



### Project Summary Information

Date of Document Preparation/Updating: March 8, 2023	
<b>Project Name</b>	Inner Mongolia Ulanhot Green and Climate Resilient Urban Development Project
<b>Project Number</b>	P000669
<b>AIIB member</b>	China
<b>Sector/Subsector</b>	Urban
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure and Technology-enabled Infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	The project will support the Ulanhot Municipality's effort to improve the resilience of urban infrastructure including roads, water supply and drainage system, and public space and ecologically restore the Tao'er and its wetland by integrating nature-based solutions and engineering design.
<b>Project Description</b>	<p>Ulanhot City (UC) is the largest city in the Hinggan League (HL), a prefecture level of the Inner Mongolia Autonomous Region (IMAR) with a population of around 360,000 and area of 2,360 square kilometers (sq.km.) and an urban built-up area of 45 sq.km. The city, located in the northeastern part of the region, is the seat of the League Government.</p> <p>Despite a robust pre-pandemic economic growth of 6.4 percent (an annual average during 2016 – 2019), Ulanhot city has encountered multiple challenges including deteriorating and disconnected urban infrastructure such as road network, drainage system, water supply and sanitation, and shared community space as well as degraded natural resources particularly river wetland, river courses, grassland, and mountain.</p> <p>These interdependent challenges have hindered sustainable economic development of the city and livability of its residents in terms of high transportation costs, worsened level of road safety and inefficient drainage, water supply and sanitation system, and deteriorated urban green areas. Furthermore, more frequent and severe occurrences of waterlogging, flood and drought, and loss of biodiversity and natural resources are expected to be exacerbated by the increasing frequency of extreme weather events brought by climate change.</p>

	<p>To achieve the project development objective, the following project components are being considered by the Ulanhot Municipality:</p> <p>Component 1 – Climate Resilient Urban Infrastructure Improvement. This component will support the improvement of key public infrastructure such as road network and accompanying pedestrian and non-motorized transport pathways as well as the underground drainage system, water supply and sanitation as well as heating pipeline in selected low-income communities. Integration between engineering design with nature-based solutions will be the main design feature of the improvement. Rainwater harvesting and storage systems will also be integrated in the design, aiming to store and utilize 80% of rainwater and recharge groundwater to enhance local ecological system. It will also support the greening and building resilience of community public space such as plaza/square, parks and children’s parks.</p> <p>Component 2 – Ecological Enhancement of Tao’er River and Wetland This component aims to restore riparian area along the Tao’er River and wetland. The activities will further enhance ecological and biodiversity conservation as well as increase the natural water storage capacity of the basin to reduce flood and waterlogging risk which could be exacerbated by climate change. This component will also support the ecological treatment of abandoned quarries and factories, to reduce pollution and soil erosion as well as safety risk.</p> <p>Component 3 – City Climate Smart Management and Capacity Building. The component will support the adoption of digital technology such as Geographic Information System (GIS) and big data analysis to assist in managing water resources, underground equipment and pipelines, flood and drought prevention and mitigation measures, weather emergency system, and smart water supply system. Collecting accurate, reliable, and up to date data from various sources are also part of the system design to ensure robust results.</p>
<p><b>Expected Results</b></p>	<p>Due to the resilient improvement of urban infrastructure supported by the project, it is expected that nature-based solutions will be integrated with urban infrastructure project design and construction which will lead to reduction in risk of flood and waterlogging. In addition, the ecological restoration of the Tao’er river and wetlands is expected to increase in the wetland area and water storage capacity. The climate smart city management platform will provide digital technology enabled platform to enhance the information and data management capacity of the responsible government agencies as well as timely public access to relevant information related to climate and weather, public services, and emergency situation.</p>
<p><b>Environmental and Social Category</b></p>	<p>A</p>

<b>Environmental and Social Information</b>	<p>The Bank's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List will apply to this Project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Land Acquisition and Involuntary Resettlement) will apply to the Project. Applicability of ESS 3 (Indigenous Peoples) will be assessed during subsequent stages of Project preparation. Based on the available information, the Project has been preliminarily identified as Category A on the expectation that the anticipated Project environmental and social risks and impacts may be substantial due to interruption to the eco-system, e.g., rivers and wetland, land acquisition, potential physical and economic displacements as well as Community Health and Safety related impacts.</p> <p>Environmental and social impact assessment (ESIA) and environmental and social management plan (ESMP) will be prepared to address Project related environmental and social issues. To address issues of any physical and economic displacement, a Resettlement Plan (RP) will be prepared to govern any physical and economic displacement of a temporary or permanent nature. A Stakeholder Engagement Plan (SEP) will also be developed to support consultation and communication throughout the Project cycle systematically. All E&amp;S documentation including ESIA, ESMP, RP and SEP will be timely disclosed both in English and Chinese in an appropriate manner.</p> <p>Environmental due diligence will be commenced to identify the key issues, impacts and risks, based on the location of the proposed project and its environmental feature. The following aspects are highlighted considering the whole cycle of the project, from preparation to implementation. The key parameters for review and due diligence would be (i) eco-system and biodiversity system in the project area (Area of Influence), especially components that will be impacted and modified due to project activities, such as eco-system in wetland and river courses; (ii) impact on habitat and their population; (iii) feasible mitigation measures to tackle identified impacts/risks; (iv) environmental management and monitoring during construction and operation; and (v) stakeholder engagement and consultation, especially with the Project Affected People (PAP), and information disclosure during whole project life cycle.</p> <p>Substantial, land Acquisition will be required to carry out project related activities. Moreover, land acquisition is likely to cause temporary and permanent economic and physical displacement to title and non-titleholders. Specifically, the potential adverse impacts stemming from land acquisition include loss of land, loss of structures (residential, and commercial) and loss of trees, crops, and community property resources, etc. Moreover, disproportionate impacts on vulnerable groups (Ethnic Minorities, women, the elderly, those who are economically vulnerable) and loss of jobs, business income and tenancy rights are anticipated.</p>
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	<p>A Project Grievance Mechanism (GRM) will be developed and included in the Environmental and Social Management Plan. The GRM will be project-specific and gender sensitive and will be established to receive, acknowledge, evaluate, and facilitate the resolution of the complaints relating to environmental and social issues with corrective actions proposed. The steps will be undertaken using understandable and transparent processes that are gender-responsive, culturally appropriate, and readily accessible to all segments of the affected people. Records of grievances received, corrective actions taken, and their outcomes shall be appropriately maintained. The information of established project-level GRM and the Project-affected People's Mechanism (PPM) will be disclosed to related stakeholders in a timely and an appropriate manner.</p> <p>During project implementation, a semi-annual project progress report will be prepared by the PMO based on agreed format and shared with the Bank for review. A mid-term review may be organized in collaboration with the PMO to take stock of the project's implementation progress.</p>																				
<b>Cost and Financing Plan</b>	<table border="1" data-bbox="622 699 1744 994"> <thead> <tr> <th data-bbox="622 699 1160 730">Project Component</th> <th data-bbox="1160 699 1352 730">Government</th> <th data-bbox="1352 699 1547 730">AIIB</th> <th data-bbox="1547 699 1744 730">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="622 730 1160 810"><b>Component 1</b> – Climate Resilient Urban Infrastructure Improvement</td> <td data-bbox="1160 730 1352 810">70</td> <td data-bbox="1352 730 1547 810">115</td> <td data-bbox="1547 730 1744 810">185</td> </tr> <tr> <td data-bbox="622 810 1160 882"><b>Component 2</b> – Ecological Enhancement of River Basins and Wetlands</td> <td data-bbox="1160 810 1352 882">37</td> <td data-bbox="1352 810 1547 882">92</td> <td data-bbox="1547 810 1744 882">129</td> </tr> <tr> <td data-bbox="622 882 1160 962"><b>Component 3</b> – City Climate Smart Management and Capacity Building</td> <td data-bbox="1160 882 1352 962">0</td> <td data-bbox="1352 882 1547 962">43</td> <td data-bbox="1547 882 1744 962">43</td> </tr> <tr> <td data-bbox="622 962 1160 994" style="text-align: right;"><b>Total</b></td> <td data-bbox="1160 962 1352 994">107</td> <td data-bbox="1352 962 1547 994">250</td> <td data-bbox="1547 962 1744 994">357</td> </tr> </tbody> </table>	Project Component	Government	AIIB	Total	<b>Component 1</b> – Climate Resilient Urban Infrastructure Improvement	70	115	185	<b>Component 2</b> – Ecological Enhancement of River Basins and Wetlands	37	92	129	<b>Component 3</b> – City Climate Smart Management and Capacity Building	0	43	43	<b>Total</b>	107	250	357
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<b>Borrower/Investee Company/Counterparty/ Guaranteed entity</b>	People's Republic of China																				
<b>Guarantor</b>	People's Republic of China																				
<b>Implementing Entity/Sponsor</b>	Ulanhot Municipality																				
<b>Estimated date of loan closing (SBF)</b>	June 2028																				

<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>	<b>Implementation Organization/Sponsor</b>
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<b>Date of Concept Decision</b>	March 8, 2023		
<b>Date of Appraisal Decision/Estimated Date of Appraisal Decision</b>	Q2 2023		
<b>Date of Financing Approval/Estimated Date of Financing Approval</b>	Q2 2023		

<b>Independent Accountability Mechanism</b>	<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 Environmental and Social Policy 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="#">insert link to the PPM web page</a>.</p>
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