

**INTEGRATED SAFEGUARDS DATA SHEET  
CONCEPT STAGE**

Report No.: AC4072

**Date ISDS Prepared/Updated: 03/18/2009**

**I. BASIC INFORMATION**

**A. Basic Project Data**

Country: China	Project ID: P112359
Project Name: NanGuang Railway Project	
Task Team Leader: John Carter Scales	
Estimated Appraisal Date: March 30, 2009	Estimated Board Date: June 25, 2010
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>	<u>5,685.00</u>
	5,685.00

**B. Project Objectives [from section 2 of PCN]**

The objective of the Project is to provide additional transport capacity and reduce transport time between the relatively poor provinces of Guangxi and Yunnan in southwest China and the ports and economic growth centers in the Pearl River delta region. The project addresses the growing demand for rail passenger and freight services by providing a much shorter and quicker transport link between these provinces. The assessment of the achievement of the Project development objective will be carried out through the measurement of outcome indicators comprised of the number of trains run and respective travel time.

With the building of this line, the distance between Nanning and Guangzhou would be reduced by about 250 km as compared to the existing rail route via Lizhan-Guangmao railways. The travel time of passenger trains would be reduced from the current 14 hours to 3.2 hours. With the rebuilding and upgrading of the NanKun Railway between Nanning and Kunming, fast corridors between the provincial capital cities of Yunnan, Guangxi, Guangdong and Fujian would be established. The new line will also provide a high-quality logistics corridor between Nanning and the Pearl Delta ports.

**C. Project Description [from section 3 of PCN]**

The project is a part of a railway line between Nanning in Guangxi province and Guangzhou in Guangdong province. The project consists of a new double track electrified railway line of about 570 km between New Litang and Sanyanqiao, 16 km short of Guangzhou. (NanGuang line). The line consists of three parts: (a) Western section, Nanning Station to New Litang Station (92 km), (b) Central section, New Litang Station to New Zhaoqing Station (400 km), and (c) Eastern section, New Zhaoqing Station to Sanyanqiao Station (61 km). The project will construct the center section and two of the four tracks in the Eastern section (462 km). On the eastern end its tracks will run parallel with those of the proposed GuiGuang Railway line, within the same right-of-way, between New Zhaoqing and Sanyanqiao stations. The Western section will also have four tracks; two of these would be constructed as part of another on-going project from Nanning to Guilin and two tracks would be constructed as an extension of the project line to Nanning.

The maximum operating speed of trains on the new line will be 200 km/h for passenger and 120 km/hr for freight trains. It is expected that the travel time for passengers between Nanning and Guangzhou will be reduced from the present 14 hours (express) to a little over 3.5 hours. This line will provide additional capacity for freight trains also to handle growing demand.

The proposed alignment of the NanGuang line is relatively direct between New Litang (located on the proposed LiuNan Passenger Dedicated Line) and Sanyanqiao via New Zhaoqing (located on the proposed GuiGuang Railway line) and touches major urban centers such as Litang, Guigang, Wuzhou, Zhaoqing and Foshan. The line traverses through lightly-populated country, passing through a limited number of major centers en-route. The proposed alignment traverses through a variety of terrains including flat alluvial terraces and eroded basins and hilly/river valley basins. The line will have 199 bridges and viaducts (approximate length 152 km, 33%), and 106 tunnels (approximate length 94 km, 20%). Thus, about 53% of the new construction will be on bridges and through tunnels.

The planned construction period is about 4 years. It is planned to commence construction of this line in early 2009 and commission the line in 2013. The project cost (2005 prices) including the cost of locomotives and working capital is estimated at RMB 29.5 billion (US\$ 4.3 billion). 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 and will most likely not finance civil works or rolling stock. This is similar to the last two China Railways projects financed by the Bank. 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 project rail line is between Nanning in Guangxi Province and Guangzhou in Guangdong Province, China.

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

This project will be the 13th Bank financed project for Ministry of Railway in China. 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.

**F. Environmental and Social Safeguards Specialists**

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

**II. SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies Triggered	Yes	No	TBD
<b>Environmental Assessment (OP/BP 4.01)</b>	<b>X</b>		
<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 EIA and EMP will be prepared according to OP4.01. A single EIA and EMP reports are being prepared for the entire project. The major environmental issues envisage include:</p> <p>Analysis of alternative alignments: Given the presence of a number of ecologically sensitive areas and highly developed urban areas along the project corridor, 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) compatibility with existing urban development plans and minimization of land acquisition and resettlement; (ii) minimum environmental degradation in or near sensitive ecosystem such as nature reserves, forest parks and areas of poor geology and/or potential natural hazards; and (iii) connectivity of potential areas of economic development.</p> <p>Ecological impacts: The project runs along a well developed corridor, parallel to a major river. The area has a dense road network and is crossed by many electrical transmission corridors. Urban areas and agricultural areas are prevalent throughout the entire corridor. As such, the area of the project presents moderate to low sensitivity from an ecological perspective. The design has dealt adequately with crossing of some protected areas (mainly forest parks). Most areas were either avoided or will be crossed by tunnel or tunnel-bridge-tunnel systems. The alignment does not traverse any karstic ecosystems. A limited karstic erosion plain will be crossed towards the end of the line, with little significant ecological value and absence of caves. Aesthetic and scenic impacts will be analyzed in the EIA and mitigated appropriately.</p> <p>Access roads: The area has a good road network, so the potential need for new access roads will be limited. However, construction of new access roads may cause adverse impacts if not well managed. Special emphasis is being placed on proper design and specifications for the construction of such roads to ensure that they are properly constructed, maintained and operated with minimum environmental impacts after mitigation. The existing rural network will be used to the maximum extent to access tunnel portals, bridges and other key infrastructure. Opening of any new access roads and tunnel shafts will be subject to restrictions (no new access roads and tunnel shafts in or through protected areas for instance) and will be required to follow strict</p>			

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<p>specifications and review / approval procedures to be developed in EMP.</p> <p>Waste management: The railway line will include around 106 tunnels (approximate length 93.68km, or 20.1% of the total length). 8 tunnels will be over 3 km long and the longest tunnel will be about 12.3 km in length. Given the large percentage of tunnels on the line, and the reduced need for embankments, proper handling of large amounts of excess excavation materials will be an important issue for the EIA, especially considering the scarce number of places available for spoil disposal. The EA consultant, in consultation with local governments, has identified about 106 disposal sites that meet the environmental criteria at this stage (no disposal inside protected or scenic areas, in agricultural lands, unstable areas, or 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, a framework that specifies clear criteria and approval procedures will be developed in the EMP for additional spoil sites or changes of site locations during construction stage.</p> <p>Other issues such as stability and erosion, rural connectivity, noise, vibration, safety and occupational health issues, camp and construction management, will also be addressed in EIA as following standard environmental practices for design and construction. The EIA and EMP will also address potential impact to cultural resource, scenic impacts, cumulative impact and social impacts (a summary of resettlement and ethnic minority impacts). Environmental supervision of construction and environmental monitoring will also be included in the EMP. In EIA, the EMF as environmental management framework will be developed to address impact associated with temporary works that are left to the contract to design.</p> <p>Disclosure and public consultation: In August 2008, information disclosure, including information release and simplified EIA report, have been conducted through China Environment News and public accessible website. Meanwhile, onsite consultation with local governments/authorities, communities and residents were also conducted through questionnaire, meeting, online forum, etc.</p> <p>Linkage: No linkage issues have been identified.</p>			
<b>Natural Habitats (OP/BP 4.04)</b>	<b>X</b>		
<p>This policy is triggered. During EA preparation, a total of 6 nature reserves, forest parks and scenic areas have been identified in the vicinity of the project corridor. Careful alignment selection has avoided two of them. However, the alignment will go through two county-level forest parks, one-city level nature reserve, and will pass by the outskirts of the national-level Xinghu Scenic Area. A tunnel system will be adopted for these sections to minimize loss of vegetation and environmental impacts, thus effectively minimizing the project footprint in these areas. Strict construction management will be enforced during construction, e.g. no new access roads, no tunnel shafts, no disposal sites, no construction camps, minimum clearing, restoration of affected areas, etc. The alignment doesn't traverse any karstic ecosystem. A limited karstic erosion plain will be crossed towards the end of the line, with significant ecological value and absence of caves. Overall, no significant/irreversible degradation of natural habitats is to be expected.</p>			

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<b>Forests (OP/BP 4.36)</b>		<b>X</b>	
<p>This policy is not triggered. The project is unlikely to cause significant conversion or degradation of natural habitats. Although a few hundreds hectares of forestland will be occupied by project facilities, the project will not lead to loss of protected, old, or valuable plants under Chinese laws. The loss of vegetation will be common plants species and farmland crops; no forests of scale will be cleared. This determination is also in agreement with China's laws and practice.</p>			
<b>Pest Management (OP 4.09)</b>		<b>X</b>	
<p>The will be no use of herbicides in the right-of-way along the railway. The project will not involve procurement of pesticide or have any impact on pest management practice. This policy is not triggered.</p>			
<b>Physical Cultural Resources (OP/BP 4.11)</b>	<b>X</b>		
<p>Initial cultural property survey by local cultural institutes identified a site of ancient tombs along the project corridor in Guigang city. Field surveys showed the project corridor of the section is highly urbanized and no significantly visible tombs were found. Nonetheless, the alignment is being fine-tuned to reduce the possibility of potential impacts on the tombs. It is noted that the area is till officially designated as a Cultural Property Protection Area, and the alignment passes through the edge of it. Therefore, the policy is triggered. As a result, close consultation with Guigang Cultural Property Authority was conducted, and an official approval has been issued by the Authority. According to the approval, a detailed field archeological survey is required to be conducted prior to construction of this section. Chance-find procedures will be included in the EMP.</p>			
<b>Indigenous Peoples (OP/BP 4.10)</b>			<b>X</b>
<p>Guangxi is a Zhuang Ethnic Minority Autonomous Region, with several other ethnic minorities present in the region. The social assessment is being completed to carry out a screening for the presence of ethnic minority groups in the project impact zones, assess whether they, if identified, meet the World Bank policy definition of indigenous people, and whether an ethnic minority people's development plan needs to be prepare. The World Bank will review the recommendations of the social assessment and make a decision as to the following steps in compliance with this policy.</p>			
<b>Involuntary Resettlement (OP/BP 4.12)</b>	<b>X</b>		
<p>The project will have significant resettlement impacts. The MOR has entrusted the Southwest Communication University (SWCU) to lead resettlement planning, together with the engineering design institute.</p> <p>The planners have started the resettlement planning process and, on the basis of the following planning exercises,</p> <ul style="list-style-type: none"> <li>- Significant efforts in engineering design, in coordination with resettlement planning, to reduce resettlement impacts. Key measure is to adopt more bridges and tunnels whose total length takes more than 50 percent of the total railway;</li> <li>- On the basis of the project feasibility study and primary engineering design, the planning team has carried out a socioeconomic survey that covered over 2,200 households (28% of those losing houses and 31% of those losing land).</li> <li>- Full inventory survey of physical impacts and census survey of the affected population</li> </ul>			

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<p>within the impact zones as defined according to the preliminary engineering design and to be updated with detailed technical design;</p> <ul style="list-style-type: none"> <li>- Initial rounds of consultations with the affected people, disseminating project information, getting feedback from the communities over their preferences and recommendations for resettlement planning and feedback from local governments on the approach and practice on resettlement.</li> <li>- Review and development of the resettlement policies for the project, following local laws, regulations and the Bank resettlement policy and based on consultation with all the key stakeholders, including compensation rates and livelihood restoration approach.</li> </ul> <p>A draft resettlement action plan has been prepared. The project will affect 170 villages in 43 townships of 15 counties in Guangxi Autonomy Region and Guangdong Province. Permanent land acquisition is estimated at 27,777 mu and temporary leasing 12,780 mu. The project will require the relocation of 6,931 people in 2,029 households, and affect 189 enterprises, 23 shops and 7 schools.</p> <p>The RAP has adopted a two-phased planning approach. Based on general experiences in China in linear infrastructure development and initial consultations with the affected communities and local governments, the RAP has developed a strategy and a generic package of measures for livelihood restoration and compensation for communal village land. This includes land allocation, land redistribution, cash compensation, non-farm employment, social security program and vocation training etc. The second phase of planning is the detailed village planning process that will develop specific implementation actions and details for livelihood restoration in each and every individual village. The village councils will also discuss and agree with the relocating village households on the new house plots. Detailed implementation measures will also discussed and developed by the project resettlement office and relevant agencies over the relocation of the urban households, the restoration and reconstruction of affected infrastructure, enterprises and schools. This is the responsibility of the village committees as decreed under the Village Organization Law. Local governments and project agencies will advise and monitor the process to make sure it complies with relevant laws and the RAP.</p> <p>The RAP contains all essential elements, including detailed impact data, policy and legal framework, resettlement and rehabilitation approach and program, cost and budget, implementation arrangements, organization and monitoring arrangements. The team has reviewed the draft RAP and has provided technical comments for its improvement. They are required to take these into consideration when revising the RAP. It is expected that a revised RAP will be available for Bank to review mid-March 2009.</p> <p>A resettlement policy framework has been prepared and attached to the draft RAP for construction related resettlement impacts.</p>			
<b>Safety of Dams (OP/BP 4.37)</b>		<b>X</b>	
<b>Projects on International Waterways (OP/BP 7.50)</b>		<b>X</b>	
<b>Projects in Disputed Areas (OP/BP 7.60)</b>		<b>X</b>	

**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: N/A
- B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: 03/16/2009
- C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS.  
N/A

### **IV. APPROVALS**

<i>Signed and submitted by:</i>		
<b>Task Team Leader:</b>	<b>Mr John Carter Scales</b>	<b>03/10/2009</b>
<i>Approved by:</i>		
<b>Regional Safeguards Coordinator:</b>	<b>Mr Panneer Selvam Lakshminarayanan</b>	<b>03/18/2009</b>
<b>Comments:</b>		
<b>Sector Manager:</b>	<b>Mr Ede Jorge Ijjasz-Vasquez</b>	<b>03/16/2009</b>
<b>Comments:</b>		

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<sup>1</sup> 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.

