069	6610	27864	5743	13364	42.97

The proportion of male employees in key enterprises is about 2 to 1 compared with female employees. This was because most these large enterprises belong to heavy industry where more male employees are present. In ZETD and Chaohe Sub-district, there are also many enterprises or institutions in finance, education, marketing, and retail sectors where female employment is more dominant. According to the sample survey among local residents in DDR, women and men have the same work, and females take advantage in some sectors more than the male, such as service and sales industries and other fields. For those local labors who do not work in large scale enterprises locally, about 19% of them work in other places, 31% working in other work units in Zhengzhou City, and 4% operating on their own, and about 3% taking care of their families.

In 2019, the per capita disposable income of urban residents in Chaohe Sub-district was CNY43,578, with an increase of CNY14,822 over 2014; In 2019, there is no rural resident. The per capita disposable income of

urban residents in Chaohe Sub-district was lower than that in the ZETD in 2014, and higher than that in 2019. See Table 4-2-2 for details.

Table 4-2-2 Per Capita Income of Chaohe Office from 2014 to 2019

Year	Per Capita Disposable Income of Urban Residents (Yuan)		Per Capita Disposable Income of Rural Residents (Yuan)	
	Chaohe	ZETD	Chaohe	ZETD
2014	28756	29532	17630	17060
2015	31815	32003	18829	18433
2016	33947	34563	20177	20007
2017	37019	37320	22321	21710
2018	39875	40236	24436	24342
2019	43578	43464	None	26330

In the process of urban development, the conversion of rural villages into towns provide spaces for new road network and large number of enterprises to enter and develop, which provide employment opportunities for land loss farmers and transform them into urban citizens. Enterprise development and the improvement of living area of villagers promote each other. Due to the government's superior demolition and compensation policies, the affected villagers were properly relocated into new housing estates and the generous compensation packages makes them richer, and improves their living environment, guarantees their livelihood, and makes the society more harmonious and stable. Chaohe Sub-district provides a superior social environment for the development of enterprises.

Chapter V Vulnerable Groups

"To develop for the people means to reflect and protect the interests of the people in all aspects of economic and social development." "Adhere to the principle that the development achievements should be shared by the people is to ensure that various achievements of reform and development will be reflected in the outcome of improving people's quality of life and health level, embodied in raising people's moral awareness and scientific and cultural understanding, and reflected in guaranteeing that all groups of people could entitle the rights and interests in economic, political, cultural, and social aspects, and enjoy the fruits of economic and social development."(People's Daily Oct. 11 2017). Under such policy of central governments, governments at all levels are making efforts to ensure all groups of people; particularly vulnerable groups also enjoy the fruits of social economic development.

In urban China, vulnerable groups often include those families or individuals who are classified as low income household, five guarantees households, and households with extremely difficulties or persons with serious illness. Vulnerable groups are not a constant group. Chaohe Sub-district has established a certification system for identifying vulnerable groups following relevant provision in Zhengzhou City and ZETD District. For example in 2015: there were 455 families who had been identified as low income households, five guarantees households, and households with extremely difficulties. Such figure was reduced to only 45 households with 45 people in 2019. Here, low income households often refer to those families with a registered permanent residence in Zhengzhou City, and their per capita income is lower than the local urban

and rural subsistence standards, and where the family property status meets the requirements stipulated by the local people's government.

For the qualified low income households, they will be provided with the minimum living allowance each month by local civil affairs bureau. The 45 households met the standard are mainly poor families due to illness and disability. Eligible residents can put forward their own application (every year the community will look for families in need of help). After confirmation by the neighborhood committee, the list of families for receiving minimum living allowances is published locally, so as to be open, fair and just. The current living allowance level was CNY730 per month per person following the notice in 2020 by Zhengzhou Municipal Government.

In addition to cash subsidy, there are a number of relief measures for those low income households, such as relief fund for major diseases. In Chaohe Sub-district, such relief subsidy ranged from CNY5000 to 20000 per family. In 2015, a relief fund of CNY80,000 was distributed to 7 people in the area who were impoverished due to serious diseases. In 2016, 2 people were assisted with major diseases and the subsidy fund was CNY20,000. In 2017, 5 people were assisted with major diseases, and the subsidy fund was CNY50,000; there were 12 people in the area who were seriously ill and the aid fund was CNY120,000.

For those people with disability, similar assistance subsidy was also provided. In 2018, a total of CNY219,590 of cash assistance was allocated to those with disabilities, plus some items like wheelchairs, bus cards and hearing aids. In 2019, 2 mental patients were provided with assistance of CNY2400, and 4 persons with hearing difficulties were

provided with hearing aids totaled CNY30,000. As many as 16 persons with disabilities were offered physical examination in hospitals; 71 disabled persons were provided with personal accident insurance; and 79 persons with disabilities have been provided with free public transit cards. In addition for 79 severely disabled persons, applications of subsidies for the three levels of disability were arranged. In addition, medical insurance and old-age insurance are also provided for poor households.

Chapter VI Gender Aspect

6.1. Gender profile in project areas

Women are the main beneficiaries of the project, so their opinions are indispensable for the smooth implementation of the project and the maximization of social benefits. At the end of 2020, Zhengzhou Municipality had a total of 10.35 million population, about 5.07 million as female, or about 49%. In urban districts of Zhengzhou City or Zhengzhou City Proper, there were 4.46 million total population, with 2.1 million or 47.2% as female. In Zhengzhou Economic and Technical Development District, of total population 283,594 persons, about 46.8% or 132,721 persons are females. In Chaohe Sub-district, of total population 23,865 persons, 50.4% or 12,031 persons are females. See Table below for details.

Table 6-1: Population Gender Profile in Relevant City and Districts

ITEMS	TOTAL POPULATION	FEMALE POPULATION	PERCENT
Chaohe Sub-District	23,865	12,031	50.4%
ZETD	283594	132721	46.8%
Zhengzhou City Proper	4456066	2101416	47.2%
Zhengzhou Municipality	10351600	5071005	48.9%

In terms of gender profile and basic social economic conditions among female population, it could be reflected from sample survey in Yinggang Village, which is one of eight villages in Chaohe Sub-district. The survey was conducted among 55 sample households in Yinggang Village as part

of Due Diligence Review. The task team paid particular attention to general social economic conditions of local women during survey and consultations, including their education, employment, income, family and social status, public participation, etc. Among 55 randomly selected households, there are 278 persons, The average family size was 5.05 per household. Among total 278 persons, 142 are men and 136 are women, accounting for 51.1% and 48.9% respectively. There were 62 children under 16, accounting for 22.3% with one third as female, 173 young adults, accounting for 62.2% with 51.4% as females, and 43 elderly people over 60, accounting for 15.47%, with 58.1% as females.

In terms of educational level, the proportion of females at the primary school education level or below in the total female population is 28%, while that of males is 31%, which indicates that the proportion of females at a low educational level is slightly lower than that of males; the proportion of females at the junior high school and senior high school educational level in the total female population is 64%, while that of males is 62.7%, which indicates that the proportion of females at a middle educational level is slightly higher than that of males; the proportion of females at a junior college educational level or above in the total female population is 8.1%, while that of males is 6.3%, which indicates that the proportion of females at a high educational level is higher than that of males. In general, the educational level of females is higher than that of males due to overall economic and social development in Yinggang Village and Chaohe Sub-district.

In terms of female employment, they were engaged in the similar jobs with men and had more employment advantages than men in some industries, such as the service and retail sectors. Among 54 women surveyed aged between 18 and 60, 26 of them or 48.2% were employed

in service industry, 13 women or 24.1% were employed in retail sector; and 15 of them or 27.8% are work as housewives. The monthly salary of employed women was around CNY2,000 to CNY3,000, and those with excellent sales performance could reach CNY5,000 per month. In general, although the equal social status of women is clearly stipulated in China's constitution, due to their physiological and physical characteristics, the actual employment rate is often lower than that of men. For those women who are employed, they often choose jobs with lower labor intensity, such as service or retail sectors, and their income is slightly lower than that of men. In a word, women enjoy the same rights as men in the family and the same civil rights in society.

6.2. Gender development activities

At present, the concept of equality between men and women is deeply rooted in the hearts of the people in China. Under the national law and local regulations, women and men enjoy the same rights and interests without discrimination. On the basis of gender equality, more attention is paid to women's happiness. In terms of concrete measures to ensure the rights and interests of female workers, Zhengzhou City Government has adopted a range of policies for protecting female workers. They range from establishing special labor protection mechanisms for female employees to improvement of working conditions for female employees. Specific policies include "Special Provisions for Female Worker Labor Protection" and "Limitations on List of Jobs for Female Workers".

In November 2018, the Henan Provincial Government issued "Special Provisions on Female Worker Labor Protection in Henan province", and Zhengzhou government issued and implemented the "Zhengzhou city

women's development plan between 2011 and 2020". The main purpose of these policies is to promote that women have more equal rights in politics, economy, employment, education, and health and other fields, and improve the level of the women's health, and safeguard the legitimate rights and interests of women in accordance with the law, and comprehensively promote the women's political participation, and continuously optimize women's life and working environment, and ensure that women fully enjoy the achievements of economic and social development.

In 2019, women accounted for 66% of senior professional and technical personnel in public institutions. Chaohe Sub-district has carries out a series of women development activities. In 2015, Chaohe Sub-district provided free health checkup for more than 120 women employees in Haima Company. In 2016, Chaohe Sub-district held a training course on family planning for women directors in order to improve their professional quality and women directors from 8 villages participated in the training. In 2019, Chaohe Sub-district invested CNY120,000 to upgrade and transform the original "Green City Mom" Program in Erlang Temple Community and complete the "Green City Mom" Program in Kangqiao Community. In 2019, under the "Green City Mom" program, 120 activities were held to provide a good entertainment environment for women and children. On a Women's Day in "March 8th", a "Green Travel" hiking contest was organized. More than 150 people from offices, villages and communities participated in it, which enriched the spare time life of women in the area. The first "Civilized Family" selection activity in Zhengzhou was carried out, and a "Civilized Family" at the municipal level was selected. Two "most beautiful mother-in-law" households, one

"most beautiful daughter-in-law" households, and two "most beautiful bookish families" households were selected.

6.3. Project Impacts on Gender

In the Chaohe Sub-district, a centralized inspection of labor and employment compliance is organized and carries out every year by sub-district office, in order to standardize the practice of labor and employment and protect the rights and interests of employees, including women employees. The sub-district office accepts complaints and reports, and promptly investigates and punishes the arrears of migrant workers' wages, and vigorously cracks down on illegal job agencies and illegal labor practices. Various villages and communities were organized to carry out numerous investigations on labor and employment, focusing on the use of child labor, people with disabilities, forced labor, and the lawful signing of labor contracts. For example, a total of 160 employers were inspected in 2015, involving more than 2,000 people. A total of 87 employers were inspected in 2016, involving more than 1,400 people. The inspection found no evidence of illegal child labor. At present, women's rights and interests have been well protected. The community is constantly increasing investment, and paying more attentions to the care of women, and improving their happiness and health.

For ZIH, the implementation of the Project will directly create additional jobs on three project sites. According to the estimate by the project sponsor, a total of 145 new employees would be created through project implementation, including 49 persons as regular staff of the Company and 96 persons as employees through third party companies. As much as 50 percent of total new employees would be female, which is significantly higher than the average among large enterprises in the

district. Given the fact that current number of employees of ZIH was 453 persons with half of them as females, the creation of new employment represents 10.8 percent for full time employees and 32 percent for total employees.

Indirectly, the Project will also create employment in the project areas. As many as 650 businesses and over 3,000 employments as agencies from over 8000 trader partners will be brought into ZETD along with operation of the Project. They will mainly work on vehicle trade, import and export procedures, financial and insurance, trade finance, car loan, and third parties aspects, and about 60 percent will be female workers.

Chapter VII Employment and Quality

Improvement of Labor Force

7.1. Status of Employment in Project Areas

The government takes a lead in promotion of employment and improvement of quality of the labor force in the project areas. Major measures include conducting regular survey of labor resources and held frequent employment training in the project areas. For example, since 2015 Chaohe Sub-district conducted annual survey of labor force in the area, and a total of five surveys were conducted between 2015 and 2019. See table 7-1.

Table 7-1 Labor Force Survey in Chaohe Sub-district from 2015 to 2019

Year	Number of households	Number of people (persons)
2015	7104	11860
2016	7558	12624
2017	7740	12920
2018	7817	13034
2019	7836	13086

In terms of skill training, a total of 20 training sessions were organized for local labor force in the sub-district between 2015 and 2019, and a total of 553 persons participated in such training. In addition a total of 8 sessions of enterprise training were offered and 270 people participated. During the same period, about 480 people were offered transfer employment. In urban areas, 1,181 people were employed, and 21 people had difficulty finding jobs. A total of 14 small loans were provided for those who set up their own businesses. See Table 7-2 and Fig. 7-1.

Table 7-2 Employment and Enterprise Training in Chaohe Sub-district (2015 to 2020)

Year	Session numbers of training	Number of skills trainers	Session number of enterprise training	Number of enterprise training	Transfer of employment	Urban employment	Employment of difficult persons
2015	6	80	1	20	152	100	
2016	5	41	3	85	150	151	11
2017	2	67	2	50	70	56	
2018	3	185	1	75	62	451	5
2019	4	180	1	40	46	423	5
Total	20	553	8	270	480	1181	21



Figure 7-1 Employment, enterprise and skill training organized by Chaohe Office

7.2. Working Conditions and Health and Safety

In terms of direct contribution of employment by the Project, at present, there are a total of 453 employees in ZIH, with 228 as female employees or 50%. Almost all of them have college degrees. The implementation of the Project will directly create 145 jobs by the company, and about half of them will be female employees. In addition during project implementation of three years, a total of 4,200 workers will be involved under five different contractors. The recruitment and treatment of

permanent staff and temporary workers under the Project will follow relevant national laws and local regulations.

For both regular employees of ZIH and temporary workers of selected contractors, as part of the Project team, all of them will be treated fairly, provide them with a safe and healthy working environment, take measures to prevent accidents, injuries and diseases, and shall not employ the child laborers, so as to promote the establishment of a good relationship between the staff and the management, thus improving the development benefits of the Project. The Project Team shall also ensure the health and safety of local community residents in the project area. The Project Team shall, as required, formulate and implement the following labor management procedures for staff, which conform to the requirements of the national *Labor Law*, *Labor Contract Law* and AIIB's *Environmental and Social Standards*.

7.3. Terms and Conditions of Employment

An enterprise shall build labor relationships with its employees by concluding written labor contracts from the date of employment. When recruiting staff, the enterprise shall truthfully inform them of the work content, conditions, place, possible occupational hazards, work safety status, remuneration and other information required by the staff. A labor contract shall be agreed upon by the enterprise and an employee through consultation, and shall take effect after being signed and stamped by both parties hereto. The enterprise and the employee shall each hold one copy of the labor contract.

The labor contract shall have the following clauses: (1) the name, address and legal representative or principal responsible person of the enterprise; (2) the employee's name, address and ID card or other valid ID number; (3) the term of the labor contract; (4) work content and place; (5) working hours, rest and vacation (including weekly rest, annual leave, sick leave, maternity leave and personal leave); (6) labor remuneration and overtime pay; (7) social insurance and social welfare; (8) labor protection, labor conditions and occupational hazard protection; (9) contract will be written in a language understood by the employees; and (10) other matters that shall be included in the labor contract according to laws and regulations.

The enterprise shall pay its employees on time in accordance with labor contracts and state regulations. Only when allowed by national laws can employees' wages be reduced, and employees shall be informed of the conditions for wage deduction. If the enterprise defaults or fails to pay the labor remuneration in full, the employees may apply to the local people's court for a payment order according to law. The enterprise shall strictly implement the wage standards stipulated in the contract and shall not force the staff to work overtime. If the enterprise arranges its employees to work overtime, it shall pay overtime wage in accordance with the contract and the relevant provisions of the state. The labor contract may be terminate if agreed by the enterprise and the staff. During or before the termination of the labor relationship, the enterprise shall pay all unpaid wages and other benefits directly to the employees or, where appropriate, in a manner beneficial to the employees. If payment has been made in a way that benefits the employees, the employees shall be provided with payment vouchers. When canceling or terminating the labor contracts, the enterprise shall provide certificates for the employees to specify such

cancellation or termination, and shall handle files and formalities of transferring social insurance relations for the employees within 15 days.

7.4. Non-discrimination and Equal Opportunity

The enterprise shall allow all qualified personnel to take the examination for the recruiting positions, and decide whether to employ them according to the skill level of the personnel taking the examination. The wages, bonuses and other forms of subsidies paid to the employees shall be determined according to the working conditions of the employees. The principle of equal pay for equal work shall be observed. The employees shall not be unfairly treated for their nationalities, races, genders, religions and backgrounds.

When recruiting staff, the enterprise shall not refuse to employ women or raise the employment standards for women on the grounds of gender, except for the types of jobs or posts that are not suitable for women as stipulated by the state. The enterprise shall employ the disabled in accordance with a certain proportion, and provide them with appropriate types of jobs and posts.

The enterprise shall set up suggestion boxes, and the employees can prepare written materials about discrimination, unequal opportunities, etc. and put them into the suggestion boxes. HR supervisor shall handle incidents of discrimination or humiliation of employees. If the situation is true, the discrimination and humiliation shall be corrected and the relevant personnel shall be punished, and the results shall be notified to the employees.

7.5 Staff Organization

The enterprise shall support employees to establish a labor union according to law. Employees shall have the right to join and form a labor union regardless of nationality, race, gender, occupation, religion and degree of education. The basic duty of the labor union is to safeguard the legitimate rights and interests of employees. The labor union will coordinate labor relations and safeguard employees' labor rights and interests through equal consultation and collective contract system. The daily working body of the labor union is the labor union committee. The members of the labor union committee shall be democratically elected by the general meeting or the member representative conference. The labor union committee shall have women members.

The labor union shall assist and guide employees to sign labor contracts with the enterprise. The labor union shall negotiate and sign a collective contract with the enterprise on behalf of its employees. The draft collective contract shall be submitted to the employees' congress or all employees for discussion and approval.

If the enterprise violates the collective contract or infringes upon the labor rights and interests of its employees, the labor union may require the enterprise to bear the responsibility according to law; if a dispute arises over the performance of the collective contract and cannot be settled through negotiation, the labor union may submit it to the labor dispute arbitration organization for arbitration. If the arbitration organization refuses to accept it or anyone is not satisfied with the arbitral decision, it may bring a lawsuit to the people's court.

When the enterprise unilaterally terminates the labor contract with its employee, it shall notify the labor union in advance of the reasons. When the labor union believes that the enterprise violates laws, regulations and relevant contracts and requires a re-study of the handling, the enterprise shall study the opinions of the labor union and notify the labor union in writing of the handling results.

If the enterprise violates labor laws and regulations, embezzles employees' wages, fails to provide labor safety and health conditions, arbitrarily extends working hours, infringes upon the special rights and interests of female employees and severely infringes employees' labor rights and interests, the labor union shall negotiate with the enterprise on behalf of the employees and require the enterprise to take measures to correct them. The enterprise shall study and deal with these issues and give a reply to the labor union. If the enterprise refuses to correct, the labor union may request the local people's government to make the handling decisions according to law.

7.6. Labor Protection

The enterprise is not allowed to recruit minors under the age of 16. The enterprise, which recruits minors who have reached the age of 16 but less than 18 in accordance with the relevant provisions of the state, shall implement the provisions of the state on types of work, working hours, labor intensity and protective measures, and shall not arrange them to engage in heavy, toxic, harmful and other labor or hazardous operations that endanger the physical and mental health of minors.

The enterprise shall prohibit any servitude, forced labor, corporal punishment, imprisonment and threats of violence, to ensure that employees participate in work or labor on a voluntary basis. The recruitment of employees by the enterprise must be based on fairness and voluntariness, and it is forbidden to recruit employees by means of coercion or deception. During recruitment and after employees enter the enterprise, the employees' ID cards and other valid documents shall not be detained. No deposit or security deposit shall be collected, and no guarantee or contract is required for employees to enter the enterprise. No one is allowed to ask for referral fees from employees or charge fees for other reasons.

7.7. Work Safety

The Owner, the Project Implementation Organization and the Contractor shall strictly abide by the national *Regulations on Work Safety Management of Construction Projects* (Decree No. 393 of the State Council), and other relevant laws and regulations on work safety, ensure work safety in construction projects, assume responsibility for work safety in construction projects in accordance with the law, and ensure the safety of workers and related people's lives and property.

The major person-in-charge of the Owner shall shoulder full responsibilities regarding the work safety of the unit; the person in charge of work safety shall assist the major responsible person in performing the administration duties in work safety and other responsible persons shall shoulder the work safety responsibilities within their respective scope of business.

The project implementation organization shall meet the following work safety conditions:

(1) Production and business premises and equipment and facilities shall conform to the provisions of relevant laws and regulations on work safety and the requirements of national standards or industry standards;

(2) A sound responsibility system for work safety shall be established, and rules and regulations for work safety and relevant operating procedures shall be formulated.

(3) Management organizations for work safety shall be established or management personnel for work safety shall be provided in accordance with regulations.

(4) Major responsible persons and work safety management personnel shall have work safety knowledge and management ability matched with the production and operation activities.

(5) Employees shall pass the work safety education and training. Special operators shall receive operation safety training by relevant national regulations, and shall acquire special operation qualification certificates.

(6) Employees shall be provided with labor protection articles in line with national or industry standards.

(7) Other work safety conditions stipulated by laws, regulations, national standards or industry standards.

The project implementation organization shall establish and improve the investigation, regulation and reporting system for potential hazards of accidents. Any potential hazard found shall be eliminated immediately. If the potential hazards of major accidents cannot be eliminated immediately, an emergency plan shall be formulated, a remediation scheme shall be prepared and remediation funds shall be in place to

complete the elimination within the prescribed time limit. If safety cannot be guaranteed before or during the elimination of potential hazards, the production and operation shall be suspended or relevant devices shall be shut down temporarily, and all operating personnel within the dangerous area shall be evacuated.

When the Contractor carries out dangerous operations such as blasting, hoisting of large-scale equipment (components), overhaul of equipment, disassembly and assembly for buildings or structures, loading and unloading of dangerous goods, super-high stacking of articles, operations near high-voltage wires, and operations in confined spaces, it shall arrange special personnel to conduct on-site command and safety monitoring to ensure compliance with operating procedures and implementation of safety measures.

7.8. Occupational Health and Work Safety Guarantee System

The safety and health management organization of the enterprise is responsible for the occupational health and work safety of employees and the daily inspection of the working environment. Governments at all levels have established a sound management and inspection system to ensure work safety in enterprises and the safety of workers.

Enterprises shall establish and improve the investigation and regulation system of potential hazards of work safety accidents, adopt technical and management measures, and timely discover and eliminate hidden dangers of accidents. The investigation and regulation of potential hazards shall be truthfully recorded and notified to the employees. Safety and health management organizations shall regularly maintain, preserve and inspect

safety equipment to ensure its normal operation. A record of maintenance, preservation and inspection shall be kept and signed by the relevant personnel.

Any employee who finds out any potential accidents or other insecure elements shall report immediately to the person in charge of the on-spot administration of work safety or the person-in-charge of the entity concerned. The person who receives the report shall handle them in good time.

The employees of the enterprise shall be entitled to know the dangerous elements that exist in the site or position of work as well as the corresponding prevention measures and emergency measures; they shall be entitled to criticize, expose or institute legal proceedings on the ground of the problems that exist in the work safety of the enterprise concerned and have the right to refuse to follow directions contrary to rules and regulations or conduct work at risk. The enterprise shall not lower the salaries or welfare or other treatment or dissolve the labor contracts entered into with the employees simply because the employee concerned has criticized, exposed or filed lawsuits on the ground of the problems existing in the work safety of the entity or because he has refused to follow directions contrary to rules and regulations or conduct work at risk.

The government's work safety supervision and management department and other departments responsible for the supervision and management of work safety shall carry out administrative enforcement of work safety for enterprises in accordance with the law, supervise and inspect the implementation of laws, regulations and national or industry standards

related to work safety by production and business units, and exercise the following functions and powers: (1) make inspections at the production and business operation entities, gather relevant materials, and inquire relevant entities and persons; (2) correct the acts violating the statutory provisions of law related to work safety discovered during the inspection or demand for correction within a prescribed time limit; make decisions of administrative penalties according to the provisions of the present law and other relevant laws and regulations to those acts that shall be subject to administrative penalties according to law; (3) order to remove the accident potentials found in the inspection; in case that safety cannot be guaranteed before the major potential hazards are removed or when the major potential hazards are being removed, evacuate the operating personnel from the dangerous areas and order to suspend the production and operation or stop using any equipment; permit the production or business operation or use only after hazards are removed, reviewed and agreed; (4) seize up or detain the facilities, equipment and apparatuses that are believed as not meeting the national or industrial standards for guaranteeing work safety; seize the workplaces where dangerous goods are illegally produced, stored, used or operated, and make decisions according to law. Enterprises shall cooperate with the work safety supervision and inspection personnel in performing their supervision and inspection duties according to law, and shall not refuse or obstruct them.

In the course of supervision and inspection, the government's work safety supervision and management department shall timely transfer the safety problems existing in the enterprise to other relevant departments for handling, and form records for future reference. The departments that accept the transferred cases shall handle them without delay.

The government supervision authorities shall, according to the provisions concerning administrative government supervision, be responsible for supervising the execution of duties of work safety supervision and administration by the departments responsible for the supervision and administration of work safety and the personnel thereof.

The institutions undertaking the work of safety appraisal, certification, detection, and test shall be equipped with the qualifications as required by the state, and shall be responsible for the results of safety appraisal, certification, detection and test.

The departments responsible for the supervision and administration of work safety shall establish a system of reporting violations, making public the telephone numbers, mail boxes or email addresses for reporting violations, and accept the reports for violations relating to work safety. Any reported violation that has been accepted shall be put down in writing after it has been verified through investigations. If any measure of rectification or improvement has to be taken, it shall be reported to the relevant person-in-charge for execution after the person-in-charge has affixed his signature.

The people's governments at all levels as well as the relevant departments thereof shall reward those that have meritorious acts in reporting important potential accidents or violations of statutory provisions concerning work safety. The detailed measures for rewards shall be formulated by the department of the State Council responsible for the supervision and administration of work safety in collaboration with the public fiscal department of the State Council.

7.9. Health and Safety of Community Residents

In 2019, there are 7,836 households and about 23,447 persons in Chaohe Sub-district where the proposed Project will be located. And there are large number of enterprises and institutions in the sub-district. Once the construction of the Project begins, the implementing agency shall ensure the health and safety of the people in the affected areas of the Project.

In view of the coronavirus disease 2019 (COVID-19), the project implementation organization shall timely and accurately grasp the staff situation, especially the flow of personnel from high and medium risk areas and overseas, establish and improve the staff health archives, and strengthen the staff health management; carry out regular body temperature testing for staff, and supervise and urge the implementation of personal protection requirements and the reduction of personnel gathering and collective activities; further improve the sanitary conditions in the workplaces and living places, especially the cleaning and disinfection of workplaces, staff canteens and tableware.

Contractors working in the project area shall cooperate with their communities to prevent and control the epidemic; do a good job in staff health education, environmental hygiene control around the residence, and management of staff renting local houses to prevent possible epidemics among staff from being introduced into the community. At the same time, staff renting local houses shall observe various management regulations of tenants and floating population in their communities and villages, and cooperate with epidemic detection and prevention measures in their communities and villages to protect the health of the people in their communities.

Chapter VIII Public Consultation and Disclosure

Following the national law and provincial regulations, public consultations are often carried out for any new development projects. For example, during environment impact assessment conducted in project preparation, local residents and communities will be consulted regarding potential impacts of the project and outcome will be disclosed publicly. Public consultation and disclosure is also reflected on information displayed in the construction sites, which often includes name and purpose of development, and contact details of contractors and project sponsor. Public consultations are also conducted regularly with local government agencies through the process of project preparation and implementation, including local construction, land, and environmental departments in order to conform with relevant government regulations. It is also reflected in the close supervision by relevant government agencies during project implementation, such as financial, construction, and environmental departments at different levels, as well as independent monitoring by the third party.

Although no new land acquisition is expected for the proposed Project, as three physical components will be located in three vacant urban blocks allocated by local government, potential impacts during project implementation might take place. In order to identify such impacts, a series of interviews were carried out among neighboring land users in December 2020. Figure 8-1B is a photo of such interview. Based on visits to the project sites, four different enterprises were identified next to three components of the proposed, which was indicated in Figure 8-2A. The

block marked in blue are three project components, and blocks marked in red are neighboring enterprises. See Figure 8-1 for details. The neighboring enterprises include Zhengzhou Central Station of China Railway Lianji (Figure 8-2a), Zhengshang Huihang Mingzhu construction site (Figure 8-2b), COFCO Cereals & Oils Co., Ltd. (Figure 8-2c), and Sinopec Gas Station (Figure 8-2d).

Zhengzhou Central Station of China Railway was developed in 2013 with a total land area of 1.6 ha. As the first category port, it includes inspection building, custom and inspection stations, and information platform. As a transport hub, the proposed Project will have little impacts on its operation. Zhengshang Huihang Mingzhu is a car import facility and currently under construction, with little impact is expected from the constr. construction of the Project. COFCO Cereals & Oils Co., Ltd. is a large comprehensive enterprise under China Grain and Oil Group, specialized in wheat processing, production, and storage. Located next to Type-B bonded logistics center Component, it occupies about 304 mu of land areas, and little impacts are expected by construction of proposed Project. Sinopec Gas Station is located next to Parallel vehicle imports facility Component with 270 square meters. The operation of vehicle import facility will not only have little impacts during construction but also expand its business during operation.

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Figure 8-1 Location of adjacent enterprises (left) and field interview (right)

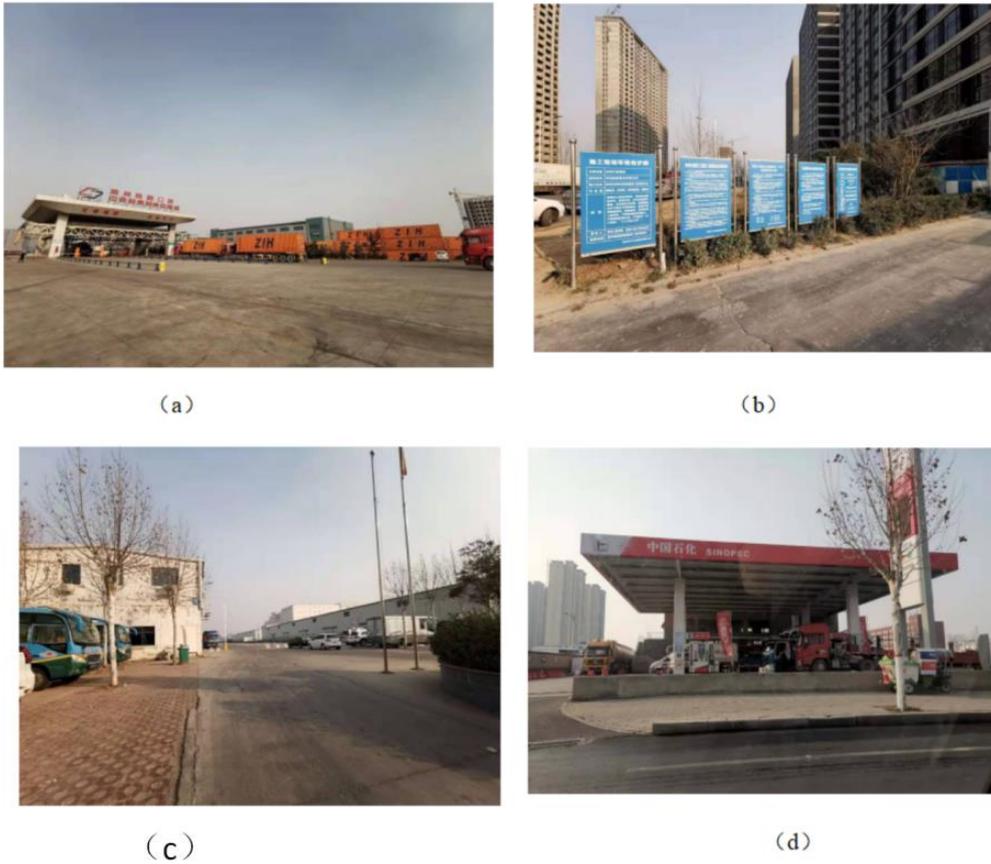


Figure 8-2 Street Views Adjacent Enterprises

According to interviews, two enterprises believed that the implementation of proposed Project will be beneficial to their own business development, and the Project could expand their business and increases income, while the other two enterprises believed that the construction process and future operation will have no impact on them. See Table 8-1 for detail.

Table 8-1 Survey Results of Potential Project Impacts on Adjacent Enterprises

Adjacent enterprises	Project	Impact during construction	Post-completion impact	Negative influence
Zhengzhou central station of china railway union	ZIH's multi-modal transport collection - distribution center	No impact. This unit is a transportation station, and the noise level of daily operation is high.	As a fresh goods transfer station, the business scope could be broadened by the Project, so will be the capacity and income.	No negative impact is expected
Sinopec gas station	ZIH's automobile import port	No impact; itself running traffic with noise	Adjacent to the motor port, increasing gasoline sales and income.	No negative impact is expected
Zhengshang Huihang Mingzhu construction site	ZIH's automobile import port	No impact; all under construction	No impact	No negative impact is expected
COFCO cereals & oils co. Ltd	ZIH's bonded logistics center (type B)	No impact; the enterprise also has noise in operation.	No impact	No negative impact is expected

Environmental impact during construction and operation

Environmental Impact Assessment for the Project identified that environmental risks during the project construction include land leveling, land excavation, construction of buildings and cold storage facilities, and installation of equipment and municipal infrastructure.

Environmental risks during the project operation include the operation of refrigeration facilities, B-type bonded logistics centers, and the operation and maintenance activities of parallel entry ports for vehicles, such as routine inspections of facilities and buildings, repair or replacement of any faulty equipment for imported vehicles.

Based on consultation among key stakeholders and visits to the construction site of the project, it is clear that the construction activities of the Project were carried out in accordance with environment management plan with careful management of construction noise and dust; and sets up a public board including names of the person in charge construction site, and contact details for complaint and grievance mechanism as shown in Figure 8-3.



Figure 8-3 Public board for dust, noise and civilized construction in construction site

Chapter IX Grievance Redress Mechanism

During the design and implementation phase, the project sponsor always pays attention to the participation of the local residents and minimizes the potential environmental and social risks. A comprehensive channel for grievance redress mechanism has been established to timely solve both the affected residents' questions about the impact of the Project and complaints brought by the workers participated in the Project. Following the requirements of Environment and Social Policy and Standards of AIIB, the proposed GRM will be used to timely resolve any concerns and complaints through the procedures easily understood and transparent.

9.1 Channels of appeal for Project Affected Persons

Following the requirements of Environment and Social Policy of AIIB, a GRM had been established in order to address environmental, health, safety and social issues caused during construction and operation of the proposed Project. The proposed GRM will achieve the following objectives: (i) to offer communication channel for local residents in order to address concerns and complaints for potential environmental and social questions during construction and operation by the proposed Project. (ii) To promote confidence and mutual understanding between project sponsor and local residents; and (iii) to secure confirmation of the Project by local residents. The GRM will be applicable to all residents in the project areas, including women, young persons, minority and poverty persons. The GRM could be brought by several different means, including face to face meeting, written complaint, telephone conversation, electronic mail, Wechat, and other social medias. GRM will be mainly used to address any impacts to be brought by the Project, such as dust and noise caused during project construction, improper storage of project

construction waste, safety measures for protecting public and construction workers, and waste and noise caused during project operation.

In Zhengzhou or in China, when local residents encounter any negative impacts during construction, they could directly make their appeal through local village or residential committee to project contractors, developers, and local ecological environmental departments, or directly to local people's court. The only limitation of existing petition offices in various government agencies is lack of designated staff and concrete schedule to resolve any complaints. The proposed GRM will resolve such limitation.

The proposed GRM for the Project will conform the supervision standard by the state, which will ensure that basic interests of residents will not be violate by the environmental and social impacts from the construction. The No. 431 Regulation of Petition issued by the State Council in 2005 defined petition receiving mechanism in different levels of local governments from citizen and protected them from retaliation. The implementation details of GRM are presented in the following, including time required in each step.

If project sponsor receives a complaint, the person in charge from Project Implementation Unit shall first review the content of the complaint, and determine whether the complaint is relevant with the Project. If it is relevant with the Project, regardless whether the complaint belongs to environmental and social issues or not, the person in charge from Project Implementation Unit should coordinate resolution process to address the complaints. For issues not directly involved with the Project, the person

in charge from Project Implementation Unit will on behalf of the complainant to raise it to the relevant authority. All complaints should also be documented in the records, and basic steps of GRM will be informed to person involved. The basic steps and time frame for GRM is listed in the following:

Phase 1 (5 days): when the issues appear during construction or operation, the affected person could first bring his complaint to the environmental and social officer (ESO)/focal point of the contractor (during construction) or operator (during operation) in written form or verbally. The ESO or focal point of the contractor or operator should first verify the problem and stop relevant construction activities (such as noise of construction, which is too loud for local residents). (2) Before the issue is resolved, relevant construction activities should not resume. (3) On the same day of receiving the complaint, the contractor should inform the environmental and social officer of the PIU about the complaint and measures to be adopted to address such complaint. This would then be documented in the complaints log at the PIU. (4) Within two days, the contractor should provide a definite response to the affected person; and (5) the problem should be resolved within five days of the complaint. PIU should inform the incident to local residential committee or local environmental bureau and keep them posted.

Phase 2 (5 days): If the contractor or operator could not resolve the issue during phase 1, PIU should try best to resolve it. PIU should first evaluate the complaint and propose resolution to affected person in two days. If affected person agrees the resolution, contractor or operator will resolve the issue within 5 days. All measures will be documented in the record. In the conclusion of Phase 2, PIU will inform the result to AIIB.

Phase III (15 days): If PIU could not determine a resolution or the affected people does not satisfy the proposed resolution, PIU will organize a meeting with key stakeholders, including contractor, affected people, local environmental department and PIU. A resolution acceptable to all parties should be developed include key steps to resolve the issue. The contractor or operator should immediately implement the resolution and resolve the issue within 15 days. All measures and outcomes should be documented in the record. Once the phase 3 is complete; PIU will report the outcome to AIIB.

The contractor or operator and PIU should keep affected person informed during the process of GRM. GRM will not prevent the affected people to make such claim to other institutions, such as local residential committee, sub-district, city government, court, and AIIB.

AIIB's Project-affected People's Mechanism (PPM) has been established to provide an opportunity for the independent and impartial review of submissions from project affected people who believe they have been or are likely to be adversely affected by the AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the project-level GRM or the AIIB's management processes. Information about the PPM is available at <https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html>

9.2. Channels of appeal for workers and employees

Based on past experience, it is necessary to set up a separate GRM to address any complaints brought by workers who work on the construction sites for selected contractors. Such complaints could cover wages, overtime pay, timely delivery of wages, lack of proper accommodation or facilities related with drinking water, sanitation condition, and medical services.

The proposed Project will set up a grievance redress committee (GRC) to deal with any complaints brought by the project workers, including both directly or indirectly involved workers. The GRC will include following members: ESO staff in PIU, supervision engineers, and representatives of workers and contractors. ESO staff of PIU will be responsible for handling complaints and ensure that affected workers will not be laid off due to make any complains, and complain will not be withdrawn before formal hearing due to threat.

To ensure fairness and openness, the formal hearing will be held in secured environment and to be accessible to other workers. GRC will document the following information during the hearing: (1) the detailed content of complaint; (2) reasons for accepting the complaint or rejecting complaint as well as number of complaints accepted or rejected; (3) the resolution scheme agreed with affected persons. PIU will keep the records of all complaints and outcome of resolutions, and will report to AIIB through semi-annual environmental or social monitoring reports. When it is required, such records should be made available for review by relevant parties and AIIB.

9.3. Record Keeping and Regular Supervision

PIU should be responsible for all cost related with GRM, including meetings, travel and accommodations for affected persons and project workers.

All complains received should be documented clearly in the record, including contact details of affected people, date of receiving complains, content of complains, measures agreed upon to address complains. The records of complains and their outcomes will be disclosed in the office of PIU and included in semi-annual monitoring report to be submitted to AIIB.

PIU staff should regularly review the functions of GRM and verify effectiveness of GRM, particularly on information of capacity of GRM in avoiding complains and resolving issues raised by complains.

Since the land acquisition and resettlement associated with project areas had been completed a few years ago, and resettlement and relocation completed by 2015, and most affected people have benefited from the resettlement and rehabilitation (see Due Diligence Report for detail), the potential social risk for the proposed Project is very small. With reasonable GRM, and strict environmental control practice, potential impacts during construction and operation of the Project could be limited to a controllable range.

Chapter X Implementation Arrangement

10.1 Institutional Arrangement

For proposed Project, Zhengzhou International Hub Development and Construction Company set up a Zhengzhou International Logistics Hub Project lending group, under which, a project management office will be established. The project management office consists of several departments, including comprehensive office, financial, legal, procurement and engineering departments. During project implementation, various issues related with environment and social aspects will be responsible by two designated staff in the engineering department. These two persons will form an environmental and social team for the Project, and will be responsible to followup all project related environmental and social issues and complains during project implementation, coordinate with relevant parties to address various concerns or complains, arrange the environmental and social monitoring and preparation of monitoring reports, and submit them to AIIB.

10.2. Monitoring and Evaluation

In order to ensure the ESP of AIIB will be complied during project implementation, the Project will conduct environmental and social monitoring through the whole process of project construction and operation. Monitoring is divided into internal and external monitoring. On internal monitoring, the purpose is to ensure that all agencies function properly during project implementation, the lawful rights and interests of the local residents and project staff will be protected, potential impacts will be minimized, and the Project is constructed smoothly. The project sponsor is responsible for internal monitoring. Internal monitoring covers

the implementation of the environmental and social management plan; documentation of grievances and appeals, participation and consultation of the local communities and residents, support for vulnerable groups, operation of relevant agencies. The project environmental and social team within engineering department practices an internal monitoring mechanism by checking relevant activities regularly and establishing a basic database on documentation of consultations taken place with relevant agencies and local populations, and complains received and addressed. The key findings of internal monitoring will be reported to the project leading group and included in project progress reports.

In terms of external monitoring, it will be conducted by an independent agency to see if project implementation is in compliance with AIIB policies on environment and social aspects. The monitoring indicators include progress on various activities indicated in the project documents; satisfaction of the relevant individuals or work units on consultation or disclosure received by the Project; and resolution made in addressing various complains caused by the Project. External monitoring will be carried out by a combination of sample survey, interviews of key stakeholders and group discussions. The external monitoring agency will visit relevant district or sub-district agencies and attend public consultation meetings to evaluate the effectiveness of public participation and collect comments, and give suggestions on improvement. The external monitoring agency will also review records of GRM and determine whether it is functioning effectively. And finally, external monitoring agency will prepare monitoring reports to be submitted to AIIB semiannually until the completion of the Project.

10.3. Budget

Unlike other projects involved with land acquisition and resettlement, for proposed Project, since land areas had been obtained during the project preparation, no budget is required for related land acquisition and resettlement. Instead, the proposed budget for social management aspects will mainly include (i) cost needed for recruiting an independent social monitoring agency during project implementation, (ii) costs of organizing environmental and social training for relevant staff from project company and project contractors, (iii) costs for implementing various consultation activities with key stakeholders during project implementation; and (iv) costs for setting up and operating GRM mechanism during project implementation. Since these costs are relatively small and they will be financed by counterpart funding from the project company. At present, the cost for social management during project implementation is estimated at CNY130,000, including CNY90,000 for recruiting and external monitoring agency, CNY20,000 for providing social management training to staff of project company and relevant contractors, and CNY20,000 for various operation cost associated with conducting consultations with stakeholders and managing GRM for the Project.

Chapter XI Social Benefit Analysis

11.1. Stakeholder identification

Project stakeholders refer to all parties that have direct or indirect interest in the project and have direct or indirect influence on the success or failure of the project.

Stakeholders of this project can be roughly divided into five groups: governments at all levels and relevant institutions in the project area, project implementation institutions and construction units, various groups served by the project, people affected by land requisition and demolition, and groups affected by construction. See Table 11-1 for details.

Table 11-1 Project Stakeholders

Category	Stakeholders
Governments at all levels and related organizations in the project area	Zhengzhou Government, ZETD, Chaohe Office, ZETD Management Committee Office.
Project implementation organization and construction unit	ZIH
Project service for the population	The cargo collecting capacity of China-Europe freight train (Zhengzhou) covers the goods source area with Zhengzhou as the center, the core area of 1000 km and 790 million populations, and the radiation area of 2000 km and 1.23 billion populations.
Groups affected by land expropriation, demolition and ancillary facilities relocation	Families affected by permanent land expropriation, housing demolition, temporary occupation of land, and units affected by the transfer of professional facilities.
Groups affected by construction	Residents, shops, institutions, pedestrians and vehicles along the road.

11.2. Stakeholder analysis

According to the different nature of stakeholders, they can be further divided into two types: those who will benefit from the Project, and those who will be impacted by the Project. After screening, consultation and analysis, the main stakeholders and their potential benefits and impacts due to this project are as follows:

(1) Project leading group: In ZETD, government agencies are represented by: transportation, finance, development and reform, ecological environment, land and resources, water conservancy, forestry, audit, and Chaohe Sub-district office. The project leadership team provides overall support to the implementation of the project, especially in terms of high-level policy and strategy directives, cross-departmental communication and coordination, consultation and resolution of key issues, in order to ensure the smooth implementation and successful completion of the project. Its responsibility determines that it is the beneficiary of the project.

(2) ZIH. ZIH is the main sponsor of the project, as well as the main implementer and facilitator of the Project, and is also a major beneficiary of the project.

(3) Governments at all levels and relevant functional departments in the project area

Governments at all levels and relevant functional departments in the project area include management committee of ZETD, Chaohe Sub-district, Housing and Urban Construction Bureau, Human Resources and Social Security Bureau and relevant government functional

departments. This project is an important infrastructure construction project. Governments at all levels and relevant functional departments are responsible for the formulation and implementation of relevant policies in the regional construction of the project, as well as the coordination and cooperation between departments to ensure the smooth development of the project. The construction of this project can promote the economic and social development of the area, promote the increase of employment and people's income in the region, and promote the region to get rid of poverty and become rich. The successful completion of the project is conducive to governments at all levels to promote the effective exertion of regional economic and social functions. So governments at all levels and related functional departments are also beneficiaries of the project.

(4) The project serves the people and related enterprises along the railway route connecting China and European/Central Asian countries

After the completion of the project, it will be beneficial to improve the economic efficiency and benefit of enterprises related to the transportation industry, logistics industry and trade industry. Therefore, the local population and various enterprises in the project area and along the railway route are the beneficiaries of the project.

(5) Construction units

The construction units are connected with the project through the owner, and the project construction can bring income for it. The construction units are also beneficiaries of the project.

(6) Villages, units and people affected by the project

Although the current project components do not need any new land acquisition, the development of ZETD and development of project areas

were based on completion of land acquisition and resettlement from former villages in the project areas. According to DDR, a total of 543 households in Yinggang village affected by permanent land expropriation and housing demolition, and they were affected by the development of ZETD and proposed Project. On the other hand, since the compensations and rehabilitation packages were quite generous and in compliance with national laws and local regulations, they could also be considered as beneficiaries of ZETD development. As the relocation and rehabilitation had all completed a few years ago, any possible negative effects due to land acquisition and resettlement have been avoided.

During project appraisal (March 23 2021), a consultation meeting was organized by project sponsor, and a number of stakeholders participated in the meeting, such as officials of district agencies and sub-district government, staff of contractors and project company, and residents of local communities. The environmental and social staff of AIIB also participated in the discussion. Following introduction of project and outcome of social assessment, the participants expressed strong support of the Project and were informed about GRM for the Project implementation.

During project implementation, further consultations will be carried out with key stakeholders, such as relevant district or sub-district agencies; selected contractors; and local residents in project areas. The stakeholder engagement plan will follow relevant provisions in national law and provincial regulations, In addition to public consultations carried out during project preparation, local residents and communities will be regularly consulted regarding potential impacts of the project, measures to be taken to address these impacts, and the outcome will be disclosed in

the project areas. Public consultations will also be conducted regularly with local government agencies through the process of project implementation, including local construction, land, and environmental departments in order to conform with relevant government regulations. The consultations with stakeholders are also reflected in the close supervision by relevant government agencies during project implementation, such as financial, construction, and environmental departments at different levels, as well as independent monitoring by the third party.

11.3. Social benefit analysis on a broad scale

The project has a wide scope of influences, benefiting many companies and people of many countries. The cargo collection capacity of China-Europe freight train based in Zhengzhou covers both the core area of 790 million people with 1000 km radius, and the impact area with of 1.23 billion people with 2000 km radius, including 130 cities in the European Union, Central Asia and Russia. The cross border transit business extends to Japan, South Korea and other Asia-Pacific countries. In China, it serves 1,500 kilometers radius, covering 23 provinces and connecting eight eastern ports along the coast.

The employment driven by the Project could be divided into direct employment and indirect employment. The direct employment refers to employment and income generated by the construction and operation of the project. The indirect employment and income generated are mainly reflected in the extension of the business chain and project outsourcing and docking, such as the transportation industry and retail industry.

11.4. Analysis of social and economic benefits in ZETD

After completion of the project construction, the operation could begin in 2025. By then China-Europe train (Zhengzhou) services will increase to 1600. Cross-border e-commerce trade will be further developed, and the business environment of Zhengzhou hubs will be continuously improved. At least more than 650 enterprises can be absorbed to ZETD, and package quantity will reach 50 million/year. The project will play an important role in supporting regional economic development, and optimizing the infrastructure support capability (see the project feasibility study report).

Chapter XII Conclusions

(1) Resettlement has been completed and possible negative impacts have been eliminated. The economic growth of resettlement communities has achieved synchronous speed as that in ZETD and Zhengzhou City, and in some aspects more rapidly than city average. The communities in the project area are harmonious; the residents live and work in peace and contentment; and the social development foundation is stable.

(2) The government pays close attention to the work of vulnerable groups and women and children. Their basic rights and interests will be protected in process of social economic development. All ethnic groups live and work together. The society is harmonious and stable without any social risk.

(3) Enterprises in Chaohe Sub-district (including proposed Project) have created a large number of quality jobs for local residents. Under the guidance of the government, every resident who needs help can get good assistance about employment and entrepreneurship. The employment and reemployment of the local labor force will be guaranteed through skills training and policies.

(4) The environmental impact of the project is very limited. The environmental management plan for the Project will be strictly followed during the implementation of the project. A sound appeal mechanism has been established, and the potential environmental and social risks of the proposed Project are controllable.

(5) Extensive benefits of the project are as follows: the completion

and operation of the Project is expected to increase the import and export trade volume by CNY3billion, generate tax revenue of CNY1.3 billion, benefit 140 cities in 23 provinces in China, and more than 30 countries overseas. It will directly benefit more than 8,000 domestic and foreign partners through business cooperation, and create over 85,000 employments.

(6) Local benefits of the project are as follows: Expected by 2025, direct cross-border E-commerce trade will be further developed; business environment continues to be optimized; more than 650 enterprises will be absorbed in ZETD, and cross-border E-trade package quantity will reach 50 million per year. Such growth will result in rapid development for the upstream and downstream trade (exhibition and sales), logistics (distribution and distribution), customs declaration, warehousing and agency of goods and other diversified businesses. Hence, the project plays a role of support for regional economic development.

Chapter XIII Social Management Plan

Following the requirement of ESF of AIIB, once the borrower has identified potential impacts and risks of a project through environmental and social impact assessments, AIIB will require formulation of management measures to reduce or mitigate any negative impacts to be brought by the Project and included in relevant social management plan. If the borrower lacks capacity to implement SMP, relevant capacity strengthening activities will be included in the Project.

According to the social impact assessment for the proposed Project, various issues were identified, such as gender issue, vulnerable groups, interests of employees of project company, and labor management among participating contractors, GRM, as well as potential negative impacts during project constructions, and other unidentified impacts. While the major benefits of the proposed Project will be by 2025 when project is completed, at least 650 enterprises will be brought to Zhengzhou Economic and Technological Development District along with rapid increase of the trade volume and tax revenue and further development of upstream and downstream businesses and regional economy, This will directly benefit more than 8,000 domestic and foreign partners through business cooperation, and create over 85,000 employments in 140 cities in 23 provinces in China, and more than 30 countries overseas. The main purpose of social management plan is to ensure project implementation will maximize social benefits and minimize potential negative impacts.

For proposed Project, the implementation agency is Zhengzhou International Hub Development and Construction Company. The

company will set up project leading group, under which, a project management office will be established. During project implementation, various issues related with environment and social management will be responsible by two designated staff in the engineering department. They will form an environmental and social team for the Project, and will be responsible to ensure implementation of environment and social management plan. They will be responsible for conducting supervision for implementation of various environmental and social mitigation measures during project planning, construction and operation; ensuring mitigation measures to be included in bidding document, contract document, and operation manuals; coordinating external monitoring efforts and submitting monitoring reports to AIIB semi-annually, and addressing all project related environmental and social issues and complains during project implementation.

In order to ensure the ESP of AIIB will be complied during project implementation, the Project will conduct environmental and social monitoring through the whole process of project construction and operation. The project sponsor is responsible for internal monitoring including the implementation of the social management plan; documentation of grievances and appeals; participation and consultation of the local communities and residents; and support for vulnerable groups by relevant agencies. The project environmental and social team within engineering department practices an internal monitoring mechanism by checking relevant activities regularly and establishing a basic database on documentation of consultations taken place with relevant agencies and local populations, and complains received and addressed. The key findings of internal monitoring will be reported to the project leading group and included in project progress reports. In addition, a qualified

independent agency will be selected by PIU to conduct external monitoring to see if project implementation is in compliance with AIIB policies. The monitoring indicators include progress on various activities indicated in the project documents; satisfaction of the relevant individuals or work units on consultation or disclosure received by the Project; and resolution made in addressing various complains caused by the Project. External monitoring will be carried out by a combination of sample survey, interviews of key stakeholders and group discussions. The external monitoring agency will visit relevant district or sub-district agencies and attend public consultation meetings to evaluate the effectiveness of public participation and collect comments, and give suggestions on improvement. The external monitoring agency will also review records of GRM and determine whether it is functioning effectively. And finally, external monitoring agency will prepare monitoring reports to be submitted to AIIB semiannually until the completion of the Project.

Unlike other projects involved with land acquisition and resettlement, for proposed Project, since land areas had been obtained during the project preparation, no budget is required for related land acquisition and resettlement. Instead, the proposed budget for social management aspects will mainly include (i) cost needed for recruiting an independent social monitoring agency during project implementation, (ii) costs of organizing environmental and social training for relevant staff from project company and project contractors, (iii) costs for implementing various consultation activities with key stakeholders during project implementation; and (iv) costs for setting up and operating GRM mechanism during project implementation. Since these costs are relatively small and they will be financed by counterpart funding from the project company. At present,

the cost for social management during project implementation is estimated at CNY130,000, including CNY90,000 for recruiting and external monitoring agency, CNY20,000 for providing social management training to staff of project company and relevant contractors, and CNY20,000 for various operation cost associated with conducting consultations with stakeholders and managing GRM for the Project.

Table 13-1 Social Impact Management Plan

Social Impact	Agencies Involved	Time	Responsible Staff	Monitored by	Frequency
Functions of different implementation agencies	PIU, contractors, and local government agencies	Before and during project implementation	ESO of PIU	Third party monitoring team	Twice a year
Further consultations with local communities and local government agencies	PIU and local district and sub-district agencies,	Before and during project construction	ESO of PIU	Third party monitoring team	Twice a year
Issues concerning vulnerable groups in project areas	PIU and local district and sub-district offices	Before and during project construction	ESO of PIU	Third party monitoring team	Twice a year
Issues and records of GRM concerning complaints from employees and project workers	PIU, contractors, and local government agencies	Before and during project implementation	ESO of PIU	Third party monitoring team	Twice a year
Issues and records of GRM concerning complaints related with project impacts during construction and operation.	PIU, contractors, and local government agencies	Before and during project implementation	ESO of PIU	Third party monitoring team	Twice a year
Increasing both temporary and permanent employment by the Project	PIU and contractors as well as third party service providers	During and after project construction	PIU and contractors	Third party monitoring team	Twice a year
Increase 650 enterprises into Zhengzhou Economic and Technological Development District	PIU, district government agencies,	During and after project construction	PIU and ZETD Agencies	Third party monitoring team	Twice a year

Appendix

Minutes of the forum on the E & S of the AIIB's formal appraisal for ZIH project

Time: 14:30-16:30 on Mar. 22, 2021

Place: Conference room B402 in North building

Host: Shi Yunhe

Attendees from AIIB: Sun Chongwu Zhu Youxuan

Attendees from ZIH: Tan Zhiyuan (SIA consultant)

Dai Lei (EIA consultant)

Meeting content and requirements

1. In the first part of the forum, Shi Yunhe, the representative of ZIH, recipient of AIIB project, introduced the reasons for the invited stakeholders as representatives, as well as the objectives of the forum and the basic situation of the project construction, and communicated with AIIB to understand the relevant requirements for the forum.

2. In the second part of the forum, the persons in charge of E&S topics communicated with the representatives of all stakeholders respectively to clarify whether they had a basic understanding of ZIH project, focused on whether they had a clear understanding of the grievance redress mechanism (GRM), and whether they could find the right channels to deal with the infringement of their rights and interests. Through the communication in this part, everyone had a comprehensive understanding

of the basic situation of the project and GRM, and all the stakeholders also indicated that they would exercise the right of supervision during the construction and operation period of the project.

3. In the third part of the forum, the E&S consultants respectively made a brief introduction of the social impact analysis and assessment and environmental impact analysis that have been carried out at present from a professional perspective, further popularizing the importance of a good social atmosphere and environment for stakeholders.

4. In the last part of the forum, Ms. Sun Zhongwu and Mr. Zhu Youxuan from AIIB raised relevant questions about the forum respectively, and the representative of the recipient gave timely answers. At the same time, Ms. Sun mentioned that social and environmental forums are meetings that need to be maintained for a long time during the implementation and operation of the project and should be listed as routine work. She also hoped that the recipient could provide more detailed and accurate materials for representatives of stakeholders when organizing the next meeting, so as to conduct the forum more effectively.

Collator Shi Yunhe

Mar. 25, 2021



Figure A1 Photograph of the forum on the E & S of the AIIB's formal appraisal for ZIH project