INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE

Report No.: ISDSC7647

Date ISDS Prepared/Updated: 15-Nov-2014

Date ISDS Approved/Disclosed: 18-Nov-2014

I. BASIC INFORMATION

A. Basic Project Data

Country:	China	**Project ID:**	P147381
Project Name:	Zhuzhou Brownfield Development Project (P147381)		
Task Team Leader:	Frank Van Woerden		
Estimated Appraisal Date:	20-Apr-2015	**Estimated Board Date:**	15-Dec-2015
Managing Unit:	GENDR	**Lending Instrument:**	Investment Project Financing
Sector(s):	General industry and trade sector (50%), General agriculture, fishing and forestry sector (20%), Solid waste management (30%)		
Theme(s):	Pollution management and environmental health (70%), Urban Economic Development (20%), Environmental policies and institutions (10%)		

Financing (In USD Million)

Total Project Cost:	350.00	Total Bank Financing:	150.00
Financing Gap:	0.00		

Financing Source	Amount
Borrower	200.00
International Bank for Reconstruction and Development	150.00
Total	350.00

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

B. Project Objectives

13. The proposed project development objective is to support site remediation in Zhuzhou's Qingshuitang core industrial area with the aim to reduce public exposure to contaminated land and to control site contamination in a manner that enables the safe redevelopment of the area.

C. Project Description

The proposed project involves a section of the Qinghsuitang Core Area. The proposed project envisages the remediation of around 7.5km2 within the core area, adjacent to some major industrial complexes. Project interventions will mainly consist of remediation works, such as soil and groundwater cleanup or containment, and waste dump removal or in-situ management. Where needed, the proposed project will support some additional activities, such as demolition of structures at remediation sites and related basic infrastructure, e.g. access roads for remediation works and infrastructure for water management (run-off water and drainage water) at remediation locations.

The proposed project costs are estimated to be around US$350 million (US$150 million World Bank loan and US$200 million from counterpart funding).

Component 1. Remediation of Contaminated Plots in the proposed project Area. Under this component all remediation activities will be implemented as defined in the Feasibility Study Report (FSR). Within the present project area of 7.5km2, the FSR will determine plot by plot which remediation approach is most suitable and cost effective, based on current use and contamination levels; risks from contamination; and future destination of the plot according to the functions approved development plan.

This approach will result in an order of magnitude of 100 plots with a set of 5-10 different remediation models/approaches. Some plots will not need any cleanup work; other plots will only require relatively low-disturbing interventions (e.g. removal of materials) without impacts on ownership or need for demolitions/resettlements. At the end of the spectrum of remediation approaches will be certain plots that require substantial works to achieve full restoration. This approach ensures full tailoring of remediation to specific site characteristics but also flexibility to change from one remediation and restoration approach to another if e.g. the future land-use destination of a plot would change.

Component 2. Associated Investments of Remediation Works. This component includes investments associated to the remediation works under Component 1 that are required to enable the remediation of certain plots or to make sure that the remediation is sustainable. Examples of such association investments and activities are:

- demolitions;
- water management works (run-off water, drainage systems);
- removal or remediation of waste disposal sites within the proposed project area; a former quarry at the site has been suggested for development and sanitary disposal of these waste materials and will be further examined including its potential for continued operation as industrial waste disposal facility after the proposed project implementation period;
- access roads to facilitate remediation and site restoration;
- activities to support reallocation of manufacturing plants; resettlement and compensation of workers.

Component 3. Capacity Building and Knowledge Management. The FSR will identify needs for institutional capacity building to develop skills for management, remediation and restoration of contaminated (former) industrial sites. Since the proposed Project will build know-how and develop capacities that are new in China, particularly tailoring remediation to specific circumstances, risks and future use, there is interest to start a knowledge center for urban redevelopment and site remediation in Zhuzhou. The purpose is to deepen and share the developed expertise across the country. This concept of this center will be further developed in the FSR.

Component 4. Project Management. The objective of this component is to manage project resources in accordance with the proposed project's objectives and procedures as outlined in the proposed project Implementation Manual (PIM) which will be developed during project preparation. The proposed project will finance the following sub-components: (i) Project Management; and (ii) Establishment of a Monitoring and Evaluation system.

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

Zhuzhou City is located in the eastern part of Hunan Province and mid-low reach of Xiang River. The area belongs to subtropical monsoon humid area, with four distinctive seasons. Average annual rain precipitation is 1,418 mm. Dominant landform are plains and low hills.

The proposed project area is about 7.5km2, located in the northern part of Zhuzhou City and by the Xiang River on its north side. The project area is a portion of a 16km2 Qingshuitang Core Area that is part of a 47km2 Qingshuitang industrial area. Qingshuitang industrial area started to house industries in early 1950's, while 90% of those industries are located in the Qingshuitang Core Area.

The entire Qingshuitnag industrial area is located in Zhuzhou's Shifeng District. Within Sihfeng District and adjacent to the Qingshuitang area there is a Zhuzhou north railway station, which is the largest railway hub in mid-south China. There is an intensive road network in the district.

E. Borrowers Institutional Capacity for Safeguard Policies

The project area is located in Zhuzhou's Shifeng District; a PMO has been established at district level to manage the project preparation and implementation, under direct supervision of a municipal level Project Leading Group (PLG).

Though Zhuzhou Municipality managed Bank-financed projects such as Hunan Urban Development Project, the proposed project will be the first standalone Bank-financed project to be managed by the city and the district. Institutional capacity building, including safeguards, is much needed. Zhuzhou has developed an institutional arrangement plan that includes safeguards-related government bodies in its PLG, such as municipal land bureau, labor and social security bureau, and environmental protection bureau. The PLG will play an important coordinating role in addressing safeguards issues beyond the district jurisdictions.

The PMO includes district level land, labor and environmental bureaus as well. Under PMO there is a Project Implementing Unit (PIU), Zhuzhou Recycling Economic Investment and Development (ZREIDC), which will carry out day-to-day project management. The PIU has assigned dedicated unit/staff to manage social and environmental safeguards issues in collaboration with these bureaus, in particular, land and worker settlement issues. The PIU has engaged experienced consults to prepare safeguards instruments required by the Bank.

The Bank team considered the current institutional setup appropriate and has provided safeguards training to the PMO and PIU. The Bank team will continue work with them closely during project preparation to ensure that their safeguards capacity will be adequate to meet Bank safeguards policy requirements.

F. Environmental and Social Safeguards Specialists on the Team

Songling Yao (GSURR)

Ning Yang (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	The project is an environmental cleanup project by nature, thus it will have significant environmental and social benefits by remediating site contamination and improve ambient environmental quality. The project is assigned Category A for environmental purpose due to complex contamination situations, land use patterns in the project area, industrial pollution issues, and high demand for technical efforts throughout remediation process. An EIA, a standalone EMP and an Environmental Assessment Executive Summary will need to be prepared. The project will draw on international experiences in contaminated site remediation, notably US Superfund site and brownfield remediation. In addition, Bank experiences gained from similar projects in ECA countries will be incorporated into the project. The following aspects will be given special attention during EA preparation. EA study area. Based on available information, the proposed project area is 7.5km2. It is a portion of 16km2 Qingshuitang Core Area, which holds 90% of industries of those in the 47km2 Qingshuitang industrial area. While the Core Area will be the focus of EA study, the EA study will cover entire Qingshuitang industrial area to present a full picture of historical and current industrial pollution emissions, land, surface water and groundwater contamination, and communities. Due diligence review of industrial emissions will be included in the EA. In addition, Xiang River that is located on the south of the project area will be included in the EA study. In addition, site investigation carried out during project preparation will further determine if certain impacts are or could of concern beyond the Qingshuitang industrial area.

		Baselines. The Qingshuitang Core area has a mix of land uses, including heavy industry, light industry, commercial activities, utilities, residential area and agriculture. Long time industrial operations have led to serious soil contamination to this area. Exposure paths may include airborne emissions, waste disposal, wastewater discharge and sludge deposits, soil contamination at manufacturing sites and ground water pollution through infiltration of pollutants. It is noted that in 2011 the State Council issued an Implementation Plan for Heavy Metal Pollution Treatment in Xiang River Basin. Follow-up actions by Hunan provincial government required that by end of 2015, enterprises involved in heavy metals and heavy metals emissions will reduce 50% compared to the level at 2008. Consequently, in the Core Area many small enterprises were shut down in the past 2 years. Remaining industries in the Core Area include a major lead-zinc smelter complex and a chemical complex. They have undergone technical renovation, installed sophisticated pollution control facilities and are under close inspection of local environmental protection bureaus. However, they will remain active in foreseeable future. These two major industrial complexes are located adjacent to the project area and will need to be closely investigated during EA study. Land use survey. It is noted that currently the western part of the project area is dominantly green area while the eastern part is industrial. Because of serious soil pollution, local farmers do not engage in farming. A detailed land use survey will be carried out during project preparation and summarized in the EA. This survey will include all existing land uses (both formal and informal such as informal farming, if any), all existing structures including houses, farms and industrial buildings, and land ownerships. Environmental site investigation and risk

		assessment. A detailed environmental site investigation will be carried out and summarized in the EA. The investigation will cover historical analysis of the area, land use analysis of the area, sampling and analysis of surface water, ground water, soil, and sediments. The sampling and analysis, including risk assessment, are based on domestic technical guidelines for environmental monitoring, environmental investigation and risk assessment of contaminated sites. These technical guidelines were recently prepared and are generally consistent with international good practices. Alternative analysis. The project EA will include a section addressing alternative analysis. The alternative analysis will focus on selection of remediation interventions and technologies based on comprehensive economic, technical, environmental and social considerations. Impact assessment and mitigation. It's anticipated that all physical activities, including in-situ and ex-situ remediation, and associated works, will be situated within the project area. Though the physical activities under the project are mainly remediation activities, there are still potential negative impacts associated with these activities. These activities include a spectrum of interventions ranging from low-disturbing actions to substantial works based on contamination levels and risks and future land use requirements. Impacts associated with in-situ remediation and ex-situ remediation that needs transport, treatment and disposal will be fully assessed and mitigation measure provided in the EA. Off-site impacts, if any, such as transportation of polluted materials to disposal and treatment sites, the impacts of disposal sites located outside the study area will be included in the EA. The EA will also address social impacts other than OP4.12 impacts and gender issues. Key findings and measures of the project Social Assessment will be summarized and integrated into the EA.

		For environmental impacts associated with household and enterprise relocation, the EIA will look into look into local policies for relocation of enterprises and households, and relocation practices that have occurred recently originating from the project area Cumulative impacts. By design, upon completion of the project the project area should be safe for redevelopment. However, there will be still a long road ahead to realize full redevelopment because significant investments on infrastructure development after the land remediation will be needed, and changes to existing big industries will be uncertain in the foreseeable near future. Since Zhuzhou City has developed a new urban planning plan for the Qingshuitang Core Area, the EA will include an analysis based on the urban planning and screening of cumulative impacts issues. The project will include a technical assistance component to further assess the cumulative impacts during project implementation, based on the screening made at preparation stage. The screening and ToR for the Cumulative Impact Assessment follow well known international practice. Recommendations for adjustment of these plans will be based on the expected results of the clean-up operations and residual impacts after the implementation of the project. Environmental management plan. A standalone EMP will need to be prepared. The EMP will include institutional arrangement, specific site remediation plans, monitoring plans, site maintenance requirements (i.e. mitigation measures during operation), capacity building, public engagement, and EMP implementation budget. In particular, an existing quarry is proposed as a disposal site. This site will require a detailed environmental management plan. All disposal and treatment sites will require detailed EMPs and consultation programs in surrounding communities. Public consultation and information disclosure. At least two rounds of information disclosure

		and public consultation will need to be carried out during EA preparation; one at TOR stage and the other at draft EA stage. Each round will be carried out through questionnaire survey, interviews, and group meetings. The consultation will include areas and communities near the project site.Public opinions will need to be incorporated into project design and EA properly. Draft EA will be disclosed locally when prepared.
Natural Habitats OP/BP 4.04	Yes	The project area is industrialized, largely polluted, and does not include any critical natural habitats. Through project intervention the project may contribute to rehabilitation of natural habitats such as several small rivers in the project area and are beneficial to Xiang River. therefore by definition of OP4.04 the policy is triggered.
Forests OP/BP 4.36	No	The project will not involve any forests.
Pest Management OP 4.09	No	The project will not result in use or procurement of pesticides.
Physical Cultural Resources OP/ BP 4.11	TBD	Initial screening of PCRs suggested there were no cultural relics existing in the project area. Further screening will be carried out during project preparation and determine whether this policy should be triggered. EA will include a summary of PCR survey and chance-find procedures.
Indigenous Peoples OP/BP 4.10	No	The mission conducted ethnic minority screening, including desk review and directly consulted with Minority Bureau of Zhuzhou Shifeng District. The project area is a peri-urban area, where besides urban citizens there are five villages, which are Han Nationality villages. The screening concluded that no ethnic village present in the project or collectively attached to the project areas, and so IP Policy is not triggered.
Involuntary Resettlement OP/BP 4.12	Yes	The project component two will probably entail relocation of households and enterprises; and the component one will link to enterprise closure or cleanup of closed enterprise plots, which needs due diligence review issues on resettlement or worker settlement issues. So the

		OP 4.12 is triggered and a resettlement plan (RP) for resettlement impacts from some activities clearly defined prior to the appraisal and a resettlement policy framework (RPF) for other resettlement impacts will be prepared. On worker settlement related to enterprise closed and to be closed, a worker settlement plan will be prepared. Given the social impact is mainly related to the land use, relocation of households and enterprises, so the social assessment could be conducted together with the resettlement planning process and as part of the RP/RPF. The SA should also cover non-social safeguard issues, such as Gender and others.
Safety of Dams OP/BP 4.37	No	The project doesn't involve any dams.
Projects on International Waterways OP/BP 7.50	No	The project is located in hinterland and doesn't involve any international waters.
Projects in Disputed Areas OP/BP 7.60	No	The project is doesn't involve any disputed areas.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 16-Feb-2015

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:

Preparation environmental assessment, social assessment and resettlement plans started in March 2014 and will be completed by February 2015.

IV. APPROVALS

Task Team Leader:	Name: Frank Van Woerden	
Approved By:		
Regional Safeguards Coordinator:	Name: Josefo Tuyor (RSA)	Date: 17-Nov-2014
Practice Manager/ Manager:	Name: Christophe Crepin (PMGR)	Date: 18-Nov-2014

[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.