



Project Summary Information

Date of Document Preparation/Updating: 01/14/2025	
Project Name	Liaoning Panjin Urban Climate Resilience with Nature Based Approaches for Sustainable Municipal Service Infrastructure
Project Number	P000780
AIIB member	China
Sector/Subsector	Urban
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To improve the urban climate resilience of the Panjin City through integrated urban NBS approaches and sponge city transformation.
Project Description	<p>The City of Panjin is situated on the southernmost part of Liaohe River Delta where the river merges into the Bohai Sea, connecting to the Western Pacific Ocean. There are 21 rivers flowing through and abundant wetlands surrounding the urban area, providing biodiversity and ecological services to the estuary eco-system. However, due to fast urban expansion, the water area in Panjin City has decreased 26.5% whilst wetlands decreased 11.66%, putting the estuary eco-system into a critical situation, and making the city more prone to flood disaster and waterlogging issues. Obsolescent and poorly designed drainage systems add to the difficulties. Since 1984, Panjin City has had 6 major floods in 29 years caused by Liaohe River. It is listed as one of the top 31 Focus Cities for flood control, published by the State Office of Flood and Drought Relief.</p> <p>As a coastal city, it is estimated that Panjin City will be more vulnerable to Climate Change. Bohai Sea level has been rising 3.6 mm per year on average during 1980-2020 and rose an additional 23mm in 2021. According to the Northeast Regional Climate Change Assessment Report - 2020 Policymaker Summary, extreme climate events and hazardous weather disasters strike the region more frequently. Therefore, it became an urgent task for Panjin City to build up its urban climate resilience.</p>

	<p>The Project aims to support the Panjin City addressing various challenges related to frequent urban flooding, caused primarily by urban drainage blockages, and river affluent water quality and related pollution, caused by combined effects of rainwater and wastewater, especially in the context of increased climate change pressures. To achieve the Project objective, the following four pillars, or components, around which technical interventions will be put in place, are proposed and designed:</p> <p>Component 1: Wetland Restoration and Conservation. This component includes rehabilitation of ecological corridors in the urban area, and reconnection of the fragmented wetland and river systems.</p> <p>Component 2: Sponge City Infrastructure Transformation. This component includes expansion and upgrading of urban drainage systems and pumping stations, as well as separation of urban stormwater system from the sewerage system. Given that the Panjin city is a coastal city with high groundwater level, complex river systems and vulnerability to rising sea level caused by climate change, its sponge city transformation needs special design and consideration.</p> <p>Component 3: Digitalization of Urban Drainage Management System. This component will build up City Information Modelling (CIM) and a digitalized system, enabling the smart management of urban drainage network, pumping stations, wastewater plants and associated facilities.</p> <p>Component 4: Capacity Building. This component will provide project management support to the Panjin city during project implementation, and it will also support the Environmental and Social monitoring.</p>
Expected Results	The Project is expected to significantly improve the urban climate resilience of the city's drainage network, not only with engineering measures but also through restoration of mini wetlands and local ecosystems as a pivotal nature based solution.
Environmental and Social Category	A
Environmental and Social Information	<p>Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), applies to the Project. Based on the proposed project activities and the feasibility report, ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are applicable to the proposed Project. 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. Given the nature and scope, Category A is proposed for the Project because of land acquisition leading to physical and economic displacement and environmental impacts that are unprecedented and irreversible.</p>

Environmental and Social Instruments. To manage Environmental and Social (E&S) risks and impacts, the Project will conduct Environmental and Social Impact Assessment (ESIA) and prepare Environmental and Social Management Plan (ESMP) and Resettlement Plan (RP). Other documents that will be prepared and disclosed include Gender Action Plan (GAP), Labor Management Plan (LMP) and Stakeholders Engagement Plan (SEP). All these documents will be disclosed both locally and on AIIB's website. The Project has hired consultants for conducting ESIA and other E&S documents.

Environment Aspects. Panjin has a unique landscape (reed fields and red beach) and river systems, including estuary of the Liao River (downstream from the city's core areas); these wetlands that has been classified as a national level nature reserve and are internationally recognized by a number of conventions. The proposed project activities are not conducted in the environmentally sensitive areas, but mainly in modified environments, e.g., in urban or suburbs of urban districts. Nevertheless, a biodiversity baseline survey in the project area of influence will be conducted as part of ESIA, and if needed, a specific biodiversity management plan (BMP) may also be prepared. Environmental impacts during construction on the proposed components are expected, e.g., air pollution, dust, noise, water and solid waste pollutions, interruption to traffic and communities, and possible dredging activity. Therefore, E&S impact/risk assessment should be done with a set of mitigation measures and adequate implementation arrangements.

Social and Gender Aspects. The Project presents key social risks and impacts, particularly related to physical and economic displacement arising from the acquisition of collectively owned land for real estate development purposes and the occupation of state-owned land. The Project will result in economic displacement for 46 owners of commercial structures in a local village, as well as for nine households located on a state-owned farm. Additionally, 26 households will experience physical displacement. Temporary land occupation will also affect two households. To address these risks and mitigate potential impacts, a RP is currently being finalized to comply with ESS2 and applicable laws and regulations in China. ESIA will also assess potential gender-related issues within the Project area. Additionally, the Project's grievance mechanism will be gender-sensitive, with systems in place to collect and analyze gender-disaggregated data on complaints received and resolved.

Stakeholder Engagement, Consultation, and Information Disclosure. Meaningful consultations with a broad spectrum of stakeholders will be conducted throughout the preparation of the E&S instruments. The Project's stakeholder engagement process will be designed to include comprehensive stakeholder analysis and engagement planning, effective information disclosure, and consultation, with an emphasis on culturally appropriate participation. Accordingly, a SEP will be developed to support consultation and communication throughout the Project cycle systematically. All E&S instruments, including ESIA,

	<p>ESMP and RP, will be timely disclosed by the client and the Bank in an appropriate manner in line with established disclosure standards.</p> <p>Project Grievance Redress Mechanism and Monitoring. A Project-specific Grievance Redress Mechanism (GRM) will be developed, clearly communicated, and made easily accessible to all stakeholders, enabling the receipt, acknowledgment, evaluation, and resolution of complaints related to E&S concerns. Records of grievances received, corrective actions taken, and the outcomes of such actions will be appropriately maintained. The GRM, including information on the Project-Affected People's Mechanism (PPM), will be disclosed in Chinese to the communities and Project-Affected People (PAPs) in a timely, clear, and culturally appropriate manner. Additionally, a third-party agency will be engaged to conduct E&S external monitoring for the Project. Semi-annual monitoring reports, prepared in accordance with an agreed format, will be submitted for the Bank's review. The Bank will conduct field monitoring and supervision visit semi-annually during project implementation.</p>		
Cost and Financing Plan	The Project's total cost is approximately USD 354 million and the proposed AIIB financing is USD 200 million.		
Borrower	People's Republic of China		
Guarantor	Not Applicable		
Implementing Entity	Panjin Municipal Construction Group Co., Ltd.		
Estimated date of loan closing	06/2050		
Contact Points:	AIIB	Borrower	Implementation Entity
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Date of Concept Decision	08/06/2024
Estimated Date of Appraisal Decision	02/26/2025
Estimated Date of Financing Approval	06/30/2025

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 Project-level GRMs or AIIB Management’s processes. For information on how to make submissions to the PPM, please visit 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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