

# INTEGRATED SAFEGUARDS DATA SHEET

## APPRAISAL STAGE

**Report No.:** ISDSA6532

**Date ISDS Prepared/Updated:** 17-Apr-2014

**Date ISDS Approved/Disclosed:** 17-Apr-2014

### I. BASIC INFORMATION

#### 1. Basic Project Data

<b>Country:</b>	China	<b>Project ID:</b>	P133069
<b>Project Name:</b>	Shaanxi Small Towns Infrastructure Project (P133069)		
<b>Task Team Leader:</b>	Guangming Yan		
<b>Estimated Appraisal Date:</b>	24-Mar-2014	<b>Estimated Board Date:</b>	25-Sep-2014
<b>Managing Unit:</b>	EASCS	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	General water, sanitation and flood protection sector (40%), Rural and Inter-Urban Roads and Highways (60%)		
<b>Theme(s):</b>	City-wide Infrastructure and Service Delivery (60%), Water resource management (40%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	256.90	Total Bank Financing:	150.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			106.90
International Bank for Reconstruction and Development			150.00
Total			256.90
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

#### 2. Project Development Objective(s)

The project development objective is to improve the infrastructure service delivery in selected small and medium towns in Shaanxi Province.

#### 3. Project Description

The Shaanxi Province and Bank agreed that project formulation will be guided by the following principles: (i) support Shaanxi's efforts of promoting the urban development of county seats (third tier cities defined in Guan-Tian Economic Zone Development Plan ) and selected key towns of provincial level, which perform critical roles and have great potential for facilitating rural-to-urban migration from vast rural area in Shaanxi; (ii) address gaps of basic urban infrastructure services in existing built-up area with high priority, supplemented by support to prioritized infrastructure investments in town's expansion area being developed; (iii) give high priority for urban infrastructures shared by multiple towns to encourage integration of infrastructure, facilitate efficient operations, and improve the financial and operational performance; and (iv) give higher priority for construction of urban infrastructures that have added-value of facilitating job creation or industrial development in project towns.

The following components (Total cost US\$ 256.9 million) have been selected for preparation, but are subject to refinement and amendment as project preparation proceeds:

(a) Component 1: Infrastructure and Service Upgrading (Base cost US\$ 206.3 million): The component includes two subcomponents: (i) Infrastructure Improvement, including new construction and upgrading of urban roads and missing links in project counties/districts; and (ii) Infrastructure Rehabilitation, including rehabilitation and expansion of water supply source development and distribution networks; wastewater collection networks; storm drainage networks; and associated road pavement improvements.

(b) Component 2: Town Management Improvement and Implementation Support (Base Cost US\$ 3.0 million). The component includes: (i) town management improvements in project counties/ districts through introduction of asset management practices comprising: improved Operation and Maintenance plans and budgets, infrastructure mapping, preparation of asset registers, and provision of training, study tours and office equipment; (ii) policy advisory studies on Shaanxi's small town development initiative to assist Shaanxi Province to strengthen policies and planning practices conforming to the New Urbanization Agenda; and (iii) implementation support for project management, design reviews, monitoring, evaluation, and reporting, etc.

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

An inland province along the middle reaches of the Yellow River and a gateway to northwest China, Shaanxi links the west with the east and connects the north with the south. It borders Ningxia, Inner Mongolia, Shanxi, Henan, Hubei, Sichuan and Gansu provinces, covering an area of 205,600 sq km. Total population is about 37 million.

The province has three distinctive landforms from north to south. The Loess Plateau in the north (Shaanbei Region) has an elevation of 800-1,300 meters, and accounts for 45% of the total area of the province. The Central Shaanxi Plain (Guanzhong Region) in the middle averages an elevation of 520 meters. The Qinling and Daba mountainous areas in the south (Shaannan Region) include the Qinling Mountains, Daba Mountains, and Hanjiang River Valley, accounting for 36% of the total area of the province. The Qinling Mountains and the Daba Mountains in the southernmost of the province measure 1,000-3,000 meters and 1,500-2,000 meters in elevation, respectively.

The proposed components would support 12 county seats and/or key towns (average population about 35,000 and built-up area around 3-5 km<sup>2</sup>) in nine project counties/districts across seven municipalities: Xi'an, Xianyang, Baoji, Tongchuan, Weinan, Hanzhong and Ankang.

Geographically, Yanliang District (District Seat and Wutun Town), Chengcheng County (County Seat), Wugong County (Wugong Town), Chunhua County (Run Town), Xunyi County (County Seat and Zhitian Town), Chencang District (District Seat) and Yintai District (District Seat and Chenlu Town) are within the Guanzhong-Tianshui Economic Zone, and Hanyin County (County Seat) and Hantai District (Pu Town) locate in Shaannan Region (southern part of Shannxi) .

## 5. Environmental and Social Safeguards Specialists

Chongwu Sun (EASCS)

Zhefu Liu (EASCS)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p> <p>Social safeguards:</p> <p>The project has significant social benefits. It supports the improvement of infrastructure service delivery in selected small and medium towns in 9 counties/districts of 7 municipalities in Shaanxi Province by addressing accumulated maintenance backlog, completing service coverage, upgrading and construction of urban infrastructure.</p> <p>The Bank Policy OP 4.12 Involuntary Resettlement is triggered. A Resettlement Action Plan (RAP) was prepared. The RAP provided details on resettlement policy procedures and requirements that will have to be followed during project implementation, including compensation rates, mitigation measures to restore livelihoods, and institutional and monitoring arrangements.</p>
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The RAP has been disclosed through Bank's InfoShop on March 3, 2014.

The proposed project will support 12 county seats and/or key towns in nine counties/districts in Shaanxi Province. The project will require the permanent acquisition of 109.9 hectares of land, including 96.3 hectares of cultivated land, 10.6 hectares of housing lots and 3 hectares of constructed land. The dominant current land use is growing wheat and corns. The project will require 71,527 square meters of structures, including 58,248 square meters of concrete and brick houses, 6,805 square meters of brick and wood houses, 3,659 square meters of muddy and wood houses, and 2,815 simple houses. As the result, the project will impact 568 families with 2223 persons by land acquisition and 334 families with 1,252 persons by housing demolition.

The task team conducted due diligence reviews to the local projects, that link to the Bank supported project components, implemented two years prior to the project identification;. The task team identified that (i) Shuibei water treatment plant in Yanliang District, and (ii) waste water treatment plant in Hanying county are linked to the Bank supported pipelines. The due diligence review confirmed Chinese land law, Shaanxi provincial land administrative management regulation and local regulation have been followed and the affected villagers received their compensation.

#### Environmental Safeguards

Environmental Assessment: The Bank policy OP 4.01 Environmental Assessment is triggered and the project has been classified as Category B. An Environmental Impact Assessment (EIA) and an environmental management plan (EMP) were carried out to determine the key environmental impacts, the mitigation measures and environmental monitoring program and necessary institutional arrangement as well as capacity building development. The documents have been prepared on the basis of Chinese legal and policy framework for environmental protection, master plans and environmental plans as well as applicable Bank safeguard policies and Bank group's Environment, Health and Safety Guidelines.

Through preparation of safeguard documentation, there was no any potential large scale, significant and/or irreversible environmental impacts to be found. From proposed components, following benefits are expected: improve key infrastructure, including road network, water supply and increase/improve wastewater collection and drainage systems in the selected project towns.

In the PCN stage ISDS, safeguard policies of OP4.11 Physical Cultural Resources were indicated as TBD. Through the EA process, it was determined that the policy was triggered as there is a Chenghuang Temple (provincial level relics) right next to the proposed road component in Wugong Town where is used as a venue for important events and activities by local residents.

Therefore, it is confirmed that OP 4.11 is triggered. "Chance-Find" procedure therefore has been proposed in the EMP. And the chance-find procedure and relevant clauses described in the EMP (in the Generic Environmental Codes of Practice) will be included in the bidding documents and contracts.

### **2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:**

As designed, the proposed project will improve key infrastructure and public utility facilities in the project areas, including road network, water supply, and increased/improved wastewater collection and drainage systems.

### **3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.**

Social: Alternative study was considered at the resettlement action plan, e.g. narrow down partial road alignment and technical options to the project component selections. Comprehensive comparisons were analyzed with consideration of technical, economic, as well as environmental and social factors.

Environmental: Alternatives were considered during the project feasibility study and EIA preparation for more technical details, e.g., technical options, and with and without project analysis. Comprehensive comparisons were analyzed with consideration of technical, economic, as well as environmental and social factors.

**4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.**

Social: The provincial PMO contracted experienced social institute to guide the social safeguards documentation and set up resettlement implementation offices in the engaged counties/districts. The relevant agencies to be engaged into the project implementation participated into the project preparation. The staffs from the PMOs and agencies are getting familiar to the Bank requirement, specific to the safeguards requirement.

A RAP covering the key resettlement information in project counties/districts was approached. The social consultants worked with the design institute in charge of project feasibility study on the selections of the subproject locations. The analytical works were undertaken and the project negative impacts were minimized, and the mitigation measures were developed according to the Bank requirement.

Public consultation was the key element to inform the public and receive their feedbacks. The public consultations were undertaken by the consulting institute and the project entities in the project counties/districts to address the importance of the safeguards policy based on the stages of the project preparation. The project preparation was a well-done process to disseminate the Bank requirement on social safeguards and incorporated people's concerns into the RAPs and also an important process to provide on-job training courses to the engaged agencies in project counties/districts.

An experienced monitoring consulting firm, independent to the PMO and the project agencies, will be contracted to monitoring the resettlement activities and the monitoring report will be reviewed by the Bank twice a year as requested.

Environmental:

The EA report, prepared by the client and their EA consultants, thoroughly addressed the potential environmental and social impacts envisaged for the project, and developed adequate measures in the EMP to avoid, minimize, mitigate and compensate the potential adverse impacts. The preparation of EA documents followed the relevant national laws/regulations and guidelines, as well as Bank's safeguards policies and environmental health and safety (EHS) guidelines.

The major negative environmental impacts are expected short term mainly during project construction phase, including dust, noise, traffic interruption, etc. A stand-alone EMP has been prepared based on the findings of the EIA report. The EMP summarized the key environmental impacts and detailed the environmental management and supervision organizations and responsibilities, mitigation measures, training plan, monitoring plan, and budget estimates of EMP implementation. It includes sets of Environmental Codes of Practice (ECOPs) for contractors, which will be incorporated into bidding documents and contracts to ensure effective implementation.

**5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.**

**Social:** The project will provide significant benefits to the people who are living in the projects and the adjacent areas. The project stakeholders are the local communities and the people in the engaged counties and districts. The affected people considered the project will give them opportunities to have better living environment and develop their businesses.

During the project preparation process and the stages of the project design, public consultations were conducted and will be continuous by the resettlement offices in the engaged counties and districts and also the independent monitoring agency, and the project information were disseminated to the displaced families for refining the project design, selections of the subprojects and the locations of the subprojects.

The RAP, resettlement policy framework in the engaged counties/districts were disclosed and sent to InfoShop on March 3, 2014.

**Environmental:**

Two rounds of public consultations were carried out during the EA process. The technique used for the public consultations include surveys using public opinion questionnaires, focused group discussions, public meetings with key stakeholders and interviews with some project affected persons. The issues raised during these consultations have been incorporated in the EIA and EMP. Furthermore, feedbacks to the concerns and issues collected in public consultation have been provided to the concerned groups and documented in the EA. The EIA and EMP documents and other project related documents have been disclosed locally through various means (e.g., websites, newspapers, etc.), as required by national and Bank's policies. The English language EIA and EMP have been disclosed through Bank's InfoShop on Feb 27, 2014.

**B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	29-Jan-2014
Date of submission to InfoShop	27-Feb-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<b>"In country" Disclosure</b>	
China	22-Nov-2013
<i>Comments:</i>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	29-Jan-2014
Date of submission to InfoShop	03-Mar-2014
<b>"In country" Disclosure</b>	
China	28-Feb-2014
<i>Comments:</i>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the</b>	

respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.
If in-country disclosure of any of the above documents is not expected, please explain why:

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>			
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>			
Does the EA include adequate measures related to cultural property?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>			
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
<b>The World Bank Policy on Disclosure of Information</b>			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]

### **III. APPROVALS**

Task Team Leader:	Name: Guangming Yan
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<b><i>Approved By</i></b>		
Sector Manager:	Name: Abhas Kumar Jha (SM)	Date: 17-Apr-2014