

**INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.: AC3385

Date ISDS Prepared/Updated: 08/14/2008

I. BASIC INFORMATION

A. Basic Project Data

Country: China	Project ID: P107559
Project Name: Guiguang Railway Project	
Task Team Leader: John Carter Scales	
Estimated Appraisal Date: November 4, 2008	Estimated Board Date: April 30, 2009
Managing Unit: EASCS	Lending Instrument: Specific Investment Loan
Sector: Railways (100%)	
Theme: Public expenditure, financial management and procurement (P)	
IBRD Amount (US\$m.):	300.00
IDA Amount (US\$m.):	0.00
GEF Amount (US\$m.):	0.00
PCF Amount (US\$m.):	0.00
Other financing amounts by source:	
<u>Borrower</u>	9,400.00
	9,400.00

B. Project Objectives [from section 2 of PCN]

The development objective is to enhance the transport access of the relatively poor provinces of Guizhou, Guangxi, Yunnan and Sichuan in south west China to the ports and economic growth centers in the Pearl River region, through improvements to rail transportation services. The project addresses the growing demand for rail passenger and freight services by providing a much shorter and quicker transport link between these provinces and Guangzhou, typically saving over 600 km. compared to existing routes. The new line will also provide a high-quality logistics corridor between Kunming and the Pearl Delta ports, some 1,200 km shorter than the current one to Shanghai. Performance indicators in terms of number of passenger and freight trains and respective travel times in the first year after project completion would be agreed during project preparation.

C. Project Description [from section 3 of PCN]

Under the MLTDP (2005-2020), the railway network is to be expanded from 75,438 route km in 2005 to 100,000 route km by 2020. The proposed network expansion would provide rail connectivity to areas not served by railways, particularly in Western China. Provision of railway infrastructure in such areas would help accelerate their economic development by the provision

of efficient, relatively lower cost and faster transportation connectivity with the rest of the country. The proposed double track rail corridor from Guiyang in Guizhou province to Guangzhou in Guangdong province (via Guilin in Guangxi province) is part of the MOR's network expansion plan. The new line will be built to 250 km/h standards but will be operated at speeds of 200 and 120 km/h for passenger and freight train operation respectively. The travel time by rail for passengers between Guiyang and Guangzhou would be reduced from current 24 hours (by rail) or 20 hours (by road) to 5 hours. The distance traveled by freight between these two cities would be reduced from current 1,440 km (via Changsha) to 820 km. This railway line would also provide an efficient and lower cost rail transport access to Guangzhou and Shenzhen areas for passengers and freight to and from the Western China provinces of Sichuan and Yunnan.

The proposed alignment is relatively direct between the two end points and serves urban and town centers. Several alternatives for alignment are being considered. The general alignment has been decided though not yet finalized in the Foshan urban area, at station locations within the rural areas, near environmentally sensitive areas, and where significant costs can be saved or excessive land acquisition avoided. The final choice of alignment is to be based on multiple criteria that included connections with existing rail network, minimizing cost and land acquisition/ resettlement and environmental degradation, connecting potential areas of economic development and avoiding forest reserves and areas of poor geology. The design institutes are consulting urban planning development officials of the various cities in selecting sites for proposed railway stations.

In general, the proposed alignment traverses through mountainous terrain except for a small eastern section of about 100 km that lies on relatively flat terrain. The line will have approximately 340 bridges and viaducts (approximate length 190 km, 22%), and approximately 230 tunnels (approximate length 470 km, 55%). Forty tunnels shall be over 3 km long and the two longest tunnels are each about 15 km in length. Thus, about 77 % of track will be on bridges and through tunnels. Ballastless track will be installed in tunnels over three km in length.

The line will have electric traction (25 kV single phase AC). Express trains with a maximum speed of 200 km/h will be operated with Electrical Multiple Units (EMU) while slower passenger and freight trains will be hauled by electric locomotives. Automatic signaling will be used. The planned construction period is 5 years, commencing in 2008 and the line is proposed to be commissioned by the end of 2013.

The project cost including the cost of locomotives and working capital is estimated at RMB 69.5 billion (US\$ 9.7 billion). The basic cost of 820 km double track electrified line is estimated at RMB 62.3 billion (US\$ 8.7 billion) at an average of RMB 76.95 million (US\$ 10.7 million) per km. The project is proposed to be funded by equity capital from the GuiGuang Railway Co. and borrowings in the ratio of 1:1. The borrowed capital shall include the proposed loan of US\$ 300 million from the Bank (about 3 percent of the project cost).

Though yet to be decided, the Bank loan will most likely finance goods and equipment possibly consisting of signaling, electrification, bridge beams, and/or concrete sleepers (will most likely not finance civil works or rolling stock). Once the procurement list is agreed, the appropriate

disbursement profile will be determined. As has been the standard procedure for railway projects in China, the Bank's environmental and social safeguard policies will apply to the entire project and the Bank will perform due diligence on the technical content.

D. Project location (if known)

The proposed greenfield 857 km railway project in southwest China links Guiyang (Guizhou Province) and Guangzhou (Guangdong Province) via Guilin (Guangxi Province). The proposed alignment is relatively direct between the two end points and serves urban and town centers along its route.

E. Borrower's Institutional Capacity for Safeguard Policies [from PCN]

This project will be the 12th Bank financed project with China's Ministry of Railway. The continuous cooperation between the Bank and MOR has been very satisfactory. Previous experience indicates strong commitment from MOR on the Bank's safeguards policies and a good record on implementation. MOR has developed good capacity to implement, supervise and monitor both the environmental management plan and the resettlement action plan. In preparing this project, the environmental and social management of previous projects were appraised and lessons learned incorporated. As the same MOR project management team and local railway administration and design institute structure will be used for this project, it is highly expected that the satisfactory performance will continue.

F. Environmental and Social Safeguards Specialists

- Mr Juan D. Quintero (EASRE)
- Mr Songling Yao (EASCS)
- Mr Peishen Wang (EASCS)
- Mr Ning Yang (EASCS)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
<p>The proposed project is a Category A project due to its scale of potential environmental and social impact and the sensitivity of the project areas. Full Environmental Impact Assessment (EIA) and Environmental Management Plan (EMP) will be prepared according to OP4.01. Two EIAs have been commissioned: one for the approximately 260km long Guangzhou-Hezhou section (by China No. 4 Railway Design Institute), and the other for the approximately 595km long Hezhou-Guiyang section (by China No.2 Railway Design Institute). The Task Team reviewed and commented on the separate EIAs in late 2007. Revised EIAs (Chinese, English language waiver granted) were reviewed by the Task Team in March 2008 and comments provided. Based on the separate EIAs and comments provided by the Task Team, a Consolidated EIA/EMP (Chinese) was received and reviewed by the Task Team in July 2008 with a revised consolidated EIA/EMP (Chinese) provided in late July. An English language version of the revised consolidated EIA/EMP was prepared and submitted to the Bank on August 6, 2008. The major environmental issues envisaged include:</p> <p>Analysis of alternative alignments: Given the presence of a number of nature reserves and tourism areas in the west section and highly developed urban area in the east end (near</p>			

Safeguard Policies Triggered	Yes	No	TBD
<p>Guangzhou), analysis of alternatives for the selection of the final alignment is the most important environmental and social impact mitigation tool for this project. Several alternative alignments are being considered. The final choice of alignment is to be based on multiple criteria that will include (i) connections with existing rail network; (ii) minimization of land acquisition and resettlement; (iii) minimum environmental degradation in or near sensitive ecosystems such as protected areas, forest reserves and areas of poor geology; and (iv) , connectivity of potential areas of economic development.</p> <p>Ecological impacts. The ecological environment in the project corridor is very sensitive with presence of a significant number of nature and forest reserves, tourism resorts and vast mountainous areas with little human activity. Currently, great effort is being made to avoid these environmental sensitive sites through the analysis of various alignment alternatives. However, there will still be a few tourism areas and one nature/forest reserve to be potentially impacted (either by tunneling or running through the edge of the area). Detailed baseline surveys and impact assessment (including a rapid ecological survey for karst caves to be impacted by the project, following TORs from the Bank) are being conducted in these areas with the involvement of local authorities/institutes that have competent expertise on local ecology and biodiversity. Proper engineering design, restrictions to new access roads, camp location, and disposal sites in these areas, and environmentally sound construction practices will be adopted. The tunnel-bridge-tunnel scheme (e.g. nearly 80% of the alignment is tunnel and bridge) will minimize loss of surface of vegetation and related ecological impacts. This scheme and the avoidance of sensitive areas through analysis of alternative alignment are perhaps the most important environmental mitigation measures for this project.</p> <p>Access roads. The railway alignment will traverse vast mountainous region with little or very difficult access by road. If not well managed, construction of new access roads may cause adverse impact that outweighs the environmental effort for the main alignment. The team is putting special emphasis on this issue during EA preparation. The existing rural road network (present for most part of areas) will be used to the maximum extent to access tunnel portals, bridges and other key infrastructure. Opening of any new access roads will be subject to restrictions (no new access roads in or through protected areas for instance) and will be required to follow strict specifications and review/approval procedures to be developed in EMP.</p> <p>Waste management. The railway line will include around 233 tunnels (approximate length 472 km, or 55% of the total length). Forty tunnels will be over 3 km long and the two longest tunnels will each be about 15 km in length. Given the larger portion of tunnels throughout the line, proper handling of spoil material will be an important issue for EIA, especially considering the good natural vegetation throughout the region and scarce number of places available for spoil disposal. The EA consultant has identified about 100 disposal sites that meet the environmental criteria at this stage (no disposal inside protected or scenic areas, in agricultural lands, upstream of water supply intakes). Meanwhile, EIA teams have also consulted with local governments/communities to identify opportunities to reuse such spoil materials to the extent possible. In addition, clear criteria and approval procedures are to be developed in EMP for additional spoil sites or changes of site locations during construction stage.</p>			

Safeguard Policies Triggered	Yes	No	TBD
<p>Power requirement and transmission lines. The proposed rail line will require power supply by the Guizhou, Guangxi and Guangdong Power Grid under the China Southern Power Grid Corporation. New power lines will be necessary to supply power to substations along the railway. The railway, as an electricity user, will sign power purchase agreement with power grid companies. The power grid companies are responsible for aggregation of the needs of the railway with other users and construction of power transmission lines from appropriate locations of the grid to serve these users. As such, these lines are not part of the project, are not within MOR's authority, or necessarily serve only the railway. For the construction of power transmission lines, the power companies abide by national EIA regulations and specific EIA guidelines for power transmission lines. The task team will discuss and agree with MOR a feasible approach to completing due diligence review of the transmission lines to ensure compliance with appropriate Government environmental regulation and procedures.</p> <p>Other issues. Other issues such as mitigating measures for stability and erosion, noise, vibration, camp and construction management, will also be addressed in EIA. The EIA and EMP will also address cultural resource issues, scenic impacts, and social impacts (a summary of resettlement and ethnic minority impacts, including potential impact of construction workers on local communities). Environmental supervision of construction and environmental monitoring will also be included in the EMP.</p>			
Natural Habitats (OP/BP 4.04)	X		
<p>This policy is triggered. During EA preparation, a total of 9 nature and forest reserves have been identified in the vicinity of project corridor. Careful alignment selection has avoided 8 of them. However, the alignment will inevitably go through one forest reserve and over the edge of one nature reserve (water conservation forest). A tunnel/bridge system will be adopted for this section to minimize loss of vegetation and environmental impacts, thus effectively minimizing the project footprint in these areas. Specific biodiversity studies have been commissioned for these two areas. Strict construction management will be enforced during construction, e.g. no new access road, no disposal site, no construction camp allowed, minimum clearing, restoration of affected areas, etc. Overall, no significant/ irreversible degradation of natural habitats is to be expected and therefore, the EMP will be sufficient and, as such, a separate Natural Habitats Management Plan will not be necessary.</p> <p>Of special concern will be the issue of caves in the Karstic zones crossed by the railway. Currently, a rapid cave survey is being conducted by biodiversity consultant with local expertise. The survey found 2 caves to be directly impacted by right-of-way. A complete cave survey report in English will be submitted to the Bank on August 15, 2008.</p>			
Forests (OP/BP 4.36)		X	
<p>The project is unlikely to cause significant conversion or degradation of natural habitats. Although some natural forests are expected to be cleared (a few hundred hectares as a maximum), forest issues will be dealt through the natural habitats policy.</p>			
Pest Management (OP 4.09)		X	
<p>The project will not involve procurement of pesticide or have any impact on pest management practice. This policy is not triggered.</p>			
Physical Cultural Resources (OP/BP 4.11)	X		
<p>Initial cultural property survey by local cultural institutes identified a few sites of tombs and historical buildings along the corridor. The alignment is being fine tuned to avoid these sites.</p>			

Safeguard Policies Triggered	Yes	No	TBD
<p>Another round of field surveys will be conducted by licensed cultural relic institutes once the right of way is determined after preliminary design (and prior to detailed design). Some of the identified sites near the alignment will be further investigated and excavated if necessary. Chance-find procedures will be included in the EMP.</p>			
<p>Indigenous Peoples (OP/BP 4.10)</p>	X		
<p>The project passes through about ten minority autonomy townships in four minority autonomy counties and will result in obvious impacts on minority communities along the alignment. The project triggers OP 4.10, and an Minorities Peoples Plan (MPP) is needed. The FCTIC commissioned the Central Minority University (CMU) to conduct the MPP in line with OP 4.10 and relevant domestic laws and regulations. The CMU has set up a team to begin the assignment. A TOR for the MPP, revised according to the task team's comments, was provided to the Bank in Feb 2008.</p> <p>The first round of social investigations around minority areas was completed and the draft report will be released soon. At the same time, the MMP is under preparation with cooperation from RP preparer.</p> <p>Although the primary social assessment confirmed the broad support to the project from the governments and villagers, the SA report under preparation with quantitative analysis will be further testify the support.</p> <p>Key issues in the MMP: i) Each local government along the corridor have been lobbying hard to have railway station constructed in their respective county, as they understand that such close proximity to a station will positively influence their local economic development. In addition with government mandated resettlement compensation rising, many minority villages see this as an opportunity for a cash windfall along with the possibility of local infrastructure restoration, temporary job creation in construction, and of course enhanced transportation links. As such the alignment has been carefully selected reflecting a project goal to provide each minority county a railway station. ii) At the same time the minority communities and individuals hope that their traditional culture and custom is respected throughout the project implementation phase. As an example, ancestral tombs, house styles, etc., are expected to be protected. iii) The resettlement plan for the minority people, as a critical measure of MMP, is to be developed jointly by the CMU and the RP preparer.</p> <p>The second draft MPP (Chinese) including the SA was received in July 2008.</p>			
<p>Involuntary Resettlement (OP/BP 4.12)</p>	X		
<p>Since the project will have significant land-related impacts and triggers OP 4.12, a full RP is needed. The FCTIC has entrusted the Southwest Communication University (SWCU) to handle this issue. The SWCU has delivered the same services to MOR on all the Bank-financed national railway projects in the past decade and has the capacity to provide the same on this the complex project.</p> <p>The engaged RP preparer has submitted to the Bank in late Feb 2008 a draft RP with an excellent socioeconomic survey. Planning activities completed so far include: i) In line with the project feasibility study, the RP preparer has completed a socioeconomic survey and a sampled</p>			

Safeguard Policies Triggered	Yes	No	TBD
<p>inventory survey of project impacts in the rural areas. Resettlement impacts in urban areas and full impact inventory survey and census of affected population will be addressed in next stage; ii) A sound socioeconomic survey was carried out along the alignment. It distributed further project information, facilitated consultation and fed back opinion, preferences and recommendations from the affected population during the resettlement planning; iii) According to the natural and social conditions in project areas, the project designer have proposed and adopted more bridges and tunnels to much minimize resettlement impacts; iv) Following local laws, regulations and the Bank resettlement policy, the planners have established compensation policies and compensation rates for the affected assets in consultation with all the key stakeholders; v) In consultation with the affected people, a resettlement and livelihood rehabilitation strategy was developed. With the greatly minimized impact, all relocations in rural areas will be within the existing villages. Livelihood development will include mainly land redistribution and farming activities.</p> <p>With the recent addition of more bridges and tunnels into the design, the resettlement impacts are greatly mitigated. In rural areas the project will roughly affect 237 villages in 91 townships of 28 counties in three provinces. Permanent land acquisition is estimated to at 2,500 ha (covering 1,430 ha farmland) and temporary 1,600 ha. The project will require the relocation of approximately 32,500 people in 7,920 households. Impacts in Urban areas and on affected enterprises and entities are not clear at this stage. The estimated cost of resettlement is 1.4 billion yuan.</p> <p>The second draft RP is to be available by the end of August 2008. It will cover detailed resettlement impact, schemes of livelihood and household development, and consultation, etc.</p>			
Safety of Dams (OP/BP 4.37)		X	
Projects on International Waterways (OP/BP 7.50)		X	
Projects in Disputed Areas (OP/BP 7.60)		X	

Environmental Category: A - Full Assessment

III. SAFEGUARD PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 09/26/2008
- B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A
- C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS.
 First draft EIA (Chinese): September 2007

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

Second draft EIA (Chinese):	March 2008
Consolidated EIA/EMP (Chinese):	July 2008
Consolidated EIA/EMP (English):	August 2008
Final Consolidated EIA/EMP:	September 2008
First draft of RAP (Chinese)	February 2008
Second draft RAP (Chinese):	July 2008
Second draft RAP (English):	August 2008
Final RAP	September 2008
First draft of MPP (Chinese)	July 2008
Second draft of MPP (Chinese)	July 2008
Second draft of MPP (English)	August 2008
Final MPP	September 2008

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Mr John Carter Scales	08/13/2008
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr Panneer Selvam Lakshminarayanan	08/14/2008
Comments:		
Sector Manager:	Ms Mara K. Warwick	08/13/2008
Comments:	Signed in acting capacity on behalf of Ede Ijjasz, SM	