

Project Summary for Public Disclosure

Project Name	Lanzhou Zhongchuan International Airport Phase III Expansion Project
Country	The People's Republic of China
Sector	Transport
Concept Approval Date	26 August 2021
Board Approval Date	18 July 2022
Total Project Cost	RMB 33 billion
Initial Limit of NDB Financing	Up to EUR 265 million
Current Limit of NDB Financing	Up to EUR 265 million
Borrower	The People's Republic of China
Project Entities	Executing agency: The People's Government of Gansu Province (GoG) Implementing agency: Gansu Civil Aviation Airport Group Co. Ltd. (GCAG)
Project Context	<p>Lanzhou is the capital city of the Gansu province in north-west China. Located on the banks of the Yellow River, Lanzhou is a key regional transportation hub, connecting areas further west to the eastern regions of China. Gansu, with its rich cultural heritage and unique natural landscapes, is a popular destination for tourism.</p> <p>Lanzhou Zhongchuan International Airport (LZIA) serves as the primary gateway airport to the Gansu province, and is one of the major air transport hubs in western China. The current design capacity of LZIA is 8 million passengers and 100,000 tons of cargo annually. Since 2016, the passenger throughput of LZIA has been above its design capacity and exceeded almost twice by reaching 15.30 million passengers in 2019. The expansion of LZIA is imperative to meet the increased demand for air traffic and improve the passenger service levels.</p>
Project Objective	The Project will address the capacity constraints of LZIA by expanding the airport facilities to meet the growing demand for air travel. The Project will also contribute towards developing an efficient and comprehensive transport network in the region by integrating LZIA with surface transport and acting as a multimodal connection hub.
Project Description	The Project involves expansion of the airport infrastructure of LZIA comprising of constructing two new runways with associated taxiway

	<p>system, apron, terminal building, ground transportation center, cargo facilities, supporting infrastructure and auxiliary facilities.</p> <p>After expansion, LZIA will have a design capacity for annual passenger throughput of 38 million, cargo throughput of 300,000 tonnes, and 300,000 flight movements, able to serve projected demand until 2030.</p>								
<p>Expected Benefits</p>	<p>The Project outcomes will be increase in annual passenger throughput by 30% and cargo throughput by 129% in 2026 as compared to 2019 levels due to improved capacity and efficiency of air travel to and from Gansu. The Project will act as a catalyst in promoting economic and social development of the region by enhancing connectivity and access for trade, tourism, business, and other socio-economic activities, and thereby contribute to reducing regional disparities.</p>								
<p>Environmental and Social Aspect</p>	<p>The Project has been classified as Category A in accordance with the NDB Environment and Social Framework. The main environmental and social impacts include land acquisition and resettlement, diversion of basic farmland, noise and air pollution impacts on neighbouring communities during operations. Adherence to country systems and implementation of management plans, including the E&S Impact Management Plan prepared in consultation with NDB, will minimize and mitigate these impacts.</p>								
<p>Financing Aspect</p>	<p>The Project will be financed through loan from NDB, funding from domestic banks and counterpart funding from governmental sources and equity.</p> <table border="1" data-bbox="497 1451 1437 1630"> <thead> <tr> <th data-bbox="497 1451 948 1491">Source of Fund</th> <th data-bbox="954 1451 1437 1491">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="497 1496 948 1536">NDB Loan</td> <td data-bbox="954 1496 1437 1536">EUR 265.00 million</td> </tr> <tr> <td data-bbox="497 1541 948 1581">Loans from domestic banks</td> <td data-bbox="954 1541 1437 1581">RMB 14.80 billion</td> </tr> <tr> <td data-bbox="497 1585 948 1626">Counterpart funding</td> <td data-bbox="954 1585 1437 1626">RMB 16.70 billion</td> </tr> </tbody> </table>	Source of Fund	Amount	NDB Loan	EUR 265.00 million	Loans from domestic banks	RMB 14.80 billion	Counterpart funding	RMB 16.70 billion
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<p>Implementation</p>	<p>GoG is the executing agency, responsible for overall planning of the Project, guiding and monitoring its execution, and achieving planned results. GCAG is the implementing agency, responsible for implementing the Project under the guidance of the executing agency. Commercial operations of the Project are targeted to commence in 2025.</p>								

	<p>NDB Loan will finance procurement of equipment and system components for the Project, following the country system procurement laws and regulations and complying with the core principles of NDB Procurement Policy.</p>		
<p>Contacts</p>	<p>NDB</p>	<p>Borrower</p>	<p>Implementing Agency</p>
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