

**GEF: Project of Building Capacity for the Implementation of Minamata  
Convention on Mercury in China  
Environmental and Social Management Framework  
Table of Contents**

**Preface**

**1. PURPOSE AND SCOPE OF THE ENVIRONMENTAL AND SOCIAL MANAGEMENT  
FRAMEWORK**

1.1 Purpose

1.2 Scope

**2. Project Description**

2.1 Background

2.2 Objective and content (including expected positive impacts and effects)

**3. Applicable laws, regulations and policies**

3.1 Chinese laws and regulations on environmental and social management

3.2 Safeguard Policies of the World Bank

**4. Potential Influences or Risks**

4.1 Project type

4.2 Environmental related impacts

4.3 Social related impacts

**5. Procedures and Implementation Steps for Environmental and Social Management**

5.1 Strategy and method to avoid/ mitigate potential impacts (preparations for environmental and social assessment)

5.2 Application of World Bank's safeguard policies and requirements of implementation documents

5.3 Requirements and manifestations of the Environmental and Social Management Plan

5.4 Requirements for public participation and information disclosure in the preparation of subprojects

5.5 Supervision, monitoring and evaluation in the implementation of subprojects

**6. Organizational Arrangements of Environmental and Social Management**

6.1 Organizational structure of project implementation

6.2 Division of responsibilities for social and environmental management of the project

**7. Complaint Mechanism**

**8. Capacity Building**

**9. Budget for Implementation of Environmental and Social Management Framework**

## 10. Appendix

1. Introduction of Concrete Content of the Project
2. List of Scanned Environmental and Social Problems in Project Areas (Pilot Areas)
3. Indigenous Peoples Planning Framework
4. Resettlement Policy Framework of the Project

# **Environmental and Social Management Framework**

## (Draft)

### **Preface**

On October 10, 2013, China became an earliest signatory to *Minamata Convention on Mercury* (hereinafter referred to as "MCOM") and currently China has put relevant procedures approved in MCOM into implementation. As the world's largest producer, user and emitter of mercury, China is confronted with grim situations in MCOM implementation. Provisions therein will exert profound influences on relevant environmental protection policies, industrial development policies and international trade policies in China, thus putting heavy pressures on its implementation. In order to accelerate the implementation process of MCOM and ensure the achievement of objectives, it is necessary to formulate national implementation strategies as soon as possible, raise the implementing awareness and capabilities of all sectors of the society, and make overall planning and coordination on the favorable conditions and superior resources both at home and abroad, so as to providing full support for MCOM implementation and mercury pollution prevention and control. To this end, Foreign Economic Cooperation Office, Ministry of Environmental Protection, jointly with the World Bank, has developed "The Project of Building Capacity for the Implementation of Minamata Convention on Mercury in China" under Global Environmental Facility (GEF).

The mercury production environment management project proposed by China, including the development of national strategy for MCOM implementation and the improvement of implementation capacity, will receive technical assistance from the World Bank and fund support from GEF. The project serves as one way for China to improve self capacity and enhance ecological and environmental protection, which has great influence and far-reaching significance from a macro perspective. Meanwhile, from the perspective of project implementation, it not only gives strategic planning on MCOM implementation at national level, but also provides guidance on setting frameworks and pilots for environmental risk management in mercury pollution areas. Thus, it is necessary to put risk management of the project on the schedule to better serve project objectives.

The World Bank will provide technical assistance on the condition that review and prediction are made on potential influences, risks and implications both of the capital source and the single project or in combination with other projects. The safeguard policies of the World Bank are also applicable to its technical assistance projects. It requires to identify the nature of influence and risk to determine the category of environmental impacts (Class A, B or C in environmental assessment by the World Bank), and then take appropriate safeguard measures to avoid or mitigate negative impacts.

## **1. Purpose and Scope of the Environmental and Social Management Framework**

### **1.1 Purpose**

The purpose of the project is to develop strategic planning and enhance management on environmental pollution risks. As a kind of technical assistance, generally it will not exert direct negative impacts on the environment and the society, but its results and outcomes may have deep implications of social environment, which would lead to subsequent risks and negative influences (see Chapter 4 for detailed analysis). Although it is impossible to identify subsequent potential risks in the preparation phase, we should still pay close attentions. In this case, the document--*Environmental and Social Management Framework* (hereinafter referred

to as the Framework) is developed according to the World Bank's guideline<sup>1</sup> to introduce and highlight the subsequent influences and risks caused by project results, especially the implementation of regional pilot subprojects and their consequences. Therefore, the Framework presents guidelines and methods for risk avoidance and mitigation in line with the World Bank's security policies, in pursuit of the following design and implementation objectives:

- To give full consideration environmental and social problems in project selection and design decision, follow national laws and regulations on environmental and social development, and make efforts to meet requirements specified in relevant documents of the World Bank's safeguard policies, so as to ensure the compliance with environmental and social requirements as well as the sustainability which are important for project decision;
- To improve positive and sustainable environmental and social outputs;
- To incorporate environmental protection of each subproject into the decision-making process;
- To develop procedures for environmental and social evaluation that should be followed in project implementation, and make screening on the environment and society of subprojects;
- To avoid or mitigate negative influences caused by the accumulative or subsequent effects of the subprojects to a maximum extent;
- To make the Framework be more instructive and feasible in project implementation and avoidance and mitigation of potential subsequent negative influences.

## **1.2 Scope**

The Framework covers all subprojects under the *Project of Building Capacity for the Implementation of Minamata Convention on Mercury in China*. It offers directions on how to carry out environmental and social identification and evaluation, specifies to arrange procedures and time to prepare executable documents of safeguard policies as required during project implementation, provides guidance on information disclosure and public consultation relating to these safeguard documents, and sets organizational and institutional arrangements for the implementation. It can be outlined as follows:

- It describes project-related safeguard policies put forwarded by regional government, national government and the World Bank;
- It analyzes the essence of the project and identifies the type and range of each subproject;
- It identifies and analyzes environmental and social impacts, no matter positive or negative, short term or long term, and also puts forward measures to mitigate potential negative influences and prevent subsequent negative influences;
- It follows and meets requirements of relevant safeguard policies put forwarded by the World Bank, guides the preparation of required executable documents (including plans for environmental and social assessment and management, minority planning framework, and

---

<sup>1</sup> Please refer to *The Application of Security Policy in Technical Assistance Activities and Funding Projects Financed and Performed by the World Bank*, prepared by the World Bank in January 2014.

immigration policy framework, etc.);

- It offers direction to conduct institutional capacity building for environmental and social assessment and the implementation of safeguard policy, and also proposes measures to drive capacity building;
- It offers direction on information disclosure and public participation in environmental and social assessment;
- It offer direction on the establishment and performance of monitoring and evaluation system, including the regular inspection mechanism to be used in subproject implementation.

## **2. Project Description**

### **2.1 Background**

Mercury has a long history of use in China, which can be traced back to the sixth century B.C. China is still one of only a handful of countries that continues to exploit mercury mining, with the yearly yield of primary mercury mining being about 780 tons. It is estimated that China consumes about 1000 tons of mercury per year mainly in industrial products and production process with mercury and mercury compounds used as raw materials, additive and catalyst, accounting for fifty percent of the world's total, and large amounts of mercury-containing coals (0.15-0.20 $\mu$ g/g) are consumed by China's industrial production sectors, thus making China the biggest producer, consumer and emitter of mercury. According to Global Mercury Evaluation Report (2013) by United Nations Environment Programme (UNEP), China's atmospheric mercury emissions account for approximately 75% of the total mercury emissions in East and South Asia, equivalent to 1/3 of the world's total. Such a large amount of mercury emission in China may exert long-term impacts on regional, national and global ecological environment.

### **2.2 Objective and content (including expected positive influences and effects)**

#### **2.2.1 Objective**

The project will focus on requirements in Minamata Convention on Mercury, complete the development of national strategies for the Convention and improve China's implementation capacity by conducting a survey on the current mercury production, use and emission, organizing publicity and training in various forms to raise public awareness, developing relevant strategies and action plans for mercury-related industries and carrying out capacity building demonstration in typical industries and key provinces, among others.

#### **2.2.2 Content**

The project consists of two main parts: (1) development of national strategy (2) implementation of pilot capacity building projects in priority areas. With respect to Part 1, the project will support the construction and development of national strategy making and implementing organizations. Moreover, the project will make a survey on a supplemental list based on MIA project, which covers a list of production and trade (including import and export) of primary and regenerated mercury products, mercury import and export, cement production, waste incineration, atmospheric mercury emissions from coal-fired boilers, mercury-contained wastes and contaminated sites, etc. Efforts should be made to analyze relevant national policies, laws and regulations and carry out extensive consultations with domestic and international stakeholders based on the mercury list project of United Nations Environment Programme,

MIA project and list survey results of the project, so as to support the development of national strategies on mercury in China.

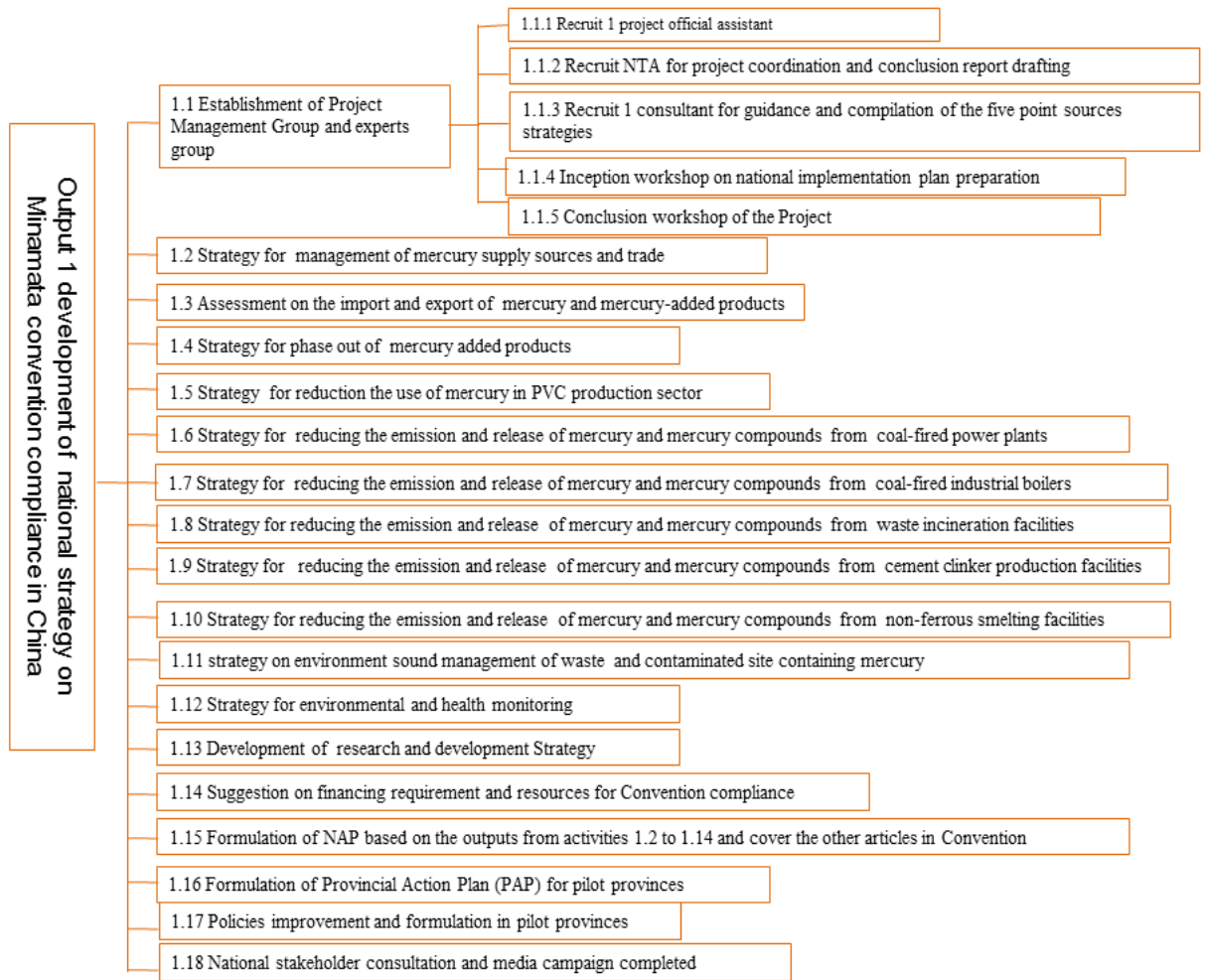
National strategies will be developed to determine short-term, mid-term and long-term goals and relevant measures regarding mercury management. According to the result of policy gap analysis in MIA project, the project will propose a catalogue for development and revision of policies in key industries. During the project implementation, the completed national strategies will be submitted to the Central Government. As national strategies are developed, the project will organize effective media propaganda activities to help the public and stakeholders have a better understanding of mercury problems, motivate them to actively participate in and support the development and implementation of the national strategy of MCOM implementation. Main activities for the development of national strategies include:

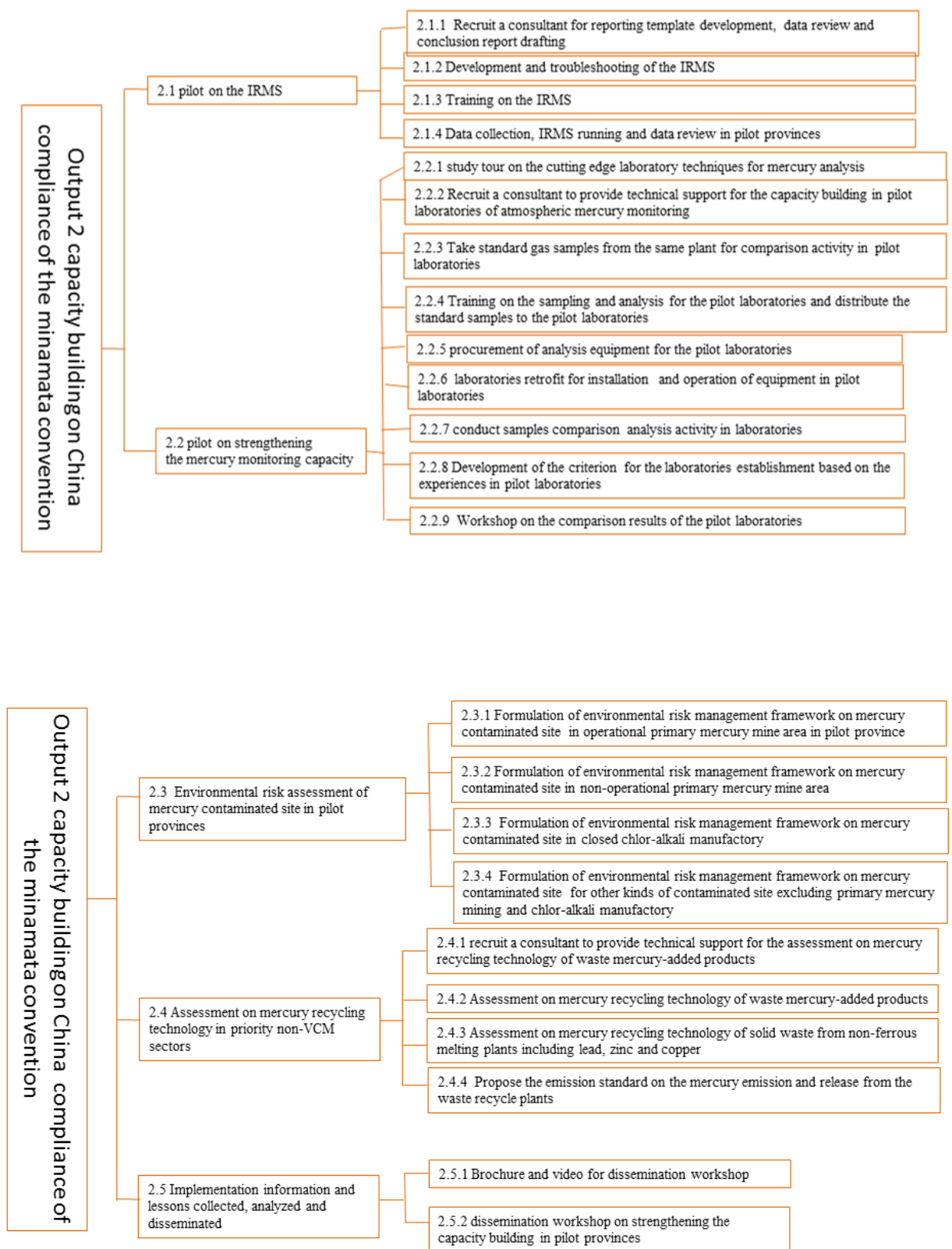
- 1) Identification of priority areas to be implemented;
- 2) Present situation of implementation policies and policy gap analysis;
- 3) Implementation fund demand analysis;
- 4) Studies on cut-down strategies and action plans in mercury-related industries;
- 5) Summary and development of national strategies;
- 6) Public awareness raising activities.

Part 2 of the project will be designed mainly to support China to carry out capacity building in key areas, so as to facilitate the development and implementation of its national strategies, including the following main activities:

- 1) Pilot project of national mercury flow direction reporting system
- 2) Pilot project of mercury monitoring capacity improvement
- 3) Pilot project of environmental risk management in mercury-contained contaminated sites
- 4) Assessment of popularization and application of mercury-contained waste recycling and disposal technology (excluding waste mercury catalyst)
- 5) Popularization of experience in pilot activity of capacity improvement

The framework for project activity is shown in Figure 1:





**Fig.1. Block diagram of the Project of Building Capacity for the Implementation of MCO M in China**

### 3. Applicable laws, regulations and policies

#### 3.1 Chinese laws and regulations on environmental and social management



**3.1.1** Any construction project in China must comply with relevant state laws and regulations. For this project, the following laws and regulations on environmental protection must be abided by. Please see Table 3-1 for details:

**Table 3-1 Applicable Chinese laws and regulations on environment protection**

<b>Policy and regulation</b>	<b>Important provisions</b>
<i>Environmental Protection Law of the People's Republic of China (2015)</i>	<p><b>Article 42</b> Enterprises, institutions and other production operators discharging pollutants must take appropriate measures to prevent environmental pollution and hazards caused by waste gas, waste water, waste residue, medical waste, dust, malodorous gas, radioactive substance and noise, vibration, optical radiation and electromagnetic radiation.</p>
<i>Law of the People's Republic of China on Environmental Impact Assessment (2002)</i>	<p><b>Article 16</b> The State shall execute classified administration on environment impact assessment of construction projects according to the extent of the project environmental impact; the construction unit shall organize to develop the environmental impact report and environmental impact report forms, or fill up and submit the environmental impact registration form (hereinafter referred to as Environmental Impact Assessment Documents in general) according to the following stipulations:</p> <p>(1) Where significant environmental impact might result, an environmental impact report shall be developed to comprehensively assess the environmental impact;</p> <p>(2) Where slight environmental impact might result, an environmental impact report form shall be developed to make analysis or special assessment on the environmental impact;</p> <p>(3) Where slight environmental impact is very small, rendering environmental impact assessment unnecessary, the environmental impact registration form shall be filled up.</p> <p><b>Article 22</b> Environmental impact assessment documents of the construction project shall be submitted by the construction unit to the competent department of environmental protection administration with approving power for approval in accordance with stipulations of the State Council. Where the construction project has its own competent department of industrial administration, the environmental impact report or environmental impact report form shall first be subject to preliminary examination by the competent department of industrial administration before it is submitted to the competent department of environmental protection administration with approving power for approval.</p> <p><b>Article 24</b> In the event the nature, scale, location, production process adopted, or measures for preventing pollution and ecological damage</p>

	of a construction project have experienced major changes after approval of the environmental impact assessment documents of the project, the construction unit shall re-submit environmental impact assessment documents of the project for approval.
<i>Administrative Regulations on the Environmental Protection of Construction Projects (1998)</i>	<b>Article 16</b> Simultaneous design, simultaneous construction and simultaneous going into operation with the main body project (that is "Three Simultaneities") must be realized for matching environmental protection facilities construction which is required for the construction project.
<i>Interim Measures for Public Participation in Environmental Impact Assessment (2006)</i>	<b>Article 2</b> The Measures is applicable to the public participation into environment assessment of construction projects below: (1) Construction project that may have significant influences on environment and requires to prepare environmental impact report; (2) Construction project that should have the environmental impact report resubmitted by the construction unit in case of any significant changes in the nature, scale, site and production process or measures for pollution and ecological destruction prevention; (3) Construction project that would be started five years later since the approval of its environmental impact report should have the report submitted to original approval authority for review and public investigation.

#### **Other related laws and regulations**

*Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (revised in 2000);*

*Law of the People's Republic of China on Prevention and Control of Water Pollution (2008);*

*Law of the People's Republic of China on Prevention of Environmental Pollution Caused by Solid Waste (revised in 2004);*

*Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise (1996);*

*Cleaner Production Promotion Law of the People's Republic of China (2002);*

*Categorized Administrative List of Environmental Impact Assessment for Construction Projects (2015);*

*Mineral Resources Law of the People's Republic of China (2004)*

Mercury-related industry guidance and standards include:

- Directory Catalogue on Readjustment of Industrial Structure (2011 Edition) by NDRC in 2015
- Directory Catalogue on Environmental Protection by the Ministry of Environmental

3.1.2 From a macroscopic or concrete perspective, national laws and regulations relating to this project on the society are summarized as follows:

**Table 3-2 Laws, regulations and policies relating to this project on social development**

Laws, policies and regulations	Enacted on
Amendment to the Constitution of the People's Republic of China	March 14, 2004
Law of the People's Republic of China on Regional National Autonomy	May 31, 1984
Property Law of the People's Republic of China	October 1, 2007
Labor Law of the People's Republic of China	January 1, 1995
Land Administration Law of the People's Republic of China	August 28, 2004
Regulations for Administrative Work of National Townships	October 23, 1993
Regulations for Urban Ethnic Work	August 29, 1993
Regulation on the Dismantlement of Urban Houses (Decree No. 305 of the State Council)	November 1, 2001
Guidance on Urban House Dismantlement Evaluation	January 1, 2004
Circular of the Ministry of Housing and Urban-Rural Development of the People's Republic of China on Issuing the Measures for Evaluating Houses on State-owned Land for Expropriation (Jian Fang [2011] No. 77)	June 3, 2011
Regulations for the Implementation of the Land Administration Law of the People's Republic of China (Decree No. 256 of the State Council of the People's Republic of China)	December 27, 1998
Regulation on the Expropriation of Buildings on State-owned Land and Compensation (Decree No. 590 of the State Council of the People's Republic of China)	January 21, 2011
Decision of the State Council on Deepening the Reform and Rigidly Enforcing Land Administration (Guo Fa [2004] No. 28)	October 21, 2004
Guidance on Improving Land Expropriation Compensation and Relocation Institution (Guo Tu Zi Fa [2004] No. 238)	November 3, 2004
Circular of the State Council on Intensifying the Land Control (Guo Fa [2006] No. 31)	August 31, 2006
Circular of the Ministry of Land and Resources of the People's Republic of China on Formulating Unified Standard for Annual Production Value and Setting Integrated Price for Land Expropriation (Guo Tu Zi Fa [2005] No. 114)	July 23, 2005
Circular of the Ministry of Human Resources and Social Security of the People's Republic of China forwarded by the General Office of the State Council on Guiding Employment Training and Social Security Work (Guo Ban Fa [2006] No. 29)	April 10, 2006
Measures for Announcement of Land Expropriation (Decree No. 10 of the Ministry of Land and Resources)	January 1, 2002
Urgent Circular of the General Office of the Ministry of Land and Resources of the People's Republic of China on Effectively Managing Land Expropriation and Housing Removal (Guo Tu Zi Dian Fa [2011])	December 19, 2011

### 3.2 Safeguard Policies of the World Bank

Then safeguard policies are formulated by the World Bank to regulate loan/funding projects it involved, 8 of which relate to environmental and social development:

1. OP 4.01 Environmental Assessment
2. OP 4.04 Natural Habitats
3. OP 4.09 Pest Management
4. OP 4.10 Indigenous Peoples
5. OP 4.11 Physical Cultural Resources
6. OP 4.12 Involuntary Resettlement
7. OP 4.36 Forestry
8. OP 4.37 Safety of Dams
9. OP 7.50 Projects on International Waterways
10. OP 7.60 Projects in Disputed Areas

OP4.01, 04, 09, 11, 36 and 37 (that is, Environmental Assessment, Natural Habitats, Pest Management, Physical Cultural Resources, Forestry and Safety of Dams) focus on environmental ecology; while OP 4.10 and 4.12 (Indigenous Peoples and Involuntary Resettlement) mainly target at social development, among which OP4.11 relates to natural heritage and environmental protection. Article 11 describes information disclosure procedures (including safeguard information) necessary for project implementation, applicable both to the local community and people related and the international community.

#### 3.2.1 Environmental related

(1) *Environmental Assessment* (OP 4.01)

(2) *Environment, Health and Safety Guideline* (EHS Guideline)

**Table 3-3 Related environmental safeguard policies**

<b>Policy of the World Bank</b>	<b>Abstract</b>
<i>Environmental Assessment</i> (OP 4.01)	EA is a process whose breadth, depth, and type of analysis depend on the nature, scale, and potential environmental impact of the proposed project. EA evaluates a project's potential environmental risks and impacts in its area of influence; <sup>3</sup> examines project alternatives; identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse environmental impacts throughout project implementation. The Bank favors preventive measures over mitigatory or compensatory measures, whenever feasible.

<i>Environment, Health and Safety Guideline (EHS Guideline)</i>	<i>Environment, Health and Safety Guideline</i> (short for EHS Guideline) is compiled for technical reference. In case one or more member states of the World Bank Group involve(s) in a certain project, policies and standards of the member states, as well as EHS Guideline, should be strictly followed.
-----------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### 3.2.2 Related social safeguard policies

**Table 3-4 Social safeguard policies relating to the project**

<b>Policies of the World Bank</b>	<b>Abstract</b>
Indigenous Peoples /minorities (OP 4.10)	The policy relates to the maintenance of the rights and interests of "Indigenous Peoples", and aims at respecting the dignity, human rights, economy and culture of "Indigenous Peoples", further accomplishing the mission of poverty alleviation and sustainable development. With obvious differences from mainstream social group in characteristics, "Indigenous Peoples" belongs to the most marginalized and vulnerable group. Their abilities to protect the rights and interests of productive resources and participate in development projects and benefit from them are often limited by their economic, social and legal status. What's worse, the relation of dependence on lands and natural resources that they rely on for survival put them into different risks and impacts resulted from development projects, or deprive them of traditional livelihood, ethnic characteristics and culture, and expose them to diseases attacks, etc. For this purpose, OP4.10 "Indigenous Peoples" specifies that lenders who apply for financial supports from the World Bank for projects involving "Indigenous Peoples" should adopt unrestricted, ex-ante and informed consultation process in local community and loans from the World Bank are only available to projects that are widely approved by the local community of "Indigenous Peoples" through consultation. It also specifies that the World Bank's projects should ensure that "Indigenous Peoples" have equal opportunities to take participation and gain social and economic interests in compliance with their culture and with gender and intergeneration inclusion. Meanwhile, loan project of the World Bank should avoid to bring negative impacts on "Indigenous Peoples" community, and where unavoidable, should be minimized, mitigated or compensated.
Involuntary Resettlement (OP 4.12)	This policy applies to involuntary land occupancy and involuntary restriction of access to legally designated parks and protected areas, and aims to avoid involuntary resettlement (including land expropriation and demolition and adverse impacts on economy), where practicable, or minimize and mitigate adverse economic and social impacts.  This policy promotes affected people to participate more effectively in the planning and implementation of resettlement activities. The key economic target is to assist affected people in their efforts to recover

	<p>and improve their economic incomes and livelihoods after housing demolition.</p> <p>This policy expresses that the established objectives may be accomplished through compensation and other resettlement measures, and the borrower should prepare a thoughtful resettlement plan and implementation documents before the proposed project is approved by the World Bank.</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

#### 4. Potential Influences or Risks

##### 4.1 Project type

According to the planning and design documents, GEF Project of Building Capacity for the Implementation of Minamata Convention on Mercury in China aims to assist China in capacity building, and formulate and perform national strategy of mercury convention, providing mercury-related sectors nationwide with solutions to mercury problems, and will also support China in capacity building in key areas to accelerate the preparation and implementation of national strategies.

According to the project design, subproject involves policy research, informationization platform construction and mercury-polluted environment assessment and management.

##### 4.2 Environmental related influences

GEF's Project of Building Capacity for the Implementation of Minamata Convention on Mercury in China is mainly designed to support technical assistance and capacity construction projects, and set up pilots of environmental assessment and management projects for mercury mines and industrial production pollution sites, and spread project results and experience nationwide. Thus it can be seen that the project will not cause any serious environmental problems. Instead, it is expected to bring overall environmental benefits.

See Table 4-1 below for preliminary screening result of the environmental impact of each subproject under the Project of Building Capacity for the Implementation of MCOM in China.

<b>Table 4-1 Preliminary Screening of Environmental Impacts of the Project of Building Capacity for the Implementation of MCOM in China</b>		
Details	Whether to cause environmental impacts or not (both positive and	
	Yes	No
<b>1. Develop national strategies for MCOM implementation</b>	√	
1.1 Set up project team and expert group		√
1.2 Develop strategies for strengthening mercury supply and trade management	√	
1.3 State quo of import and export of mercury and mercury-added products and evaluation on MCOM implementation requirement	√	
1.4 Develop strategies for mercury reduction in mercury-added products	√	

1.5 Develop strategies for mercury reduction in PVC production	√	
1.6 Develop strategies for reducing emissions of mercury and other compounds from coal-fired power plants	√	
1.7 Develop strategies for reducing emissions of mercury and other compounds from coal-fired industrial boilers	√	
1.8 Develop strategies for reducing emissions of mercury and other compounds from waste incineration	√	
1.9 Develop strategies for reducing emissions of mercury and other compounds from cement clinker production	√	
1.10 Develop strategies for reducing emissions of mercury and other compounds from non-ferrous smelting	√	
1.11 Develop strategies for innocuous management on mercury-containing wastes and contaminated site	√	
1.12 Develop strategies for environment and human health monitoring for MCOM implementation	√	
1.13 Develop strategies for conducting R&D for MCOM implementation	√	
1.14 Conduct research on fund requirements and financing channels for MCOM implementation	√	
1.15 Summarize national strategies for MCOM implementation	√	
1.16 Develop provincial-level strategies for MCOM implementation by pilot provinces	√	
1.17 Develop proposals on policies, regulations and standards formulation and revision for MCOM implementation by pilot provinces	√	
1.18 Organize activities to improve MCOM implementation awareness of stakeholders		√
<b>2. Set up capacity building pilots project for MCOM implementation</b>	√	
2.1 Pilots project of national mercury flow direction reporting system		√
2.2 Pilot project of mercury monitoring capacity improvement	√	
2.3 Pilot project of environmental risk management in mercury-contained contaminated sites	√	
2.4 Assessment of popularization and application of mercury-contained waste recycling and disposal technology (excluding waste mercury catalyst)		√
2.5 Popularization of experience in pilot activity of capacity improvement	√	

Pilot mercury-contained

The table above shows us that policy research-type subprojects and projects involving contaminated site and environmental management suggestions may produce environmental impacts in the phases of follow-up policy issuance and environmental management implementation.

#### 4.3 Social related influences

As shown in 4.1, the first subproject "Project of Building Capacity for the Implementation of MCOM in China" is to develop "national strategy of for MCOM implementation". It focuses on researching and developing macroscopic strategies and implementation plans, serving as planning for ecological environment protection and public health. The subproject itself might have no direct negative impacts and risks on the society. But the overall strategy will be divided into various industrial strategies which will further be made more concrete and some of which will be surveyed and analyzed during decision-making on specific enterprise conditions, site type, pollution status and management index, so as to draw strategic judgment and improvement suggestions. For example, 1.11 "Develop strategies for innocuous management on mercury-containing wastes and contaminated site", a sub-industry study under the subproject, is designed to conduct sampling, monitoring and other activities on 45 enterprises related and 10 contaminated sites. On the one hand, the project has to take into account the potential influences on these enterprises and their employees and the local society during its implementation, as well as their interactions with the project. On the other hand, it has to consider what effects of project result and the issuance of new strategies will be made on this industry, including all relevant enterprises and employees; and when new policies and measures are taken to prevent pollutions in the foreseeable future, what the response will be made by the social group, and have their welfares been considered in the new strategies. All of these are social influences related to the project in the short term and long term.

The second subproject "set up capacity building pilots project for MCOM implementation" will have more specific social impacts. According to the preliminary social scanning, activities such as 2.2 "pilot project of mercury monitoring capacity strengthening" and 2.3 "pilot project of environmental risk management in mercury-contained contaminated sites" under Subproject II will directly involve specific places in Shaanxi, Hunan and Guizhou Provinces. On the one hand, in addition to technical support, training, seminars, etc., project activities also include physical investment such as update of laboratory equipment and water and electricity transformation. Thus, land utilization of the project will also be concerned. Before detailed design of these activities is completed, land expropriation or change of land utilization cannot be completely excluded. On the other hand, these pilot projects are preliminarily arranged in provinces such as Guizhou and Hunan, where indigenous peoples mostly live in a compact community. Despite of unknown specific places of project activities, project design should take into full account possible effects on local indigenous peoples, including positive and negative ones, and their reactions and opinions. In indigenous areas, project activities should be beneficial to the development of indigenous communities and compatible with their culture on the premise that the activities are recognized by local indigenous communities. Possible adverse effects of any pilot projects should be carefully analyzed and addressed or avoided at full blast. Besides, full attention should also be paid to further possible effects of the project in the future. For example, after implementation capacity is strengthened and risk management in contaminated sites is improved, the improved management will be further implemented by local authorities, popularized by departments concerned or even executed nationwide. Will this cause closedown, suspension, combination and transformation of inefficient enterprises or



unemployment later? Though such subsequent effects are not directly caused by the project, the project should provide guidance on and prepare for mitigation of subsequent adverse effects when making pilot studies and industrial strategies. The Environmental and Social Management Framework will further provide explanation and guidance in this aspect. According to laws and regulations in Chapter III, Table 4-1 below will provide the screening of social impacts of all project activities.

**Table 4-1 Primary screening of the social impacts of the project of building capacity for the implementation of MCOM in China**

Project segments	Project activity	Social impact		
		Land expropriation and resettlement	Minority	Subsequent influences
1.Develop national strategy for MCOM implementation	1.1 Set up project team and expert group	No	No	No
	1.2 Develop strategies for strengthening mercury supply and trade management	No	No	No
	1.3 State quo of import and export of mercury and mercury-added products and evaluation on MCOM implementation requirement	No	No	No
	1.4 Develop strategies for the obsolescence for mercury-added product	No	No	Yes
	1.5 Develop strategies for mercury reduction in PVC production	No	No	Yes
	1.6 Develop strategies for reducing emissions of mercury and other compounds from coal-fired power plants	No	No	Yes
	1.7 Develop strategies for reducing emissions of mercury and other compounds from coal-fired industrial boilers	No	No	Yes
	1.8 Develop strategies for reducing emissions of mercury and other compounds from waste incineration	No	No	Yes
	1.9 Develop strategies for reducing emissions of mercury and other compounds from cement clinker production	No	No	Yes

	1.10 Develop strategies for reducing emissions of mercury and other compounds from non-ferrous smelting	No	No	Yes
	1.11 Develop strategies for innocuous management on mercury-containing wastes and contaminated site	Potential	Potential	Yes
	1.12 Develop strategies for environment and human health monitoring for MCOM implementation	No	No	No
	1.13 Develop strategies for conducting R&D for MCOM implementation	No	No	No
	1.14 Conduct research on fund requirements and financing channels for MCOM implementation	No	No	No
	1.15 Summarize national strategies for MCOM implementation	No	No	No
	1.16 Develop provincial-level strategies for MCOM implementation by pilot provinces	Potential	Potential	Yes
	1.17 Develop proposals on policies, regulations and standards formulation and revision for MCOM implementation by pilot provinces	No	No	Yes
	1.18 Organize activities to improve MCOM implementation awareness of stakeholders	No	No	No
2. Improve China's capacity of MCOM implementation	2.1 Pilot project of national mercury flow direction reporting system	No	No	No
	2.2 Pilot project of mercury monitoring capacity improvement.....	Potential	Potential	Yes
	2.2.5 Purchase analytical equipment for atmospheric mercury detection in pilot laboratory 2.2.6 Equip new equipment with racks for water and electricity transformation in laboratory .....			

	<p>2.3 Pilot project of environmental risk management in mercury-contained contaminated sites</p> <p>2.3.1 Develop a framework for risk management on mercury-contained contaminated sites of existing enterprises engaging in primary mercury mining production in pilot provinces</p> <p>2.3.2 Develop a framework for risk management on mercury-contained contaminated sites of closed enterprises engaging in primary mercury mining production in pilot provinces</p> <p>2.3.3 Develop a framework for risk management on mercury-contained contaminated sites of closed enterprises engaging in chlor-alrali production in pilot provinces</p> <p>2.3.4 Develop a framework for risk management on mercury-contained contaminated sites of existing enterprises engaging in non-primary mercury mining production in pilot provinces</p>	Potential	Potential	Yes
	<p>2.4 Assessment of popularization and application of mercury-contained waste recycling and disposal technology (excluding waste mercury catalyst)</p>	No	No	No
	<p>2.5 Popularization of experience in pilot activity of capacity improvement</p>	No	No	Yes
<p>3. Project management</p>		No	No	No

## 5. Procedures and Implementation Steps for Environmental and Social Management

## **5.1 Strategy and method to avoid/ mitigate potential impacts**

In Chapter 4, several types of subprojects are roughly screened out by preliminary scanning of project activities which may produce short and long-term environmental and social impacts. On this basis, the project is required to further evaluate and identify specific possible expression forms of these potential impacts in the implementation environment of the project, types and degrees of risks resulted in, interaction approach and consequences of the project with the local society and methodologies and approaches for avoiding and mitigating possible adverse effects. For this purpose, this Framework gives further advice and guidance for preparing environmental and social assessment of the project as the starting point for environmental and social management of the project and the footstone for environmental and social management plan of future project.

### **5.1.1 Environmental assessment policy framework**

According to the analysis in the previous chapter, the environmental policy addresses the requirement of OP4.01 environmental impact assessment. According to the World Bank policy OP/BP 8.00, the environmental guarantee screening and assessment framework should be used to give guidance for preparation of environmental safety guarantee plan and making it up to standard in the implementation process of the subprojects.

According to the project design for construction of China's ability to implement Mercury Convention, the project has significant environmental benefit with non-existence of major restrictive environmental factors and not involving any sensitive areas and sensitive human rights, therefore, the environmental risk of the project activity belongs to Category B.

### **5.1.2 Social assessment policy framework**

#### Purpose of the social assessment framework:

Social assessment is a necessary preparation tool for the World Bank's funding projects. However, as it is categorized as strategic research and planning project, pilot activities can be determined only in the implementation process, and its potential impacts can be possibly shown only after the implementation and in subsequent activities. Therefore, in the preparation stage, the priority is to put forward the strategies and methodologies to avoid and mitigate potential adverse effects, as the purpose of this social assessment framework. During project implementation, social assessment should be continued under the guidance of the social assessment framework.

The essence of social assessment is to identify various social impacts and social risks likely to be produced by the project and put forward measures and suggestions to eliminate or reduce negative social impacts as possible that are caused due to project implementation and increase positive social impacts. Participatory method is adopted in the social assessment to give ear to appeals and hopes of different interest groups, make the project benefit more different stakeholders and promote inclusive development in project area; and to make preparation, design, construction and operation management of the project meet the social and economic development goals of the project's location, local specific condition and specific development demand of target population to provide people in project area with broader development opportunities.

#### Tasks of social assessment

The preparation unit should carry out social assessment of public participation and information disclosure towards the project based on the basic information and data obtained from baseline survey; identify major stakeholders in close relation to the project and analyze the impacts caused due to the project on major stakeholders in terms of economy, the environment, gender, vulnerable groups and so on; and get to know major stakeholders' specific detailed demands for project building (such as emission reduction, management strengthening and so on) to optimize project design so as to ensure that the stakeholders in a wider range can realize equal participation in the project and make their suggestions obtain effective response, and based on that, the main tasks of social assessment include:

- (1) Identify major stakeholders of the project and their benefit and demands, analyze stakeholders' demands for project construction and conduct co-adaptability analysis on the project;
- (2) Analyze the impacts, degrees, categories and consequences on local society and social groups that are likely to be produced by project activities;
- (3) Get to know major stakeholders' (especially the vulnerable groups and women) views on possible impacts on the economy, environment and society of the project area and other positive and negative impacts likely to be produced by the project, and identify the social risks of the project;
- (4) Get to know the people's perception, satisfaction and ideas of the current mercury, production and treatment of products with mercury and the current situation in risk management of mercury pollution, identify major stakeholders' views on the strategy formulated in all industries for emission reduction of products with mercury and their compounds and reflect stakeholders' reasonable appeals and promote the implementation;
- (5) Put forward the social management plan with the aim of optimizing project design, improving information disclosure and promoting public participation through extensive informed participation and consultation to avoid project risks and promote the achievement of social objectives of the project;
- (6) Put forward the approaches to avoid and mitigate negative impacts and the methods to complete the security execution documents as required according to laws and regulations and the security policy.

In addition, means of project information spreading, experience sharing and so on should be adopted in the process of launching consultation and negotiation towards the public to make the public fully understand the background, objective and implementation proposal of the project and get involved.

#### Implementation and output of social assessment activities:

Each project office should determine whether or not the affected groups and individuals are giving extensive support for the project according to the social assessment and results of free, prior and informed consultation. If they are giving such support, the borrower should prepare the detailed social assessment report. Width, breath, type and proposal project of the social assessment analysis match with the nature and scale of the potential impact on the society and stakeholders. Output of social assessment activities should be the ultimate social assessment report. Social assessment report chapters include following factors as required:

#### (1) Analysis of stakeholders

Identify major stakeholders involved in the project. Implementation and advocacy of subprojects may render some pollution emission enterprises, urban residents, rural residents and other social groups and individuals suffered from impacts (positive impacts or negative impacts), especially women, the aged, the poor and other vulnerable groups. At the same time, relevant functional departments may also need to make adjustments and changes which may have impact on different groups. Besides, whether it is possible for the promotion of pilot operation and application to involve land requisition and resettlement and matters concerned. Social assessment needs to give a specific evaluation of these potential impacts, identify major stakeholders' demand and attitude towards the project and analyze the role of major stakeholders and problems existed in the interaction process.

#### (2) Poverty analysis and strategy

It describes the situation of poor people in the project area, analyze the causes of poverty and introduces relevant measures for poverty reduction and analyze the effect of poverty reduction of the project and appeals of poor people to prevent the widening income gap to make sure the poor and other vulnerable groups benefit from the project.

#### (3) Women's demand for the project

It introduces the general situation of women in the project area, takes into account the special impacts on women caused due to implementation of the project and women's appeals, screen impacts of the project on different genders depending on the implementation of project activities and reflect Gender Action Plan in design and implementation of the project to safeguard the rights and interests of women.

#### (4) Social impact analysis

Analysis of project implementation will have different impacts on different interest groups and the impacts can be divided into positive impacts, negative impact and potential risks. Analysis of the positive impacts of the project on major stakeholders aims at finding and expanding the opportunity for development while analysis of negative impacts can effectively identify, control and avoid social risks in project construction. The main objects to be analyzed in the social assessment are enterprises, employees, relevant functional departments, urban residents, rural farmers and other major stakeholders that are affected by the project and they are the master of the local society.

#### (5) Public consultation and participation process

Through consultation and negotiation with major stakeholders in the earlier stage of the project, it is designed to raise relevant awareness of the public with regard to specific planning and so on of project construction, identify the public's demand for project information disclosure and combine with the characteristics of the local community and the existing practical experience in public information disclosure to establish and improve the project information disclosure mechanism, optimize project design and ensure different stakeholders can fully and equally participate in project planning, design and implementation.

#### (6) Social management plan and implementation

Through recognition and analysis of project risks, pointed policy suggestion and action plan should be put forward to avoid or reduce social risks existed in the project and action

suggestion should be raised towards the design of project information disclosure and social management plan and public participation plan should be formulated according to the results of public consultation in social assessment.

(7) Complaint, appeal and monitoring and evaluation

In the process of project preparation, construction and operation, to timely know and resolve the impacts and problems caused to stakeholders, extensive community participation should be guaranteed as much as possible and the channel to appeal and complain should be established. Supervision and evaluation mechanism should be established to make sure project information disclosure, public participation and the social management plan put forward in design of social impact assessment report can be emphasized and implemented.

Approval of social assessment report:

Before determining whether or not each relevant item or subproject is eligible for the World Bank’s funding, the project office and relevant units involved in the project should submit the social assessment report in conformity with the social security policy as required by the World Bank to the World Bank for review. Relevant item or subproject can really be put into effect only after being examined and approved. The approved social assessment report should be publicized through local newspaper and government website before implementation.

Principle and framework of public participation

The World Bank points out in its participation manual that public participation is “the process that project stakeholder groups can influence and jointly control through it the development intervention, development decision and related resources with them involved”. The project implemented by the World Bank is a process to motivate major stakeholder groups to influence and control the development action to prevent major stakeholder groups from being simply regarded as the passive aid receiver, interviewee or labor force in the development process. However, the realization of such process requires to take into account the more extensive stakeholder groups in terms of the whole nation’s economy and its relevant departments to make sure all stakeholder groups and their relationship can be recognized and taken into consideration throughout all phases of the project; make it easier for the poor to obtain the resources, especially the financial resources; and strengthen the management ability of major stakeholders and their organization. Principles and framework for major stakeholder groups to participate in the project are shown in Table 5-1 below.

**Table 5-1 Principles and framework for public participation in the project**

S.N.	Step	Role of major stakeholder groups	Role of government	Role of specialists	Effect
1	Problem analysis and topic establishment	Analyze family, social, resource and other problems and find out the causes of these problems	Provide administrative , political and financial support	Help major stakeholder groups to analyze the problems and guide them to find out the causes of these problems	It can accurately detect the real problem
2	Project content and framework	Put forward own needs and compare the relationship between causes of problems and own	Research whether the government can support the proposal	Present technically feasible suggestions to the government and major stakeholder	Associate project content with the actual need of major stakeholder groups

S.N.	Step	Role of major stakeholder groups	Role of government	Role of specialists	Effect
		needs to establish the problem-solving framework	put forward by major stakeholder groups	groups based on the analysis of these problems	
3	Project plan	Establish project action plan and determine the person in charge and so on according to household labor force, gender division of labor, season and other social and economic characteristics	Review the relationship between the plan of major stakeholder groups and government appropriation	Make plans together with major stakeholder groups to give early warning of risks	The planned activities can be in conformity with the production season, distribution of labor force and financial condition of major stakeholders
4	Project implementation	Establish and implement the organization system and elect the responsible person of each activity to carry out project activities	Provide implementation conditions	Provide technical support	The benefited groups should be responsible for their own
5	Monitoring and evaluation	Project executor should monitor its own activities and organize regular evaluation of the progress	Participate in monitoring and evaluation	Analyze the monitoring and evaluation results to report to the government and major stakeholder groups	The benefited groups should timely know the progress of their own activities
6	Final evaluation of project	Assess the final benefit of its own input and externally supported input	Participate in the evaluation process and review the benefit of government input	Benefit for participating in evaluation and review of technical input	Beneficiaries should assess if they are benefited
Role effect		Decision executor	Assurer	Supporter	Unity of roles

### Implementation process and capital arrangement

Implementation process: Action plan for social management and action plan for public participation should give specific implementation schedule towards all activities to be carried out and arrange responsible organizations to determine the source of funds. In the implementation phase of the project, Project Office of Ministry of Environmental Protection should be responsible for implementation of action plan for social management and action plan for public participation, paying attention to project requirements and suggestions of the affected groups, individuals and enterprises through public participation and taking relevant measures to enhance the positive benefits of the project and mitigate the negative impacts.

Capital arrangement: Funds needed in the implementation process of social assessment, social action management plan and action plan for public participation come mainly from project budget, finances of governments at all levels and special funds of relevant departments.

### **5.2 Application of World Bank's safeguard policies and requirements of implementation**



## **documents**

### 5.2.1 Environmental impact screening, mitigation and management measures

Environmental impact assessment documents are not required for Class B projects and Environmental Management Plans might be the only result of environmental assessment. Despite no requirement for any special environmental assessment document for the project, the work outline should include relevant analyses on environmental and social impacts as well as requirements on how to deal with these impacts. During the implementation of the project, environmental impact assessment report, environmental impact report form or environmental impact registration form will be implemented in accordance with national provisions to prepare relevant documents.

Development and implementation of environmental impact screening, mitigation and management measures will be subject to the following steps:

Step 1-Subproject environmental impact screening;

Step 2-Subproject classification and determination of the type of environmental documents required;

Step 3-Preparation of environmental documents by project units;

Step 4-Public participation in environmental documents;

Step 5-Environmental audit and approval;

Step 6-Supervision;

Step 7-Report.

1) Subproject environmental impact screening

Environmental/consultant experts hired by the Central Project Management Office will identify and select subprojects as per Appendix 2-Potential Environmental Problems Screening Inventory. They will make a preliminary assessment of subprojects to optimize the concept of subproject and reduce or mitigate the environmental impact of subprojects.

2) Subproject classification and determination of the type of environmental documents required

Subproject activities screened out by environmental experts hired by project management organizations will be screened to determine the type, breadth and depth of environmental documents according to the type, location, sensitiveness and scale of project activities, characteristics and size of potential environmental impact (see Environmental Screening Inventory in Appendix 2 for details), World Bank requirements (OP4.01) and *Catalogue for the Classified Administration of Environmental Impact Assessments for Construction Projects* (June 1, 2015).

In accordance with World Bank's safeguard policies, projects and environmental safeguard documents to be prepared are classified as follows:

Class A: this type of projects will have major negative environmental impacts, which are sensitive, extensive and unprecedented. The scope of affected areas will be wider than that of the site where a specific project is located. Some proposed urban infrastructures might be

divided into Class A, such as large refuse landfills, large sewage treatment plants or dams and reservoirs.

Environmental impact assessment report and Environmental Management Plan will have to be prepared for such projects as required by World Bank. Besides, all bidding documents must include a standard clause on opportunistic search of physical cultural resources (see relevant guidelines in Operational Manual). Project offices will consult with the World Bank Project Team in the development of all Class A documents. Environmental impact assessments and Environmental Management Plans should be submitted to World Bank for review and approval.

It should be noted that according to the design of the Project of Building Capacity for the Implementation of Minamata Convention on Mercury in China, the project has significant environmental benefits without major environmental constraints or sensitive areas or human rights, so it does not contain Class A subproject activities.

Class B: this type of projects will have some negative environmental impacts, which are less serious than that of Class A projects. These impacts are basically limited within the project site; few of them are irreversible; in most cases, it is easy to design measures to mitigate or eliminate these impacts. Most restoration and reconstruction subprojects might be divided into Class B.

Environmental impact assessment or simplified EIA (as required by Chinese laws and regulations) and an Environmental Management Plan at least containing standard environmental practice specifications – with additional analysis provided if necessary should be prepared for such projects (see World Bank policies). Specific Environmental Management Plans and/or standard environmental practice specifications of subprojects should include provisions on opportunistic search of physical cultural resources and be included in all construction contracts/bidding documents.

Class C: this type of projects might have the least or no negative environmental impacts. Environmental safeguard documents are not required for such projects, but they must be registered as per Chinese management requirements.

The Project of Building Capacity for the Implementation of Minamata Convention on Mercury in China will mainly support some technical assistance and capacity building activities, so the project will not have any serious environmental and social problems. On the contrary, it is expected to bring about overall environmental benefits. Therefore, according to classification criteria in World Bank's environmental safeguard policies, the project falls into Class B. Environmental impact assessment documents are not required for Class B projects and Environmental Management Plans might be the only result of environmental assessment. World Bank's safeguard policies also apply to the research subject of the project. Though special environmental assessment documents are not required for the research subject, its work outline should include relevant analyses on environmental and social impacts as well as requirements on how to deal with these impacts.

### 3) Preparation of environmental documents by project units

After environmental screening and subproject classification, if a subproject unit needs to prepare environmental documents, the subproject unit should do so as per the requirements of project management organizations and this Environmental Management Policy Framework

Document.

(a) Environmental impact assessment (EIA)

Subproject units are responsible for preparation of project environmental impact assessment documents, which should be implemented according to guidelines regarding environmental protection management in China and World Bank's safeguard policies. Subproject units should entrust environmental impact assessment agencies with relevant qualifications and experience and that are approved by environmental protection authorities to carry out environmental impact assessment and write environmental impact assessment reports.

(b) Environmental management plan (EMP)

Subproject units are responsible for preparation of Environmental Management Plans (EMPs). EMP should include environmental protection measures during project design, construction and implementation. These measures should eliminate or make up for adverse effects of project activities on environment and society, or at least reduce these adverse effects to an acceptable level. See Appendix 3 for Environmental Management Plan (EMP) template.

4) Public consultation

Subproject management units are responsible for organizing public participation in the developed EIA documents, with main responsibilities including: a) the public right to know; b) opinion collection; c) records of important findings, summaries and suggestions. Subproject management units or environmental impact assessment agencies they entrust should publish information bulletins in public places to disclose environmental management documents, and collect opinions of residents around. Public opinions should be collected by means of questionnaires, seminars and hearings, among others. Public participation aims at collecting opinions of surrounding residents about subproject environmental impact and determining environmental problems affected residents consider important. All important opinions obtained from public participation will be included in environmental management documents.

Environmental management organizations or consultants they hire are responsible for reviewing public participation records and determining whether they meet relevant requirements. If not, environmental management organizations may require subproject management units to carry out public participation survey again as required.

In order to increase the efficiency of negotiations between subproject management units and affected people and other stakeholders, subproject management units should provide the public with draft environmental impact assessment documents before collection of public opinions. All final environmental impact assessment documents should be published in public places accessible to affected people and other stakeholders. Acceptable publication methods include posters, brochures, newspapers and Internet, among others. Subproject management units or the project management organization should be able to publish environmental impact assessment documents and Environmental Management Plans (EMPs) on their special websites.

5) Audit and approval

Completed environmental impact assessment documents (including EMPs) of the project should be submitted by subproject units as required to local environmental protection authorities for review and approval. Meanwhile, to make final environmental impact

assessment documents meet the requirements of World Bank, subproject units and units that develop these documents should take full account of and adopt relevant opinions of environmental experts hired by environmental management organizations and World Bank in the development of the documents. Subproject units should submit the environmental impact assessment documents that have been approved by local environmental protection authorities and Environmental Management Plans to project management organizations.

If subproject units are required to prepare Environmental Management Plans only, the subproject units should submit completed EMPs to project management organizations level by level.

#### 6) Supervision

In the process of project implementation, project management organizations at different levels will supervise the project implementation together with local environmental protection authorities and consultants to ensure that Environmental Management Plans (EMPs) are implemented as required.

#### 7) Report

During project implementation, project management organizations will require subproject units to report the implementation of Environmental Management Plans (EMPs) semiannually. Subproject units should carefully keep a record of monitoring results according to monitoring plans in Environmental Management Plans and confirm corrective or protective measures required in the process of monitoring. Project progress reports submitted by subgroup units should include the implementation of Environmental Management Plans (EMPs) (such as mitigation measures and supervision), whether there are major environmental problems and relevant solutions. If subproject units fail to organize activities in accordance to approved Environmental Management Plans (EMPs), project management organizations may require these subproject units to submit reports more frequently. Project progress reports prepared by project management organizations should include the progress of Environmental Management Plans (EMPs), e.g., EMP implementation progress and effects.

### **5.2.2 Social safeguard policies**

Two of World Bank's social safeguard policies will apply to this project, i.e., OP4.10 Indigenous Peoples and OP4.12 Involuntary Resettlement. Specifically, however, these policies apply actually to the results of the project instead of the project itself. Thus, implementation documents regarding these safeguard policies, such as *Indigenous Peoples Plan* (including *Indigenous Peoples Planning Framework*) or *Resettlement Action Plan* (including *Resettlement Policy Framework*), should not be considered as the "precondition" to, but the "result" of, project implementation. As a consequence, as the guarantee and premise of the implementation of project safeguard policies agreed by both parties, the Environmental and Social Management Framework provides guidelines for *Indigenous Peoples Planning Framework* and *Resettlement Policy Framework*, so that the two documents can serve as safeguard implementation documents of OP4.10 and OP4.12 in the project and so as to provide a basis for specifically developing and applying these implementation documents as the case may be after project implementation.

#### **5.2.2.1 On Indigenous Peoples Planning Framework**

Purpose of the Indigenous Peoples Planning Framework:

Some subproject activities of the project are arranged in Hunan, Guizhou and Shaanxi Provinces, where indigenous peoples mostly live in compact communities. Although there are no clues about the specific locations of these activities and whether they are directly related to indigenous communities, special attention should be paid to possible effects of the project on society of indigenous peoples as the effects might be more induced and diffused in the long term (for example, improvement of subproject capacity and strengthening of the implementation and promotion of management strategies require follow-up in future projects, and effects of subprojects originate from the project). Therefore, it is necessary to make preparations as per World Bank OP4.10 safeguard policies. The Indigenous Peoples Planning Framework is developed for this purpose.

In principle, the Indigenous Peoples Planning Framework is developed to ensure that: a. indigenous peoples affected by the project can obtain social and economic benefits identified with their cultural habits; b. if the project does have potential negative effects on indigenous peoples, measures will be taken to avoid, minimize and mitigate or make up for these negative effects.

#### Legal basis for the Indigenous Peoples Planning Framework:

The Indigenous Peoples Planning Framework of the project is determined in accordance with relevant national and local laws and regulations in the People's Republic of China as well as a series of provisions in World Bank OP4.10 Indigenous Peoples safeguard policies. Relevant dedicated national laws and regulations in China mainly include:

- Amendments to the Constitution of the People's Republic of China
- Law of the Peoples Republic of China on Regional National Autonomy
- Regulations for the Administrative Work of Ethnic Townships
- Regulation for Urban Ethnic Work
- Other local special rules and regulations in areas where indigenous peoples live.

#### Guidelines for development of the Indigenous Peoples Planning Framework:

The Indigenous Peoples Planning Framework should contain the following main content:

- Relevant project content
- Potential positive and negative effects of the project on indigenous peoples
- The framework ensuring preliminary and unlimited informed negotiations with affected indigenous communities
- Institutional arrangements for screening activities to be funded by the project, assessing effects of these activities on indigenous peoples, developing Indigenous Peoples Plan and dealing with any complaints (including capacity building)
- Monitoring arrangements (including mechanisms and indicators suitable for the project)
- Arrangements for information disclosure of the Indigenous Peoples Plan to be made in the Indigenous Peoples Planning Framework

As previously mentioned, the Indigenous Peoples Planning Framework prepared under the guidance of the Environmental and Social Management Framework will be regarded as the

implementation document of the project for OP4.10 safeguard policies—though it aims mainly at the result and subsequent effects of the project and is developed in the process of project implementation. See Appendix 3 for details.

### **5.2.2.2 On Resettlement Policy Framework**

#### Purpose of the Resettlement Policy Framework:

As detailed design of subprojects has not been completed and only preliminary identification can be made of subsequent effects of the project, possible effects of the project such as land acquisition and involuntary resettlement cannot be completely excluded. Therefore, the grant receiver has developed a policy framework for the project and corresponding principles and guidelines in accordance with World Bank's OP4.12 *Involuntary Resettlement* to guide the resettlement caused by the project.

#### Objectives of the Resettlement Policy Framework:

The Resettlement Policy Framework is based on OP4.12 Involuntary Resettlement in the Operational Manual of World Bank published in December 2001, of which overall goals include:

- All feasible project design schemes should be discussed so as to avoid or reduce involuntary resettlement as far as possible;
- If resettlement is unavoidable, it should be conceived and implemented as a sustainable development plan. Sufficient funds should be provided to enable migrants to share project benefits. Earnest negotiations should be made with migrants to provide them with an opportunity to participate in resettlement planning and implementation;
- Efforts should be made to help migrants improve their livelihood and living standards, at least actually restoring the higher level before resettlement or project implementation.

The Policy Framework contains principles and goals, proper criteria, rights, legal and institutional frameworks, compensation and restoration modes, participation characteristics, and complaint procedures of resettlement, to provide detailed guidance for compensation, resettlement, restoration, etc.

#### Guidelines for development of the Resettlement Policy Framework:

- Explanations, according to content of the project, of reasons for the failure to prepare a resettlement plan (or a simple plan) during project assessment;
- Principles and goals of preparing and implementing resettlement activities;
- Steps required for preparation and approval of a resettlement plan;
- Number of people to be affected, type of migrants and scope of resettlement that can be estimated;
- Qualification of different migrants;
- Legal framework;
- Valuation method for affected properties;
- Organizational procedures to protect migrants;

- Resettlement procedures regarding the project progress;
- Resettlement complaint mechanism;
- Capital arrangement;
- Migrants' informed and participation mechanism during the design and implementation of a resettlement plan;
- Monitoring plan arrangements for resettlement process and results.

The Resettlement Policy Framework prepared under the guidance of the Environmental and Social Management Framework will act as the implementation document of the project for safeguard policies in accordance with OP4.12. See details in Appendix 4.

### **5.3 Requirements and manifestations of the Environmental and Social Management Plan**

As described in chapters above, the Environmental and Social Management Framework (ESMF) will provide an overall framework guidance in the stage of project preparation according to project characteristics, to identify potential impacts and risks of the project, detect the requirements of corresponding laws, regulations and World Bank's safeguard policies and the means to follow and implement the project, and finally confirm the methods and approaches to avoid and reduce negative environmental and social effects. As required by World Bank's OP4.01 Environmental Assessment safeguard policies, these mitigation measures will ultimately be turned into specific action plans, i.e., a specific *Environmental and Social Management Plan* (ESMP) should be developed for the implementation of subprojects and practiced in contracts of subproject executors or contractors. As design of subprojects will be completed in the process of project implementation, the Environmental and Social Management Framework first provides requirements, principles and methodology, so that they can apply during project implementation.

Specifically, subproject units should prepare the Environmental and Social Management Plan (ESMP) as required. Environmental and Social Management Plan (ESMP) should include environmental and social protection measures during project design, construction and implementation. These measures should eliminate or make up for adverse effects of project activities on environment and society, or at least reduce these adverse effects to an acceptable level. Details of the Environmental and Social Management Plan (ESMP) are briefed as follows.

#### 1. Project description

Make a brief description of subprojects, including actual investment, geographic position and regional characteristics of the project site, for example, whether the site is near any reserves, cultural areas, historical or cultural attractions, etc. Additionally, brief land use characteristics (agricultural land or industrial land) and the nearest residential area to the project site

#### 2. Mitigation plan

Identify and summarize all expected major adverse environmental and social effects and risks of the project, elaborate each corresponding mitigation measure, including technical design, device description and operating procedures if necessary.

Project stage	Problems	Mitigation measures	Mitigation cost	Responsibilities*	Start-end date
Construction					
Operation					

\* Responsibilities of contractors are made clear in bidding documents

### 3. Monitoring plan

Describe monitoring means, including monitoring indicators, monitoring sites, selected monitoring methods, measuring frequency, etc.

Project stage	Monitoring indicators	Monitoring sites	Monitoring methods	Monitoring time/frequency/duration	Budget (Yuan)	Responsible organization	Start date	End date
Construction								
Operation								

### 4. Institutional arrangements

Explain institutional and organizational arrangements, i.e., personnel that are responsible to take mitigation and monitoring measures (who to collect data, who to analyze data, who to prepare reports, whom to submit reports to and how often to submit reports).

Measures	Responsibilities of organizations
Data collection	
Construction	Construction
Operation	Operation
Data analysis	
Construction	Construction
Operation	Operation
Report preparation	
Construction	Construction
Operation	Operation
Report accepting/frequency (who to accept/how often to submit reports)	
Construction	
Operation	

### 5.4 Requirements for public participation and information disclosure in the preparation of subprojects

Subproject management units are responsible for social public participation, with main responsibilities including: a) the public right to know; b) opinion collection; c) records of important findings, summaries and suggestions. Subproject management units or environmental impact assessment agencies they entrust should publish information bulletins in public places to disclose environmental management documents, and collect opinions of



residents around. Public opinions should be collected by means of questionnaires, seminars and hearings, among others. Public participation aims at collecting opinions of surrounding residents about subproject environmental impact and determining environmental problems affected residents consider important. All important opinions obtained from public participation will be included in environmental management documents.

Environmental management organizations or consultants they hire are responsible for reviewing public participation records and determining whether they meet relevant requirements. If not, environmental management organizations may require subproject management units to carry out public participation survey again as required.

In order to increase the efficiency of negotiations between subproject management units and affected people and other stakeholders, subproject management units should provide the public with draft environmental impact assessment documents before collection of public opinions. All final environmental impact assessment documents should be published in public places accessible to affected people and other stakeholders. Acceptable publication methods include posters, brochures, newspapers and Internet, among others. Subproject management units or the project management organizations should be able to publish environmental impact assessment documents and Environmental and Social Management Plans (ESMPs) on their special websites.

## **5.5 Supervision, monitoring and evaluation in the implementation of subprojects**

### **5.1.1 Supervision**

Subproject developers are responsible for the implementing safeguard measures during project implementation. Project offices are responsible for supervising the implementation of actions regarding social security approved by the government and World Bank. World Bank Project Team will pay regular visits to the project site during the project implementation, with the purpose of:

- Guiding and assisting with the preparation of *Environmental and Social Management Plan* and safeguard tools;
- Reviewing screening results, auditing reports and safeguard documents;
- Supervising the implementation of *Environmental and Social Management Plan* and safeguard tools to ensure they conform to national laws and regulations and World Bank policies.

### **5.1.2 Monitoring and evaluation**

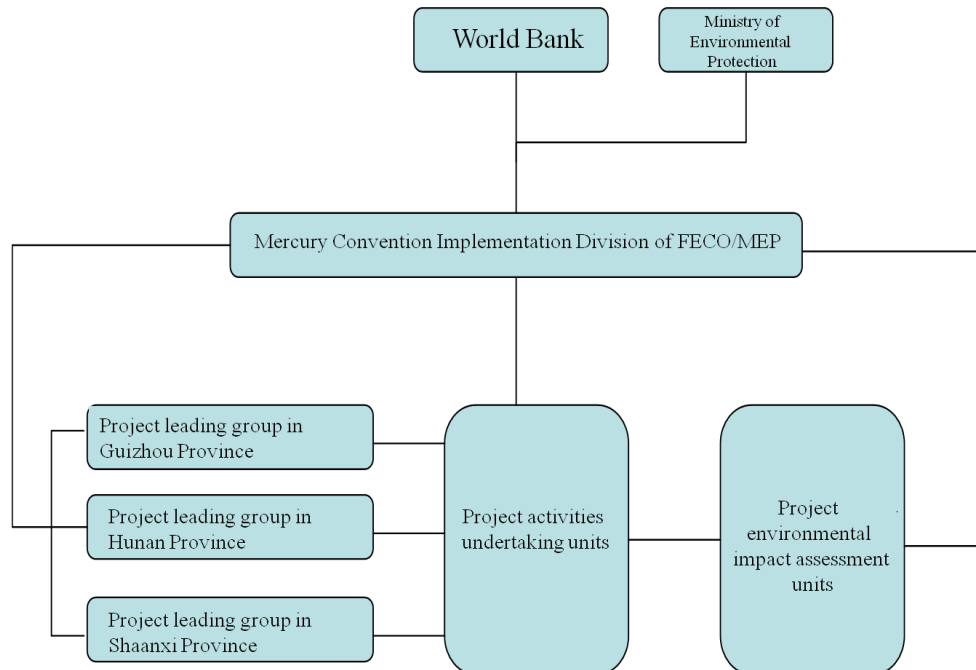
Project offices will hire qualified and experienced consultant experts to implement monitoring plans in *Environmental and Social Management Plan* and safeguard documents, to obtain key environmental and social feedbacks of subprojects as well as authentication of the effectiveness of mitigation measures. Supervision and monitoring in respect of environmental protection should be led by qualified units or experts hired by project offices. With respect to subprojects for which Resettlement Action Plans should be prepared, project offices will hire independent third-party consulting firms/experts accepted by World Bank to carry out external monitoring of the implementation of the Resettlement Action Plans. External monitoring reports will be submitted to project offices of employees and to World Bank for review.

## **6. Organizational Arrangements of Environmental and Social Management**

## 6.1 Organizational structure of project implementation

Ministry of Environmental Protection, as the leading department of MCOM implementation, is responsible for the overall coordination for MCOM implementation in China. The Ministry will lead the implementation of the project via its Foreign Economic Cooperation Office.

The frame diagram for environmental and social management organizations of “The Project of Building Capacity for the Implementation of Minamata Convention on Mercury in China” is shown in Fig.6-1:



**Fig.6-1 Frame diagram for environmental management organizations of the GEF Project of Building Capacity for the Implementation of Minamata Convention on Mercury in China**

## 6.2 Division of responsibilities for social and environmental management of the project

According to project characteristics, environmental protection measures of the project should be regulated not only by departments of environmental protection in provinces where the project is located and competent local environmental protection bureaus, but also by relevant World Bank departments. Main responsibilities of relevant environmental management organizations are as follows:

### (1) World Bank

Oversee the implementation of Environmental Management Plan (EMP) of the project.

### (2) Mercury Convention Implementation Division of FECO/MEP

Oversee the implementation of Environmental Management Plans (EMPs) of subprojects with the help of environmental experts and local environmental protection bureaus; regularly report the implementation of EMPs to World Bank.

### (3) Provincial project leading groups and their project management offices

Carry out preliminary screening of environmental problems of subprojects with the help of consultants or consulting firms to confirm the requirements of subproject environmental

documents; review Environmental Management Plans submitted by subproject units; regularly report the implementation of EMPs to Mercury Convention Implementation Division of FECO/MEP.

(4) Provincial departments of environmental protection

Review and approve environmental impact assessment documents (if any) as required; supervise the implementation of Environmental Management Plans (EMPs) by subproject units.

(5) Project environmental assessment units

Accept the commission of subproject management units to develop corresponding environmental management documents; assist subproject management units with implementation of EMPs.

(6) Project undertaking units

Implement Environmental Management Plans (EMPs) or Environmental Codes of Practice, coordinate with subproject management units, environmental management organizations and local environmental authorities in their supervision work.

## **7. Complaint Mechanism**

To ensure that public opinions can still be listened to during the project implementation, carry out relevant information disclosure and guarantee community participation in the project, subproject management units should establish a complaint mechanism in environmental and social management documents.

Environmental and social management documents should contain a complaint mechanism to ensure that complaints from all affected groups or individuals can be responded in time. Subproject management units should inform affected groups or individuals of complaining channels in the process of public participation. The complaint mechanism should include: (1) recording and reporting systems, including written and oral complaint; (2) persons assigned by subproject management units to handle such complaints; (3) time limit for handling such complaints. Complaint procedures include: groups or individuals exposed to adverse environmental and social effects of subprojects may lodge an oral or written complaint directly to subproject units and subproject management units should respond within the required time limit after receiving such complaints. If complainants are unsatisfied with the response from subproject management units, they can file a complaint to project offices and competent local environmental protection authorities. If complainants are still unsatisfied with the results, they may take action at local people's courts. The complaint mechanism will be detailed in safeguard documents of subprojects.

## **8. Capacity Building**

Project management organizations should designate staff members to manage environmental and social risks of the project and ensure that the project is implemented as per the procedures defined in Environmental and Social Management Plan (ESMP). Besides, project management organizations can hire qualified domestic environmental consultants or consulting firms to assist them in carrying out activities specified in the Environmental and Social Management Framework, i.e., to assess and manage environmental risks in project assessment and implementation.

Consultants and (or) qualified consulting firms hired by project management organizations will provide environmental and social safeguard training for subproject management units and relevant units. Subproject management units will prepare and implement Environmental and Social Management Plan (ESMP) with the help of consultants. Technical training covers mainly: 1) environmental laws and regulations as well as social laws, policies and regulations regarding the project; 2) environmental impact and social assessment procedures; 3) possible environmental and social problems caused by project preparation and implementation; 4) requirements of relevant safeguard policies of World Bank.

## **9. Budget for Implementation of Environmental and Social Management Framework**

With respect to environmental management, monitoring and assessment, some budgets should be arranged for environmental and social safeguard system expenditures of the project to facilitate the implementation of Environmental and Social Management Plan (ESMP), including costs on various planning, training and monitoring activities.

### **Appendix**

#### **Appendix 1 Introduction of Concrete Content of the Project**

The project will focus on requirements in *Minamata Convention on Mercury*, complete the development of national strategies for the Convention and improve China's implementation capacity by conducting a survey on the current mercury production, use and emission, organizing publicity and training in various forms to raise public awareness, developing relevant strategies and action plans for mercury-related industries and carrying out capacity building demonstration in typical industries and key provinces, among others.

The project consists of two main parts: (1) development of national strategy (2) implementation of pilot capacity building projects in priority areas. With respect to Part 1, the project will support the construction and development of national strategy making and implementing organizations. Moreover, the project will make a survey on a supplemental list based on MIA project, which covers a list of production and trade (including import and export) of primary and regenerated mercury products, mercury import and export, cement production, waste incineration, atmospheric mercury emissions from coal-fired boilers, mercury-contained wastes and contaminated sites, etc. Efforts should be made to analyze relevant national policies, laws and regulations and carry out extensive consultations with domestic and international stakeholders based on the mercury list project of United Nations Environment Programme, MIA project and list survey results of the project, so as to support the development of national strategies on mercury in China.

National strategies will be developed to determine short-term, mid-term and long-term goals and relevant measures regarding mercury management. According to the result of policy gap analysis in MIA project, the project will propose a catalogue for development and revision of policies in key industries. During the project implementation, the completed national strategies will be submitted to the Central Government. As national strategies are developed, the project will organize effective media propaganda activities to help the public and stakeholders have a better understanding of mercury problems, motivate them to actively participate in and support the development and implementation of the national strategy of MCOM implementation. Main activities for the development of national strategies include:

- 1) Identification of priority areas to be implemented;

- 2) Present situation of implementation policies and policy gap analysis;
- 3) Implementation fund demand analysis;
- 4) Studies on cut-down strategies and action plans in mercury-related industries;
- 5) Summary and development of national strategies;
- 6) Public awareness raising activities.

Part 2 of the project will be designed mainly to support China to carry out capacity building in key areas, so as to facilitate the development and implementation of its national strategies, including the following main activities:

- 1) Pilot project of national mercury flow direction reporting system
- 2) Pilot project of mercury monitoring capacity improvement
- 3) Pilot project of environmental risk management in mercury-contained contaminated sites
- 4) Assessment of popularization and application of mercury-contained waste recycling and disposal technology (excluding waste mercury catalyst)
- 5) Popularization of experience in pilot activity of capacity improvement

#### **Appendix 2 List of Scanned Environmental and Social Problems in Project Areas (Pilot Areas)**

##### **Preliminary screening of potential environmental problems**

<b>S/N</b>	<b>Possible effects or main environmental problems</b>	<b>Project impact? (Ticking “√”)</b>	<b>Remarks</b>
1	Is the project site selection related to environmental sensitive areas (reserves, sensitive ecological systems, etc.)?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	
2	Will the project discharge pollutants to atmosphere?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	
3	Will the project discharge pollutants to water bodies?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	
4	Will the project affect the quantity and quality of groundwater?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	
5	Will the project produce solid wastes that affect water environment and soil?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	
6	Will the project produce noise that exceeds the limit in the functional area where it is located?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	
7	Will the project cause water and soil loss or a waste of land resources?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	
8	Will the project affect fish and aquatic organisms in water bodies?	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	
9	Will the project have a major effect on wild animals and plants, e.g., reduction and extinction of plants, migration of mild	Yes <input type="checkbox"/> No <input type="checkbox"/> Unrelated <input type="checkbox"/>	

	animals, major change in the mode of activity, etc.?		
Others		Yes <input type="checkbox"/>	No <input type="checkbox"/> Unrelated <input type="checkbox"/>
Is an environmental assessment required?		Yes <input type="checkbox"/>	
Further environmental impact assessment is required if one or more of the options above are ticked.		No <input type="checkbox"/>	

### List of preliminary screening of potential social problems

	Items for screening	Yes	No	Unknown	Description	If Yes World Bank policies launched	If No Documents required
<b>I RESETTLEMENT AND LAND EXPROPRIATION</b>							
1	Will the project require land expropriation (public or private, temporary or permanent) due to development needs?					OP 4.12 Involuntary Resettlement	Resettlement Action Plan
2	Will the project cause housing demolition (including operational and non-operational) due to development?					OP 4.12 Involuntary Resettlement	Resettlement Action Plan
3	Will anyone be prohibited from using daily economic resources (such as pastures, fishing sites and forests)?					OP 4.12 Involuntary Resettlement	Resettlement Action Plan
4	Will the project cause involuntary resettlement of individuals or households?					OP 4.12 Involuntary Resettlement	Resettlement Action Plan
5	Will the project cause temporary or permanent loss of crops, fruit trees and facilities?					OP 4.12 Involuntary Resettlement	Resettlement Action Plan
<b>II Indigenous Peoples</b>							
6	Will the project be related to indigenous peoples (including their territory and property)?					OP4.10 Indigenous Peoples	Indigenous Peoples Plan
7	How will the project affect (both positively and negatively) indigenous communities?					OP4.10 Indigenous Peoples	Indigenous Peoples Plan
8	Will indigenous communities possibly be related during the project implementation, which is unknown in the stage of project evaluation?					OP4.10 Indigenous Peoples	Indigenous Peoples Planning Framework
<b>III Potential Social Impact</b>							
9	Will the project close down polluting enterprises?						

1 0	Will the project increase the cost of enterprises on pollution control?						
1 1	Will the project increase the production cost of enterprises?						
1 2	Will the project render enterprise employers laid-off/unemployed?						
1 3	Will the project have an indirect influence in economic income of local residents?						

### Appendix 3. Indigenous Peoples Planning Framework

#### 3.1 Purpose of Indigenous Peoples Planning Framework

The Indigenous Peoples Planning Framework is determined as per relevant national and local laws and regulations in China as well as a series of provisions in World Bank Operational Policies OP4.10 Indigenous Peoples. The Framework is developed to ensure that: a. indigenous peoples affected by the project can obtain social and economic benefits identified with their cultural habits; b. if the project does have potential negative effects on indigenous peoples, measures will be taken to avoid, minimize and mitigate or make up for these negative effects.

#### 3.2 Preparation and approval of Indigenous Peoples Plan

##### (1) Identification and screening of indigenous peoples

**Basis of identification:** the term of “indigenous peoples” refers to indigenous peoples in general sense, i.e., unique and vulnerable social and cultural groups, which have the following characteristics in varying degrees:

- Those self-identified as members of a unique indigenous cultural group, which characteristic is recognized by others;
- Those collectively attached to residential areas or ancestral territories with unique geographical features in project areas and to natural resources in these residential areas and territories;
- Those having traditional cultural, economic, social or political systems different from mainstream society and culture;
- Those having indigenous languages different from the official languages in a country or region.

**Identification method:** ①Field investigation—to know about the population and ethnic composition, identification of indigenous villages, whether indigenous peoples live in a compact community and so on via field investigation. ②Data collection and literature consulting—to know about characteristics of indigenous peoples in project areas and any difference with the Han nationality in production and living by collecting literatures, such as statistical yearbooks, reports, city annals and county annals, on population, ethnic groups, culture and customs in project areas.

**Screening:** in the initial stage of preparation for already determined subprojects, project offices should carry out screening according to the basis for identification of indigenous peoples to determine whether there are indigenous peoples in project areas or whether indigenous peoples

are collectively attached to project areas. To carry out screening work, World Bank should hire qualified social scientists with specialized knowledge on social and cultural group in project areas to implement technical judgment.

## **(2) Social assessment (elements required by social assessment in indigenous areas)**

The breadth, depth and type of analysis in social assessment should match the nature and size of potential effects of the proposed project on indigenous peoples. Social assessment includes the following elements as the case may be:

- Review the legal and institutional frameworks applicable to indigenous peoples in the dimension suitable for the project;
- Collect baseline information on demographic, social, cultural and political characteristics of affected indigenous communities, their traditionally owned, used or occupied land and territories as well as natural resources they live on;
- Based on consideration of review results and baseline information, identify key stakeholders of the project and develop detailed and culturally appropriate indigenous peoples consultation process for preparation, implementation and other stages of the project;
- Based on free, prior and informed consultation with affected indigenous peoples, evaluate potential positive and negative effects of the project. In view of different situations of affected indigenous communities, close ties to land and natural resources and much less opportunities than other social groups in the communities, regions or state they live, analysis of their relative vulnerability and risks to them is crucial to determine potential negative effects;
- Based on free, prior and informed consultation with affected indigenous peoples, determine and assess necessary measures to avoid negative effects, or if such measures are not feasible, determine measures to minimize and mitigate or make up for these effects, and ensure that indigenous peoples can benefit from the project in a culturally appropriate manner.

## **(3) Preparation of Indigenous Peoples Development Plan**

Based on screening results, if World Bank finds that there are indigenous peoples in project areas or collectively attached to project areas, then project offices should carry out social assessment to assess potential positive and negative effects of the project on indigenous peoples and develop Indigenous Peoples Plan according to social assessment and results of consultation with affected indigenous communities.

Project offices should determine whether affected indigenous communities give extensive support for the project according to social assessment and free, prior and informed consultation results. If so, the borrower should prepare a detailed Indigenous Peoples Development Plan report, which should include the following elements as the case may be:

- Information summary. Review the legal and institutional frameworks applicable to indigenous peoples in the dimension suitable for the project; collect baseline information on demographic, social, cultural and political characteristics of affected indigenous communities, their traditionally owned, used or occupied land and territories as well as natural resources they live on;



- Social assessment summary;
- Summary of free, prior and informed public consultation results. Such consultation is specific to indigenous communities, carried in the preparatory stage of the project and has won extensive community support for the project;
- Framework documents ensuring free, prior and informed consultations with affected indigenous communities during the project implementation;
- Measures and action plans ensuring that indigenous peoples can obtain culturally suitable social and economic benefits, which, if necessary, should include measures to improve the capacity of project implementing agencies;
- Proper action plans to avoid, minimize and mitigate or make up for confirmed potential negative effects on indigenous peoples;
- Expense budget and financing plan for Indigenous Peoples Planning;
- Applicable and understandable procedures to handle complaints from indigenous communities caused by project implementation. When designing such procedures, the borrower should take into account whether indigenous peoples have the right of judicial recourse and common mechanisms to solve disputes;
- Applicable monitoring, assessment and reporting mechanisms regarding implementation of Indigenous Peoples Planning. Monitoring and assessment mechanisms should include arrangements for free, prior and informed consultations with affected indigenous communities.

#### **(4) Approval of Indigenous Peoples Development Plan**

Before whether relevant project or subprojects are qualified for funds from World Bank is determined, project offices should submit Indigenous Peoples Plan of subprojects committed by local governments to World Bank for review two months before the project implementation. Relevant project or subprojects cannot come into practical implementation before approval of the Plan. The approved Indigenous Peoples Development Plan must be published on local newspapers and government websites before implementation.

### **3.3 Current laws, regulations and rules on indigenous peoples**

The development of Indigenous Peoples Development Plan should be subject to relevant laws and regulations on indigenous peoples in China, relevant regulations in affected provinces and World Bank's policies toward indigenous peoples (OP4.10 and BP4.10). Main policies include relevant Chinese laws and regulations, relevant regulations in affected provinces, national supportive policies and World Bank's policies toward indigenous peoples (OP4.10 and BP4.10), among others. See Tables 3-2 and 3-4 in Chapter III for specific policy framework and main content.

Chinese policies, laws and regulations on indigenous peoples share the same objective with World Bank's focus on indigenous peoples, i.e., fully respecting the dignity, power, economic and culture of indigenous peoples; emphasizing their equality and development and paying special attention to their economic, social and cultural development, so as to protect their rights and interests and facilitate a better socioeconomic status for them.

Both Chinese policies and World Bank's policies focus on public participation of, negotiations

with and action plans for indigenous communities. At different stages of the project such as preparation, implementation and monitoring, they emphasize actively providing all information on the project in a way that is identified with cultural habits of indigenous peoples, listening to opinions, attitudes and expectations of indigenous peoples, and winning extensive support from indigenous communities. It is therefore required to focus on public participation, especially vulnerable groups such as women and impoverished people, throughout the project period to ensure that they can benefit from the project.

Both Chinese policies and World Bank's policies stress developing a series of measures to ensure that: indigenous peoples affected by the project can obtain social and economic benefits identified with their cultural habits; measures will be taken to avoid, minimize and mitigate or make up for potential negative effects on indigenous peoples.

### **3.4 Implementation process**

Indigenous Peoples Development Plan should contain a detailed implementation schedule for all activities required to be carried out, assign responsible organizations and determine fund sources. In the stage of project implementation, project offices are responsible for implementing the Indigenous Peoples Development Plan, focusing on project requirements and suggestions of indigenous peoples through public participation and take relevant measures to increase positive effects but mitigate negative effects of the project.

### **3.5 Capital arrangement**

Funds required in the implementation of Indigenous Peoples Development Plan come mainly from project budget, government finance, special funds of departments concerned and social funds.

### **3.6 Public participation and information disclosure**

Indigenous Peoples Development Plan must describe all measures taken or to be taken and allow affected indigenous peoples to participate in the proposed project activities; carry out unlimited prior and informed negotiations with affected communities on the proposed project through the project period; provide indigenous communities with all relevant project information in a way that is identified with cultural habits of indigenous peoples during project preparation and implementation. Besides, whether affected indigenous communities will give extensive support for the project should be determined according to social assessment and results of the prior and unlimited informed negotiations.

In the stage of draft and final Indigenous Peoples Development Plan, project offices should also disclose the Plan to affected people and the public in specific languages in specific places of the project site. The draft Indigenous Peoples Development Plan should be published at least one month prior to World Bank's assessment. The final Indigenous Peoples Development Plan should be published again after it is approved by World Bank.

At the same of public participation and publication of Indigenous Peoples Development Plan, the Policy Framework should also require collection of opinions from affected people and public disclosure in affected counties, cities, enterprises and communities.

### **3.7 Monitoring and reporting**

Project offices should monitor and regularly report the activities above. In case of significant impact, independent third-party units should be hired to carry out monitoring work.

## **Appendix 4 Resettlement Policy Framework of the Project**

### **4.1 Purpose of Resettlement Policy Framework**

Some subproject activities are arranged in Hunan, Guizhou and Shaanxi Provinces, where indigenous peoples mostly live in compact communities. Although there are no clues about the specific locations of these activities and whether they are directly related to indigenous communities, special attention should be paid to possible effects of the project on society of indigenous peoples as the effects might be more induced and diffused in the long term. Therefore, it is necessary to make preparations as per World Bank OP4.10 safeguard policies. The Indigenous Peoples Planning Framework is developed for this purpose.

As detailed design of subprojects has not been completed and only preliminary identification can be made of subsequent effects of the project, possible effects of the project such as land acquisition and involuntary resettlement cannot be completely excluded. Therefore, the grant receiver has developed a policy framework for the project and corresponding principles and guidelines in accordance with World Bank OP4.12 *Involuntary Resettlement* to guide the resettlement caused by the project.

### **4.2 Objectives, principles and relevant terms of Resettlement Policy Framework**

The Resettlement Policy Framework is based on OP4.12 *Involuntary Resettlement* in the Operational Manual of World Bank published in December 2001, of which the overall goals include:

- All feasible project design schemes should be discussed so as to avoid or reduce involuntary resettlement as far as possible;
- If resettlement is unavoidable, it should be conceived and implemented as a sustainable development plan. Sufficient funds should be provided to enable migrants to share project benefits. Earnest negotiations should be made with migrants to provide them with an opportunity to participate in resettlement planning and implementation;
- Efforts should be made to help migrants improve their livelihood and living standards, at least actually restoring the higher level before resettlement or project implementation.

The Policy Framework contains principles and goals, proper criteria, rights, legal and institutional frameworks, compensation and restoration modes, participation characteristics, and complaint procedures of resettlement, to provide detailed guidance for compensation, resettlement, restoration, etc.

Each Resettlement Action Plan should be based on the collected baseline information and migrants include the following people:

- Those with agricultural land or rural houses and homestead partly or wholly affected (permanently or temporarily) by the project;
- Those with urban residences partly or wholly affected (permanently or temporarily) by the project;
- Those with enterprises, public institutions and commercial shops partly or wholly affected (permanently or temporarily) by the project;
- Those with young crops or ground attachments partly or wholly affected (permanently or

temporarily) by the project.

The Policy Framework is prepared as per Involuntary Resettlement (OP4.12) in the Operational Manual of World Bank, with specific principles and objectives as follows:

- Expropriation of land and other properties and subsequent resettlement should be minimized;
- As of the baseline survey data, all migrants are entitled to restoring measures to help them improve or at least maintain their living standard, earning power and production level before the project implementation. Lack of a legal right to loss of assets should not encumber migrants' right to enjoy resettlement measures;
- Resettlement measures offered include: (1) compensation for housing and other buildings with replacement cost containing non-depreciation or residual recovery; (2) acceptable replacement with agricultural land with the same production capacity; (3) acceptable replacement with equivalent housing and homestead; (4) resettlement and living allowances;
- If migrants accept replacement with housing and homestead and agricultural land, such housing and homestead and agricultural land should be close as possible to the lost land;
- Transitional period for the resettlement should be minimized and restoring measures should be provided for migrants in different project areas in advance before the expected starting data;
- Repeated negotiations should be carried out with migrants on expropriation plans for land and other properties and restoring measures offered to minimize the interference. Migrants should be empowered in advance before the expected starting data;
- Efforts should be made to maintain or improve the original services and resources in communities;
- Financial and physical resources for resettlement and restoration should be available whenever and wherever necessary. The Resettlement Action Plan budget should include unexpected expenses;
- Institutional and organizational arrangements should guarantee effective and timely design, planning, consultation and implementation of resettlement of properties and inhabitants;
- Effective and timely supervision, monitoring and assessment should be carried out for the implementation of Resettlement Action Plan.

### **4.3 Preparation and approval of Resettlement Action Plan**

Preparation and implantation of Resettlement Action Plan (including payment of various fees and charges for resettlement) should be assumed by the borrower. The project should be in the full charge of Ministry of Environmental Protection PRC and be implemented by GEF Project Management Office, Ministry of Environmental Protection.

Where the population affected by selected subprojects exceeds 200, GEF Project Management Office will work closely with departments concerned and local project offices to prepare the Resettlement Action Plan. The Plan should be submitted by GEF Project Management Office to World Bank; meanwhile, full efforts should be made to ask migrants for advice, so that they

can have an opportunity to participate in the design and implementation of the Resettlement Action Plan.

Based on Operational Policies OP 4.12 Involuntary Resettlement, Resettlement Action Plan will cover the following content (if related), with anything unrelated to the project clearly indicated:

- Overall description of the project;
- Identification of potential effects of the project;
- Goals (main goals of the Resettlement Action Plan);
- Socio-economic studies. Findings should cover potential resettlement, including survey results and description of the resettlement, in the early stage of project preparation;
- Legal framework. Results of legal framework analysis should include the scope of eminent domain for organizations in charge of resettlement and nature of relevant compensations, applicable laws and administrative procedures, relevant laws, social welfare legislation, laws and regulations and necessary legal steps;
- Institutional framework, including identification of organizations in charge of resettlement, non-governmental organizations (NGOs) that might play a role, assessment of institutional capacity of these NGOs and proposition of any steps to improve such capacity;
- Qualification. Determination of resettlement standards and whether migrants are qualified to obtain compensations and other resettlement assistances;
- Valuation of and compensation for the loss;
- Resettlement restoration measures. Description of cash compensation and other resettlement measures;
- Selection of places for resettlement, preparation and rearrangement of the places;
- Housing, infrastructure and social services;
- Environmental protection and management;
- Public participation and negotiation, including resettlement and relevant communities;
- Integration with local population. Measures to reduce the effect of resettlement on any local communities;
- Complaint procedures. Feasible procedures available for third parties to solve disputes arising from resettlement;
- Organizational structure and responsibilities;
- Implementation progress chart;
- Cost and budget;
- Monitoring and assessment.

Resettlement Action Plans should be completed six months before the working data on which the resettlement starts at latest. Each Resettlement Action Plan should be submitted to World Bank for review at least three months before it is actually put into operation. Compensation,

resettlement and restoration activities cannot start before Resettlement Action Plans are accepted by World Bank. These activities should be completed before fulfillment of civil engineering contracts.

Where the population affected by selected subprojects is less than 200, GEF Project Management Office will work closely with departments concerned and local project offices to prepare Abbreviated Resettlement Action Plans for selected subprojects. The Plans should be submitted by GEF Project Management Office to World Bank; meanwhile, full efforts should be made to ask migrants for advice, so that they can have an opportunity to participate in the design and implementation of the Resettlement Action Plan.

Based on Operational Policies OP 4.12 Involuntary Resettlement, an Abbreviated Resettlement Action Plan should at least cover the following content:

- Detailed survey into resettlement and asset valuation;
- Description of compensations and other resettlement assistances to be offered;
- Communication with migrants about acceptable alternatives;
- Institutions, responsibilities and complaint procedures to be implemented;
- Arrangement for monitoring and implementation;
- Progress chart and budget.

Abbreviated Resettlement Action Plans should be completed four months before the estimated working date on which resettlement starts at latest. Each Abbreviated Resettlement Action Plan should be submitted to World Bank for consideration at least three months before it is actually put into operation. Compensation, resettlement and restoration activities cannot start before Resettlement Action Plans are accepted by World Bank. These activities should be completed before fulfillment of civil engineering contracts.

#### **4.4 Institutional and legal institutions**

The implementation of Resettlement Action Plan should be guided under the legal framework of World Bank OP 4.12 Involuntary Resettlement and relevant Chinese laws, regulations and statutes at national, provincial and relevant city levels.

China has enacted complete a legal framework and policy system in terms of land expropriation, housing demolition, resettlement and compensation, among others. Since it was enacted and implemented in 1986, *The Law of Land Administration of the People's Republic of China* has been revised for three times according to change in China's national condition, with the latest one occurring in the 11<sup>th</sup> Meeting of the 10th NPC Standing Committee on August 28, 2004. Under national legal and policy frameworks, local governments at all levels have enacted and implemented relevant laws and policies of their own to manage and guide tasks such as land expropriation, housing demolition, resettlement and compensation in respective jurisdictions. Local governments have developed relevant local laws and policies as per national laws and policies to manage and guide relevant local work. Within provincial jurisdictions, prefecture-level cities, county-level cities, districts and counties execute relevant provisions of provincial governments.

In respect of specific compensations for land expropriation, the latest policies promulgated by provincial and municipal governments in the current year can be employed.

Housing compensations should include compensation for buildings and land as well as compensation for removal and transition, etc. Among them, compensation for buildings on collective land should include provision of homestead and replacement cost of buildings. Compensation for buildings on state-owned land should be subject to market evaluation according to relevant regulations. Besides, compensation for buildings can also be monetary. Specific compensations should be determined upon full negotiation as per detailed provincial and municipal policies and provisions.

Main World Bank and Chinese laws, regulations and statutes for preparing the framework and guaranteeing its legal effect include: 1) laws and policies regarding land expropriation, 2) laws and policies in terms of social security, and 3) laws and policies in terms of housing demolition (e.g., Regulation on the Expropriation of Buildings on State-owned Land and Compensation (No.590 Decree of the State Council); Regulation on Expropriation and Assessment of Buildings on State-owned Land (JF[2011]No.77), see Tables 3-2 and 3-4 in Chapter 3 for details). The actual implementation of the project will be subject to the latest policies in places where the project is located.

Compensation for land expropriation involved in the project will be subject to the provision that “local authorities should establish a dynamic adjustment mechanism for standards of compensation for land expropriation, adjust the standards every two to three years according to economic development level, local per capita income growth, etc., and gradually raise the compensation level” in the *Notice of the Ministry of Land and Resources on Further Strengthening Management on Land Acquisition* (2010).

Resettlement Action Plans are developed to ensure that migrants will have sufficient opportunities to repossess their lost properties and raise or at least restore their original income level and living standard. In order to achieve these goals, efforts should be made to identify all migrants and ensure that all migrants consider the remedial measures in Resettlement Action Plans reasonable. In view of main affected types (for example, land expropriation and occupancy, residential housing demolition (including rural and urban houses), non-residential housing demolition (including enterprises, public institutions and shops), etc.), the following measures should be taken usually.

Migrants losing agricultural land will be entitled to the following types of compensations and restoration measures:

- Remainder collective cultivated land and land reserved in villages after land expropriation will be redistributed by village committees to all collective members. In this case, if partial land expropriation causes insecurity or loss of functions of houses or buildings, then the land should be expropriated in whole. All migrants are qualified to participate in land redistribution and benefit from projects invested with compensations of collective land.
- According to the *Law of Land Administration* and relevant laws, migrants losing their cultivated land must be identified in places where land redistribution is impossible. In some cases, they might be provided with job opportunities with a pay at least equal to the part they lose. In other cases, migrants can obtain resettlement subsidies four to six times of the average output value of the lost land in the first three years at least. If migrants can still not completely restore the original living level by doing so, resettlement subsidies can be raised to 15 times of the average output value;

- If land compensation fees and resettlement subsidies are still insufficient to restore the living standard of migrants, people's governments in cities and counties involved may subsidize them with income from paid use of state-owned land;
- Land compensation fees and resettlement subsidies are paid to village committees or villagers in affected villages to (1) increase cultivated area if the land can be exploited; (2) promote agriculture by providing irrigation and improving agricultural operation; (3) develop non-agricultural income based on existing activities. Similar to fixed assets, damaged young crops, fruits and economic forests of migrants will be compensated with replacement cost.
- Damaged income, young crops, land restoration fees and damaged infrastructure of migrants affected by temporary land occupancy of the project will also be compensated.
- If migrants losing their agricultural land are qualified to participate in local social security for land-lost farmers, then such migrants should be included in relevant social security system in time.
- Migrants should be provided with timely and reasonable skill training to improve corresponding agricultural/non-agricultural skills and strengthen their ability to acquire revenues.

Migrants whose houses and attachments are expropriated will be entitled to the following compensations and restoration measures:

- Replacement houses of the same value;
- Compensation with complete replacement value;
- Reconstruction or restoration of all facilities and services (such as roads, water supply, electricity, telephone, cable television, schools, etc.);
- Transitional subsidies should be sufficient to ensure removal of all properties or access to temporary housing

Resettlement Action Plans should include a matrix of rights of affected people. See *Appendix 6* for the sample table of the right matrix.

#### **4.5 Implementation process**

A Resettlement Action Plan should include a detailed implementation progress chart for all activities to be carried out. If necessary, payment of compensation fees, restoration of other rights (in cash or in kind) and resettlement should be completed at least one month before land expropriation. If it is impossible to pay all compensation fees before land expropriation or provide assistance in other necessary forms, then extra transitional subsidies are required.

#### **4.6 Capital arrangement**

GEF Project Management Office of Ministry of Environmental Protection and local governments concerned will assume all expenses regarding land expropriation and resettlement. Any Resettlement Action Plan identified with the Resettlement Policy Framework must include estimated cost and budget. Regardless of whether people are identified as migrants in the stage of resettlement planning and whether sufficient mitigation funds are in place, all people adversely affected by land expropriation and demolition of the project are entitled to



compensations or other proper mitigation measures. For the reasons above, the budget for Resettlement Action Plans should include unexpected expenses, which are normally 10% or more of expected total resettlement budget.

Compensation standards specified in Resettlement Action Plans provide a basis for calculation of resettlement compensations, which should be completely paid to individuals or collectives that lose land or other properties and should not be deducted on any ground. Resettlement Action Plans should describe the procedures under which compensation funds flow from GEF Project Management Office of Ministry of Environmental Protection and local authorities to affected villages or villagers. A basic principle is that the flow of funds must be direct as possible with a minimum number of intermediate links.

#### **4.7 Public participation and information disclosure**

Resettlement Action Plans must describe the measures taken or to be taken, allow the affected people to participate in proposed resettlement arrangements and cultivate their sense of participation in activities such as raising or restoring the livelihood and living standard. To ensure that opinions and advices of the affected people can be taken into full account, public participation should occur prior to project design and implementation of resettlement mitigation measures. Public participation must run through the implementation of Resettlement Action Plans external monitoring.

In the stage of draft and final Resettlement Action Plans, GEF Project Management Office and departments concerned in local governments should also disclose Resettlement Action Plans to affected people and the public in specific languages in specific places of the project site. The draft Resettlement Action Plans should be published at least one month prior to World Bank's assessment. The final Resettlement Action Plans should be published again after they are approved by World Bank.

While public participation and Resettlement Action Plans of the project are disclosed, the Policy Framework has also incorporated the opinions of affected people and been disclosed in affected counties, cities and communities.

#### **4.8 Monitoring and reporting**

Project offices should monitor the activities above and make periodic reports on them. Independent third-party units should be hired to monitor activities with comparatively significant effects.