

E2048

CHINA

WENCHUAN EARTHQUAKE RECOVERY PROJECT

**ENVIRONMENTAL AND SOCIAL SAFEGUARDS
SCREENING AND ASSESSMENT FRAMEWORK
(ESSAF)**

FINAL

March 26, 2009

CHINA
Wenchuan Earthquake Recovery Project

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ABBREVIATIONS AND ACRONYMS

CDC	Community Disease Control Centers
DSP	Dam Safety Plan
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMCP	Ethnic Minority Community Plan
ESSAF	Environmental and Social Screening and Assessment Framework
GoC	Government of China
MCH	Maternal and Child Health centers
MEP	Ministry of Environment Protection
OM	Operations Manual
PCR	Physical Cultural Resources
PMO	Project Management Office
RAP	Resettlement Action Plan
SA	Social Assessment
TOR	Terms of Reference

1. INTRODUCTION AND OBJECTIVES

1. The World Bank is providing a loan in an amount of US\$ 710 million to the People's Republic of China for a Wenchuan Earthquake Recovery Project (WERP). The project, which supports the Government of China's (GoC) reconstruction strategy articulated in the *National Masterplan for the Rehabilitation and Reconstruction of Wenchuan Earthquake* (the Masterplan), will finance post-earthquake reconstruction and recovery in infrastructure, health and education sectors in Sichuan and Gansu Provinces and will assist both provinces in laying the foundation for the longer-term sustainable economic recovery of areas severely affected by the Wenchuan Earthquake.

2. This Environmental and Social Screening and Assessment Framework (ESSAF) is intended to ensure that, for all activities financed by the project, all efforts are made to avoid and minimize environmental and social impacts; and where they cannot be avoided, that these impacts are identified and necessary mitigation measures are developed and implemented following relevant Chinese laws and regulations and World Bank policies.

3. The ESSAF will form part of the project's Operations Manual and is referenced in the project's Legal Agreements. The ESSAF consists of the main text and two annexes, which establish the objectives, procedures, institutional framework, and implementation arrangements for identifying and managing potential environmental and social impacts from project activities. It also addresses mechanisms for public participation and redress of possible grievances, and includes the specific screening tool that is recommended for use on all sub-projects.

4. The ESSAF will be supplemented in the Operations Manual with relevant technical Guidance Notes to provide guidelines for both environment and social screening and assessment and a set of tools for environmental and social specialists associated with the project – including those working with both the implementing agencies and the World Bank. These Guidance Notes include important materials for capacity building under the project, and will be further revised and updated during project implementation to incorporate lessons learned.

2. DESCRIPTION OF THE PROJECT

5. The objectives of the Project are to restore essential infrastructure, health, and education services to at least levels existing prior to the Wenchuan Earthquake, and where appropriate, to provide for expansion of services, while reducing the vulnerability to seismic and flood hazards and building capacity of local governments to manage the recovery program.

6. The project comprises two provincial parts, one each for Sichuan and Gansu. The focus is on the restoration and recovery of infrastructure and health services in selected counties in both provinces, and, in the case of Gansu, also on the restoration and recovery of education services. Priority has been given to the infrastructure, health, infrastructure and education sectors under the project as the benefits of restoring these sectors in affected areas are expected to support local economic growth through access to markets as well as achieving longer term health and primary and secondary education objectives.

7. In Sichuan, under the infrastructure component, the project will finance civil works and goods required for the reconstruction and expansion of infrastructure, in approximately 16 counties in the five municipalities of Mianyang, Guangyuan, Bazhong, Nanchong and Ya'an. Under the health component, the project will finance civil works and goods required for the reconstruction and expansion of health services, in about 21 counties in the seven municipalities of Mianyang, Guangyuan, Bazhong, Nanchong, Ya'an, Chengdu and Deyang. The project support component will finance training, capacity building and engineering costs of sub-projects.

8. In Gansu, the project will finance infrastructure, health and education sub-projects in 7 counties in Longnan Municipality with a focus on Cheng, Hui, and Xihe Counties. The infrastructure component will finance civil works and goods required for the reconstruction and appropriate expansion of infrastructure. The health component will finance civil works and goods required for the the reconstruction and appropriate expansion of health services. The education component will finance facilities and equipment for the reconstruction and expansion of primary, secondary, and vocational/technical schools. As in Sichuan, the project support component will finance training, capacity building and engineering costs of sub-projects.

3. SUB-PROJECT SELECTION

9. The project uses a framework approach, which is a flexible project design used when the principles of a project and the criteria for sub-project selection are determined before appraisal, but not all individual investments can be identified and appraised before World Bank Board approval.

10. A sub-project is defined as an activity, or grouping of like activities that are located within a single county and are within one of the primary sectors (infrastructure, health or education) covered by the project. Each sub-project is bound by the legal requirements of the project, including fiduciary and safeguards. Three general types of sub-projects are likely to be included: (a) those eligible for retroactive financing under the project, (b) straightforward reconstruction/rehabilitation projects damaged by the earth quake and reconstructed at the same site, and (c) more complex investments (construction of assets in new locations when the damaged assets cannot be rebuilt *in situ*, because these areas are designated as highly hazard prone; and construction or expansion of assets in new locations to serve people, who, as a result of the earth quake, must relocate from highly hazard-prone areas) that require a longer timeframe and more detailed preparation.

11. Ten selection criteria for sub-projects have been agreed by the Bank and the GoC, as listed below. All sub-projects shall be:

1. Contained in the respective national, provincial and local Wenchuan Earthquake Reconstruction Plans;
2. Within either the infrastructure, health, or education sectors;
3. Consistent with national and local development plans;
4. Given first priority if they address restoration of destroyed or damaged services or facilities, especially those for vulnerable groups, for which no other sources of reconstruction financing are available;

5. Consistent with World Bank OP/BP 8.00;
6. In accordance with national, provincial, and local standards, procedures and codes;
7. Designed to ensure sustainable service delivery, including the financing of equipment and capacity building;
8. Designed based on a rational and efficient option analysis including technical, financial, social, environmental and safety considerations;
9. Scaled and phased in accordance with current and appropriately projected demand;
10. Able to be completed prior to the Loan Closing Date set forth in the Loan Agreement.

12. The Sichuan and Gansu Provincial Governments, with the support of the GoC and a large group of experts, have undertaken initial damage and needs assessments and have prepared the Masterplan. From these assessments and the Masterplan, the county governments will propose appropriate priority activities to be included in the project. These activities will be grouped into sub-projects and screened by the PPMOs (in Sichuan) and the Municipal PMO (in Gansu) according to the agreed sub-project selection criteria and the procedures established in the Operations Manual (OM).

13. The Bank team will confirm the PMOs' initial project eligibility screening. After each sub-project is prepared, the Bank team will conduct prior review and appraisal of the sub-projects deemed complex. In case of all other sub-projects the Bank team will conduct post-review on a sampling basis during supervision of the simpler sub-projects.

4. POLICY FRAMEWORK ON ENVIRONMENTAL AND SOCIAL ISSUES

14. The ESSAF is developed in line with relevant national laws and regulations and World Bank Safeguards Policies as summarized below.

4.1 National Laws and Regulations:

15. Since the 1980s, environmental impact assessment (EIA) has been required in China under the Environmental Protection Law and other associated laws and regulations and has become an established procedure for all investment projects in China. The national EIA requirements will apply to reconstruction after the Wenchuan Earthquake. However, given the severe impact of the Wenchuan Earthquake, the Ministry of Environmental Protection (MEP) as well as Sichuan and Gansu Provincial Governments have issued a number of additional environmental management regulations since May 2008 that pertain to environmental management for all post-Wenchuan Earthquake reconstruction activities.

16. Of the new regulations and guidelines passed by the GoC and provincial governments after the Wenchuan Earthquake (Annex 2), the most important for this project are the ones related to debris and medical waste management, soil contamination, and water:

- Debris Clearance and Waste Management

- Safe Disposal of Medical Waste in Earthquake Stricken Areas
- Protection of Centralized Drinking Water Source in Earthquake Stricken Areas
- Monitoring Surface Water Quality and Centralized Drinking Water Source in Earthquake Stricken Areas
- Soil Pollution Prevention and Treatment in Earthquake Stricken Areas
- Special Land Acquisition Regulation for Wenchuan Earthquake Reconstruction

17. Regarding involuntary resettlement and ethnic minority groups, China has several laws, regulations and implementation guidelines, the most important of which are the Constitution, the China Property Law, the China Land Law, and the National Regional Autonomy Law. Sectoral and local regulations have been issued to accompany these laws and guide their implementation. These laws and regulations emphasize the need to protect people who are adversely affected in investment projects, particularly vulnerable groups and ethnic minorities. Responding to the needs of the Wenchuan Earthquake reconstruction, the State Council and Ministry of Land and Natural Resources have issued special regulations and provisions to simplify and speed up procedures for land acquisition for emergency reconstruction projects. In those cases where the requirements under the Chinese laws and regulations are not equivalent to those required by the relevant World Bank safeguard policy requirements, the latter will apply.

18. The safeguards requirements for the project will build upon these national guidelines and requirements in order to streamline, to the extent possible, the documents required for each sub-project without compromising in any manner the Safeguard requirements of either the government or the World Bank.

4.2 World Bank Safeguard Policies

19. During the project appraisal mission in October 2008, a preliminary sample of possible sub-projects was visited by the provincial governments and Bank team. On the basis of this initial visit, as well as preliminary meetings with potential counterparts, it is expected that most of the potential sub-projects will require environmental and social studies and approvals for compliance to Chinese laws and regulations. In addition, the following World Bank policies will or are likely to be triggered by the potential sub-projects:

- *OP/BP 4.01 Environmental Assessment:* Given the nature of the proposed program, this policy will be triggered. Individual sub-projects will be screened and assigned the appropriate environmental categorization and environmental due diligence will be conducted in accordance with OP 4.01. A technical guidance note on “Preparation and implementation of Environmental Impact Assessment (EIA) and Environmental Management Plan/mitigation measures (EMP), including use of standard Environmental Codes of Practices for contractors” will be included in the OM.
- *OP/BP 4.04 Natural Habitats:* Field visits and the location of potential sub-projects in urban areas indicate that natural habitats are unlikely to be adversely affected. Nevertheless, all sub-project proposals will be screened for potential adverse impacts on critical and non-critical natural habitats and suitable mitigation measures if any needed will be prepared as part of the sub-project specific EA and EMP.

- *OP/BP 4.11 Physical Cultural Resources (PCR):* Whenever a sub-project includes reconstruction or preservation of historic or archeological sites, PCR management plans would be prepared for those sub-projects, either as part of the sub-project specific EIA or as a stand alone document. All sub-projects will be reviewed for their potential impacts on PCR in the context of their respective EIA/EMP and procedures will be included in all relevant standard bidding documents to deal with chance finds during construction. A technical guidance note on “Preparation and implementation of PCR management plans” will be included in the OM.
- *OP/BP 4.37 Safety of Dams:* Given the damage to existing dams and the possible need for additional water storage capacity in certain localities, local governments may propose repair works on existing reservoirs or propose new investment in water storage facilities. In case of such request, it is anticipated that OP 4.37 will be triggered. A technical guidance note on “Preparation and implementation of dam safety plans, including commissioning of dam safety panel of experts” will be included in the OM.
- *OP/BP 4.12 Involuntary Resettlement:* Land acquisition and involuntary resettlement are anticipated under the project, particularly for sub-projects involving service expansion or reconstruction at new sites. For this reason, OP 4.12 will be triggered. Sub-projects will be screened for land-related impacts and resettlement action plans will be developed and implemented. A technical guidance note on “Preparation and implementation of resettlement documents” will be included in the OM.
- *OP/BP 4.10 Indigenous Peoples:* Field visits, initial discussions with experts of ethnic minorities in the region and desk review, have indicated that communities of ethnic minority people are unlikely to be present in the project areas. Nevertheless, all sub-project proposals will be screened as required by OP 4.10 to confirm these findings. A technical guidance note on “Preparation and implementation of Social Assessment and Ethnic Minority Community Plans” will be included in the OM.

5. APPROACH TO ADDRESS ENVIRONMENTAL AND SOCIAL SAFEGUARD ISSUES

20. In accordance with World Bank policy OP/BP 8.00, the ESSAF will guide the environment and social safeguard planning and compliance during implementation of sub-projects. As sub-projects will be identified and proposed for financing in a continuous manner during the project implementation period, screening for potential environmental and social impacts will be conducted and mitigation and management measures will be developed in line with the agreed ESSAF.

21. Environmental and social impact screening, mitigation and management measures development and implementation will follow these steps:

Step 1 - Identification of sub-projects according to the selection criteria;

- Step 2 - Screening for potential environmental and social safeguard impacts and determination of safeguards documents required according to Chinese regulations and World Bank policies;
- Step 3 - Review of the safeguards screening by World Bank;
- Step 4 - Preparation of safeguard documents, consultation and disclosure;
- Step 5 - Review and clearance of the safeguard documents within the government or/and by the Bank;
- Step 6 - Implementation of agreed actions; and supervision, monitoring, and evaluation

5.1 Step 1 – Identification of Sub-projects According to the Selection Criteria

22. In accordance with the project framework as set out in the Operations Manual and the project’s legal agreements, all sub-projects will be identified using a set of standard selection criteria. Of these, selection criteria 9 and 10 refer to environmental and social safeguard considerations. Under these criteria, the sub-projects shall be: (i) designed based on a rational and efficient option analysis including technical, financial, social, environmental and safety considerations; and (ii) scaled and phased in accordance with current and appropriately projected demand.

23. During Step 1, the environmental and social specialists/consultants from the PMOs will participate in the identification and selection of sub-projects. They will evaluate and provide input, as appropriate, on ways to optimize the sub-project concepts to reduce environmental and social impacts.

5.2 Step 2 - Screening for Potential Environmental and Social Safeguard Impacts and Determination of Safeguard Instruments for Each Sub-project

24. Once sub-projects have been identified, the PMOs will screen each sub-project for potential environmental and social safeguard impacts to determine the nature and extent of the environmental and social due diligence needed before government and Bank approval of each sub-project. The choice of instruments (EA, EMP, RAP, etc.) for each sub-project depends on the nature and magnitude of its potential impacts. Because the evaluation of the expected environmental and social impacts requires specialized technical skills, PMOs will employ qualified environmental and social specialists as well as consultants to assist them in this task.

25. The PMOs and their environmental and social safeguard specialists will concurrently screen each sub-project to determine the applicable Chinese national laws and regulations, World Bank safeguards policies and the corresponding safeguard instruments (EIA, EMP, RAP etc.) which need to be prepared and implemented. Annex 1 provides guidance for an initial screening to determine the above. Annex 1 will be further elaborated with more specific guidance in the OM.

26. The results of the screening exercise will determine the categorization and the type of safeguards documents that will be required for each sub-project.

Environmental Safeguards Screening

27. With respect to environmental screening of sub-projects, the national regulations and World Bank policies are considered on the whole to be closely-related; both are impact-based and will require the PMO to identify and assess potential impacts to environmental components such as water, air, land and natural habitats and biodiversity.

28. For specific screening according to World Bank policies, the PMO will use the screening tool in Annex 1 to propose an environmental classification for the each sub-project as follows:

- **Category A:** A sub-project of this type would have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the physical works. Some proposed construction of urban infrastructure may be classified as Category A, such as a large-scale landfill, large scale wastewater treatment plants or a water supply dam and reservoir.
- **Category B:** A proposed sub-project may have some adverse environmental impacts, but less adverse than those of Category A projects. These impacts are typically site-specific; few if any of them are irreversible; and in most cases mitigation measures can be readily designed. The great majority of sub-projects for rehabilitation and reconstruction works are likely to fall in this category.
- **Category C:** A proposed sub-project is likely to have minimal or no adverse environmental impacts.

29. The screening results will be cross-checked with national regulations, in order to determine the applicable Chinese domestic EA documentation requirements. Three possible instruments are specified in the Chinese regulations: (a) Environmental impact assessment report (EIA); (b) Simplified environmental assessment (Simplified EA)¹; and, (c) Environmental registration. In those cases where the EA documentation required by the Chinese regulations are not equivalent in depth and scope to those required by the World Bank safeguard policy requirements, the latter will apply.

Determination of Environmental Safeguards Documents for sub-projects

30. The environmental safeguards documentation requirements for each sub-project will be determined based on the screening procedures, as follows:

- **Category A:** Sub-projects will require an Environmental Impact Assessment (EIA) and an Environmental Management Plan (EMP) prepared in accordance with Bank requirements. Moreover, all bidding documents will include a standard contract clause for chance finds of physical cultural resources (refer relevant guidance notes in the OM). The PMOs will consult with the Bank team during preparation of all Category A

¹ Note that according to the Chinese EIA Law, the Simplified EA is called an “EA in Table form”. However, an EA in Table form is not a simple summary table, it is equivalent or more detailed than an EA that would be required by the Bank for Category B projects.

documents. Both the EIA and the EMP will be submitted to the World Bank for review and clearance.

- **Category B:** Sub-projects will require an EIA or simplified EIA (as required under the Chinese laws and regulations) and or an EMP (as per the Bank policy) consisting, at a minimum, of standard environmental codes of practices supplemented, if necessary, with additional analysis. The sub-project specific EMP and or standard environmental codes of practices, including chance-finds of physical cultural resources, will be included in all construction contracts/bidding documents.
- **Category C:** Sub-projects that are rated Category C do not require environmental safeguards documents, but will comply with the Chinese regulatory requirement for registration.

Social Safeguards Screening

31. Every sub-project will be screened by the PMO for social impacts, including: (a) the need, if any, for land acquisition and involuntary resettlement (permanent or temporary); (b) the population to be affected; and, (c) whether there is an ethnic minority community that would be affected by the sub-project (as determined through a review the demographic information in the sub-project areas). The PMO will use the screening tool in Annex 1 to determine the significance of these impacts and identify the Social Safeguards documents that need to be prepared.

32. In addition to any requirements to meet World Bank policies, the PMOs will also screen the sub-projects for national/provincial laws and regulations regarding land acquisition and involuntary resettlement.

Social Safeguards Documents

33. The Social Safeguards documents for each sub-project depend on the sub-project's impacts, as follows:

- A resettlement action plan (RAP) if over 200 people will need to be involuntarily resettled. If fewer people need to be resettled, then an abbreviated RAP will be required, including if land acquisition or compensation for land already acquired under post-earthquake regulations is required.
- A social assessment (SA) if social impacts of significance are expected or there are affected ethnic minorities in the sub-project area.
- An Ethnic Minority Community Plan (EMCP) if an ethnic minority community would be affected by the sub-project.

5.3 Step 3 – Review of the Safeguards Screening by the World Bank

34. The PMO will prepare a safeguards screening summary for each sub-project in a format specified in the Operations Manual. This will summarize: (a) the recommended categorization according to World Bank policies; and, (b) the proposed environment and social safeguards documentation requirements for the sub-project. The safeguards screening summary will be part of the sub-project identification package that will be submitted to the Bank by the PMO.

35. The Bank will review and confirm the safeguards screening of all sub-projects based on the information provided by the PMOs in the screening summary. Review of the screening of Category A and some complex B projects that require RAPs and/or EMCPs may require site visitation or additional review by the Bank. Reviews of the screening of other Category B and C projects will be conducted by the Bank on a selective basis to verify that the screening tools and choice of documents are being applied appropriately and consistently.

5.4 Step 4 - Development Of Safeguards Documents Including Consultation And Disclosure

36. Once the screening and documentation requirements are agreed by the Bank and confirmed by the government, the project proponents, with assistance from the PMOs, will develop detailed safeguard documents and impact mitigation measures.

37. For all Category A projects, the Bank will provide advice to the project proponents during the preparation of the documents. For Category B projects, project proponents and the PMOs are encouraged to liaise closely with the Bank if any issues arise that may require clarification from the Bank on the application of Bank policies.

38. Safeguard documents will be subject to consultation and disclosure in an accessible place, in a timely manner, in a form and language understandable to key stakeholders, prior to the finalization of the said documents. Particular attention will be given to ensure projected affected persons gets adequate time and ready access to draft documents before consultation takes place.

39. Consultation for Category A projects and projects that require RAPs, SA or EMCPs will be undertaken at least twice during the preparation: at the beginning of the preparation of documents to scope environmental and social issues as well as prior to finalization of the safeguards based on the preliminary results of the required safeguard documents in order to take into account public concerns before submitting final documents to the Bank.

Language of safeguards documents

40. For Category A sub-projects, the EIAs, EMPs and other applicable documents such as DSPs, RAPs, and SAs will be subject to the World Bank's East Asia and Pacific Region Safeguards Documentation translation waiver procedure. As such, they will be prepared and submitted to the World Bank in Chinese language, with a summary provided in English, upon prior agreement of a table of content or TOR, unless otherwise requested on a case-by-case basis by the World Bank.

41. For Category B sub-projects, simplified EIAs and or EMPs, and abbreviated RAPs if any prepared will be submitted to the World Bank in Chinese language only, unless otherwise requested on a case-by-case basis by the World Bank.

42. All EMCPs required under the project must be submitted to the Bank for review in both English and Chinese language.

Information disclosure and consultation

43. Information disclosure and public consultation are important and necessary in sub-project preparation and implementation. These enable sub-project affected people and other stakeholders to participate in and contribute to the sub-project planning and implementation, and thereby help minimize sub-project adverse impacts and maximize sub-project benefits. The level of public consultation and the scope of information dissemination will be commensurate with the environmental category of the sub-project and the significance of the social impacts.

44. Information to be disclosed will include, at a minimum: sub-project design, impacts, and proposed mitigation measures. During the design and implementation phases, this information will be updated and continually made available to stakeholders. Disclosure means could vary, but may include posters, booklets, newspapers, the internet, and community meetings. All safeguard documents will be disclosed at a public place accessible to affected groups and other stakeholders prior to consultation to establish the basis for meaningful consultation. Disclosure and consultation mechanisms will be planned and detailed in the relevant safeguard documents.

Grievance redress

45. A grievance redress mechanism for the project is necessary for addressing legitimate concerns of affected individuals and groups who may consider themselves deprived of appropriate treatment under the project. The mechanism would include (i) a recording and reporting system, including grievances filed both verbally and in writing, (ii) designated staff with responsibility at various levels of governments, and (iii) a time frame to address the filed grievances. This mechanism will be detailed in the sub-project safeguards documents. The functioning of the grievance redress mechanism will be regularly monitored and evaluated by the PMO during project implementation.

5.5 Step 5 - Review and clearance of the safeguards documents by the World Bank

46. Review and clearance of the environmental and social safeguards documents according to national regulations is the responsibility of the PMOs.

47. The requirements for review and clearance of the environmental documents by the World Bank are as follows:

- Category A: The EIA/EMP and other relevant documents (e.g., DSPs, PCR management plans) for all Category A sub-projects will be subject to World Bank standard review and clearance procedures prior to approval of the sub-project.

- Category B: The Simplified EA (or EIA) and EMP for Category B sub-projects will not be subject to World Bank review and clearance prior to approval of the sub-project. However, these documents will be post-reviewed on a selective basis during supervision missions.
- Category C: No review required by the World Bank.

48. The requirements for review and clearance of the social documents by the World Bank are as follows:

- All RAPs, abbreviated RAPs, SAs and EMCPs will be subject to review and clearance by the World Bank prior to approval of the sub-project.

5.6 Step 6 – Implementation of agreed actions and supervision, monitoring and evaluation

Implementation

49. Implementation of the safeguards measures during sub-project implementation is the responsibility of the sub-project proponents.

Supervision

50. The PMOs will supervise the implementation of the EMP and social safeguard-related actions approved by the government and the Bank. The World Bank task team will regularly visit the sub-project areas throughout project implementation in order to:

- Provide guidance and assist in the preparation of safeguards instruments;
- Review the screening results, due diligence review report, and safeguard documents of proposed sub-projects;
- Supervise the implementation of the safeguards instruments to ensure they are implemented in compliance with the Bank policy requirements.

Monitoring and Evaluation

51. The PMOs will engage qualified and experienced consultants to carry out the monitoring program to provide information on key environmental and social aspects of the sub-projects and the effectiveness of the planned mitigation measures. This will enable the government and the Bank to evaluate the performance of the environmental program and allow corrective action to be taken when needed. In case of sub-projects with RAPs, the PMOs will hire an independent third party consultant acceptable to the Bank to conduct external monitoring of RAP implementation. The external monitoring report will be submitted to the Bank and the PMOs.

6. SAFEGUARDS SCREENING AND IMPACT MANAGEMENT FOR RETROACTIVE FINANCED SUB-PROJECTS

52. For sub-projects that already completed construction prior to the appraisal mission in October 2008 which will be financed retroactively, or sub-projects that commenced construction prior to the appraisal mission, a due diligence post-review will be carried out for both environmental and social impacts:

- **Environmental impacts.** The PMO will review the sub-project implementation to determine compliance with environmental management requirements under the ESSAF, including potential impacts on physical cultural resources. If there are any outstanding environmental issues, necessary mitigation measures will be agreed and implemented to address them.
- **Social impacts.** The PMO will review the sub-project to determine compliance with the social safeguard impacts and mitigation measures specified in the ESSAF, including those relating to (a) land acquisition and compensation, and (b) ethnic minority communities. If necessary, additional mitigation measures will be developed and implemented.
- A post-review report will be prepared by the PMO to briefly describe the safeguards aspects of each retro-actively financed sub-project. The post-review reports and necessary mitigation measures will be reviewed by the government and the World Bank. Compliance with the ESSAF requirements is a condition for retroactive financing under the project.

7. ORGANIZATIONAL ARRANGEMENTS

53. In the environmental and social mitigation planning process, described above, the various institutional roles and responsibilities are:

54. **Environmental and social impact screening:** The provincial PMOs with the assistance of its specialized staff and/or qualified consultants will undertake environmental screening of each proposed sub-project, the findings of which will be reviewed by the Bank, depending on the nature of the sub-project and expected type and magnitude of the impacts.

55. **Preparation of safeguard documents:** Individual sub-project proponents are responsible for planning, design and implementation of individual sub-projects, including environmental and social safeguard documents and mitigation measures, and will engage qualified consultants as needed.

56. **Supervision:** The county and municipality PMOs, as the immediate project management offices, will guide, supervise and manage the process of safeguard planning and implementation work. The technical bureaus at provincial and municipal level will provide technical guidance to their county counterparts, supervise and support them in their respective technical capacity.

57. **Overall responsibility:** The Provincial PMOs (Sichuan) and Longnan Municipal PMO (Gansu) will assume the overall responsibility for the planning and implementation of safeguard

documents under the project. The Bank will support the process through periodic supervision and training.

58. ***Domestic review and clearance of the safeguard documents:*** Safeguard documents will be reviewed and cleared within the government as part of the overall sub-project approval process. This will follow the government's procedures and regulations for capital investment review and clearance.

59. ***World Bank review and clearance of the safeguard documents:*** As mentioned above, safeguard documents for all Category A sub-projects (EIA/EMP and other relevant documents such as: DSPs and PCR management plans) will be forwarded to the World Bank for prior review and clearance. The World Bank will also review and clear the social safeguards documents such as: RAPs, SAs, and EMCPs, before approving the sub-projects that require them. For all other Category B sub-projects projects, the World Bank will carry out sample post-reviews during supervision missions.

60. ***Safeguard documents implementation:*** The sub-project proponents will be responsible for the implementation of the safeguard documents, under the direction and supervision of relevant government line agencies (e.g. environmental protection bureau, land administration bureau, cultural relics bureau).

61. ***Supervision, monitoring and evaluation:*** Sichuan and Gansu Provincial Governments will assume the overall responsibility for the supervision, monitoring, and evaluation of the safeguard document implementation. The provincial PMOs will plan, organize and lead the oversight effort, including appointing the external environment and social monitors.

8. CAPACITY BUILDING

62. Local capacity building will be critical to the implementation of the above safeguard-related activities. With the current institutional arrangements, local governments, particularly county governments, will need strong support in building up their capacity to fulfill their designated responsibilities.

63. The capacity building in environmental and social safeguards will contain three aspects. First, the PMOs will determine the staffing needs for each level and propose additional staff where required. Second, the government, with support from the World Bank, will develop a set of planning and implementation tools and guidelines by revising and updating the technical Guidance Notes prepared during appraisal and referred to in this framework. These will be used for training and reference for technical staff during implementation. Third, a project-wide training program will be developed and implemented for all environmental and social staff. This will be implemented on a priority basis.

Annex 1: DRAFT Screening Form for Potential Environmental and Social Safeguards Issues and to Determine Applicability of Relevant Chinese Laws and Bank Policies

The Project Management Office (PMO) will use this Form to screen all sub-project applications.

- Name of Sub-project: _____
- Number of Sub-project: _____
- Proposing Agency: _____
- Sub-project Location: _____
- Infrastructure to be rehabilitated or constructed: _____
- Estimated Cost: _____
- Proposed Date of Commencement of Work: _____

For compliance with Chinese environmental regulations does this sub-project require any of the following safeguard documents?

- A full EIA: Yes: __ No: __
- A simplified EIA: Yes: __ No: __
- Other Environmental requirements: Yes: __ No: __

Screening Checklist for World Bank Environmental and Social Safeguards

Questions	Answer		If Yes WB Policy triggered
	yes	no	
Is the proposed sub-project likely to have minimal or no adverse environmental impacts? ⁱ			OP 4.01 Category C
Are the sub-project impacts likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented? ⁱⁱ			OP 4.01 Category A
Do the impacts affect an area broader than the sites or facilities subject to physical works and are the significant adverse environmental impacts irreversible?			OP 4.01 Category A
Is the sub-project neither a Category A nor Category C as defined above? ⁱⁱⁱ			OP 4.01 Category B
Will the sub-project be supporting reconstruction or preservation of physical cultural resources? Will the sub-project adversely impact physical cultural resources? ^{iv}			OP 4.11
Does the sub-project construct a new dam or rely on the performance of an existing dam or a dam under construction?			OP 4.37
Will the sub-project involve the significant conversion or degradation of critical or non-critical natural habitats? ^v			OP 4.04
Does the sub-project involve involuntary land acquisition or prior acquisition of land or demolition of existing structures?			OP 4.12
Are there any ethnic minority communities present in the project area and are likely to be affected by the proposed sub-project?			OP 4.10

Screening Tool Completed and Reviewed by:

Signed by Environmental Specialist in PMO:

Name: _____

Title and Date: _____

Signed by Social Specialist in PMO:

Name: _____

Title and Date: _____

Signed by Project Manager in PMO:

Name: _____

Title and Date: _____

One copy of this Form and accompanying documentation will be kept in the PMO, one copy will be sent to the World Bank, and a third copy, if necessary, sent to the concerned provincial government agency.

Annex 2: List of Key Chinese Laws and Regulations

A. Regulations Passed Subsequent to the Wenchuan Earthquake (2008)

Key Post-Wenchuan Earthquake Emergency Environmental Regulations

- Guideline on Post-disaster Debris Clearance and Waste Management (MEP Bulletin 2008 No.15)
- Technical Guideline on Safe Disposal of Medical Waste in Earthquake Stricken Areas (MEP Bulletin 2008 No.16)
 - Technical Guideline on Protection of Centralized Drinking Water Source in Earthquake Stricken Areas, and Emergency Technical Proposal for Ensuring Drinking Water Safety in Earthquake Stricken Areas (MEP Bulletin 2008 No.14)
- Technical Guideline on Monitoring Surface Water Quality and Centralized Drinking Water Source in Earthquake Stricken Areas (MEP Bulletin 2008 No.14)
- Guideline on Soil Pollution Prevention and Treatment in Earthquake Stricken Areas (MEP Bulletin 2008 No.27)

Key Post-earthquake Special Policies on Land Acquisition

- Regulation on Wenchuan Earthquake Reconstruction (2008)
- Special Supportive Policy on Ensuring Earthquake Reconstruction, Ministry of Land and Natural Resources (2008)

B. Environmental and Social Laws & Regulations (1989-2007)

Key Laws & Regulations Supporting EIA Procedures

- Environmental Protection Law (1989)
- Environmental Impact Assessment Law (2003)
- Environmental Management Regulation for Construction Projects (1998, State Council)
- Regulations on the Certificate for the EIA of Construction Projects (2005, SEPA)
- Decree No. 2 on Classification Management of Environmental Impact Assessment for Construction Projects (2008, MEP)
- Technical Guidelines for Environmental Impact Assessment
 - General Guideline (HJ/T 2.1-93)
 - Atmospheric Environments (HJ/T 2.2-93)
 - Water Environment (HJ/T 2.3-93)
 - Acoustic Environment (HJ/T 2.4-1995)
 - Nonpolluting Ecological Impact (HJ/T 19-1997)
 - Planning Environmental Impact (HJ/T 130-2003)
- Technical Guideline for Environmental Risk Assessment of Construction Project (JH.T 169-2004)

Key Laws & Regulations Supporting Land Acquisition and Resettlement

- Property Law of the People's Republic of China (2007)
- China Land Law (revised in 2004)
- State Council Decision on Strengthening Land Management (2004)
- Constitution of the PRC (amended in 2004)
- Provisions of Administrating Demolition of Urban Houses by the State Council in 2001
- Constitution of the PRC (amended in 2004)
- National Regional Autonomy Law (amended in 2001)

ⁱ Examples of sub- projects likely to have minimal or no adverse environmental impacts are supply of goods and services, technical assistance, simple repair of damaged structures etc.,

ⁱⁱ Examples of sub-projects where the impacts are likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented are major urban project involving housing development, water treatment, waste water treatment plants and solid waste collection and disposal and large scale infrastructure such as dams and large reservoirs.

ⁱⁱⁱ Sub-projects that do not fall either within OP 4.01 as a Category A or Category C can be considered as Category B. Examples of category B sub-projects include small scale *in-situ* reconstruction of infrastructure projects such as road rehabilitation and rural water supply and sanitation, small schools, rural health clinics etc.

^{iv} Examples of physical cultural resources are archaeological or historical sites, including historic urban areas, religious monuments, structures and/or cemeteries particularly sites recognized by the government.

^v Critical natural habitats include those habitats that are legally protected, officially proposed for protection, identified by authoritative sources for their high conservation value, or recognized as protected by traditional local communities.