



Project Summary Information

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Project Name	Hubei Global Air Cargo Logistics Hub Project
Project Number	P000770
AIIB member	China
Sector/Subsector	Transport
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To facilitate cross-border trade and increase international air freight efficiency in Hubei, China.
Project Description	<p>The Project is designed to establish a 95-hectare bonded logistics park adjacent to the Hubei Ezhou Huahu Airport (the Airport), the very first dedicated freight airport in Asia.</p> <p>The Project will provide the following functionalities: customs operations, bonded warehousing and processing, trade/freight services, etc. Specifically, the Project will build infrastructure for customs operation and bonded logistics, including customs checkpoints, international cargo stations, bonded processing centers, bonded logistics centers, and fencing. It will also build business centers for trades, offices, and exhibitions. Project will procure customs supervision equipment for bonded areas, air cargo inspection equipment and facilities, information platform for operation of entire logistics parks, as well as supporting facilities including viaducts, access roads, and landscape works. The Project will also promote innovative customs supervision procedures to achieve efficiency gains during the import and export processes. In the medium term by 2030, the Project is expected to attract over 600,000 tons of international air freight and to facilitate the cross-border trading activities.</p> <p>Leveraging on the proximity of the park to the Airport, the Project aims to incubate new aviation-related business which will include bonded maintenance and repair, cross-border e-commerce, international cold-chain storage and shipping. Overall, the Project will support the development of Ezhou as a global air freight hub and main gateway for opening-up Hubei and central China.</p>
Expected Results	(i) Increase in cross-border trade volume measured by annual turnover of international cargo tonnage;

	(ii) Improvement in operational efficiency for importation of air freight measured by average customs clearance time.
Environmental and Social Category	A
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP) including the Environmental and Social Exclusion List (ESEL) and relevant Environmental and Social Standards (ESSs) apply to this Project. ESS 1 (Environmental and Social Assessment and Management) and ESS2 (Land Acquisition and Involuntary Resettlement) are applicable to the Project. ESS 3 (Indigenous Peoples) is not applicable, as per the Bank's ESP, due to no indigenous people or ethnic minority groups are collectively attached to the project area.</p> <p>The Project has been categorized as Category A, considering the significant land acquisition and potential noise cumulative impacts during operation. The Project is located in a habitat substantially modified by human activities and is unlikely to cause significant adverse impacts to biodiversity. Its adverse environmental impacts include general construction nuisance and occupational health and safety risks; operation-related exhaust gases, wastes, machinery and traffic noise, dangerous and hazardous goods and chemicals management, and communicable disease transmission.</p> <p>The environmental and social (E&S) instruments to be prepared prior to appraisal review will include: an Environmental and Social Impact Assessment (ESIA) and an Environmental and Social Management Plan (ESMP), including a Gender Action Plan (GAP), and a Stakeholder Engagement Plan (SEP). The E&S instruments will also review any outstanding legacy issues through Land Use Due Diligence (LUDD). Additional land acquired for the Project and potential Associated Facilities will be evaluated and appropriate mitigation measures to restore and/or improve the livelihoods of Project-affected People (PAP) will be proposed through a separate Resettlement Plan (RP). E&S documentation of the Project both in English and Chinese will be timely disclosed by the client in an appropriate manner. AIIB will also disclose those E&S documentation from its website timely.</p> <p>The local resident will benefit from possible job opportunities directly and indirectly during construction and operation of the Project including those small and medium scale businesses within and outside the project area. Risks for the Project are associated with construction and operation include impacts on social disturbance due to dust, noise, and vibration; occupational health and safety (OHS); labor influx, risk of Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH); community health and safety; and land acquisition.</p> <p>The Project will occupy 95 ha of land area, of which 28 ha of land area was acquired, and compensation and relocation of affected households was completed from 2017-2022. An additional 67 ha of collective land areas need to be acquired without</p>

	<p>any required relocation of households, of which, around 29 ha is cultivated land. Thus, a separate RP will be prepared for the land acquisition and resettlement to restore and/or improve the livelihoods of the Project-affected Peoples (PAPs). In addition, 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 request contractors to include a minimum quota of female workers aimed at encouraging women in taking employment opportunities for civil works contracts and during operation of the facility.</p> <p>Stakeholder engagement through public consultation and communication and Focus Group Discussion will be carried out with various groups of stakeholders including 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. In addition, more detailed arrangement of monitoring and reporting will be determined during the Project Appraisal.</p> <p>A multi-tier Grievance Redress Mechanism (GRM) will be established at the Project level to receive and facilitate resolution of the concerns or complaints of the people who believe they have been or are likely to be adversely affected by E&S impacts of the Project. A commensurate mechanism will be made available for raising workplace grievances. AIIB's Project-affected People's Mechanism (PPM) will be used for the Project. The information of established GRM and Bank's PPM both in English and Chinese will be disclosed timely to the local communities and PAPs in an appropriate manner.</p>
Cost and Financing Plan	<p>The total investment of the Project is about USD952 million.</p> <p>Financing Plan: AIIB Loan USD 400 million (42%), Counterpart funding and other sources: USD 552 million (58%)</p>
Borrower/Investee Company/Counter party/Guaranteed entity	People's Republic of China
Implementing Entity/Sponsor	Ezhou Linkong Group Co., Ltd.
Estimated date of loan closing	December, 2029

Contact Points:	AIIB	Borrower	Implementation Organization/Sponsor
Name	Manuel Benard	Jikang Wang	Jianfei Jiang
Title	Senior Investment Operations Specialist - Transport	Officer, Department of International Economic and Financial Cooperation	Deputy Director, Linkong Economic District Management Committee of Ezhou Municipality
Email Address	manuel.benard@aiib.org	wangjikang@mof.gov.cn	ezlkjt@163.com
Date of Concept Decision	08/09/2023		
Estimated Date of Appraisal Decision	January, 2024		
Estimated Date of Financing Approval	April, 2024		

Independent Accountability Mechanism	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 PAPs 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. For information on how to make submissions to the PPM, please visit Policy on the Project-affected People's Mechanism - Operational Policies & Directives - AIIB
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