

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA17708

Date ISDS Prepared/Updated: 28-Mar-2016

Date ISDS Approved/Disclosed: 21-Jan-2016

I. BASIC INFORMATION

1. Basic Project Data

Country:	China	Project ID:	P154694
Project Name:	Building a Modern Fiscal System Technical Assistance (P154694)		
Task Team Leader(s):	Karlis Smits		
Estimated Appraisal Date:	18-Dec-2015	Estimated Board Date:	29-Apr-2016
Managing Unit:	GMF02	Lending Instrument:	Investment Project Financing
Sector(s):	General public administration sector (100%)		
Theme(s):	Debt management and fiscal sustainability (20%), Public expenditure, financial management and procurement (40%), Analysis of economic growth (20%), Tax policy and administration (20%)		
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:	28.15	Total Bank Financing:	22.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			6.15
International Bank for Reconstruction and Development			22.00
Total			28.15
Environmental Category:	C - Not Required		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The development objectives of the proposed project are to inform the design and implementation of the Central Government's fiscal reform program and to improve the Government's capacity in public financial management

3. Project Description

Project activities are structured in two interrelated thematic components

Component 1: Key elements of China's public finance system: financing consultancies, supporting policy research, designing analytical tools, implementation support and capacity building activities in the following areas (i) establishing the basic framework of a modern public finance system, (ii) developing a modern budget management system, (iii) developing a road map for tax policy reforms, (iv) conforming inter-governmental fiscal relationships, (v) implementing accrual-based financial reporting, including developing central government and state balance sheets, (vii) formulating appropriate legal framework for China's fiscal and tax laws.

Component 2: Fiscal Policy and Sustainable Development: financing consultancies, undertaking policy research, designing analytical tools in the following areas (i) a transition towards a sustainable growth strategy, (ii) technological innovation as a driver for growth, (iii) medium and long-term economic growth prospects, (iv) business climate for small and medium-sized enterprises (SMEs), (v) China's rights, obligations and development strategies in the system of global economic governance, (vi) collecting information on bilateral and multilateral rules on investment, trade, finance, taxation, environmental protection and human development.

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

The proposed project is a Fiscal Technical Assistance project to be implemented by MOF.

5. Environmental and Social Safeguards Specialists

Aimin Hao (GSU02)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	

Projects in Disputed Areas OP/BP 7.60	No	
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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 is a fiscal TA project and the main project activities are policy research and institutional Capacity building.</p> <p>Environmental Safeguards: The project will not finance any civil works, nor any TA such as feasibility studies which may lead to future investments. The project likely has minimal or no adverse environmental impacts.</p> <p>Social safeguards: The project will focus on national level research and capacity building activities, and will contribute to holistic fiscal policy making serving the general public. Involuntary resettlement is not expected.</p> <p>The supported activities will not be in areas that indigenous people communities as defined by the Bank's OP4.10 are collective attached to, or present in or not.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> <p>See Section II A(1)</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p> <p>n/a</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>The implementation agency for this project is MOF. General speaking, MOF is familiar with Bank's safeguard policies and requirements. Before this project, there have been series of similar TA projects conducted successfully and there were no outstanding safeguards issues found during project implementation.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>

B. Disclosure Requirements

<p>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.</p>
<p>If in-country disclosure of any of the above documents is not expected, please explain why:</p>

C. Compliance Monitoring Indicators at the Corporate Level

<p>The World Bank Policy on Disclosure of Information</p>
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Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" 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 type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" 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 type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" 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 type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Karlis Smits	
Approved By		
Practice Manager/ Manager:	Name: Mathew A. Verghis (PMGR)	Date: 30-Mar-2016