



Project Summary Information

Date of Document Preparation/Updating: June 15, 2023	
Project Name	Yingkou Green Smart Trade Zone Development Project
Project Number	P000670
AIIB member	China
Sector/Subsector	Urban
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure;
Status of Financing	Under Preparation
Objective	To promote trade and investments in Yingkou City through upgrading intelligent and low-carbon infrastructure in Yingkou Free Trade Zone and Liaohe Economic Development Zone.
Project Description	<p>Yingkou is an important coastal city in Liaoning province in Northeast China. It is closely connected to East Asian and Pacific economies through the Yingkou port, located in Liaodong Bay, while the extensive railway network makes it a trade and logistics hub in the Northeast China. The inland road/rail connections facilitate trade nationally and, at the same time, international rail corridors (China Railway Express) provide trade linkages to Central Asia and Eastern Europe.</p> <p>The Project will further assist in the development of the city and Yingkou port as regional logistics hub and increase economic growth by diversifying imports and exports. The Project is supporting the following components:</p> <ul style="list-style-type: none"> □ Component 1: Liaohe Economic Development Zone (Liaohe EDZ) South Expansion: Liaohe EDZ will be expanded by financing priority infrastructure over an additional area of approximately 4 square kilometers. □ Component 2: Yingkou Free Trade Zone (Yingkou FTZ): development of priority infrastructure and facilities within the dry port hub industrial park and comprehensive bonded zone to address infrastructure gaps within the Yingkou FTZ. A new railway station, with dedicated railway tracks, loading and unloading yards and other ancillary infrastructure are also proposed under this component to serve the FTZ through rail transport.
Expected Results	(i) Increase in trade volume and investments in Yingkou FTZ;

	<ul style="list-style-type: none"> (ii) New enterprises established in Liaohe EDZ; (iii) New employment created; (iv) Green urban space developed with sponge city concepts.
Environmental and Social Category	A
Environmental and Social Information	<p>Categorization. The Bank's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the ES Exclusion List, will be applicable to the proposed Project. Given the infrastructure nature of the proposed activities, the Bank's ESS1 (Environmental and Social Impact Assessment and Management) and ESS2 (Land Acquisition and Involuntary Resettlement) are triggered based on ES screening and due diligence with respect to specific contexts of the sub-projects. ESS3 (Indigenous Peoples) has not been triggered based on current available information, but the Bank will further review and confirm this during project appraisal. As per the Bank's ESP, the Project has been assigned as Category A, considering the nature of the project activities and local environmental and social (E&S) contexts.</p> <p>ES Instruments. As a Category A Project, the E&S instruments will include an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP) and a Resettlement Plan (RP), which will be prepared to cover the entire Project. E&S documentation of the Project including ESIA, ESMP and RP will be disclosed timely both in English and Chinese by the Client and the Bank in an appropriate manner.</p> <p>Environment. In accordance with China's national environmental policy and requirement, Environmental Impact Assessments (EIA) and the Social Stability and Risk Assessment (SSRA) are under preparation and review by concerned local authorities. The findings of these assessments will serve as basis for preparation of the ESIA, ESMP and RP to meet the Project requirements in accordance with AIIB's ESP requirements.</p> <p>The environmental assessments, including identification of environmental impacts/risks and mitigation measures, will take into account the location of proposed activities and their environmental features, and focus on the following aspects: (i) eco-system in the project area (Area of Influence), especially components that will be impacted and modified due to project activities, such as drainage system in salt fields in Liaohe EDZ and shrimp ponds that constitute part of wetland in Yingkou FTZ; (ii) impact on habitat and their population; (iii) impact assessment focusing on construction and operational phases, by comparing various feasible alternatives (including the "without-project" scenario), and recommending any</p>

measures needed to avoid, minimize, mitigate, or compensate for adverse impacts and improvement of the environmental and social performance of the Project; (iv) stakeholder engagement, especially with Project Affected Peoples (PAPs) and information disclosure throughout project cycle; and (v) institutional arrangement and responsibility of ES management and monitoring during preparation and implementation. Environmental impacts during construction are expected to be mostly temporary and localized and will be mitigated through the implementation of prepared ESMP and the good practice. Key impacts during the construction phase will include generation of excavated waste, spoil and liquid waste; dust and noise emissions; disruption to vehicular traffic; and occupational health and safety risks for workers. The E&S documents will propose mitigation measures for construction as well as operational phases to minimize and reduce identified risks.

Social. The Project related activities including land acquisition and civil works are likely to cause temporary and permanent physical and economic displacements of title- and non-titleholders. Moreover, there may be disproportionate impacts on vulnerable groups including women, elderly, Person with Disabilities and those who are economically vulnerable. The plot of land required by the Liaohe EDZ for the Project currently belongs to the State-owned Assets Supervision and Administration Commission of the Yingkou Municipal Government, with above-ground structure used as salt fields. The Liaohe EDZ is in the process of acquiring the right to use the land from the State-owned Assets Supervision and Administration Commission. Based on the information available, limited or no economic displacement is anticipated, and an agreement is currently being negotiated with the salt field operators. Yingkou FTZ will also acquire land which includes shrimp ponds and is likely to require displacement of two existing enterprises.

To mitigate the adverse impacts stemming from land acquisition and civil works of the Project, an additional E&S assessment covering the scope and the severity of impacts along with mitigation measures in the form of RP covering the project footprints of the Project sites will be carried out. The RP will include an Entitlement Matrix that identifies the entitled unit, compensation, and assistance measures. The compensation includes non-titleholders and special treatments to vulnerable groups identified by the Project. Long-term rehabilitation measures in the form of a Livelihood Restoration Strategy (LRS) are also included. The aim of the compensation, assistance and livelihood restoration measures are to improve or at least restore the livelihoods of all displaced people to pre-displacement levels.

Gender. The ESIA will analyze the Project's impacts on women and identified vulnerable groups and aim to explore avenues through which women's participation can be enhanced. The Project will also seek to minimize the adverse effect of the potential risk of Gender-based Violence (GBV) by developing mitigation measures. The Gender Action Plan (GAP) that will be prepared as part of the RP for this Project will aim to cover GBV, gender inclusion, institutional capacity building, and gender-sensitive Grievance Redress Mechanism (GRM) related measures.

	<p>Stakeholder Engagement and Monitoring. Stakeholder engagement through public consultation and communication and Focus Group Discussion will be carried out with various groups of stakeholders including project-affected people (PAPs), women and identified vulnerable groups as part of the preparation of E&S documents and continued throughout the project cycle. The stakeholder engagement aims to meaningfully and in a culturally appropriate manner engage with PAPs and local communities, disseminate information about the Project, impacts, grievance mechanism and mitigation measures and obtain feedback and suggestion on design related issues and mitigation measures. The concerns and aspirations of the communities and PAPs will be properly incorporated to strengthen the mitigation measures and design features of the Project. The ESIA will include a Stakeholder Engagement Plan (SEP), which will not only analyze the results of the sessions carried out so far but also outline future consultation and communication plan of the Project with various groups of stakeholders. The Project Management Office (PMO) will conduct site inspection and monitoring quarterly during project construction and the first year, and semi-annually thereafter and report to the Bank based on agreed format.</p> <p>Project Grievance Redress Mechanism (GRM) and the AIIB Project-affected People’s Mechanism (PPM). A project specific GRM in line with AIIB’s ESP will be established in the PMO to receive, acknowledge, evaluate and facilitate the resolution to the complaints relating to E&S issues with corrective actions proposed. In addition, PMO will be required to establish sub-PMO level GRM respectively as part of project specific GRM. A separate workers GRM will also be established to manage workplace complaints and concerns. These will be undertaken using understandable and transparent processes that are gender responsive, culturally appropriate and readily accessible to all segments of the affected people. Records of grievances received, corrective actions taken, and their outcomes shall be properly maintained. The information of established GRMs including PPM of the Bank in Chinese will be timely disclosed to the communities and PAPs in an appropriate manner.</p>
Cost and Financing Plan	Total Cost = USD 312 million; AIIB financing = USD 200 million
Borrower	People’s Republic of China
Implementing Entity/Sponsor	Liaoning Province / Yingkou Municipality
Estimated date of loan closing	December 2028

Contact Points:	AIIB	Borrower	Implementation Organization – Project Management Office of Yingkou City
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Date of Concept Decision	24 May, 2023		
Estimated Date of Appraisal Decision	Q4 2023		
Estimated Date of Financing Approval	Q4 2023		

Independent Accountability Mechanism	<p>AIIB's Policy on the PPM applies to this Project. The PPM has been established by 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 the ESP in situations when their concerns cannot be addressed satisfactorily through the project-level GRM or the processes of AIIB's Management.</p> <p>Information on AIIB's PPM is available at: How We Assist You - Project-Affected People's Mechanism (aiib.org)</p>
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