



Project Summary Information

Date of Document Preparation: October 11, 2022	
Project Name	Yunnan Kunming Changshui Green Airport 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> <ul style="list-style-type: none"> • Component 1: Construction of Eastern Runway #2 and its associated taxiway and system. • Component 2: Construction of Aprons around Terminal 2 (78 aircraft stands). • Component 3: Construction of cargo terminal of the airport, including cargo aprons (16 aircraft stands). • Component 4: Support building a green airport, including provision of electrified service vehicles in airfield area; and design and construction of small scale of photovoltaic and energy storage at airport. • Component 5: Support the uplift of 'smart elements' of the airport, to enhance the quality, security and efficiency of the airport (to be further developed in the preparation). • Component 6: Implementation Support including the ES monitoring and evaluation and capacity building with focus on 'Green' aspect.
Objective	To support the development of a gateway airport in the southwest of China, improving the air traffic connectivity in the region and demonstrating a green airport model.
Expected Results	<p>(a) increased runway capacity</p> <p>(b) increase in the annual volume of passengers and freights through Kunming (KM) Airport;</p> <p>(c) increased percentage of electrified service vehicles;</p>

	<p>(d) increased use of renewable energy in the airport operations;</p> <p>(e) increased percentage of using ground aircraft auxiliary power unit.</p>
<p>Environmental and Social Category</p>	<p>Category A</p>
<p>Environmental and Social Information</p>	<p>Applicable Policy. AIIB's 2021 Environmental and Social Policy (ESP) including the Environmental and Social Exclusion List (ESEL) and relevant Environmental and Social Standards (ESSs) will apply to this Project. ESS1 (Environmental and Social Assessment and Management) is applicable, as project activities are likely to have environmental and social risks and impacts during the construction of the eastern runway, taxiway, aprons, green elements, and related associated facilities and operation of the airport. ESS2 (Involuntary Resettlement) is applicable, as temporary impact on livelihoods and permanent resettlement are expected to occur during the construction and operation phases respectively. ESS3 is under assessment and it will be confirmed through Environmental and Social Due Diligence (ESDD).</p> <p>Instruments. The Client is in the process of finalizing an Environmental Impact Assessment (EIA) and Social Stability Risk Assessment (SSRA) report in Chinese language in line with national legislation. While the AIIB's financed project scope is not yet finalized all project activities and potential Associated Facilities will be assessed according to the ESP of AIIB. Based on the preliminary assessment, the Client is preparing additional assessments and management plans which will be finalized prior to appraisal. Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), a Stakeholder Engagement Plan (SEP) and a Resettlement Plan (RP) based on the EIA and SSRA will be developed in accordance with AIIB's ESP and ESSs. Potential cumulative and adverse noise-related impacts will be assessed, and appropriate mitigation measures including monitoring plan will be proposed as part of the ESIA and ESMP. Due diligence will cover the environmental and social risks and impacts of likely Associated Facilities.</p> <p>Environment. The potential environmental impacts of air transport are noise, air pollutant emissions (including GHG), disposal of solid waste (including hazardous waste), and wastewater generation. The existing levels of noise pollution are in compliance with China's requirements, however, the noise levels are above the standards adopted by EHSOs of the World Bank which will be followed by AIIB's investment. The cumulative noise levels are expected to increase further with the airport's expansion. The Bank will review the noise projection methodology and predicted impacts during ESDD. Current and projected noise pollution levels will be reviewed on priority as part of the overall ESDD. The Project will include measures to monitor and mitigate adverse impacts, such as noise and air quality monitoring plan and mitigation frameworks. Solid waste impacts will be addressed through a tailored waste management plan. The proposed Project</p>

involves the construction of a wastewater treatment plant with recirculation, and its residual discharges will be regularly monitored to verify compliance with the national and local effluent standards.

Social. The potential social risks and impacts are expected to be typical of land acquisition and large-scale civil works. It is expected that noise-related disturbances will likely occur during the operation phase. Measures to avoid impact and/or compensate project-affected households and community resources, such as schools and hospitals, significantly impacted by noise will be evaluated. In addition, risks of Gender-based violence and related social tensions due to labor influx will be evaluated and informed in preparing dedicated mitigation measures.

Consultations, information disclosure and monitoring. An ESIA including ESMP and RP is under preparation and will involve adequate disclosure, including meaningful public consultations. Outcome of consultations and community sentiments towards the Project will be assessed, and additional consultations will be proposed if needed. The ES instruments both in English will be disclosed on AIIB's website and a dedicated project website by the client. Translations of executive summaries of ES instruments in particular ESIA and RP will be timely disclosed both in English and Chinese in an appropriate manner. The client will be required to prepare semi-annual ES monitoring report and that needs to be submitting to AIIB for review. AIIB will conduct onsite supervision missions once conditions allow.

Grievance Redress Mechanism (GRM). The existing complaint mechanism will be evaluated against Bank's requirements. The Project-level GRM will need to be transparent, gender-responsive, culturally appropriate, and readily accessible to impacted communities and project contracted workers. The information of established project-level GRM will be timely disclosed in Chinese at least in an appropriate manner.

Cost Estimate and Indicative Financing Plan	Item	Project Cost (USD million)	Financing Plan (USD million and %)			
			AIIB		Gov.	
	Component 1. Construction of Runway E2 and its associated taxi way and system	292.6	500.0	32%	505.4	33%
Component 2. Construction of Aprons around T2 (78)	458.8					
Component 3. Construction of Freight Logistic Center, including freight aprons (16)	104.4					
Component 4. Support building a green airport (e.g. renewable vehicles, PV and energy storage, etc.)	76.5					
Component 5. Support the uplift of 'smart elements' of the airport (e.g. Digital Construction Management, BIM, safety improvement system, etc.)	70.6					
Component 6. Soft Component- Implementation Support and Capacity Building (estimated at 0.5% of Loan Amount)	2.5					
Component 7. Other infrastructure in airside (Drainage, Sewage, Fire Stations, Lighting, ILS, security system, and other utilities, etc.)	145.6	-	-	145.6	9%	
Component 8. Land Acquisition and resettlement	130.9	-	-	130.9	8%	
Interest during constructions (by %)	85.3	-	-	85.3	6%	
Contingencies (by %)	173.5	-	-	173.5	11%	
Total Project Cost (Inclusive of VAT and Import Duties):	1,540.7	500.0	32%	1040.7	68%	
Borrower	The People's Republic of China					
Implementing Entity	Yunnan Province					

Estimated date of loan closing	June 2028		
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Date of Concept Decision	September 28, 2022		
Estimated Date of Appraisal Decision	April 2023		
Date of Financing Approval	June 2023		

Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by the Bank to provide an opportunity for the independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by the Bank's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of the Bank's Management. For information on the PPM, please visit: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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