Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 24-Jan-2018 | Report No: PIDISDSC23523

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
China	P164279		Henan Zhoukou Longhu Wetland Protection and Management Project (P164279)
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
EAST ASIA AND PACIFIC	Jun 25, 2018	Dec 20, 2018	Water
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Ministry of Finance of People's Republic of China	Huaiyang County Government	

Proposed Development Objective(s)

The proposed Project Development Objective (PDO) is to improve the management of, and remove water pollution from Longhu Wetland.

Financing (in USD Million)

Financing Source	Amount
Borrowing Agency	120.00
International Bank for Reconstruction and Development	200.00
Total Project Cost	**320.00**

Environmental Assessment Category	Concept Review Decision
A-Full Assessment	Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

China's rapid urbanization over the past three decades has facilitated impressive economic and social gains. The country became the second largest economy in the world in 2010, with over half of its population now living in cities. Unfortunately, China's economic gains came at a cost to the environment, with implications on health and quality of life, as environmental depletion and degradation were overlooked mostly during the last decades. The cost of environmental degradation and resource depletion in China is estimated to approach 10 percent of gross domestic product, of which water pollution accounts for around two percent, based on China 2030 study estimates[1].

China accounts for 20 percent of the world's population but has only seven percent of the world's freshwater resources, and water scarcity is becoming a major hurdle for its sustainable development. As between 60 and 80 percent of the total precipitation occurs in the rainy season, water availability varies considerably by year. Industrialization, intensive agriculture, tourism, and improved living standards are largely responsible for increases in water consumption, pollution discharges, and ecosystem degradation. Access to adequate supplies of good quality water is fundamental to sustainable development and social well-being. Hence, the Government of China (GoC) has placed water resources management, environmental protection and ecological conservation at the top of the political agenda.

The approach to developing and managing the nation's water resources, pollution control and ecosystem protection is embodied in *the Resolution of China State Council for Acceleration of Ecological Civilization Progress (the Resolution).* This resolution, issued by the State Council of China in April 2015, states that, by 2020, China's ecological environment will be improved by reducing the discharge of main pollutants, and that water quality in over 80 percent of key water basins and lakes must reach minimum legal standards; the quality of drinking water will be further improved; over 1.4 percent forest cover will be increased (from 2015) and biodiversity degradation will be controlled. Consistent with the Resolution, targets in the 13th Sectoral Development Plans (2016-2020) of government line agencies were set for erosion reduction, waste water treatment in urban and rural areas, pollution reduction from agriculture, improved river management, and water resource safety.

Sectoral and Institutional Context

China ranks fourth in the world in terms of wetland surface (53.60 million ha[2] or 10 percent of the world's wetland areas). The wetlands in China are featured by miscellaneous types and wide distribution. China is host to some of East Asia's most important wetlands such as Poyang Lake, and Asia's longest river, the Yangtze. However, due to pressure of population growth and economic development over the past 40 years, significant area of China's coastal wetlands has been lost to reclamation. The official statistics[3] show that the wetland area in China is now decreasing at a rate of about five million mu[4]/year. This not only has negative impacts on the quality and quantity of bio-diversity, but also results in decreased quality of life of local population due to loss of recreational and income generation opportunities, as well as potential impacts on health. Pollution, overfishing, invasion of alien species, land reclamation and land development are the major threats to the wetlands in China.

China established its first wetland nature reserve in the 1970s and joined the International Convention on Wetlands on July 31, 1992. The State Forestry Administration (SFA) was appointed as the governmental unit to implement the Convention. SFA prepared the National Wetland Conservation Action Plan for China together with 17 other government

[1] "China 2030: Building a Modern, Harmonious and Creative Society." The World Bank and Development Research Center of the State Council, the People's Republic of China.
[2, 3] Source: China's 2nd National Wetland Resources Survey conducted by the State Forest Administration during 2009-2013.

[4] 1 mu = 0.067 ha

ministries and academic institutions. With its implementation since 2000, great achievements have been made on wetland conservation. By the end of 2015, there have been totally forty-nine wetland sites as the "Wetlands of International Importance" (known as Ramsar sites), over 600 wetland nature reserves and over 1,000 wetland parks (of which 705 are national level Parks), which makes a total area of 23.91 million ha under protection.

While maintaining the fast-paced economic development of the country, Chinese government has also attached great importance to the ecological protection and has set the wetland conservation and restoration as one of the Top 100 key actions for the 13th Five-Year Plan for the National Economic and Social Development of the People's Republic of China. Accordingly, the 3rd Five-Year National Implementation Plan for Wetland Conservation has been developed by the SFA covering the period of 2016-2020, with objectives including: the maintenance of the total wetland area of at least 5,333 ha, the restoration of degraded wetlands of 140,000 ha, the increase of wetland area by 200,000 ha (including the conversion of farmland to wetland), and the establishment of a rather complete wetland conservation system.

The proposed project is located in the urban area of Huaiyang County of the Zhoukou City, in the Henan Province. The county seat of Huaiyang has a total population of 238,000, of which 19,884 live in the Old town surrounded by the outer lakes of Longhu with the population density as high as 15,600 people per km^2. The project area is 11.98 km^2; and includes the Longhu Lake Watershed, Old town (an island in the middle of the lake), and the Huaizheng River and its tributaries. Part of Longhu Lake was announced as a National Wetland Park in 2015, and covers a total area of 5.05 km^2. The wetland park is an important rest stop along one of the three key migratory bird routes in China. However, in the last 12 years, the area of the Inner lake has decreased by 40 percent, and the Outer lake has shrunk by 5.4 percent due to rapid land filling and reclamation by local residents, especially in the Old town area, with lake areas filled for residential, livestock, and fish farming uses.

In order to control water pollution from the different sources, the inlets into Longhu Lake from surrounding water systems were closed many years ago. However, the water quality has continued to deteriorate, reaching Class IV or Class V, or in some areas even not meeting Class V standards[5], especially in the Inner lake, and Nanhu, Liuhu and Xiangehu parts of the Outer lake. The poor water quality is the result of direct discharge of untreated sewerage, solid waste, and fish farming and livestock wastes, causing severe negative impacts, including eutrophication and biodiversity reduction.

Huaiyang County fully acknowledges the importance of restoring the ecological and water environment of the Longhu Lake, and has already initiated a number of ecological conservation actions, including establishment of the national wetland park, installation of sewerage interceptors along the lake shore, expansion of the current wastewater treatment plant (WWTP), banning fish farming, and isolating Longhu Lake from the surrounding polluted water system. However, in order to restore the area into a wetland that allows for return and further protection of its rich natural habitat, additional actions must be taken, including identification and directly addressing pollution sources, and most importantly, applying best international experience in balancing the management of a wetland in busy urban and culturally-historical space.

Relationship to CPF

The project is aligned with the World Bank Group's Country Partnership Strategy for FY 2013–2016 (Report 67566-CN) discussed by the Board of Executive Directors on November 6, 2012, specifically the objectives set under Focus Area I 'Supporting greener growth', which is an outcome of demonstrating sustainable natural resources management. To

[5] Chinese surface water quality standards: Class I is good quality water, which is drinkable with simple purification with DO > 7.5 mg/L; COD < 15; biochemical oxygen demand (BOD5) < 3; NH3-N < 0.15; P < 0.02; Class II is good quality water, which is slightly contaminated, drinkable after normal purification with DO > 6 mg/L; COD < 15; BOD5 < 3; NH3-N < 0.5; P < 0.1; Class III contaminated water, which could be drinkable after treatment with DO > 5 mg/l; COD < 20; BOD5 < 4; NH3-N < 1; P < 0.2; Class IV water is not drinkable with DO > 3 mg/l; COD < 30; BOD5 < 6; NH3-N < 1.5; P < 0.3; and Class V is bad quality water with DO > 2 mg/L; COD < 40; BOD5 < 10; NH3-N < 2; P <0.4.

achieve its objectives, the project would take an integrated, multisector approach to improving water resources management in an environmentally sustainable manner. Project design would respond to the priorities of the 13th Five-Year Plan for the National Economic and Social Development of the People's Republic of China and the 3rd Five-Year National Implementation Plan for Wetland Conservation to help conserve and increase wetland coverage. The project would also be supportive of the 13th five-year plan of Henan Province, and would lend support to Henan's strategy to improve ecological environment and water resources management. It would be achieved by putting in place a package of carefully dimensioned and clearly targeted activities aimed at improving ecological environment function and water quality in the Longhu Lake.

The project will apply best international experience in balancing the management of a wetland in busy urban and culturally-historical space. As such, the project would be an example for similar wetlands in China and elsewhere.

C. Proposed Development Objective(s)

The proposed Project Development Objective (PDO) is to improve the management of, and remove water pollution from Longhu Wetland.

Key Results (From PCN)

The key outcome indicators would include: (a) Incremental area of wetland restored under the project (ha); (b) Volume (mass) of COD pollution load reduction achieved under the project (tons/year); and (c) Wetland monitoring and management system established and operational (yes/no).

D. Concept Description

The proposed project activities consist of four components with total cost estimated at US$320 million, including a US$200 million World Bank IBRD loan.

Component 1: Ecological restoration of Longhu Wetland (estimated cost US$ 84.75 million[6]). Longhu Wetland is a typical urban wetland. There is dense residential development around the wetland, with some residents also living on reclaimed sites filled with solid waste on the islands within the lake ('Old town'). As a result, Longhu Wetland has already been significantly affected by human behaviour. Despite the designation of the eastern portion of Longhu (Outer) Lake as a national wetland park in 2015, limited measures have been taken to protect this wetland. The water quality has been steadily deteriorating, there is a loss of wetland vegetation, overgrowth of 'mono-culture' lotus flowers (which limits other types of wetland vegetation), and lack of nesting conditions and rich food supplies for bird species. All of these issues combined prevent the wetland from becoming a healthy habitat for birds, fish, and other aquatic organisms.

The aim of this component is to implement sets of remediation measures to protect and restore the wetland, as outlined below. Given the different water quality conditions of Inner and Outer lakes, different wetland protection measures are considered for each lake, these measures are still in process of being conceptualized and designed. Hence, specialized wetland and ecology experts will be engaged as part of the design institute and PMO teams during project preparation, to ensure that all project activities and designs are compliant with the strict standards and requirements for the Longhu Lake status as a national wetland park. The aims and types of wetland protection activities currently being considered are briefly listed here.

The aims for Inner lake are to: (a) restore the water surface and holding capacity of the lake and lake shore through dredging and lake shaping, shoreline revetment, erosion control, etc.; (b) restore the self-purification capacity of the lake through bio-retention belts (vegetation cover)to control urban runoff, selection of vegetation that can help to improve water quality, etc.; and (c) rehabilitate wetland biological systems by promoting the healthy and balanced ecosystem of

[6] Excluding project preparation cost, IDC, and contingencies

microorganisms, vegetation, and aquatic animals. The aims for Outer lake are to: (a) restore the water surface and holding capacity of the lake and lake shore through dredging and lake shaping, shoreline revetment, ecological vegetation zones, biological retention zones, and protective greenbelts; (b) improve the habitat for birds through conservation of dedicated islands for bird habitat, wetland shoal development for bird foraging, etc.; and (c) rehabilitate selected ecological corridors, including lake shorelines at interface with urban areas.

Component 2: Water pollution control at Inner and Outer lakes (estimated cost US$ 84.75 million[7]). This component aims to: (a) reduce the pollution discharge (point and non-point sources) into Inner and Outer lakes through sewage interceptions, improved drainage system, improved solid waste service, and dredging of debris and sediment; (b) reduce the pollution discharge (point and non-point sources) into Outer lake through livestock and aquiculture waste management; and (c) improve the water quality through in-situ water purification and replenishment of surface water from Jialu River.

Through sewage interception and provision of household connections to underserved communities, it is expected that the sewage collection rate can be increase from 25 percent to 90 percent in the Old town and the nearby areas surrounding the lake by the end of the project. The occurrence of water logging in the Old town will also be substantially alleviated with the improved drainage system. The solid waste collection rate would be increased from 75 percent to 100 percent through the construction and upgrade of collection and transfer facilities, including trash bins, drop-off points, compaction stations, and collection trucks. The dredging of debris and sediment in the lake and along the lake shore will remove this land-based pollution source. Livestock and aquiculture is already being prohibited in the project area. There is currently a deficit of water flow into Longhu Outer lake due to high evaporation rate and limited inflows during dry season. In order to maintain the water balance, provide the required ecological/environment flows, and to clean up the lake waters to support local ecosystems and human uses, the project will include replenishment of surface water from the Jialu River and in-situ water purification.

Component 3: Capacity building and public education (estimated cost US$ 67.1 million[8]). This component aims to strengthen the awareness among both local government officials and the broader public about the proper functioning and the benefits of maintaining healthy wetland ecosystems. During project preparation, a gender analysis will be carried out as part of the Social Assessment to: (a) identify any gender gaps in participation and knowledge; (b) propose needed gender-targeted actions when designing consultations and training, as well as looking at promoting employment opportunities; and (c) identify relevant indicators that measure success of these actions, if relevant.

At the same time, this component would build facilities and capacity for key stakeholders to actively advance sustainable wetland management. In particular, the component would have three specific aims: (a) building local government capacity for wetland management and monitoring; (b) establishing public facilities for eco-education and eco-tourism; and (c) raising public awareness. Local capacity building will include: constructing an Environmental Management System and Wetland Monitoring Station, including defined monitoring activities, data and analytical systems for collecting and presenting wetland information for decision-making, training of dedicated staff to run and operate the systems, and support to coordinated research activities to advance wetland understanding and protection. Most importantly, these management and monitoring systems will need to be integrated into the daily workflows of local institutions in their regular planning, analysis, and decision-making. The public facilities and public awareness activities will include constructing a multi-purpose wetland education/research/visitor center, co-located with the monitoring station mentioned above, along with scientific and public sightseeing facilities, such as a bird watching corridor/pavilion, wetland display areas, pedestrian greenways around the Inner and Outer lakes, and potentially a camping area and parking facilities for visitors. These public facilities will need to be designed in a highly eco-sensitive manner, with reasonable proximity to the national wetland park, and will be dedicated to increase the education and popularization of the public on wetland

[7] Excluding project preparation cost, IDC, and contingencies
[8] Excluding project preparation cost, IDC, and contingencies

protection and ecological conservation sciences. As part of project preparation, a detailed beneficiary analysis will be carried out that will inform exact scope of above activities as well as lead to design of a proper beneficiary feedback mechanism.

This component would also include transportation activities, including (a) construction of parking areas next to the exhibition and wetland science education building, and East side of the lake, and (b) camping area. However, in-depth analysis on the relevance of these activities and how they contribute to the PDO will be carried out during project preparation.

Component 4: Technical Assistance (estimated cost US$ 1.79 million). Given the complexity of the water, wetland, and ecological system design and protection in this project, and given the limited capacity of the local government with this kind of projects, this component will focus on providing targeted technical assistance. The Bank will share its own institutional knowledge, and also draw on expertise within China and globally to share approaches and best practices for water management and wetland protection. This will take the form of focused research studies, as well as trainings and teaching materials for public engagement in environmental health education.

SAFEGUARDS

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

The Longhu Lake is located in the urban area of Huaiyang County, about 20km to the northeast of Zhoukou Municipality, Henan Province. Covering a total area of 11km2, it forms a typical urban wetland on the Huang-Huai Plain. However, with the land reclamation and rapid urbanization around the lake, its water area has shrunk significantly in the last three decades (decreased respectively by 40% and 5.4% for inner lakes and outer lakes since 2005). In addition, the direct discharge of untreated sewage, solid waste and fish farming and livestock wastes has caused the continuing deterioration of lake water quality, currently reaching Class V (COD: 40mg/l; BOD5:10mg/l; TN: 2.0m/l; and TP: 0.2mg/l) or in some areas even not meeting Class V standards. The eastern portion of Longhu (Outer) Lake was announced as a National Wetland Park in 2015 to facilitate the ecotourism development in the region. Located in the warm temperate zone, the project area features moderate climate, sufficient rainfall, distinctive seasons and a long frost-free period. The average annual rainfall is about 740mm. The county seat of Huaiyang has a total population of 238,000, of which 19,884 are living in the old town surrounded by the outer lakes of Longhu with the population density as high as 15,600 people per km2.

B. Borrower's Institutional Capacity for Safeguard Policies

Although there have been several World Bank projects in the Henan Province, it is the first time for Huaiyang County to prepare and implement a Bank-financed project on its own. Therefore, limited capacity on safeguard management could be a challenge for the county PMO during project preparation and implementation. However, the county leadership and the county PMO have expressed strong commitments to the project safeguard management with a full-staffed safeguard coordination division established under the PMO. For project preparation, an experienced consulting teams with the Chinese A-level EIA qualification and an experienced social consultant to prepare the social safeguards documents have been engaged to develop the required environment and social safeguard instruments, and the Bank's task team will provide full support throughout the preparation process. In addition, the project will develop and implement safeguard capacity building plan for the Borrower, which will help to build and maintain a well-functional mechanism and strong capacity management throughout project implementation.

C. Environmental and Social Safeguards Specialists on the Team

Songling Yao, Social Safeguards Specialist

Yiren Feng, Environmental Safeguards Specialist
Xiaodan Huang, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project proposal adopts an integrated approach to address the existing environmental challenges in the Longhu Lake Basin area, which includes the investments on lake/river dredging, water purification (inner lakes), shoreline revetment and ecological rehabilitation, rehabilitation of wetland biosystem (microorganism, vegetation and aquatic animals), improvements of sewage/garbage collection system, improvement of drainage system, water replenishment and circulation of the lake, construction of roads, small bridges, bus stops and other associated tourism facilities, and establishment of comprehensive wetland monitoring system. It is expected that the project will bring overall environmental benefits, which will be analyzed and quantified in the project environmental assessment, e.g., reduction of pollution discharge into the lake, increase of restored wetland area and direct beneficiaries of wastewater/solid waste services provided by the project. Meanwhile, the project implementation is also anticipated to have adverse environmental impacts, including: (a) general construction impacts; (b) impacts related to potential lake/river dredging and the transport, treatment and disposal of dredged materials;(c) in situ treatment of heavily polluted water for the four inner lakes; (d) land acquisition and physical displacement required by the project; (e) potential impacts of project implementation on the physical cultural resources identified in the project area; (f) adverse impacts associated with the operation of solid waste collection and transfer facilities proposed in the county seat; and (g) cumulative impacts of the proposed investments in associated with other existing, planned and/or reasonably anticipated development activities in the lake basin. During project preparation, further studies of environmental and social baselines need to be

conducted to support the assessment of project impacts in terms of magnitude and significance, which will include: (i) hydrology process for surface water and groundwater in the basin; (ii) status of water quality and pollution sources; (iii) lake/river sediment quantity and quality; (iv) existing ecological resources.

The project is therefore proposed as a Category A project per the policy of OP4.01 and the following EA instruments will be developed:

(a) An Environmental Assessment (EA) to be prepared to cover all the activities proposed under the project, including the due diligence of existing disposal facilities (e.g., WWTP, waste treatment facilities) or facilities under construction to check their environmental compliance. The assessment will be conducted on a regional scale great enough to encompass the total impacts in the area of influence to be clearly defined based on the finding of above-mentioned baseline studies for the lake watershed. In addition, the cumulative impact assessment will also be conducted as one chapter of the EIA for the project by following the IFC guidelines;

(b) A standalone Environmental and Social Management Plan (ESMP), which will consist of mitigation measures, monitoring, training, institutional arrangements and cost estimate to eliminate, offset or minimize the adverse environmental and social impacts identified during the EA process. It will also include other environmental management instruments specifically developed for the project, such as the PCR management plan and the Environmental Code of Practices (ECOPs) for civil work contractors. The ESMP will also incorporate the recommendations of mitigation measures against anticipated social impacts based on a separate Social Assessment (SA).

(c) An EA Executive Summary for the project.

During EA preparation, timely and meaningful public consultation and information disclosure will be carried out in accordance with national requirements and Bank policies. Key stakeholders to be consulted will include local communities, potentially affected people, relevant governmental agencies and other stakeholders.

		The EA study will make efforts to establish the basis for the long-term sustainability including the management of threats to the wetland that are not addressed by the project. Considering limited experience of the involved PMO and PIUs on safeguard management, as part of the project, capacity building and training activities will be designed to ensure adequate implementation of safeguards instruments. In addition, the recommendations will be provided on institutional strengthening, long-term monitoring program and financing plan in order to support the sustainable and integrated management of Longhu Lake Wetland in the future.
Natural Habitats OP/BP 4.04	Yes	The project is not expected to have the potential to cause significant conversion or degradation of natural habitats. Instead, the reduction of pollution discharge into the Longhu Lake and the proposed wetland restoration works are designed to benefit the restoration of natural habitat and local ecosystem. The policy is therefore triggered. Per the requirements of OP4.04, the project will be developed in an environmentally sustainable way considering the protection of local species and biodiversity. The environmental analysis of any natural habitat issue will be conducted as part of the environmental assessment, including identification of natural habitat sites, their ecological functions, potential project impacts on the sites and mitigation measures to avoid or minimize anticipated impacts when necessary.
Forests OP/BP 4.36	No	Current information shows the proposed project will not have impacts on the health and quality of forests, nor affect the rights and welfare of people and their level of dependence upon or interaction with forests, nor aim to bring about changes in the management, protection or utilization of natural forests or plantations. Therefore, this policy will not be triggered.
Pest Management OP 4.09	No	The proposed project will neither procure pesticides nor result in the increased use of pesticides. This policy will not be triggered.
Physical Cultural Resources OP/BP 4.11	Yes	The project identification found that the relics of the Cheng-Chu Ancient City Wall, an underlying provincial historic site, is located around the old town in the project area. The policy of OP4.11 is therefore triggered. Detailed survey will be conducted during

		project preparation to ensure that the project design is in compliance with the PCR protection laws and regulations and sufficient considerations have been taken in the design to avoid or minimize any impact on existing PCRs. Relevant impact analysis will be included in the project EA, and an appropriate management plan will be developed as part of the ESMP to avoid, minimize and mitigate any potential adverse impact.
Indigenous Peoples OP/BP 4.10	No	The task team's social development specialist conducted screening related to ethnic minorities in the project area, including the county town of Huaiyang County and the Longhu Lake area. The screening did not find any minority group in the proposed project area, and therefore the policy is not triggered.
Involuntary Resettlement OP/BP 4.12	Yes	The proposed civil works, especially construction of lake bank recreation, dredging, sewer installation, and solid waste facilities, and eco-facilities will cause the following resettlement impacts: (a) acquisition of houses and relocation of residents mainly located along the city wall and around the Inner lake (a total of about 1,300 households, residing mostly on state-owned land); (b) land acquisition (about 50 ha) of collectively-owned land at the locations of sites for the proposed solid waste collection and transfer stations, some roads along the lake, and work areas related to sludge dredging; (c) some linkage activities may have potential resettlement issues, related to the existing treatment plants and facilities of wastewater, solid waste, etc. Some impacts will be directly embraced in the resettlement planning and some may need due diligence review. Specifically, the project resettlement planning process will include due diligence review of the replacement housing under construction, which are to settle households needing the housing during the urbanization efforts of the county. Any assets acquisition related to the livestock and aquiculture related to any actions related to the wetland park will be also covered in the RP. Therefore, resettlement impacts under the project seem significant and pose substantial risk, and all impacts mentioned above will be addressed in a resettlement plan (RP) to be prepared in the next preparation stage. All project activities and their resettlement impact scope will be clearly determined, and all impacts can

be fully identified and investigated, therefore the proposed RP could well address the involuntary resettlement under the project. Further, there is no restriction actions to be carried out in the project identified so far. Therefore, there is no any other resettlement instrument needed, according to the current project planning and design.

More than 1,000 of the 1,300 households residing along the city wall and around the Inner lake progressively moved to the county town since 1970's, where they occupied, without any planning, land plots to build their simple shanty houses along the old city wall. The current neighborhood environment is still characterized by poor public facilities and services, and most of the houses are without in-house bathrooms or separate kitchens. Most current residents are poor and elderly. They have been waiting to be relocated for more than ten years, but they and the local government could not afford the financial burden. Recently the county government received some preferential financial resources from domestic development banks and has planned to relocate the households, and already launched construction of replacement housing. Given that this Bank loan project supports the overall environmental improvement in the area, and the proposed activities of the project require the land occupied by the old houses, the planned house acquisition and relocation will strictly follow OP 4.12. This means relatively significant quantity of resettlement impact, but given the willingness of most households to relocate, the impacts are balanced making the relocation risk low. Also given the profile of the targeted households (i.e. poorer and/or elderly residents), the project resettlement is expected to serve as a measure of poverty alleviation. The following measures are proposed to strengthen the resettlement planning:

- The County Government should carefully update their relocation policies to meet the proper requirements for relocation and restoration of the project affected households, so as to be in line with domestic laws and regulations, as well as considering the requirements of the World Bank resettlement policy (especially in relation to the policy for poverty households, women, and transition allowance).

- For the purposes of house acquisition, the government should formally set a cut-off date for the resettlement impacts investigation and inventory, in which the PMO should ensure an open and fair investigation, timely disclosure of the inventory, and full participation from the affected households.
- Detailed arrangements for the replacement houses should be developed and covered in the RP.
- The RP should also cover maintenance arrangements for the replacement house area; choosing maintenance company and deciding fee standards based on consultation with the people to ensure affordable fee and proper management of the area.
- The RP will be officially endorsed in writing by the county government.

Social Assessment (SA). A standalone social assessment will be prepared. The SA will cover all activities, such as, construction of lake bank recreation, dredging, sewer installation, and solid waste and eco-facilities. Geographically, the scope includes area along the city wall and around the Inner lake; sites of solid waste collection and transfer stations; some roads along the lake, and sites related to sludge dredging and disposal, and some linkage activities if any identified. The SA, based on extensive consultation with all stakeholders, will identify beneficiaries, including female, the poor and other vulnerable groups. On poverty issues, the SA will provide for demand analysis and assistant measures. Gender issues will be another important element in the SA, assessing impacts during the resettlement process and wastewater and solid waste management activities. Impacts will be analyzed, specific measures if any, provided and monitored. All findings of the SA will be integrated in the project design and implementation arrangements.

Social Management Capacity. The core implementation functions of the project social contents will rest with Huaiyang County Government, where there is relatively weak capacity and performance experience on Bank financed projects. However, strong commitment from the government has been clearly identified and experienced consultant

		to review social safeguards impacts has already been engaged. Therefore, the social management risk under the project is moderate, with capacity strengthening measures set in preparation period.
Safety of Dams OP/BP 4.37	No	Based on initial project screening, the project will not finance construction or rehabilitation of any dams as defined under this policy, and no existing dam is identified with potential impacts on the safety and operation of the project-financed facilities.
Projects on International Waterways OP/BP 7.50	No	The project doesn't involve any international waterway.
Projects in Disputed Areas OP/BP 7.60	No	The project area is not in the disputed area.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

May 30, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The first draft EA, RP and SA are expected to be ready by mid-January 2018.

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