I. Introduction

Huangshi, a municipality in southeastern part of Hubei Province, has run into a typical challenge faced by many Chinese cities which are undergoing rapid urbanization. The central city of Huangshi, the old town, has been saturated with dense population and crowded space, leaving little room for further industrial development. This impairs Huangshi’s economic development, as industrial sectors are the main drivers of its economic growth. As a result, the new town, an economic and technological development zone, has started developing swiftly since 1992 and carried many important functions of Huangshi, especially the further industrial development. However, connectivity between the old town and the new has remained to be highly unsatisfactory, with only one dedicated bus line connecting the two towns. The connectivity problem affected a large number of commuters who work in the new town and hinders further development of the new town, as poor connectivity discourages people from settling down permanently in the new town.

II. Project Description

Hubei Huangshi Modern Tram Project is proposed to address the above challenges through the construction of a modern tram network with a total length of about 28 km. The components of the proposed Project include: i) laying of tracks, construction of stations and installation of associated facilities for the tram network; ii) procurement of
rolling stock; and (iii) consultancy support for commissioning, preparation of O&M plan, capacity building and project management.

III. Environmental and Social Aspects

The positive impacts of the Project include: i) reduced GHG emissions and air pollution; ii) reduced travel time for commuters and visitors; (iii) reduced traffic congestions; (iv) enhanced transport safety and comfort of travel; (v) reduced fuel consumption and vehicle operating cost; vi) improved mobility and accessibility for the local residents and visitors; (vii) improved quality of living for the connected population.

The Project is Category “B” in line with NDB’s Environment and Social Framework (ESF) and China’s environmental impact assessment regulations. Main environmental and social impacts include land acquisition and resettlement, wetland habitats and scenic areas, and waste generation and disposal. These impacts will be mitigated by adhering to the requirements of Chinese E&S regulations.

IV. Financials

The total cost of the Project is estimated to be RMB 4,898 million. The NDB will finance RMB 2,760 million or 56% of the total estimated cost. The remaining balance will be financed by counterpart funds from the People’s Government of Huangshi Municipality (GOHM) and Huangshi Railway Construction and Investment Company Limited (HRIC).

<table>
<thead>
<tr>
<th>Source of Fund</th>
<th>Amount (RMB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Development Bank</td>
<td>2,760</td>
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<tr>
<td>GOHM and HRIC</td>
<td>2,138</td>
</tr>
</tbody>
</table>

V. Implementation

The Project is estimated to be implemented over four years. HRIC will be the Project Implementation Agency. Procurement will be conducted in compliance with the national law and regulations, and NDB’s procurement policy.