INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE

Report No.: ISDSC3878

Date ISDS Prepared/Updated: 24-Oct-2013

Date ISDS Approved/Disclosed: 29-Oct-2013

I. BASIC INFORMATION

A. Basic Project Data

Country:	China	**Project ID:**	P133117
Project Name:	Chongqing Small Towns Water Environment Management Project (P133117)		
Task Team Leader:	Ji You		
Estimated Appraisal Date:	17-Feb-2014	**Estimated Board Date:**	28-Aug-2014
Managing Unit:	EASCS	**Lending Instrument:**	Investment Project Financing
Sector(s):	General water, sanitation and flood protection sector (60%), Wastewater Collection and Transportation (30%), Wastewater Treatment an d Disposal (10%)		
Theme(s):	Water resource management (60%), Pollution management and environmental health (40%)		

Financing (In USD Million)			
Total Project Cost:	163.95	Total Bank Financing:	100.00
Financing Gap:	0.00		

Financing Source	**Amount**
Borrower	63.95
International Bank for Reconstruction and Development	100.00
Total	163.95

Environmental Category:	A - Full Assessment
Is this a Repeater project?	No

B. Project Objectives

A preliminary project development objective (PDO) proposed for the project is to support Chongqing's urban-rural integration agenda in selected project counties through improvement of water environment infrastructure services including flood management, water pollution management, and capacity building.

C. Project Description

The proposed project will include the following two components:

Component 1: Water Environment Infrastructure Improvement

a. Sub-component 1: Flood management in Tongnan County. This component includes the construction of a river embankment of 6.7 km and a sluice gate needed to raise flood protection levels along the Fujiang River to 1/20 year floods for the new urban expansion area (Dafuba) in the county seat, with associated dike-top roads and non-structural measures.

b. Sub-component 2: Flood management and wastewater treatment in Rongchang County. Structural measures include a river embankment of 13.6 km along the Laixihe River upstream to the county seat's flood protection investment funded by the Bank's previous loan project (CSCP), with associated dike-top roads, pipe works (6.2km), and the upgrading of an existing WWTP from current capacity of 350 m3/day up to 2,300 m3/day. Non structural measures will also be implemented.

c. Sub-component 3: Flood and wastewater management in Shizhu County. This sub-component includes a river embankment of 6.7 km along the Longhe River, upstream and downstream to the county seat's flood protection project funded by a previous Bank loan project (CSCP), with associated dike-top roads of 2.6 km and sewage/drainage pipes of 14.4 km (including wastewater collection pipes in the old urban area), and non structural measures.

d. Sub-component 4: Flood management and wastewater management in Pengshui County. Structural measures include a river embankment of 2.66 km on the left side of Wujiang River needed to raise the flood protection level to 1/20 year floods for the county seat's new urban area. Also included are civil works for 4 km of sewage collection pipes and 2.6 km of drainage pipes, along with non structural measures.

Component 2: Institutional Capacity Building and Project Implementation Support This component has two sub-components.

a. Non-structural measures for water environment and flood management. Innovation and capacity-building in the area of non-structural measures will be important to enhance water environment management effectiveness and sustainability. There is a need to link particularly the activities of the main sectoral agency, Ministry of Water Resource, and its regional entity, the Yangtze River Commission, with those of local government organizations, particularly those responsible for land use planning. The main non-structural measures being considered for inclusion under the project include: (i) flood mapping and land use planning; (ii) optimal operation of physical systems for flood and water environment management in the river basin or sub-basin context; (iii) improved flood forecasting and early warning systems; (iv) development of flood contingency plans or flood emergency preparedness plans; (v) flood management facility operation and management staff training and knowledge exchange, (vi) public awareness raising of flood risk; and (vii) dissemination of project results within Chongqing and China.

b. Project management and implementation support through provision of consulting services to:

1. Enhance the design, supervision, and certification of works carried out under the project;
2. Strengthen the capacity of the Project Implementation Entity at the municipal and county levels in the areas of project management, procurement and contract management, accounting and financial management, and compliance with safeguards policies;
3. Strengthen the institutional capacity for operation and maintenance (O&M) for urban flood and water environment management facilities at the county level; and
4. Develop funding mechanisms to sufficiently cover O&M of the improved structural and non structural measures.

D. Project location and salient physical characteristics relevant to the safeguard

analysis (if known)

Chongqing Municipality (CQM), with an area of 82,400 km2 and a total population of 33.3 million, has over 45% of its population living in rural areas (this rural population percentage is higher than those of the other three provincial level cities of Beijing, Shanghai, and Tianjin with rural population levels of 14%, 11% and 38% respectively). CQM has a total surplus rural labor estimated at over 8.45 million people. The strategic challenges of urban-rural disparity, regional disparity, and income disparity at the national level are mirrored in Chongqing. As a result, Chongqing was selected by the central government in 2007 as one of two pilot municipalities (the other being Chengdu Municipality) to promote urban-rural integration as part of the national strategies of Western Region Development, Urban-Rural Integration and Development prioritized in the country's 11th and 12th Five-Year Plans (FYP).

Chongqing municipality has an average annual rainfall of 1,025 mm, mostly concentrated in the flood season from June to September, and significant rivers such as the Wujiang and Fujiang flowing through the project counties. River flooding is a common challenge with a 1/10 flood protection level at most county seats. Associated with economic and population growth, flood damage is increasing as exposure to flooding rises. The response from CQM represented by the water resources bureaus at the municipal and county levels is to invest heavily into the flood management structures and introduce critical non-structural measures such as flood forecasting and early warning systems. Considering the expected impacts of climate change, the risk exists that the magnitude of extreme events will increase and further increase flood damage. Implementing non-structural measures will be important to enable populations to live with the increasing potential flood risk associated with climate change.

Water pollution from increasing urban populations and intensifying industrial activities is also becoming a very important issue in many parts of the municipality including several of the project counties. The municipality as a whole, located upstream of the Three-Gorges reservoir, lacks sewage collection and treatment infrastructure and capacity. The government is currently working to narrow this gap with funding from different sources.

Typically located in deep river valleys and built on scattered small pockets of scarce land available for urban construction, the growth and development of these county seats has been severely constrained by these cities' disadvantageous mountainous topography, in particular in the two sub-regions of the northeast wing and southeast wing. Given their topographic and geological conditions, county seats in Chongqing are exposed to relatively high risks of events such as river flooding, land slides and soil erosion, and water pollution.

Good progress has been made in recent years to reduce flooding risks, in particular in the existing built-up areas of these counties seats, through structural measures. However, flooding risks in the new residential and industrial areas or those currently under development in the county seats need to be fully managed before these county seats can perform their roles in Chongqing's urbanization process in a safe and sustainable manner. While the current population has experience with previous flood events, the new residents will be unaware of the urban flood risk. Awareness raising and emergency preparedness will need to be reinforced.

E. Borrowers Institutional Capacity for Safeguard Policies

CQM and its Project Management Office (PMO) have been working with the World Bank for two decades and are familiar Bank safeguards policies and requirements. The borrower has engaged a

qualified institute to carry out an environmental assessment (EA) for the project. Initial work of this EA consultant team on preparing the Term of Reference (ToR) for the EA demonstrates adequate capability. Training on the Bank safeguard policies and relevant guidelines has been provided by the Bank team to the project entities and their EA consultant, and will continue throughout the preparation process.

F. Environmental and Social Safeguards Specialists on the Team

Chongwu Sun (EASCS)

Meixiang Zhou (EASCS)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	Based on the project proposal and preliminary screening during project identification, this policy is triggered. The project will have significant benefits in terms of providing improved flood control and water management infrastructure and services. Investmentsunder Component 1 include civil works for water infrastructure such as flood control facilities, embankments, access roads, and sewer collection pipes, depending on the scale and actual needs of each county. Limited land reclamation would be required for construction and expansion of proposed infrastructure facilities. Potential environmental and social impacts include: i) construction impacts related to disturbance to river beds, water quality degradation, soil erosion, noise, dust, and shipping and disposal of construction waste; as well as ii) operational impacts related to a potential change in river flow and changes in wastewater treatment capacity with increased wastewater collection. A category A is proposed mainly because the location of some proposed sub-components could be environmentally sensitive (e.g., flood control and embankment in Pengshui County's Wujiang River section and Shizhu County's Longhe River section), though some impacts may be site-specific and few would be irreversible. An Environmental Impact Assessment (EIA) and a standalone

		Environmental Management Plan (EMP) with appropriate mitigation measures and estimated cost for EMP implementation and monitoring will be prepared for the project. For a Category A project, an EA Summary will be prepared based on the information from the EIA and EMP. In the EA process, cumulative impact assessment could be conducted focusing on the proposed expansion of the existing WWTPs in two project counties. During preparation of the proposed instruments, the WBG's Environmental, Health and Safety Guideline is considered an important reference. Due diligence review would be conducted if there are any existing facilities and projects related to the proposed project. Public consultation and information disclosure will follow OP4.01 requirements during EA preparation. At least two rounds of public consultation will be carried out with potentially affected persons and other relevant stakeholders through various methods, e.g., questionnaire surveys, interviews, and public meetings as needed. The full draft EA will be disclosed locally. Social impact studies should be designed and conducted as part of the EA.
Natural Habitats OP/BP 4.04	TBD	Based on the information provided, there are no significant natural habitats in the proposed project areas. However, since the project components are located in various places, a detailed survey will be conducted as part of the EA process. The EA consultant will be required to do a screening during EA preparation to determine whether the policy is triggered.
Forests OP/BP 4.36	No	Based on current information available, the proposed project components are not located in forest areas.
Pest Management OP 4.09	No	The proposed project will neither procure pesticides nor result in an increased use of pesticides.
Physical Cultural Resources OP/ BP 4.11	Yes	Based on current information available, two national level culture heritage sites are within the project impacted areas in Tongnan and Rongchang. During the EA preparation, detailed

		screenings and a survey would be conducted and local culture authorities would beconsulted. A PCR management plan would be prepared, as necessary, with appropriate mitigation measures.
Indigenous Peoples OP/BP 4.10	TBD	The Bank loan project sites are located in four selected counties of Chongqing: Tongnan, Rongchang, Liangping, and Shizhu counties. Shizhu and Pengshui county, the two southeastern sub-project areas, are Tujia and Miao autonomous counties, with respectively 72.3% and 61.9% ethnic minority population. Tujia are the majority population in Shizhu County, while Miao are the majority population in Pengshui County. Since most of the project areas within the counties are in urban or peri-urban areas without distinct ethnic minority communities, the Tujia and Miao people in the project areas are fully integrated, both socially and economically, with the Han populations in the area. No distinctive Tujia or Miao customs exist there as the minority populations are integrated with the surrounding communities. They are usually not seen as IP under the Bank IP term. However, since the scope of project impacts has not been fixed or determined at this stage, a qualified consulting team experienced in social assessments for World Bank-financed projects will undertake further social screening, including a social assesment, to further identify and confirm if the ethnic minorities in the project areas are IP under the term of definition in OP4.10. On the basis of the results of the social survey and analysis presented in the social assessment report, the final determination whether the Bank Indigenous People policy (OP4.10) is applicable will be made by the Bank task team before project appraisal. An IPP will be prepared if the Bank IP policy 4.10 is triggered.
Involuntary Resettlement OP/BP 4.12	Yes	The proposed physical activities consist of river bank rehabilitation and improvement, construction of related roads, sewers and drainage pipes, and construction of bridges and culverts. On the basis of the draft project proposals and

		site visits, the project has significant land acquisition and resettlement impacts and each sub-project within the four counties will involve land acquisition and resettlement activities as a result of construction under the various sub projects. As a result, the World Bank policy on involuntary resettlement (OP4.12) is triggered. Full Resettlement Action Plans (RAP) for each subproject plus a consolidate RAP will be required. Although most resettlement impacts by the project can be clearly scoped and investigated prior to appraisal, some impacts related to the installation of sewers and pipes may not be determined prior to project appraisal. In this case, a Resettlement Policy Framework (RPF) will be prepared. With regard to any possible linked activities in relation to ancillaries of the project civil works and sewer pipes to the project funded waste water treatment plants, further screening is undertaken during the preparation of RAPs and RPF. The Bank task team will ensure any confirmed linkage issue under the OP 4.12 be properly addressed and included in the safeguards instruments as necessary.
Safety of Dams OP/BP 4.37	Yes	The proposed project will not directly finance the construction and rehabilitation of any dams. However, dam safety might be linked to proposed sub-projects in Component 1. Therefore, the task team will hire a dam safety expert to carry out a dam safety evaluation during project preparation stage.
Projects on International Waterways OP/BP 7.50	No	Not applicable
Projects in Disputed Areas OP/BP 7.60	No	Not applicable

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 04-Nov-2013

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing[1] should be specified in the PAD-stage ISDS:

[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.

Draft EA and EMP by the environmental consulting team will be prepared by pre-appraisal.

Draft RAP by the social consulting team will be prepared by pre-appraisal.

The dam safety review report by the independent dam safety expert will be prepared by pre-appraisal.

IV. APPROVALS

Task Team Leader:	Name: Ji You	
Approved By:		
Regional Safeguards Coordinator:	Name: Peter Leonard (RSA)	Date: 28-Oct-2013
Sector Manager:	Name: Mark R. Lundell (SM)	Date: 29-Oct-2013

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