



Project Summary Information

Date of Document Preparation: January 27, 2022	
Project Name	Zhengzhou International Logistics Hub
Project Number	P000386
AIIB member	People's Republic of China (China)
Sector/Subsector	Transport / Multimodal logistics
Status of Financing	Approved
Project Description	<p>The project provides long-term Sovereign-Backed Financing (SBF) to Zhengzhou International Hub Development and Construction Co., Ltd. (ZIH) for the expansion of its freight facilities, including Multimodal Cold Storage Facilities, Type-B Bonded Logistics Center, Vehicle Imports Facility, and CR Express Logistics Information Platform Upgrade.</p> <p>These facilities are integral value-added components to the China Rail (CR) Express operated by ZIH, connecting China and European/Central Asian countries.</p>
Objective	To facilitate cross-border trade by enhancing freight service efficiency of the containerized CR Express trains connecting Zhengzhou China to Europe and Central Asia.
Expected Results	<ul style="list-style-type: none"> • Increase in cross-border trade volume measured by volume of containers shipped and number of trains operated annually; and • Improvement in CR Express operational efficiency measured by annual average load factor per westbound train and return trip ratio¹.
Environmental and Social Category	Category B

¹ Annual average load factor refers to the number of loaded containers p.a. divided by the total number of containers p.a. in the same year. Return trip ratio refers to the number of westbound trains over the total number of trains departed in the same year.

Environmental and Social Information	<p>Environmental and Social Policy, Standards, and Categorization. AIIB's Environmental Social Policy (ESP), including the Environment and Social Standards (ESS) and the Environmental and Social Exclusion List are applicable to the proposed project. Based on screening, scoping, and due diligence with respect to specific contexts of the components, ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are triggered to the project. ESS 3 (Indigenous Peoples) is not applicable according to the information provided and the due diligence conducted by the AIIB team. The Project has been assigned as Category B, mainly considering the nature of the project activities and local environmental and social contexts; the expected environmental and social impacts are localized, and environmental and social impacts/risks brought by the project would be limited, not unprecedented, and few of them would be irreversible or cumulative.</p> <p>Instruments. Considering project needs and preparation situation, instruments for environmental and social have been prepared separately, including the Environmental Impacts Assessment and the environmental management plan (EIA/EMP); the report on the land acquisition and obtaining of the land certificate for the proposed project sites; a Social Due Diligence Report (SDDR) to verify the process of resettlement that had taken place in 2015; and a Social Impact Assessment (SIA)/Social Management Plan (SMP) to cover the entire project.</p> <p>Environmental Aspects. To meet AIIB's ESP requirements, the client was requested to prepare an EIA/EMP, taking the existing national version EIAs as basis, to adequately cover the entire proposed project activities. In addition to carrying out impact and risk assessment, following has been conducted, including mitigation measures proposal, public consultation and information disclosure, preparation of the related environmental management plan, monitoring and institutional arrangements, in line with the AIIB's ESP.</p> <p>An EMP has been prepared as part of the EIA, to ensure (i) implementation of identified mitigation and management measures to avoid, reduce, mitigate, and compensate for anticipated adverse environmental impacts; (ii) implementation of monitoring and reporting against the performance indicators; and (iii) compliance with the PRC's relevant environmental laws, standards, and regulations and the AIIB's ESP. The EMP includes an environmental monitoring plan to monitor the environmental impacts of the project and assess the effectiveness of mitigation measures; and a capacity building and training program focused on health, safety, and environmental management. Organizational responsibilities and budgets are clearly identified for implementation, monitoring, and reporting in the EMP.</p> <p>Social Aspects. The proposed project activities are located in three urban blocks of the newly developed economic development district of Zhengzhou City, totaling about 600 mu (equivalent to 40 hectares) of land. Since all the land required</p>
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	<p>for the project was acquired by local government in 2015, and subsequently allocated to the project sponsor, no new land acquisition or involuntary resettlement will be required under the project. The land allocated to the project used to belong to three village groups of Yinggang Village. Due to the establishment of the new economic development district and international logistical zone, the entire land area of Yinggang Village was acquired, and all affected households in the three village groups of Yinggang Village were resettled. In order to ensure that overall land acquisition and resettlement in the project area were carried out consistent with national law and local regulations, as well as AIIB's ESP, a Social Due Diligence Report (SDDR) and a Social Impact Assessment (SIA) has been carried out as part of project preparation.</p> <p>Stakeholder Engagement, Consultation and Information Disclosure. Consultations have been held during the preparation of the EIA, EMP, SIA, SMP and SDDR. Awareness raising and consultations among other stakeholders within the economic development district have also taken place. Consultations will continue on an ongoing basis during the project implementation. The draft English and Chinese versions of the EIA, EMP, SIA, SMP and SDDR have been posted on the websites of ZIH² since May 12, 2021 and AIIB³ since May 13, 2021 and made available in hard copies in the Project area.</p> <p>Project-level Grievance Redress Mechanism. Building on existing mechanisms, a multi-tier project-level Grievance Redress Mechanism (GRM) has been established in accordance with the requirements of AIIB's ESP to address concerns of project stakeholders. A locally-appropriate public consultation and disclosure process have been used to disseminate information about the GRM. A separate GRM will be established to address workplace complaints and concerns.</p>
Cost and Financing Plan	<p><u>Project cost</u>⁴: EUR228 million (USD259 million equivalent) including interest during project implementation.</p> <p><u>Financing Plan</u>: AIIB loan: EUR132 million (USD150 million equivalent) ZIH: EUR96 million (USD109 million equivalent)</p>
Borrower	People's Republic of China
Guarantor	NA
Implementing Entity/Sponsor	Zhengzhou International Hub Development and Construction Co., Ltd. (ZIH)

² ZIH website: <http://www.zzguojilugang.com/xinwenzixun/qiyexinwen/2021/0512/594.html>

³ AIIB project page: <https://www.aiib.org/en/projects/details/2022/approved/Zhengzhou-International-Logistics-Hub-Previously-Zhengzhou-International-Hub-Expansion.html>

⁴ Exchange rate applied: USD1.00 = RMB6.35; and USD1.00 = EUR0.88.

Estimated date of loan closing (SBF)	Q2 2027		
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Date of Concept Decision	October/2020		
Date of Appraisal Decision	May/2021		
Date of Financing Approval	January 26, 2022		

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