

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA19170

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I. BASIC INFORMATION

1. Basic Project Data

Country:	China	Project ID:	P151281
Project Name:	CAPACITY STRENGTHENING FOR IMPLEMENTATION OF MINAMATA CONVENTION ON MERCURY PROJECT (P151281)		
Task Team Leader(s):	Jiang Ru, Ms. Anisi		
Estimated Appraisal Date:	09-May-2016	Estimated Board Date:	30-Sep-2016
Managing Unit:	GEN02	Lending Instrument:	Investment Project Financing
GEF Focal Area:	Persistent Organic Pollutants		
Sector(s):	Central government administration (80%), Other Mining and Extractive Industries (10%), Other industry (10%)		
Theme(s):	Environmental policies and institutions (70%), Pollution management and environmental health (30%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	16.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			8.00
Global Environment Facility (GEF)			8.00
Total			16.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Global Environmental Objective(s)

The PDOs are to (a) develop a national strategy on mercury and related action plans, and (b) improve China's mercury management capacity and readiness to implement this strategy in selected provinces.

3. Project Description

The project will support the development of the National mercury strategy, including sectoral action plans, and to develop provincial level action plans in three provinces and implement pilot activities in these provinces. The sectors to be considered cover all the elements addressed by the Minamata Convention of relevance to China, and will build on the other existing projects referred to above where appropriate. The three pilot provinces of Guizhou, Hunan, and Shaanxi, are selected as they are the provinces with the significant mercury issues, including mines still in operation or with valid permits, number of smelters in operation, and number of downstream mercury-related businesses. The sectoral action plans will largely be developed as stand-alone documents that will also be brought together and synthesized into the National Strategy. The provincial action plans will be developed in parallel, with experiences and lessons learned in developing the Provincial Strategies captured in real time and directly informing the development of the National Strategy. The final provincial action plans will follow the framework of the National Strategy.

Component 1: Development of National Strategy and Sectoral and Provincial Action Plans. This component aims at delivering the National Mercury Strategy and related Action Plans. MEP/FECO supported by consultants will work closely with industry associations and other stakeholders to deliver analytical reports and proposals constituting the various elements of a comprehensive national strategy. FECO will be responsible for oversight and ultimate quality control, and for seeking stakeholders' participation and buy-in throughout, and bringing the strategy forward to MEP for broader adoption. Specific Sectoral action plans will be developed to address issues related to: (a) mercury supply sources and trade; (b) mercury added products; (c) industrial point sources (coal-fired power plants, coal-fired industrial boilers, municipal solid waste and hospital waste, cement clinker production, and non-ferrous metals smelting); and (d) waste and contaminated sites. In some instances, and similar to other jurisdictions, it is envisaged that proposed mercury controls and guidelines would not be specific to mercury, but rather would be integrated in multi-pollutant control texts and provisions. Cross-cutting elements will address (a) environment and health monitoring; (b) monitoring and management of social impacts; and (c) research and development. The sector action plans will be developed first and feed into the National Strategy. The project will support stakeholder engagement activities throughout and also development of specific action plans in the pilot provinces of Guizhou, Hunan and Shaanxi.

Component 2: Capacity Building for Mercury Management and Risk Assessment. This component aims at building capacity for mercury management in provincial DEPs from the three pilot provinces, and other stakeholders through targeted activities, and to establish some of the building blocks that will support China's long-term environmentally sound management of mercury, and mercury reduction and phase-out efforts. Activities will include: (a) the development of a National Mercury Management Information System (MIS) to include data on mercury production, supply, use, releases, emissions, import and export, and allow for tracking of mercury material flow and support to decision making, tested first in the pilot Provinces; (b) assessment of mercury management and recycling technologies and practices in relevant sectors; (c) upgrade of the provincial environmental analytical laboratory of each participating province, and training and inter-laboratory comparison and knowledge sharing; and (d) environmental risk assessment of selected mercury contaminated sites to improve understanding of the scope and impact of mercury contamination in China. Activities to be carried out in the pilot Provinces are responsive to their strong interests to utilize funding and

international expertise under the Project to identify and address their mercury priorities. Implementation experiences and lessons will be collected, analyzed and disseminated through activities in the pilot provinces and nationwide.

Component 3: Project Management. This component will support FECO to properly manage project implementation in collaboration with the provincial DEPs of the pilot province.

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

This is a national capacity building project to be implemented in Beijing and the three project provinces. It will support China develop a sound national strategy on mercury management to comply with the international environmental treaty on mercury, and the three project provinces (Guizhou, Shannxi and Hunan) to develop their action plans on mercury in the context of the national strategy. The project will not support any physical investments nor preparation of feasibility studies and detailed remediation plans. At the site level, the project will support only risk assessment of selected mercury contaminated sites located in the three provinces. It is also expected that the development of a national strategy on sound mercury management will involve policy revisions that may have downstream environmental and social impacts and implications for sites and communities living on and/or close to mercury contaminated areas.

5. Environmental and Social Safeguards Specialists

Chongwu Sun (GEN2A)

Songling Yao (GSU02)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>This project will support China to develop a sound national strategy on mercury management to comply with the international environmental treaty on mercury. Its development will be based on international best practices. Successful implementation of this project will have positive impacts on reducing mercury pollution in the country and globally.</p> <p>This capacity building project will not support any physical investments but its output - the national strategy and action plans - will cover the full ranges of mercury issues (e.g. recommendations to mercury waste disposal and contaminated site management). It is recognized that downstream activities outside of and after this project to support the implementation of the strategy and action plans developed under the project may generate significant adverse environmental and social impacts. For example, rehabilitation and remediation of highly contaminated sites could pose significant occupational, environment and health risk to workers and communities from site preparation to hauling and disposal of contaminated media. Best practices will be promoted to manage environment and social risk and will be</p>

		<p>embedded in the various TORs. Based on the fact that there will be no physical investments and direct physical impacts from the project, the environmental category of this project is proposed as Category B.</p> <p>An environmental and social management framework (ESMF) has been prepared during project preparation based on international best practices and the Bank's safeguard policies, including the Bank's Environmental, Health and Safety Guidelines. During project implementation, relevant elements of the ESMF will be incorporated into TORs to ensure that environment and social safeguard policy requirements are incorporated into various assessments and development of strategies and plans and the screening process for downstream investments. The ESMF has been disclosed locally and at InfoShop.</p> <p>Preparation of this project has, and implementation of this project will continue to, consulted broadly among mercury related industrial associations, concerned national and local government agencies, and interested research institutes and universities.</p>
Natural Habitats OP/BP 4.04	No	This capacity building project will not include on-site investments and is not expected to have any impacts on natural habitats. The ESMF includes procedures for screening for impacts on natural habitats and requirements of this policy will be integrated into the various TORs and the screening process for downstream investments beyond the life of the project.
Forests OP/BP 4.36	No	This capacity building project is not expected to have any impacts on forestry. The ESMF includes procedures for screening for impacts on forestry and the requirements of this policy will be integrated into the various TORs and the screening process for downstream investments beyond the life of the project.
Pest Management OP 4.09	No	This capacity building project will not have any activities related to pest management.
Physical Cultural Resources OP/BP 4.11	No	This capacity building project is not expected to have any impacts on physical cultural resources. The ESMF includes procedures for screening for impacts on physical cultural resources, and the requirements of this policy will be integrated into the various TORs and the screening process for downstream investments beyond the life of the project.
Indigenous Peoples OP/	Yes	The project aims to improve China's capacity to address

BP 4.10		<p>its mercury issues, reducing pollution and benefiting the population. As such, it will have positive social impacts, including on ethnic minorities living on or near mercury contaminated areas.</p> <p>Component 1 activities on the development of the national strategy and action plans on sound mercury management will involve policy revisions that may have downstream impacts on ethnic minority communities living on and/or close to mercury contaminated areas. In addition, Component 2 activities on risk assessment at mercury contaminated sites may also have similar downstream impacts on ethnic minorities. As such, OP 4.10, Indigenous Peoples, is triggered. To mitigate such potential impacts on ethnic minorities, relevant elements of the ESMF will be incorporated into TORs of various strategic development activities and site assessment tasks during project implementation.</p>
Involuntary Resettlement OP/BP 4.12	Yes	The national strategy to be developed under Component 1 may require policy revisions that affect land use or resettlement issues at mercury contaminated sites. In addition, Component 2 activities on risk assessment at mercury contaminated sites may propose future remediation actions that may have similar impacts on local land uses. In addition, As such, OP 4.12, Involuntary Resettlement, is triggered. To mitigate such potential downstream risks on involuntary resettlement, elements of the ESMF will be incorporated into TORs of various strategic development activities and the site assessment tasks during project implementation.
Safety of Dams OP/BP 4.37	No	This capacity building project will not involve dams.
Projects on International Waterways OP/BP 7.50	No	This project will not involve any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	This project will not involve any disputed areas.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p>
<p>The proposed project development objective is to improve China's capacity to address its mercury issues in priority sectors under the Minamata Convention on Mercury. The project will not support any physical investments nor preparation of feasibility studies and detailed remediation plans. As such it will have no direct physical impacts. Successful implementation of this project will have positive social and environment impacts on reducing mercury pollution in China and globally.</p>

<p>Based on the nature of the project, i.e., technical assistance and capacity building, as well as environmental screening conducted in project preparation, this project was classified as a Category B project.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>The project in the long term will generate positive social and environmental benefits by helping China develop a sound national strategy and sectoral and provincial action plans to properly manage its mercury pollution issues. It is expected that, however, implementation of downstream activities outside of and after this project proposed by the strategy and action plans may generate adverse environmental and social impacts. Specifically, Component 1 activities on the development of the national strategy and sectoral and provincial action plans and Component 2 activities on risk assessment at some pilot sites (on mercury mines and industrial facilities) will have downstream implications. For example, downstream activities to remediate mercury contaminated sites may generate occupational, environment and community health impacts associated with site preparation of contaminated sites, hauling and disposal of contaminated materials. There may even be potential retrenchment of workers, livelihood and economic displacement, and even physical displacement if people have to be moved out from contaminated sites as part of site remediation and restoration. If presented, ethnic minorities may be affected by such downstream activities. Such impacts need to properly screened and assessed during project implementation.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>NA.</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>Environment:</p> <p>The project aims to have significant benefits to provide technical assistance supporting China to develop a sound national strategy on mercury management to comply with international environmental convention on mercury. Successful implementation of this project will have positive impacts on reducing mercury pollution in China and globally. Given its nature, the project triggers the Bank's OP4.01 Environmental Assessment. As a management tool, an Environmental and Social Management Framework (ESMF) has been prepared with following key aspects:</p> <ul style="list-style-type: none"> (a) Legal and policy requirements, both national and the World Bank's, to be taken into account in the implementation of the project; (b) A framework and procedures for environmental and social assessment and related policies and regulation requirements regarding management of mercury contaminated sites; (c) Guidelines on integrating environmental and social safeguard requirements into TORs and goods procurement documents during project implementation; (d) Guidelines on screening, assessing and managing environmental and social impacts from downstream investments resulting from the implementation of the national strategy and plans developed under the project; (e) Public and stakeholder consultation and information disclosure requirements; and (f) Institutional arrangements for carrying out such site assessment and management activities.

Social

The national strategy and sectoral and provincial action plans developed under Component 1 may contain actions with downstream social impacts on the general public and vulnerable groups including ethnic minorities. In addition, site level activities under Component 2 may lead to downstream actions that may affect the land use status of these sites. As such, the project triggers the Bank's OP 4.12 Involuntary Resettlement and OP 4.10 Indigenous Peoples.

Safeguard Measures

To ensure proper identification and mitigation of such social impacts, the ESMF has been prepared to guide project implementation with the content noted above. Relevant elements of the ESMF will be incorporated into TORs of the project sponsored technical assistance activities during project implementation to ensure that environment and social safeguard policy requirements are incorporated into various assessments and development of strategies and plans and the screening process for downstream investments.

In addition, the ESMF provides guidance on how social and environmental safeguard issues should be identified and addressed for downstream activities beyond the scope of this project. The ESMF also includes a grievance redress mechanism and monitoring and institutional arrangements.

The ESMF was disclosed locally through the MEP/FECO website on April 13, 2016 and at InfoShop on March 29, 2016.

Beyond these safeguard instruments, the national strategy will include an Action Plan for Environmental and Health Monitoring taking full consideration of the specific situations of women and children, and including costs and funding sources available to further improve the country's monitoring over mercury contamination impacts. In addition, the national strategy will include a Social Management Strategy based on the ESMF and applicable laws and regulations, taking due consideration of possible elements specific to ethnic minorities, and possible gender differentiated impact. The social management strategy will assess the specific and collective impact of the various measures and action plans proposed by the National Mercury Strategy, and will outline mitigation measures in line with the ESMF. In doing so, the project will fully incorporate environmental and social safeguards issues into the national strategy.

Client Capacity

The PMO of this project (Foreign Economic Cooperation Office (FECO) of the Ministry of Environmental Protection (MEP) - has managed a large number of Bank projects and developed extensive experiences on the preparation and implementation of Bank safeguards instruments. For this project, all safeguard activities are fully budgeted with project financing. FECO will perform internal monitoring through a dedicated staff who will also manage the implementation of ESMF. The staff will help FECO screen safeguard risks of site level activities and ensure the incorporation of the relevant elements of the ESMF be fully incorporated in TORs for strategy development and site assessment. The staff will also collect and compile M&E information, and prepare two monitoring reports annually. Through this M&E and daily supervision exercises, FECO will supervise implementation progress and process of the ESMF. FECO will strengthen institutional arrangements for ESMF implementation in all project activities and organize training as needed to improve capacity of relevant stakeholders.

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

During project preparation, information of this project and the ESMF have been disclosed in Chinese on the MEP/FECO website for public review. In addition, mercury related industrial associations have been consulted on proposed project activities. These engagements will be maintained during project implementation to ensure project outcomes are endorsed by all stakeholders. All grievances and their resolutions will be recorded and reported during project implementation.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	23-Mar-2016
Date of submission to InfoShop	29-Mar-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
China	13-Apr-2016
<i>Comments:</i> ESMF disclosed on a MEP website.	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	23-Mar-2016
Date of submission to InfoShop	29-Mar-2016
"In country" Disclosure	
China	13-Apr-2016
<i>Comments:</i> ESMF disclosed on a MEP website.	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	23-Mar-2016
Date of submission to InfoShop	29-Mar-2016
"In country" Disclosure	
China	13-Apr-2016
<i>Comments:</i> ESMF disclosed on a MEP website.	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Is physical displacement/relocation expected? Provided estimated number of people to be affected	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] TBD [<input type="checkbox"/>]
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) Provided estimated number of people to be affected	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] TBD [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Jiang Ru,Ms. Anisi	
<i>Approved By</i>		
Safeguards Advisor:	Name: Surhid P. Gautam (SA)	Date: 27-Jun-2016
Practice Manager/ Manager:	Name: Iain G. Shuker (PMGR)	Date: 29-Jun-2016