

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC5008

Date ISDS Prepared/Updated: 26-Aug-2013

Date ISDS Approved/Disclosed: 26-Aug-2013

I. BASIC INFORMATION

A. Basic Project Data

Country:	China	Project ID:	P132873
Project Name:	Hebei Rural Renewable Energy Development Demonstration Project (P132873)		
Task Team Leader:	Jin Liu		
Estimated Appraisal Date:	01-Jun-2014	Estimated Board Date:	20-Feb-2015
Managing Unit:	EASCS	Lending Instrument:	Investment Project Financing
Sector(s):	Other Renewable Energy (50%), General agriculture, fishing and forestry sector (50%)		
Theme(s):	Rural services and infrastructure (50%), Climate change (50%)		
Financing (In USD Million)			
Total Project Cost:	200.00	Total Bank Financing:	100.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source			Amount
Borrower			100.00
International Bank for Reconstruction and Development			100.00
Total			200.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The proposed Project Development Objective (PDO) is to demonstrate sustainable renewable energy production and utilization to reduce environmental pollution and supply clean energy in rural areas.

C. Project Description

China's economy has experienced remarkable growth over the past several decades, but this growth has been accompanied by an increase in social and environmental challenges. Intensive agricultural

farming and the expansion of livestock production in the rural areas are considered viable means for creating rural income and employment and secure a food supply. However, the rapid agricultural development poses a threat to the local environment and public health. Every year, around 728 million tons of crop residues are produced by agricultural farming and most of them are used by households as fuel or burned as waste in open fields. This is causing significant indoor and outdoor air pollution. The concentrated livestock farms in the rural areas also produce serious pollution from the inappropriate animal manure treatment. The proposed project will support installation and operation of biogas facilities that use crop residues and animal wastes as the feedstock to generate biogas mainly for rural residents cooking and heating. This would be an effective way to reduce pollution and provide renewable energy in rural areas.

The proposed project components and main activities are the following:

(a) Component 1: Large-scale biogas facilities development and sustainable management. The proposed project activities are to develop state-of-the-art large-scale biogas facilities that use local crop straw, livestock manure, and other wastes in rural areas to generate biogas that meets local rural resident needs mainly for cooking and heating.

(b) Component 2: Pilot of the use of solar energy and biomass pellets combustion hybrid heating system. The PCN review meeting decided to further discuss with client to remove this component from the project during the project preparation.

(c) Component 3: Technical support, project management, and monitoring. This component includes technical services, training and extension, policy advice, monitoring and evaluation, and project management. In addition, provincial-level central laboratory and subproject based laboratories will be established and guidance and operational manuals for the biogas digester operation and digested slurry application would be developed.

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

Around 14 subprojects were proposed by project agencies, which include 12 biogas facilities and 2 pilots of a hybrid renewable energy system that uses solar energy and biomass pellets clean combustion facilities. Around 12 provincial and county energy companies and livestock farms are proposed as the project entities/project implementation units (PIUs). The proposed project sites are located in the rural areas of 14 counties in Hebei Province. The subprojects and their locations will be further assessed and confirmed during the project preparation.

E. Borrowers Institutional Capacity for Safeguard Policies

A Project Leading Group headed by a vice-governor and consisting of members from key line departments such as the Hebei provincial finance bureau, development and reform commission, agriculture department and energy department has been established at the provincial level to provide overall guidance and coordination to the project preparation and implementation. The PPMO has been established and the county PMOs will be established in each of the participating counties during further project preparation once subprojects are selected. Project agencies have committed to assign adequate staff at the provincial and county PMOs to be responsible for the project design and implementation, including social and environmental safeguards, procurement and financial management. Provincial and county PMOs have rich experience in Government biogas program management and provincial PMO has also worked with Bank team on the CPF Hebei Livestock Waste Management Project preparation, including safeguard work. However, the client's experience

in implementing the Bank safeguards policy is limited, and the Bank task team will assist client improving its capacity during the project preparation and implementation.

F. Environmental and Social Safeguards Specialists on the Team

Yiren Feng (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 is designed to demonstrate sustainable biomass renewable energy production and utilization to improve the environment and supply clean energy in rural areas. It is expected that the project would bring significant positive environmental and social benefits to the selected rural areas in Hebei Province. It is expected that the project is likely to also have some potential adverse environmental impacts in the project areas, specifically, under the investments of Component 1 and Component 2. Therefore, OP 4.01 is triggered.</p> <p>The adverse environmental impacts of the project will be mainly related to the construction and operation of biogas facilities, such as wastes and dust caused by the small civil work, biogas pipeline to nearby rural communities/residential buildings and feedstock transportation. Those impacts are expected to be not significant due to small scale of the civil work and non-sensitive locations. With mitigation measures implemented, the adverse impacts will be avoided or mitigated to an acceptable level.</p> <p>The proposed project is classified as Category B according to OP4.01. An Environmental Management Plan (EMP), which has all the elements of an EIA, will be prepared for the project. It will cover the project area of influence (feedstock sources, transport, disposal of wastes, etc.). The EMP will include Environmental Codes of Practice (ECOP) to address generic impacts and measures from small construction activities, site specific impacts and mitigation measures, results of conducted surveys and assessments, mitigation</p>

		measures for social impacts that are not covered by OP 4.10 and OP 4.12, as well as a capacity assessment and capacity building measures. In addition, an Environmental Management Framework (EMF) will be prepared and annexed to the EMP. The EMF will include the criteria for selecting subprojects, which will address the potential changes of component activities in terms of number of biogas facilities or location during the project preparation phase or implementation phase.
Natural Habitats OP/BP 4.04	No	The project is located in rural areas with intensive agricultural activities and no any natural habitats are in or near the project areas. This policy is not triggered.
Forests OP/BP 4.36	No	Feedstock of the biogas facilities will be existing crop residues and livestock manures. The project will not finance any activities related to forests, as well as not use any of forest products as biogas feedstock. This policy is not triggered.
Pest Management OP 4.09	No	The project will only use crop residues from existing farm land, thus no increased agricultural production and no use of pesticides are envisaged as a result of the project. This policy is not triggered.
Physical Cultural Resources OP/BP 4.11	No	The project is located in rural areas with intensive agricultural activities. According to the preliminary screening, the proposed sites are not in or close to any physical cultural heritage. This policy is not triggered. However, Chance finds during construction may occur and relevant clauses will be included in all bidding documents and construction contracts to address this situation.
Indigenous Peoples OP/BP 4.10	No	The Initial social screening exercise confirmed that there is no ethnic minority people group living in the proposed project sites. In the proposed project localities, only occasionally Hui and Man people live scattered with Han people, but they are well integrated with local majority Han communities for very long time, as well as intermingled with mainstream society, which do not fit the definition of the Bank IP. Therefore, according to the information available, the Bank OP/BP 4.10 is

		not applicable to this project. During the project preparation, this will be finally concluded according to the further social assessment to be conducted.
Involuntary Resettlement OP/BP 4.12	Yes	<p>Through primary screening, among 12 proposed biogas sites and 2 sites for pilot of a hybrid energy system of solar energy and biomass facilities, 7 of these sites do not need to acquire new land as their civil works or small facilities of the project could be built on existing plant compounds or farmers' house roofs or gardens (for solar energy use). Additional land is needed to be acquired for the remained 5 project sites (totaling for around 25 ha) for the project civil works. There will be no house demolition under the project. In addition, 2 project sites have land acquired over the last two years. Therefore the Bank policy OP/BP 4.12 is triggered.</p> <p>The project will prepare a consolidated Resettlement Action Plan (RAP) for subprojects that need new land. The RAP will include a Due Diligence Report for subproject sites which acquired land before the Bank's involvement over last two years. In addition, a Resettlement Plan Framework (RPF) will be prepared and annexed to the consolidated RAP, to address any potential changes of component activities during the project preparation phase or implementation phase.</p>
Safety of Dams OP/BP 4.37	No	The project will not finance construction or rehabilitation of any dams as defined under this policy. This policy is not triggered.
Projects on International Waterways OP/BP 7.50	No	The policy is not triggered as the project does not involve trans-boundary rivers.
Projects in Disputed Areas OP/BP 7.60	No	The policy is not triggered as the project does not involve any disputed areas.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 01-Jan-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:

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.

In addition to above mentioned social and environmental studies, a social assessment (SA) will be conducted by experienced professional consultant team during the project preparation to identify potential social risks, local people's social concerns and opinions for the social dimension of the project; and assess the social relationships and interactions between the project implementation units and impacted communities and rural residential areas. The stakeholders' consultation will be conducted to better understand the local farmer's willingness and affordability of the use of biogas and solar energy and relevant concerns, such as safety and the provision of service system, as well as government subsidies for the clean energy use and waste collection. The mitigation measures will be recommended to address the identified potential negative impacts to local households. The RAPs and due diligence review should be parts of the SA.

The EA and SA processes have been started in July 2013 and will be completed by October 31, 2013. At that point, all the relevant documentation related to safeguards policies will be available in their draft stage for the Bank preparation mission review.

IV. APPROVALS

Task Team Leader:	Name: Jin Liu	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name: Mark R. Lundell (SM)	Date: 26-Aug-2013