



### Project Summary Information

Date of Document Preparation/Updating: 12/11/2023	
<b>Project Name</b>	Shaanxi Ankang Green and Low-Carbon Demonstration Urban Development Project
<b>Project Number</b>	P000696
<b>AIIB member</b>	China
<b>Sector/Subsector</b>	Urban
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure; Technology-enabled Infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To develop a resilient and low-carbon New District in Ankang City through planning, designing, implementing, and delivering green, as well as resilient, urban infrastructure.
<b>Project Description</b>	<p>Ankang City is located along the Han Jiang River and in Qin-ba Mountains. Overly crowded urban area and frequent flood disasters have been the two core challenges impeding Ankang City's social and economic development. The Project aims to support the Ankang City's sustainable development of the Wuli Industrial Zone - East City New District (the "New District") to serve as a demonstration on the planning, designing and implementation of a green, resilient and low-carbon urban district.</p> <p>The Project will finance key infrastructures of the New District with climate resilience features, including: (1) climate resilient urban transport infrastructure; (2) multi-purpose green corridors, with main purpose of flood prevention and waterlogging management; and (3) city management and data center, a green building equipped with digital platform and city operation system to improve efficiency. In addition, project management support will also be financed to improve project quality and enhance environmental and social risk management.</p>
<b>Expected Results</b>	<p>The Project is expected to develop a New District in Ankang City and expand its urban area following low-carbon and resilient as well as green principles. The main expected results include:</p> <p>(a) Building a low-carbon urban district. The New District is designed and developed in the way that can reduce carbon emissions compared to the ordinary urban districts without low-carbon solutions. It is expected that the Project will</p>

	<p>reduce 20,720 tons of CO<sup>2</sup> equivalent per year and absorb 2,760 tons of carbon per year with increased green areas and rehabilitated wetlands after completion.</p> <p>(b) Enhance climate resilience. The Project will help Ankang City build up its climate resilience by improving the flood prevention capacity and waterlogging prevention capacity.</p> <p>(c) Develop and promote green building and technology. The project will support the design, development, and promotion of a green building according to Green Building standards – Chinese 2 Stars Level.</p>
<p><b>Environmental and Social Category</b></p>	<p>A</p>
<p><b>Environmental and Social Information</b></p>	<p><b>Environmental and Social Policy and Categorization.</b> The Bank’s Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List, apply to this Project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) apply to the Project. ESS 3 (Indigenous Peoples) will not apply to this project based on the social assessment carried out during project preparation. The project has been identified as Category A, based on the available information, particularly considering the anticipated scale and impacts of Land Acquisition and Resettlement (LAR).</p> <p>1. <b>Environmental and Social Instruments.</b> An Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) have been prepared together during project preparation to assess the environmental and social (E&amp;S) impacts. On this basis, an Environmental and Social Management Plan (ESMP) and Resettlement Action Plan (RAP) have also been prepared to propose mitigation measures for project-related environmental and social issues during the project implementation and operational phases, including identification of such measures, and the requirements for monitoring, and supervision. LAR due diligence report (DDR) as part of RAP has been prepared for the project components where land has been acquired prior to project preparation, to ensure any legacy issues can be well addressed prior to civil works. For collective farming and urban organic agriculture, a land use right transfer framework (LURTF) has been prepared and attached in the RAP as an appendix to ensure the process follows good practices on voluntary land use, e.g., meaningful consultation; voluntary agreements; establishment and operation of grievance redress mechanism; record keeping; and verification and monitoring. In addition, a Stakeholder Engagement Plan (SEP) has been developed to support consultation and communication throughout the Project cycle systematically. All E&amp;S documentation including EIA, SIA, ESMP, RAP and SEP has been disclosed on both AIIB and the client’s website.</p> <p>2. <b>Environmental Aspects.</b> The Project will contribute to carbon sequestration and improvement of eco-system services through afforestation, the rehabilitation of the Huang Yang and the Han Jiang Rivers, and wetlands. Based on the preliminary review, no key biodiversity area is within 50 km of the project site, and the Project is not located in any existing</p>

or planned protected area. No dredging activity in the watercourse of both the Han Jiang River and the Huang Yang River. The Project is not located in any existing or planned protected area. One of the key protection priorities in the project area of influence is the Han Jiang River, which serves as a national level drinking water protection area.

3. **Biodiversity.** The major potential adverse impacts of the Project may include biodiversity and ecosystem in the project area of influence, especially project activities that will modify the habitat and large scale of the plantation. The project has identified the Han Jiang wetland as conservation priority, all project activities will avoid the Han Jiang wetland per national regulation on ecological redline. The project has further carefully assessed alternatives for the green corridor and has minimized the scale of human intervention to project areas with good ecological status and selected the eco-friendly embankment. A preliminary plantation plan has been reviewed by experts to avoid any invasive species. The project has identified national important flora species in the Huang Yang River and Han Jiang River areas, a translocation plan will be implemented to achieve no loss target.

4. Other expected impacts are generally localized, and will include dust and emissions from construction vehicles, construction noise, disturbance to the traffic, soil erosion, and wastewater and solid wastes generated during construction. The Project has identified protecting the Han Jiang River as the top priority and avoiding any negative impact on the river, other adverse impacts including any potential impacts to Wangwan Water Plant at the Huang Yang river will be mitigated through the implementation of the ESMP.

5. **Paris Alignment Assessment.** Project Component 1 and Component 2 aim to enhance climate resilience and provide nature-based solutions for climate adaptation. The project will prepare climate change risk assessment based on different climate scenarios to better inform project design. The new road and road expansion will greatly alleviate the congestion in Ankang City, with all the low-carbon features mentioned in paragraph 40, it is considered Paris Aligned with mitigation goal. For Component 3, as the building is seeking an equivalent international green building, it is considered as Paris Aligned with mitigation goal.

6. **Social Aspects.** Key social risks associated with the project are related to land acquisition and physical and/or economic displacements. In total, 1,093.89 mu<sup>1</sup> of land will be acquired, 608.16 mu of which is currently being cultivated. In addition to this, some rural houses will be demolished and temporary land will be occupied. This will directly affect 1,098 households and 3,971 individuals across nine villages/communities. The Project will utilize 3,053.3 mu of farmland and forest land, involving 1,430 households. These leased lands will be used for sustainable organic farming and will not alter the

<sup>1</sup> Chinese unit of measurement, 1 mu = 666.67 square meters.

original land use objectives. Furthermore, for lands that were acquired before project preparation adequate compensation and rehabilitation will be provided based on established national laws, local regulations, and AIIB's ESP. A detailed RAP has been prepared based on the magnitude of impact, social economic survey, and extensive consultations among affected people and communities. A LURTF has been included as an appendix of the RAP to guide the land leasing process during project implementation. The framework ensures that the process is conducted voluntarily, fairly, and with equal participation from all parties involved. For the outstanding issues related to past LAR, the client has developed time-bound corrective actions and incorporated them into the RAP as well.

7. **Indigenous Peoples.** No ethnic minorities concentrated communities are in the project area. The Project is not expected to have any impact on indigenous peoples/ethnic minority groups or communities in the project area as described in ESS 3.

8. **Community health and safety (CHS), Occupational Health and Safety (OHS), and Labor and Working Conditions.** To ensure community well-being and comply with health and safety requirements, the PMO and PIU will outline necessary measures in the bidding documents. These measures will address health and safety requirements for contractors. Strategies in the ESMP will enhance community resilience for natural disasters, specifically flooding risks. The PMO and PIU will oversee the implementation of these strategies. They will also ensure that civil works contractors and main suppliers adhere to labor laws and regulations, and adopt codes of conduct regarding labor and working conditions.

9. **Gender and Social Inclusion Aspects.** The Project will promote gender equality, social inclusion, and diversity. To determine the potential effects on women and vulnerable populations, a gender analysis and vulnerability assessment have been carried out. The improved infrastructure and living conditions will primarily benefit women and the elderly residing in the project area. All public facilities within the project will be made accessible for individuals with disabilities. Women will be given priority for job opportunities. Training and awareness initiatives will be implemented to encourage gender mainstreaming and social inclusion. Measures for preventing and managing Gender Based Violence (GBV) and Sexual Harassment (GBV/SH) risks can be found in the ESMP.

10. **Cultural Aspects.** A cultural heritage assessment conducted in EIA during preparation confirmed that there are no cultural heritage sites in the project area, such as archaeological sites, historical buildings, or other cultural assets. However, Chance Find Procedure for culture heritages has been developed and incorporated into the ESMP to ensure that any unexpected discoveries of cultural heritage during the project implementation will be appropriately managed and protected.

	<p>11. <b>Stakeholder Engagement and Monitoring.</b> During project preparation and implementation, it is crucial to engage with stakeholders, particularly those who are directly impacted. Consultations were conducted throughout the preparation of various E&amp;S documents, with two-way communication occurring at two different stages. Additionally, discussions took place with village/community leaders and women's representatives at various locations. A survey using a questionnaire showed strong support for the project and a willingness to accept land compensation under legal terms. The villagers were well-informed about the policies regarding compensation and the procedures for filing complaints. Throughout the construction process, regular consultations with local communities and other related stakeholders will be undertaken and documented in accordance with the project's SEP. The project's E&amp;S documents are accessible both online and through hard copies in the project area. A semi-annual project progress report will be prepared by the PMO and shared with the Bank for review. The Bank will retain the rights to conduct field visit and supervision during the Project's implementation.</p> <p>12. <b>Grievance Redress Mechanism (GRM).</b> A multi-tier Grievance Redress Mechanism (GRM) has been established to handle complaints related to the project. The PMO is responsible for managing the overall grievance process and coordinating with government departments. The PIU will handle daily complaints and provide feedback in a timely manner. Training programs will enhance skills and knowledge of GRM personnel. Information about the GRM has been shared through local public consultations. A separate GRM will handle workplace complaints. The information of the project-specific GRM and the Project-affected People's Mechanism (PPM) both in Chinese and English have been disclosed to the affected communities in an appropriate manner.</p>		
<b>Cost and Financing Plan</b>	Total project cost is around USD 425.1 million, and AIIB financing is USD 300 million.		
<b>Borrower</b>	People's Republic of China		
<b>Implementing Entity</b>	Shaanxi Province, Ankang Municipality, Hanbin District		
<b>Estimated date of loan closing</b>	June 2030		
<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>	<b>Implementation Organization</b>
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<b>Date of Concept Decision</b>	May 17, 2023		
<b>Estimated Date of Appraisal Decision</b>	November 30, 2023		
<b>Estimated Date of Financing Approval</b>	2024 Q3		

<b>Independent Accountability Mechanism</b>	<p>AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The 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 Project-level GRM or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit <a href="#">Policy on the Project-affected People's Mechanism - Operational Policies &amp; Directives - AIIB</a>.</p>
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