



Project Summary Information

Date of Document Preparation: December 12, 2019	
Project Name	Beijing-Tianjin-Hebei Low Carbon Energy Transition and Air Quality Improvement Project
Document Code	PD000323-CHN
Country	People's Republic of China
Sector/Subsector	Energy/Gas Processing, Transmission and Distribution
Status of Financing	Approved
Project Description	The proposed Project is to construct a liquefied natural gas (LNG) terminal in Binhai District, Tianjin Municipality, which includes two components: (i) construction of LNG receiving, storage and regasification facilities with an annual handling capacity of 5 million tons of LNG; and (ii) construction of unloading wharf. AIIB financing is planned to be used in the construction of LNG receiving, storage and regasification facilities under the first component.
Objective	The objective of the proposed Project is to increase the availability of natural gas to help reduce coal consumption and related emissions in the region of Beijing, Tianjin and Hebei (the BTH region). The proposed Project is in line with China's endeavor to transition to a lower carbon energy supply structure.
Expected Results	The proposed Project is expected to bring positive environmental benefits by reducing coal combustion-related emissions such as CO ₂ , SO ₂ , NO _x and particulate matter in the BTH region, where air quality used to be the worst in the country mainly due to concentrated energy-intensive heavy industries and massive coal consumption. The use of LNG to optimize the energy structure is of significance to improve air quality and people's living conditions in the region. Upon completion, the proposed Project can reduce consumption of ordinary coal by approximately 11.9 million tons per year, thereby reducing CO ₂ by 7.5 million tons per year, PM by 67,000 tons per year, SO ₂ by 27,200 tons per year and NO _x by 78,400 tons per year.
Environmental and Social Category	Category A
Environmental and Social Information	Environment and Social Policy and Categorization. AIIB's Environmental and Social Policy (ESP) (including the Environmental and Social Standards (ESS) and Environmental and Social Exclusion List) apply to the Project. The proposed Project has been assigned Category A, due to the nature of the Project activities, local environmental and social contexts, as well as environmental and social impacts of the associated facilities. ESS1, Environmental and Social Assessment and Management, and ESS2, Involuntary Resettlement, are applied.

Environmental and Social Instruments. An Environmental and Social Impact Assessment (ESIA) has been prepared as required for the proposed Project activities, including an Environmental and Social Management Plan (ESMP), which describes the institutional arrangements, division of responsibilities, proposed mitigation measures, monitoring parameters and arrangements, and reporting requirements.

Environmental impacts during construction are expected to be temporary, such as dust and noise from civil works, localized erosion, drainage and wastewater discharge during construction, hazardous materials and solid waste management. Other potential issues might also exist, including issues related to labor management, such as working environment, health and safety matters. Construction-related impacts of this nature will be short-term and manageable through adequate mitigation and monitoring. Environmental impacts during operation were assessed and found to be manageable as well, as there would be very little discharge from the Project facilities to the surrounding environment. The key issue in operation would be the hazardous materials management and workers' safety and health. Beijing Gas Group Company will provide appropriate training and make a safe operation manual available to its staff before operation starts, based on its practice and experience of managing other similar gas facilities.

Since the proposed Project will be constructed on land reclaimed from the Bohai Sea seven years ago, which is about 10 kilometers away from the original coastline and not close to any inhabitable area, minimal social risks and impacts are expected from development and operation of the LNG facilities and wharf. Following national law on land use, initial approval for use of the site has been obtained for the Project.

Alternative Analysis. An alternative analysis was conducted for a without-project scenario. It concluded that the without-project scenario was not regarded as a desirable or appropriate alternative given the proposed Project's substantial socio-economic benefits at the local and regional levels, with respect to energy structure optimization, CO₂ reduction and air quality improvement. In addition, analyses were conducted to compare different project locations and processing technologies, in order to optimize the Project design and minimize possible environmental and social risks.

	<p>Associated facility. Construction of a gas transmission pipeline up to 229 km is regarded as an associated facility under the ESP. Upon completion, it will supply natural gas to the BTH region and will be interconnected with three major gas transmission pipelines in the region. In order to address the environmental and social impacts of this associated facility, separate safeguard documents, such as an Environmental Impact Assessment (EIA), including an environmental management plan (EMP), and a Social Impact Assessment, including a Resettlement Action Plan (RAP), have been prepared in accordance with AIIB's ESP. The documents review and identify mitigation measures applicable during the preparation, construction and operational phases to avoid, minimize and compensate any impacts identified.</p> <p>Health and Safety Aspects. The environmental and social documentation for the Project address health and safety requirements and standards, labor management and management of worker and community relations, in line with the World Bank Group's Environmental, Health and Safety Guidelines.</p> <p>Public consultation and information disclosure. As required under the ESP and national policies, a series of stakeholder and public consultations¹ have been conducted and environmental and social information has been disclosed in the course of Project preparation. Consultations are planned to continue before and during construction. The draft ESIA/ESMP report for the Project and the draft EIA report and the RAP for the associated facilities, in Chinese and English, have been disclosed at the IE's website (http://www.bjgas.com/news.aspx?id=7075). These documents have also been disclosed on AIIB's site (https://www.aiib.org/en/projects/proposed/2019/beijing-tianjin-hebei.html).</p> <p>Grievance Redress Mechanism (GRM). A Project-level GRM in accordance with the provisions of the ESP will be established for the Project. A GRM for construction workers will be developed for the Project as well.</p>
Cost and Financing Plan	<p>Project cost: USD1,905.2 million Financing Plan: AIIB loan: USD 500.0 million Beijing Municipal Government: USD571.6 million IE: USD833.6 million</p>

¹ The Social Assessment Agency and the School of Public Policy and Management, Tsinghua University conducted a series of public consultations between October 2018 and July 2019. In August 2019, task force of the Shanxi Academy of Social Sciences conducted extensive consultation with the local natural resources and planning, and labor and social security bureaus, township governments, and village committees on compensation measures and rates, resettlement measures, attitudes, opinions, suggestions, etc.

Borrower	People's Republic of China		
Implementing Entity	Beijing Municipality and Beijing Gas Group Company Ltd. (Beijing Gas)		
Estimated date of loan closing	June 30, 2025		
Contact Points:	AIIB	Borrower	Implementing Entity
Name	Mr. Hongliang Yang	Ms. Su Han	Ms. Yan Kang
Title	Principal Investment Operations Specialist AIIB	Senior Advisor Department of International Economic and Financial Cooperation Ministry of Finance	Chief Finance Officer Beijing Gas Group Company Ltd.
Email Address	hyang@aiib.org	hansu@mof.gov.cn	kangyan@bjgas.com
Date of Concept Decision	August 2019		
Date of Appraisal Decision	October 2019		
Date of Financing Approval	December 2019		

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) will govern this Project. It 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 AIIB Management's processes. For information on AIIB's PPM, please visit: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html .
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