



Project Summary Information

Date of Document Preparation: August 31, 2023	
Project Name	Yunnan Kunming Changshui Airport Expansion and Green Development Project
Document Code	PD000660-PSI-CHN
Country	People's Republic of China
Sector/Subsector	Transport / Air Transport
Status of Financing	Under Preparation
Project Description	<p>The major components proposed to be funded by AIIB loan will comprise:</p> <p>Component 1: Construction of Airside Infrastructure in the Eastern Part of the Airport;</p> <p>Component 2: Construction of Aprons and associated lighting system and facilities around Terminal 2;</p> <p>Component 3: Electrified service vehicles with charging piles, ground power unit and noise monitoring equipment;</p> <p>Component 4: Technical Support and Capacity Building.</p>
Objective	To support the green development of an international hub airport in the southwest of China and improve air connectivity to Southeast and South Asia regions.
Expected Results	<p>(1) reduced energy consumption per passenger;</p> <p>(2) reduced Carbon Dioxide emission per passenger;</p> <p>(3) increased annual volume of passenger throughput;</p> <p>(4) increased percentage of transit passenger (both total and international);</p> <p>(5) increased average number of outbound flights per day to the destined airports in South Asia and Southeast Asia;</p>

	<p>(6) reduced Minimum Connecting Time for transit passengers;</p> <p>(7) increased number of airlines at Kunming Airport providing air-rail connection service;</p> <p>(8) high participation of women staff in Yunnan Airport Group (YAG) in the Bank-supported capacity-building program (the Green Airport and sustainability information disclosure).</p>
<p>Environmental and Social (ES) Category</p>	<p>Category A</p>
<p>Environmental and Social Information</p>	<p>Applicable Policy and Categorization. The Bank’s Environmental and Social Policy 2022 (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List applies to this project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Land Acquisition and Involuntary Resettlement) will be triggered on account of the potential additional land requirements for the project and Associated Facilities. ESS 3 (Indigenous Peoples) will not be applicable to the project as the project affected area does not contain distinct social and cultural group(s) possessing the distinct characteristics as per ESS 3. The project has been assigned Category A, given the potential Environmental and Social (E&S) impacts and risks related to the large-scale construction and adverse noise impacts are expected to be substantial.</p> <p>Instruments. The Client prepared an Environmental Impact Assessment (EIA) and Social Stability Risk Assessment (SSRA) report in Chinese language in line with national legislation and requirements, which had been approved by Yunnan Governmental Authorities concerned in Dec 2022 and July 2022 respectively. The SSRA concluded the Social Stability Risk for this overall Project as "low risk". All project activities and identified Associated Facilities (AFs) have been assessed according to the ESP. An Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), and a Stakeholder Engagement Plan (SEP) have also been prepared to address the gaps with respect to AIIB's ESP in assessment and mitigation of potential E&S impacts and risks. An Environmental and Social Audit Report (ESAR) for existing operations of Changshui Airport has been prepared and an Environmental and Social Action Plan (ESAP) has been agreed to implement the mitigation measures in this regard. In addition, an Abbreviated Resettlement Plan (ARP) has been prepared to address the project footprint land acquisition and resettlement, while a Resettlement Planning Framework (RPF) is prepared for the project activities whose details are not yet fully identified or designs not yet finalized. This RPF also addresses the noise induced relocation aspects.</p> <p>Environment. The major environmental impacts related to air transport are cumulative noise impact, solid waste (including hazard waste) and wastewater. Integrated Biodiversity Assessment Tool screening indicates that three</p>

Protected Areas are found within a 50 km radius of the project area, including the Dianchi Scenic Area at one kilometer from the Project Site. However, based on the fauna surveys and the bird monitoring data from the ESIA, there is no indicative risk of significant migratory birds present, affecting the airport expansion or future operation. For the construction phase, the Project will have conventional construction-related risks and impacts manifested through dust emissions, water contamination, noise, removal of construction debris, etc. Based on national regulation, new constructions around the airport area will be limited and shall include noise insulation measures limiting the in-house exposure to operational aircraft noise. The Project's main operational E&S risk concerns noise impacts on the residential and sensitive receptors close to the airport and mitigation measures based on a balanced approach will minimize the potential impacts on residents' health and represent an improvement in the current situation. YAG has committed to implementing an action plan with local authorities based on a Noise Management Framework (NMF), which applies International Civil Aviation Organization's Balanced Approach to Aeronautical Noise Management. All these impacts and identified gaps in mitigation measures will be managed through the implementation of prepared ESMP and ESAP as well as good international practice.

Social. Key social risks associated with the Project are related to the physical and/or economic displacements by land acquisition and the noise induced physical relocation. No residential houses will be required to be acquired or demolished for the Project works footprint. Among 213.82 mu land to be acquired, only 4.05 mu is cultivated land, and most part of the remaining land is collective ecological forest land. It is estimated that the land use affects three families with thirteen people. This process of land taken in 2015 is reviewed for any outstanding legacy issues during the appraisal through land use due diligence. The ESIA identified legacy issues related to noise impacts that will be managed through the ESIA, NMF, and RPF, including mitigation measures for soundproof windows, noise monitoring systems, and the institutional arrangements necessary to address the mitigation actions related to resettlement of the affected people. Land requirement process for the Project and AFs is evaluated and appropriate mitigation measures primarily to restore and/or improve the livelihoods of Project-affected people (PAPs) has been addressed through the ARP.

Gender. YAG has standardized the Special Contract for the Protection of Rights and Interests of Female Employees, which guarantees the rights and interests of labor, personal and educational development of female employees. Measures for the prevention of Sexual Harassment in the construction and operation processes has been strengthened under ESMP. In addition, risks of Gender-based violence (GBV) and related social tensions due to labor influx were evaluated and informed in preparing dedicated mitigation measures, such as Gender Action Plan (GAP), which has

been developed to ensure women's engagement and development.

Consultations, information disclosure and monitoring. During project preparation, consultations on E&S impacts were conducted with communities and PAPs around the project areas including meetings with low-income residents, farmers, women, ethnic minorities, village committee and government representatives. Further community participation plan during the project implementation stage is designed and included in updated SEP. A coordination/consultation mechanism for E&S activities has been established between the steering committee/provincial government, YAG and the Dianzhong New Area Management Committee. The SEP provides detailed plan for this process which will also publicize the ESP and the Project-Affected People's Mechanism (PPM) of the Bank in an appropriate manner. Following E&S instruments were disclosed on the YAG and AIIB's website on April 10, 2023: (i) English version of ESIA, SEP, RPF, ESAP and their non-Technical Summaries (NTS) in Chinese; and (ii) national EIA (in Chinese) exclusive of sensitive information if applied and its NTS in English. The Bank will carry out field-based E&S supervision during project implementation. YAG/Project Implementing Agency(PIA) will be responsible for overall coordination, supervision and monitoring of the project's compliance with E&S matters. PIA will submit regular E&S monitoring reports to AIIB during project implementation based on agreed format. For the first year of construction stage of project, PIA shall submit quarterly reports, and based on the E&S performance and in agreement with the Bank, semi-annual reports will be submitted thereafter. Third-party ES monitoring and reporting will be conducted at least once every year during the project period. A third-party ES Audit will be conducted before the Project Close Date, and PIA will follow and implement the recommendations of the Audit and Project Completion Note, especially those related to the RPF and NMF.

Project Grievance Redress Mechanism(GRM). The existing public and employee complaints mechanisms are reviewed and based on that, a multi-tier Project-level GRM, along with a separate mechanism to address workplace complaints and concerns, has been established in accordance with the requirements of AIIB's ESP. Locally appropriate public consultation and disclosure processes have been used to disseminate information of the GRM as well as the PPM of AIIB.

Cost Estimate and Indicative Financing Plan	Component	Project Cost (USD million)	AIB (USD million and %)		Govt. (USD million and %)	
	Component 1: Construction of Airside Infrastructure in the Eastern Part of the Airport	273.2	260	95.2%	13.1	4.8%
	Component 2: Construction of Aprons and associated lighting system and facilities around Terminal 2	505.7	150.0	29.7%	355.7	70.3%
	Component 3: Electrified service vehicles with charging piles, ground power unit and noise monitoring equipment	56.0	23.0	41.0%	33.0	59.0%
	Component 4: Technical Support and Capacity Building	9.6	9.6	100.0%	0.0	0.0%
	Component 1+2+3+4:	844.4	442.6	52.4%	401.8	47.6%
	Fees and interest during constructions	57.4	57.4	100%	0.0	0.0%
	Total Project Cost:	901.8	500.0	55.4%	401.8	44.6%
Borrower	The People's Republic of China					
Implementing Entity	Yunnan Province					
Estimated date of loan closing	January 2029					

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Date of Concept Decision	September 28, 2022		
Date of Appraisal Decision	April 26, 2023		
Date of Financing Approval	August 30, 2023		

Independent Accountability Mechanism	<p>AIB's Policy on the PPM applies to this Project. The PPM has been established by AIB 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 AIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through the project-level GRMs or the Bank's management processes.</p> <p>Information on AIB's PPM is available at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</p>
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