

## Environmental and Social Data Sheet

### Overview

Project Name:	<i>Jiangxi Waterborne Transport I</i>
Project Number:	2017-0730
Country:	China
Project Description:	<i>The project consists of the construction of the Bazizui navigation hub on the Xinjiang river, one of the five major river systems in Jiangxi province. The proposed project is part of a larger and more comprehensive waterborne transport infrastructure programme, involving other inland waterways projects on Xinjiang and Ganjiang rivers. After project completion, the cargo expected to be transported in the waterway will be mainly solid bulk and general cargo.</i>
EIA required:	Yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	No

### Environmental and Social Assessment

#### Environmental Assessment

The project is located in the Xinjiang River in Jiangxi Province, more specifically in Bazizui, in Yugan County. It consists of the construction of the Bazizui navigation hub and includes a dam, ship locks, minor hydropower generation facilities, riverside flood protection works and other environmental measures like fish passages. The proposed project is part of a larger and more comprehensive waterborne transport and energy infrastructure programme, involving other inland waterways projects on Xinjiang and Ganjiang rivers. After project completion, the cargo expected to be transported in the waterway will be mainly liquid and solid bulk.

Preliminary construction works started during Q2 of 2018 and the Promoter expects all the works to be completed by 31st December 2022.

According to Chinese Environmental Protection Law, the project is classified as a “*navigation-power junction*” and therefore should be subject to an EIA (Environmental Impact Assessment). Consequently, an EIA process has been undertaken according to Chinese Environmental Law. With the support of an external consultant, the Promoter drafted an EIA report and undertook the associated field works and surveys during 2017. The Competent Authority (in this case, the Jiangxi Provincial Department of Environmental Protection) has issued approval and acceptance of the EIA report in 1<sup>st</sup> February 2018.

The project does not have significant impacts in natural reserves, World Cultural and Natural Heritage sites or other special ecologically sensitive areas.

<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

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## **Environmental Impacts**

For the construction phase, the main negative impacts identified in EIA are: interruption of water flow and ecological continuity in some sections of the river and fragmentation of fish habitats; general water quality decrease due to turbidity, accidental spills and flow reduction in some sections; increase in dust, particles and noise emissions into the atmosphere during construction activities and material transportation; general reduction of the ecological quality of the site by destabilization of the riverbed and banks and other impacts in existing fauna and flora.

For the operational phase, the main negative impacts acknowledged in EIA are: changes in the hydrological regime (water flow and sedimentation); changes and fragmentation of the river ecological system, both in the riverbed and banks, making fish migration more difficult and affecting existing fauna and flora; and farming land occupation and landscape change. Eutrophication and sedimentation interruption impacts will not be significant according to the EIA analysis.

The EIA identifies also some positive impacts during operation, namely: reduction of fossil fuels consumption and associated gas emissions due to modal shift from road transport to IWW and the increase of vessels size; and the shift to electricity generated from hydropower instead of electricity generated from other more carbon intensive production means;

## **Mitigation Measures**

The mitigation measures identified at the EIA for the construction phase include: adoption of a two stage planning of the construction works to maintain the continuity of the river over-flow; proper monitoring and treatment measures for waste water aligned with recommended standards; proper transport of construction materials including speed limit of vehicles within the construction site; water sprinkling to reduce dust emissions; implementation of temporary sound and dust barriers in critical areas of the construction site; compliance of construction equipment and machinery with recommended operation and maintenance standards; adequate planning of the fish passage facilities and breeding and releasing stations; artificial fish tank for habitat restoration; proper demarcation of the construction site to support preservation of wildlife habitats; adequate provision to protect and monitor ancient trees; implementation of soil erosion control measures in the key project areas; deployment of a Safety Officer to the site on a full-time basis and implementation of a H&S management system; accident reporting and investigation.

Regarding the operation phase, the mitigation measures defined in the EIA include: implementation of 2 fish passages and rehabilitation of habitats; construction of an artificial fish breeding station and other artificial support tanks and associated facilities; landscaping, vegetal restoration and other environmental & erosion protection measures; water level and quality monitoring; automatic monitoring systems to control, schedule and manage minimum ecological water flows; control and limitation of vessels sewage waste and water ballast spills in the area;

## **Social Assessment**

The main adverse social impact is related with farmland temporary and permanent occupation by the construction works, the infrastructure and the reservoir inundation. There will not be any household resettlements. Part of the occupied farmland belongs to the State and the remaining to Zhuqiao village. The state owned land is not currently being used. The Zhuqiao village land affected is around 52.11 mu (around 3.5 ha).

According to the "Law of the People's Republic of China on Land Administration", the expropriation procedures fall under the city prefecture and/or county responsibility, depending

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on the location of the affected land. In this case, the responsible entity will be the Yugan County.

The compensation for the land occupation has been defined according to the “Circular of People’s Government of Jiangxi Province on Adjusting the Unified Annual Output Value and Comprehensive Land Price for Land Expropriation (2015)”. The land expropriation compensation includes a land fee and a resettlement subsidy. The land fee is defined in function of the land expropriation area and the comprehensive land cost. The resettlement subsidy is calculated in line with the land expropriation area, a standard annual output value in Yuan and a compensation multiplier. All these parameters are defined in the appendixes of the abovementioned Circular.

According to Chinese regulations, the compensation is paid directly to the Finance Department of the responsible entity, in this case the Yugan County. The compensation related to the state owned land will be kept by Yugan County and the one related to the remaining land will be subsequently transferred to Zhuquiao village administration. The farmers affected by the expropriation will be compensated by the Zhuquiao village administration with new equivalent farm lands and pension benefits.

These compensation values, as well as possible affected people, have been estimated at the FSR (Feasibility Study) and EIA, both already validated by the competent authorities during 2017. The accurate number of affected farmers and the related compensation will be defined before land expropriation and requisition begins. The Yugan County still needs to issue a “Notice to start the expropriation process” which will finally validate the related procedures and assumptions. If any squatter will be identified at this point, they will be compensated in accordance with EIB standards.

A resettlement coordination office at Yugan County administration will follow up the expropriation and land resettlement procedures and will be open to address comments and complaints from the affected people. Several public engagement actions are required under Chinese Law and the Promoter shall be requested to structure a SEP (Stakeholder Engagement Plan) to compile all of them.

The EIA identifies a number of potential positive impacts of the project on the social side, namely: employment creation both during construction and operation; development of the inland shipping sector and other related manufacturing and productive industries in the Xinjiang River area.

## **Public Consultation and Stakeholder Engagement**

Official public consultation has been carried out under the respective EIA procedure by the Promoter with the support of the EIA consultant according to the Chinese legal framework. The public consultation included information publication, stakeholder consultation meetings, and surveys.

A project description and information was initially published by the Promoter and Yugan County from Feb 14<sup>th</sup> to Feb 27<sup>th</sup> 2017. After the completion of the EIA Report, the key information of EIA was again publicized and posted around the project area and county from March 3<sup>rd</sup> to March 16<sup>th</sup> 2017.

On Mar. 20<sup>th</sup> 2017, the Yugan County, the Promoter and the EIA consultant held a stakeholder consultation meeting. The stakeholders were informed of the main findings of the EIA and provided additional comments. Questionnaires and surveys were also held in the following days. The survey results showed a general support to the project from local population. All the concerns raised during the stakeholders meeting and at the questionnaires have been incorporated in the EIA Report and further reviewed. The EIA Report was finalized in August 2017, submitted to the Competent Authority and finally approved in February 2018.

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A resettlement coordination department was set up under the Project Management Office (PMO) to keep communication channels open for the affected people to be informed and share their concerns about the project. Both the Promoter and Yugan County also have independent resettlement coordination departments, which will be available to receive comments and appeals from project-affected people and other stakeholders.

### **Other Environmental and Social Aspects**

To guarantee a proper follow-up of the environmental and social implementation of the project, the Promoter will contract an independent E&S monitoring consultant under the PMO. Amongst other, the environmental monitoring tasks of the project will include water quality monitoring, land and riverbed ecological monitoring, soil and water conservation monitoring and air quality monitoring.

The reporting from the environmental monitoring team to the Promoter will include the following mechanisms:

- i) daily work register: the environmental supervision officer, according to the work performance and related inspection tasks, records incidents and non-compliances and reports them back to the PMO and the Promoter;
- ii) supervision report: the environmental monitoring team will draft monthly, quarterly, semi-annual and annual reports on the environmental and social issues and incidences of the construction works and will subsequently submit them to the PMO and the Promoter;
- iii) correction of non-compliances: the Contractor and the Promoter shall be notified of the environmental and social issues detected by the environmental officer during the field inspection and shall be requested to correct or handle them in due time;
- iv) environmental meetings: environmental meetings should be convened every month to review the main issues and tasks associated with the environmental management and monitoring of the corresponding stage of the contract. The PMO, the Supervision engineer and the Promoter are required to attend these meetings.

Still on the environmental monitoring of the project, the Jiangxi Provincial Department of Environmental Protection and its affiliated environmental protection departments will supervise the project by unscheduled inspections and checks, and will need to issue an environmental completion acceptance by the end of the works.

## **Conclusions and Recommendations**

### **Disbursement Conditions**

- Before the first disbursement, satisfactory evidence shall be provided to the Bank that an experienced Environmental and Social team has been contracted under the Project Management Office to monitor the implementation of the Environmental and Social Management Plan (ESMP) in line with the approved EIA;
- Before the first disbursement, the Promoter shall submit to the Bank the official "Notice to start the expropriation process" issued by the relevant and competent public administration (Yugan County) together with the last version of the Resettlement Action Plan (or equivalent), to the Bank's satisfaction;
- Before the first disbursement, the Promoter shall submit the final version of the Stakeholder Engagement Plan (SEP) to the Bank's satisfaction.

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## Undertakings

- The Promoter shall ensure that an adequate ESMP, defined according to the relevant EIA, any additional studies and the corresponding environmental authorisations, is implemented and monitored during the construction of the project, and will promptly notify the Bank of any unexpected environmental impact or incident during the construction of any project component;
- The construction works contracts will comply with the national law on labour and the ILO fundamental conventions. The promoter will be expected to incorporate Environmental and Social standards of the Bank into contractual arrangements with future contractors for the project. A project worker grievance mechanism will be implemented. These provisions should apply to the main contractors and subcontractors and will be monitored during the construction works;
- During the construction works, the Promoter shall monitor and give regular updates on the respect of the fulfilment of ILO Conventions by main contractors and subcontractors;
- During the construction works, the Promoter shall report to the Bank on an annual frequency on environmental and social issues.

Subject to the fulfilment of the above conditions and undertakings, the overall residual impacts of the project are considered to be manageable and acceptable. The Promoter will be appropriately staffed and its environmental capabilities and track record are considered to be satisfactory.

Therefore, the Project is acceptable for financing in environmental and social terms.