

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC4310

Date ISDS Prepared/Updated: 26-Jun-2013

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I. BASIC INFORMATION

A. Basic Project Data

Country:	China	Project ID:	P145533
Project Name:	China Contaminated Site Cleanup Project (P145533)		
Task Team Leader:	Qing Wang		
Estimated Appraisal Date:	12-Jun-2014	Estimated Board Date:	18-Dec-2014
Managing Unit:	EASCS	Lending Instrument:	Specific Investment Loan
GEF Focal Area:	Persistent Organic Pollutants		
Sector(s):	Other industry (90%), Public administration- Industry and trade (10%)		
Theme(s):	Pollution management and environmental health (94%), Environmental policies and institutions (6%)		
Financing (In USD Million)			
Total Project Cost:	75.00	Total Bank Financing:	0.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source		Amount	
BORROWER/RECIPIENT		60.00	
Global Environment Facility (GEF)		15.00	
Total		75.00	
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The project development objective (also the global environmental objective) is to support the Chinese government to establish the policy and regulatory framework for contaminated sites, and pilot the identification and remediation of sites contaminated with POPs and other hazardous chemicals.

C. Project Description

The Government of China is showing keen interest in the Project that would support its investment programs to address the above-mentioned issues of contaminated site cleanup and redevelopment at both the national and the provincial levels. At the national level, the project will focus on technical support to the development of the national-level legal and regulatory framework for contaminated sites in general, POPs contaminated site inventory, and international and national knowledge sharing. At the provincial level, two provinces as pioneers with strong commitment, ownership, willingness to control and cleanup of contaminated sites will be selected during the project preparation stage as the demonstration provinces. FECO will rapidly initiate discussions during project preparation with potential provinces and municipalities including Hunan, Shandong, Jiangsu, Guangdong, Liaoning, Hubei, Beijing, and Chongqing regarding their interest to participate to the project as these provinces and cities have been at the forefront of efforts on contaminated sites management. Other provinces will also benefit from targeted knowledge sharing and training activities and events on contaminated site cleanup under the Project. The provincial approach will allow combination of policy actions, technical assistance and cleanup investments to address systematically site contamination issues in China, which also ensures sustainability of the project outcomes.

The project will include the following three components to achieve the PDO.

a) Component 1: Support to the development of the regulatory framework and capacity building for management of contaminated sites and development of a national priority list of POPs contaminated sites. This component will cover three sets of activities. First, this component will establish a set of policies, regulations and technical guidelines at the national level and in the two demonstration provinces for addressing contaminated sites in general (not only POPs sites). The preparation, introduction and application of technical guidelines and standards will cover the entire cleanup process, including preliminary site assessment, site inspection, priorities listing based on risk assessment, site investigation, cleanup design - cleanup objectives and technology selection based on risk mitigation and cost-effectiveness, and detailed analysis against established evaluation criteria, review of site cleanup proposals, cleanup implementation (including dismantling of buildings on the site), cleanup completion with verification, and site redevelopment. These policies and guidelines will also include requirements related to community involvement, enforcement, emergency response, certification of qualified site-cleanup service providers, and a wide variety of characterization, monitoring, and remediation technologies throughout the cleanup process.

Secondly, this component will provide training programs for different target audiences on laws, policies, guidelines, standards, the site cleanup process and reporting requirements, and conduct public awareness-raising activities and knowledge sharing workshops on cost-effective containment and cleanup technologies. Outreach will be organized for stakeholders to see the cleanup process and results under Component 2.

Thirdly, this component will carry out the preliminary assessment and site inspection to evaluate the risks at POPs sites: mainly POPs pesticides, e-waste (including PBDEs- polybrominated diphenyl ether and other POPs if any) and PFOS contaminated sites, as well as mercury contaminated sites (as relevant) and to produce a national priorities list stored in a management information system (MIS). The list is intended primarily to guide the country in determining which sites warrant further investigation and cleanup.

b) Component 2: Cleanup or contamination control of sites contaminated with POPs (may contain other hazardous chemicals). This component will finance site cleanup and/or contamination

control. Different site-specific cleanup financing mechanisms, cleanup technologies and contamination control measures are expected in order to diversify the demonstration results. The project might target the cleanup and/or contamination control of five to eight sites.

Sites are expected to be selected from the two demonstration provinces. Sites will be selected considering the following factors: sites are found that can be cleaned up readily and profitably because of high redevelopment potential or where health risks are so urgent that immediate action is needed; sites which are exposing high risks but cleanup is not feasible in short term need contamination control measures; cost-effectiveness of cleanup technologies; financial mechanisms; and the total number of sites to be included in the project will depend on mostly and the project budget and the availability of co-financing. Detailed site selection criteria will be determined and agreed with the project counterparts at the early stage of project preparation.

As the final cleanup approach and budget of a site can only be determined following detailed site investigations, technical cleanup design and environment management plans (EMPs), it is not possible to confirm and prepare all sites during project preparation for direct implementation of remediation works. Therefore, it is proposed that a list of candidate sites with diversified situations will be prepared during project preparation based on available information. It is expected that preparation work (site investigation, technical cleanup design and EMPs) for the first one or two sites will be completed during project preparation so that cleanup works could start for these sites in the first year of project implementation. Cleanup works for the other demonstration sites will be prepared during project implementation. This approach allows a certain staging of remediation works under this component for the various sites, which will be beneficial to support Component 1 and the preparation of other demonstration sites will follow the sites that started earliest. The lessons learned from all the demonstration sites will feed the process of policy development under the Component 1.

c) Component 3: Project management, monitoring and evaluation. This component will support monitoring and evaluation of the project outcome indicators and results, administration of project activities, and the project launch and completion workshops.

Project Cost and Duration. The total project budget will be determined during project preparation; however, it is currently estimated about US\$75 million with the main sources of financing to be provided by the government and/or site owners/users (US\$ 60 million) and the GEF grant (US\$ 15 million). See an estimated cost breakdown in the Bank PCN stage/GEF datasheet. The GEF project preparation is expected to begin in July 2013 with GEF and the Bank's approval envisaged for 2014 and an implementation period of six years (2015-2020).

Project Preparation Grant. A GEF project preparation grant (PPG) of US\$ 300,000 requested for project preparation will support the following activities: (1) design of component 1: hold stakeholder meetings, carry out relevant studies needed for fine-tune the project activities at the national and provincial levels; (2) preparation of the site cleanup activities through identifying two demonstration provinces and candidate sites, including holding stakeholder meetings, collecting and studying site baselines, and developing a list of candidate sites. One or two sites will undergo comprehensive site investigation, risk assessment, cleanup technology evaluation, and environmental and social assessment as basis for these sites to be remediated early during project implementation, and (3) establishment of project management teams at the national and provincial levels, hiring technical consultants for project preparation activities and project preparation management.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The regulatory framework establishment, institutional capacity building and development of national priority list of POPs contaminated sites will be policy and institutional strengthening activities at national level. Cleanup of selected sites in demonstration provinces will be identified during project preparation stage. The selected sites will be locations where POPs will be stored, buried or where materials can be found that are contaminated with POPs such as soil or structures. Typically, these sites would be former chemicals (pesticides) production locations and industrial waste disposal sites. The selection of a limited number of sites for remediation under the project will be done during the project preparation. The project program will also allow for additional site selection for remediation during project implementation under selection criteria to be detailed during project preparation.

E. Borrowers Institutional Capacity for Safeguard Policies

The project national implementing agency will be the Foreign Economic Cooperation Office (FECO) of the Ministry of Environmental Protection (MEP). FECO has been designated as the national lead implementing agency for all POPs activities for implementation of the POPs Convention since 2002. It has prepared and implemented 12 POPs projects financed by the GEF, five of them are supervised by the World Bank and three of the five have been completed. FECO has accumulated experiences and capacity of managing POPs projects according to the Bank's safeguard and fiduciary requirements. The project will also involve provincial governments and the project-implementing units (PIUs) at the provincial level will be established. When selecting demonstration provinces, the capacity of local governments will be evaluated based on the past working experiences.

F. Environmental and Social Safeguards Specialists on the Team

Peishen Wang (EASIN)

Ning Yang (EASCS)

Meixiang Zhou (EASCS)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>The proposed project will support cleanup of a few POPs contaminated sites in demonstration provinces. Given the significant potential environmental and health risks of POPs contamination and the possibility that hazardous materials may need to be managed (excavated, repackaged, transport for ex-situ treatment) as part of remediation works, the project is proposed to be a Category A project as per OP4.01. But the category will be revisited at the QER stage when site information are available.</p> <p>It is planned that two demonstration sites will be identified during project preparation stage and cleaned during the first year of project implementation, and a few other sites will be identified and cleaned-up during the</p>

		<p>implementation stage. For the first two sites identified during project preparation, specific EA documents will be prepared including Environmental Site Assessment and Environmental Management Plan (cleanup plan). For other sites to be identified during project implementation stage, an Environmental and Social Management Framework (ESMF) will be prepared.</p> <p>Policy formulation under the project Component 1 will also be in line with the Bank's safeguard requirements.</p>
Natural Habitats OP/BP 4.04	No	The contaminated sites are brown-field locations and unlikely to be located in any natural habitats, therefore the policy is not triggered.
Forests OP/BP 4.36	No	The project is very unlikely to affect any forests. The policy is not triggered.
Pest Management OP 4.09	No	The project does not involve the procurement or use of pesticides. The policy is not triggered.
Physical Cultural Resources OP/BP 4.11	TBD	The site cleanup will likely involve significant earth moving. Screening of presence of Physical Cultural Resources will be conducted during site investigation, and chance-find procedures will be included in the EMP.
Indigenous Peoples OP/BP 4.10	TBD	The cleanup of POPs contaminated sites is not decided at this stage. It is very unlikely expected to have adverse impact on indigenous people community in selected sites, but this can only be determined after the specific demonstration sites are selected. Whether the IP policy is triggered or not is to be determined.
Involuntary Resettlement OP/BP 4.12	Yes	The site cleanup is likely to involve land acquisition, house demolition and involuntary resettlement; therefore the policy is triggered based on a precautionary consideration. A resettlement policy framework and/or action plan will be prepared.
Safety of Dams OP/BP 4.37	No	The project doesn't involve any dams. The policy is not triggered.
Projects on International Waterways OP/BP 7.50	No	The project doesn't involve any international waterways. The policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in any disputed area. The policy is not triggered.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 30-May-2014

B. 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:

After the two demonstration provinces are identified in September 2013, the safeguard-related studies will be initiated.

In addition, at the QER stage when a list of potential sites for Component 2 is available, a separate safeguard meeting will be organized to discuss these sites and the criteria that will be used for final site selection. Moreover, the safeguard categorization will be revisited by then.

IV. APPROVALS

Task Team Leader:	Name: Qing Wang	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name: Mark R. Lundell (SM)	Date: 21-Jul-2013

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.