



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 06/29/2020 | Report No: ESRSC01449



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
China	EAST ASIA AND PACIFIC	P173316	
Project Name	GEF China Sustainable Cities - Supporting Green and Low Carbon Urban Development		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	1/15/2021	2/26/2021
Borrower(s)	Implementing Agency(ies)		
Zhou Tao, Zhu Xiaowen	Zhou Huiling		

Proposed Development Objective(s)

support participating cities to develop a systematic and integrated approach to the green and low carbon strategies and planning.

Financing (in USD Million)	Amount
Total Project Cost	26.91

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The project includes four components and is intended to provide participating cities with a systematic approach to implementing green and low carbon strategies. These components are also designed to support the two focal areas under the GEF: biodiversity and climate change, for which the resources were allocated by the GEF to deliver global environmental benefits.

Specifically, Component 1 aims at supporting the overarching policy framework and strengthening the institutional processes of the cities—this will be achieved by enhancing a performance indicator system supported by data sharing platforms across various agencies to ensure that green and low carbon development can be translated into



measurable progress in urban planning and development. Such a measurable framework provides guidance and basis for the work under Components 2 and 3.

Component 2 will then focus on “green” – supporting ecological planning through stocktaking and enhancing of “green” and “blue” assets of a city. Component 3 helps cities reduce their carbon footprint by supporting a low carbon strategy and exploring options to achieving carbon neutrality. In both Components 2 and 3, modalities of green finance will be explored, including leveraging the private sector to invest in biodiversity and low carbon options. Finally, Component 4 is designed, through a knowledge platform, to bring many other cities in China and around the world to share the experience gained from the project. The intention is to engage them in the broad dialogue on urban sustainability, with the objective of making the platform become the center of excellence on urban knowledge and innovation.

The project includes three participating cities: Chongqing, Chengdu and Ningbo. In addition, two clusters of cities are under consideration: Chengdu-Chongqing Corridor and Yangtze River Delta Demonstration Zone for Ecological and Green Integrated Development (YRD Demonstration Zone), noting that as the the institutional arrangement for YRD Demonstration Zone is yet to be fully functional, the World Bank task team will further determine the viability of incorporating YRD Demonstration Zone during the project preparation stage.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project is focused on TA activities supporting participating cities to develop a systematic approach to the green and low carbon strategies and planning, consisting of four components: Component 1 will support the overarching policy framework and institutional strengthening by enhancing a performance indicator system supported by data sharing platforms across various agencies; Component 2 and 3 will respectively focus on “green” and “low carbon” – supporting selected cities/sites on natural assets inventory, biodiversity/low carbon strategies, and other studies to explore the options for carbon neutrality and green finance modalities; Finally, Component 4 is designed for knowledge sharing to further enhance the project’s benefits in China and beyond. The project will not finance any civil works; however, under Component 2.c, supports will also be provided to prepare for site-specific natural-based solutions, such as eco-embankment, wetland preservation and leisure infrastructure for urban rivers, which will help to enhance green infrastructure in selected cities through future investments beyond project financing.

The project includes three participating cities: Chongqing, Chengdu and Ningbo, along with two clusters of cities under consideration: Chengdu-Chongqing Corridor and Yangtze River Delta Demonstration Zone for Ecological and Green Integrated Development (YRD Demonstration Zone, to be further determined during project preparation). The three selected cities include two mega-cities in southwest (Chongqing and Chengdu) and one middle-sized city on east coast, which are largely Han Chinese dominated areas. By the end of 2019, the total population is 31 million for Chongqing, 16 million for Chengdu and 8.2 million for Ningbo, of which the ethnic minority people representing 6.4%, 0.9% and 1.9% of their total population respectively.

In terms of environmental setting, three selected cities and two considered city clusters are all sitting in the Yangtze River Economic Zone (YREZ), respectively in the upper reaches (Chongqing, Chengdu and Chengdu-Chongqing Corridor) and lower reaches (Ningbo and YDZ Demonstration Zone). Among others, Chongqing covers a large area crisscrossed by rivers and mountains with central urban area built on mountains surrounded by the Yangtze and



Jialing rivers; Chengdu is located at the western edge of the Sichuan Basin and sits on the Chengdu Plain, which provides fertile lands and rich resources; and Ningbo is sandwiched between the ocean and low-lying mountains to the southwest, featured by a total 1562km of coastlines and 531 islands accounting for 524km² under the city's administration. For the considered city clusters, the Chongqing-Chengdu Corridor consists of 31 cities, districts and counties between Chongqing and Chengdu in the southwestern part of China; and YRD Demonstration Zone is carefully chosen inside the big Yangtze River Delta (YRD) city cluster (the largest and most important city cluster in China), covering three bordering jurisdictions--Qingpu District of Shanghai Municipality, Wujiang District of Jiangsu Province, and Jiashan County of Zhejiang Province. Like the rest of the YRD, the area has dense river networks and low-lying terrains, therefore is prone to natural disasters.

The development of Yangtze River Economic Zone (YREZ) has been established as one of the top three national development strategies by the central government of China since 2016, which is supported by the Regional Ecological and Environmental Protection Plan published in July 2017 and the ongoing Strategic Environmental Impact Assessment (SEIA) initiated by the Ministry of Ecology and Environment (MEE) since September 2017. It is understood that some interim outcomes of the SEIA will be available in the second half of 2020 during project preparation, which will be reviewed and incorporated into the project design and Environmental and Social (E&S) management instruments.

D. 2. Borrower's Institutional Capacity

Most project activities will be implemented in project cities/city clusters, where Project Leading Groups (PLGs) will be set up headed by mayors/directors of respective cities, including senior officials from relevant government agencies, such as, Finance Bureau, Bureau of Planning and Natural Resources, Bureau of Ecology and Environment and so on. Under PLGs, Project Management Offices (PMOs) will be responsible for inter-departmental coordination. The PLGs and PMOs will be officially established and play important roles during project preparation and implementation.

For Component 4, the China Center for Urban Development (CCUD), an institution affiliated with the National Development and Reform Commission (NDRC), will be the PMO for implementing the proposed China Sustainable City Platform (CSCP) at the national level. In addition, CCUD will play a role of coordinating with the relevant ministries (NDRC, Ministry of Finance (MOF), Ministry of Natural Resources (MNR), and Ministry of Ecology and Environment (MEE)) on the activities that support the knowledge sharing and policy dialogue among participating cities. In addition, by recognizing the importance of cross-sectoral coordination for project success, the project is designed with the sub-components to engage relevant ministries respectively under Component 1, 2 and 3.

All the project implementing ministries and selected cities have track experience for successfully implementing World Bank projects, although local agencies involved in project implementation have different levels of capacity in terms of the experience with and knowledge of the World Bank procedures. The inclusion of the city clusters poses some challenges in the overall coordination. However, the establishment of a city-level steering committee consisting of multiple agencies is expected to facilitate coordination. All PMOs will be assigned with at least one dedicated Environmental and Social management staff, and targeted training will be provided to the PMOs to enhance their knowledge of World Bank's environmental and social risk management procedures, particularly for new PMOs. During the preparation of Environmental and Social Management Framework (ESMF), more specific capacity assessment will be conducted for the project to identify necessary capacity building measures following the ESF policy requirements.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS



A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

The project is designed to facilitate the incorporation of green growth and low carbon strategy into the urban planning and policy development of participating cities, which will involve no civil works but focus on Technical Assistance (TA) activities supporting: i) the enhancement of green and low carbon indicator system supported by data sharing platforms; ii) the establishment of natural assets inventory for ecological planning; iii) the development of inclusive biodiversity and low carbon strategy for selected cities/sites to offer the options of renewable energy and ecological carbon sink (e.g., biodiversity index reports); iv) the preparation (for example, via technical design and investment plans) for using nature-based solutions to enhance green infrastructure such as eco-embankment, wetland preservation and leisure infrastructure for urban rivers; v) the piloting of low-carbon urban regeneration in selected communities through improved neighborhood design, monitoring and analysis; and vi) meaningful engagement of various stakeholders (covering governmental departments, public and private entities, and the public) through series of policy dialogue and knowledge exchange events. Overall, the project is expected to have significant environmental and social benefits by enhancing the biodiversity and climate resilience of selected project cities, and such positive influence will be further enhanced through the project-supported knowledge sharing activities in China and beyond.

The project will be implemented in three selected cities and two city clusters, all in the Yangtze River Basin including its upper reach in Chongqing Municipality and Sichuan Province (which Chengdu is the capital city of) with recognized ecological importance; however, the project will only target highly urbanized areas where it is unlikely to be highly ecologically sensitive. Furthermore, the project Environmental and Social Management Framework (ESMF) will establish screening criteria to avoid high environmental and social risks under project activities, which will be consistent with the existing Ecological Redline Policy (ERP) of China that provides unbridgeable geographical boundary for ecological conservation. Also, under Component 2, appropriate measures for the conservation of natural habitat and local biodiversity will be developed as part of the biodiversity strategy and natural-based solutions to address potential adverse impacts on the environment and local communities resulting from rapid urban development. To conclude, the project is unlikely to result in significant conversion and degradation of natural habitats and will be designed and implemented to assure its positive environmental impacts in consistence with both national environmental protection strategies and the World Bank’s ESF policy requirements.

Though the project will not finance any form of construction activities, some TA activities under Component 2 and 3 will likely lead to future investments on green infrastructure in project cities or low carbon solutions at the community level. While TA activities are not envisaged to cause significant direct environmental impacts, the future implementation of supported plans and investments prepared under the project is expected to have direct or indirect environmental impacts. To maximize positive impacts and minimize any risk of unintended adverse consequences, the TA delivered through this project will require diligent supervision and quality control. Thus, the project’s environmental risks is classified Substantial at this stage. This rating will be revisited before appraisal with the availability of more project details and background information.

Social Risk Rating

Substantial

The project supports technical assistance which is focused on promoting green growth by incorporating sustainable development into the urban strategies, plans, policies and practices of participating cities. These TAs will mainly set



up green and low carbon development indicators and data platforms, map existing natural assets and apply nature-based so on. Based on the initial screening of PCN stage, no land acquisition and land property change will be involved under this project since there will be no civil work directly planned under the project activities. Regarding piloting subprojects, the project investment limits to support the design of green and low carbon development in selected residential communities of participating cities. For example, using more permeable pavement for better stormwater management, linking patches of green areas to form networked green space and ecosystem, in order to enhance biodiversity and maximize carbon sequestration, adding greenery to building facades and roofs. These design solutions will be based on the existing green space of neighborhood and will not change the land use property, therefore, the project will not lead to additional land acquisition and resettlement. The direct negative social impacts and risks, such as loss of livelihood and access restrictions are also excluded from this project. The potential downstream impacts are deemed in participating cities which are not ethnic minorities inhabited area therefore no significant social impacts and risks on ethnic minorities are envisaged due to project activities. The significant social impacts are excluded during the project initial screening. Considering the design will directly link to the downstream investment and people living in selected communities, early effective engagement is necessary to ensure to their concerns and needs embedded into the design in an appropriate way. With these potential downstream impacts may be envisaged and broadly stakeholders to be involved in three big cities which have high population density in China. The project's social risk is considered "Substantial".

For the potential downstream social impacts, detailed analysis for proposed project activities will be conducted under preparation of ESMF. The selection of the pilot communities will be managed under a selection criterial and due process defined in the ESMF. As part of the ESMF, stakeholder engagement plan will also be developed for each city to identify the different key stakeholders and define the engagement approach for each group, such as consultation and informing purpose or direct engagement for the potentially affected people on downstream project risk and impacts.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

Initial Environmental and Social (E&S) screening was conducted based on (i) information collected from the PMOs; (ii) desktop review of existing green growth policies and strategies in China on the internet; (iii) initial consultation with urban planning experts. Field mission was postponed due to travel constraints during Covid-19 crisis.

The project will involve no civil works but focus on TA activities to facilitate the incorporation of green growth and low carbon strategy into the urban planning and policy development. These investments are designed to improve environmental sustainability of targeted urban areas by addressing climate change and biodiversity challenges facing growing cities in China. Although the project will not finance any form of construction activities and are not envisaged to cause significant direct environmental impacts, supports will be provided under the project to draft biodiversity and low carbon plans and strategies that can have direct or indirect E&S impacts with the possibilities to change land use and resources accessibility/availability when implemented. In particular, some of the TA activities under Component 2 and 3 will likely lead to future investments on selected green infrastructure or community-level low-carbon solutions beyond the project financing, for example, eco-embankment, wetland preservation and leisure



infrastructure around urban rivers, low carbon investments in regenerated neighborhood, etc. To maximize positive impacts and minimize any risk of unintended adverse consequences, the TA delivered through this project will require diligent supervision and quality control from E&S risk management. Also, the project-financed capacity building activities, while themselves have minimal or no E&S impacts, will provide an opportunity to building counterpart capacity for integrating E&S concerns in carrying out or overseeing activities that do have potential E&S implications under the project.

From social perspectives, the project investment will only support the technical assistance activities on strategies, plans, policies and practices. Based on the initial screening of PCN stage, no land acquisition and land property change will be involved under this project since there will be no civil work directly planned under the project activities. Additionally, ethnic minorities are deemed a low probability of presence in participating cities of Chengdu, Chongqing and Ningbo. Based on the initial review, potential impacts will be mainly on the downstream implications from piloting design of green and low carbon development in selected residential communities of participating cities. For example, using more permeable pavement for better storm water management, linking patches of green areas to form networked green space and ecosystem, in order to enhance biodiversity and maximize carbon sequestration, adding greenery to building facades and roofs. For these potential downstream social impacts, detailed analysis for proposed project activities will be conducted under preparation of ESMF. The selection of the pilot communities will be managed under a selection criteria and due process defined in the ESMF. These potential impacts can be further assessed and managed under ESMF which can be mitigated through formulating a screening criterion for project selection and enforcing a culturally appropriate stakeholder engagement approach to ensure broadly and effective consultation.

An Environmental and Social Management Framework (ESMF) is proposed as the E&S management instrument to cover all the project activities and associated facilities (if any) in compliance with both domestic regulations and the World Bank's ESF, including the World Bank Environmental Health and Safety (WBG EHS) guidelines when applicable. Associated facilities will be identified and assessed on a case-by-case basis during subproject selection and preparation. The ESMF, as defined in ESF, should set out the principles, rules, guidelines, and procedures to assess the environmental and social risks and impacts. In the case of this project, the ESMF will focus on: (a) further evaluation of potential downstream E&S risks/impacts and the recommendation of mitigation mechanism for different types of project-supported TA activities; (b) review of relevant China's E&S regulatory framework in comparison to applicable ESSs; (c) E&S management procedures to support the screening, preparation and implementation of project-targeted TA activities; (d) the E&S related eligibility criteria or exclusion list for subproject selection; (e) a review of existing institutional capacity on E&S management and arrangements for institutional strengthening as needed; (f) a plan for stakeholder engagement and grievance mechanisms; and (g) land use due process of piloting subprojects.

Overall, a rigorous oversight and quality assurance process and the meaningful stakeholder consultation during preparation and implementation will be important for the management of potential E&S risks for TA activities, which will ensure the project delivery consistent with international good practice. To this end, the project-supported TA activities will be designed and implemented with the integrated environmental and social objectives, and national PMO/city PMO will be required to incorporate reference to relevant ESSs in the Terms of References (TORs) for studies to ensure that activities and outputs are consistent with the requirements of ESF. In addition, the ESMF will establish E&S related screening criteria to ensure the exclusion of high-risk activities and provide guidance on the



principles for green designs and environmental considerations in spatial planning and new financing mechanisms, which would then be mainstreamed into the project’s deliverable where they would be detailed and customized for the specific investments/locations or the issues addressed by the TA. The ESMF will also support “greening” of the future investments by exploring alternatives through early involvement in a design process. The quality of environmental and social risk management-relevant documents (Feasibility Studies, integrated spatial plans, land suitability studies, biodiversity strategies, etc.) prepared during the implementation of the TA must be satisfactory to the Bank.

It is understood from the PMOs of three project cities (Chengdu, Chongqing and Ningbo) that the ongoing Strategic Environmental Impact Assessment (SEIA) for Yangtze River Economic Zone (YREZ) has covered all three project cities and the two city clusters under consideration, and some interim outcomes will be published in the second half of 2020 during project preparation. The project investments will be designed and implemented in compliance with the existing environmental protection plans, and the key SEIA findings and recommendations (including interim findings and outcomes) will be reviewed and integrated into the project design and environmental instruments in collaboration with local environmental protection authorities.

During preparation, the participating cities will coordinate to develop their respective ESMFs and Stakeholder Engagement Plans (SEPs), and the Environmental and Social Commitment Plan (ESCP) consistent with the ESF requirements. The E&S documents should be disclosed as early as possible before appraisal locally and at the World Bank website to seek views of stakeholders.

Once detailed project activities are known, city PMOs should carry out sub-project screening and develop appropriate E&S documents proportionate to the risk and impacts following the ESMF requirements. The E&S documents for specific project activities should address, in an adequate manner, the anticipated E&S risks and impacts, and will provide enough details to inform stakeholder engagement and the World Bank decision making.

Areas where “Use of Borrower Framework” is being considered:

The project will not undertake a Borrower’s E&S framework assessment to replace certain aspects of WB ESF policy requirements. All WB requirements will be applied as per the relevant ESSs.

ESS10 Stakeholder Engagement and Information Disclosure

At this stage, primary stakeholders identified for the project would include, the participating cities, a national institution, subproject contract consultant, communities for piloting the new/updated policies, relevant government authorities for approval of subprojects, etc. Namely, the responsible government bureaus would include, but not limited to DRC, Financial Bureau Ecological and Environmental Protection Bureau, and Ethnic Minority and Religious Bureau (for confirming the presence of ethnic minorities in piloting areas). Stakeholders should be further identified and analyzed during preparation to determine the level of engagement that is appropriate for the project in each participating city.

Before Appraisal, each city PMO will coordinate to develop their respective Stakeholder Engagement Plan (SEP) consistent with the requirements of ESS10, to ensure effective and ongoing engagement and consultation throughout the project life cycle. Each city PMO should put in place a functioning grievance redress mechanism (GRM) to respond to grievances and public inquiries and to ensure concerns are recorded, addressed, and responded to in a timely



manner. As elaborated under ESS7, the SEP and GRM should also consider culturally appropriate ways to ensure meaningful consultation with ethnic minority groups, if applicable.

Each city's SEP should outline general principles and a collaborative strategy to identify stakeholders and plan for an engagement process per ESS10 that will be implemented under each project component. The city SEPs should be further updated if any of project-supported piloting activities is confirmed to involve the engagement of potentially affected stakeholders to consider their concerns and needs during the development of technical designs/strategies/plans.

Before Appraisal, the ESMF, ESCP, SEP and any applicable E&S documents should be disclosed locally and at the website of the World Bank.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Based on current design, the project will not support civil works and involve no construction worker, no community workers and no primary supply workers. The initial review identifies that the project will only involve direct workers and contracted workers. This project will rely on PMO labor management system for managing labor related issues. The PMO staff are following the government civil servants management system, which set up and maintain in place a comprehensive labor management system, providing clear documented guidelines and procedures for employee hiring, labor contract management, employee training, wage payment and welfare, social security and pension benefits, health examination, worker's organization, and grievance redress. The main contractors involved in the project will be likely consultancy service. Considering the professional and knowledge exchange nature of the qualified contractors, it is unlikely on using of child labor and force labor.

ESS3 Resource Efficiency and Pollution Prevention and Management

To support green and low-carbon urban development, the TA is expected to promote efficient use of energy, water, and natural resources and pollution prevention measures (for example, zero waste strategy) in urban planning, as well as preparation for nature-based solution and development of low carbon investment pipelines. These measures will be prioritized by engaging with relevant ministries/local authorities to support the government's efforts in developing policy framework and setting standard with reference to international good practice. Among others, the outcomes of ongoing Strategic Environmental Impact Assessment (SEIA) for Yangtze River Economic Zone (YREZ, led by the Ministry of Ecology and Environment) will be reviewed and referred to during project preparation and implementation upon availability to ensure project delivery in compliance with the key principles being established under the regional SEIA, namely the ecological redline (boundary to guarantee the state ecological security), the environmental quality bottom line (phased regional environmental targets along with allowable limits of pollutant discharge), the upper limit for resource development (in terms of total volume, intensity and efficiency) and the list of requirements for eco-environmental permits. The project also aims to improve climate adaption/resilience of project cities/sites with the development of natural-based and carbon neutral solutions.



The project will involve no civil works, but may finance the preparatory works for future investments on selected green infrastructure or community-level low-carbon solutions, which might include the assessment of potential environmental and social impacts resulting from the planned investments as part of the TA deliveries. As a precautionary measure to prevent any significant impact, the environmental and social screening process will be established and implemented under the Environmental and Social Management Framework (ESMF) to ensure that no future investments involving major degradation of the environment will be financed and that pollution management guidelines or procedures, such as solid waste, wastewater, and hazardous waste, will be well established.

ESS4 Community Health and Safety

Component 3 of the project will support select cities/districts to develop a roadmap toward carbon neutrality and pilot urban regeneration that integrates low carbon strategies (including options for emission reduction/offset, improved solid waste management and measures, incentives for behavior changes, etc.) in the selected communities, which is expected to improve the neighborhood livability while bringing climate benefit during the regeneration process. The project is not anticipated to have significant impacts on community health, safety and security considering the nature and scale of piloting activities. The Environmental and Social Management Framework (ESMF) will include necessary mitigation mechanism to address potential environmental and social impacts on the selected communities consistent with ESS requirements and the World Bank Environmental Health and Safety (WBG EHS) guidelines as applicable. During implementation, relevant city PMOs should conduct the screening of piloting activities at the community level and develop appropriate E&S documents proportionate to the risk and impacts following the ESMF requirements. The E&S documents should address, in an adequate manner, the potential risks and impacts on affected neighborhood, and will provide sufficient details to inform stakeholder engagement and decision making down to the community level following the ESS10 requirement.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The project investment activities do not involve any direct physical investments, therefore there is no acquire land is identified. However, there will be subprojects for piloting urban regeneration that integrates low carbon strategies which may involve improved design of green space in existing neighborhood, for example, by using more permeable pavement for better storm water management, linking patches of green areas to form networked green space and ecosystem, adding greenery to building facades and roofs etc. There will be no land property change and no loss of livelihood and access restriction. Considering the design may involve downstream activities in the piloting communities, ESS5 is currently deemed relevant for the project to apply for the due diligence work to avoid the potential risk of using existing land. The selection of the pilot communities will be managed under a selection criteria and due process defined in the ESMF to be developed during preparation stage.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The project will be designed and implemented to enhance the conservation of biodiversity and natural reserve in targeted urban areas consistent with both national environmental protection strategies and the World Bank's ESF policy requirements. A systematic value chain response on multiple fronts will be provided under the project on



biodiversity conservation: at a policy level – setting a green policy framework that supports the measurement of “green” performances of cities; at the institutional level – integrating ecological conservation and low carbon footprint into the spatial planning process; and at the investment level – prioritizing green urban infrastructure and applying nature-based solutions to enhance a city’s ecology and ecosystem services. Though the project cities/city clusters are all in the Yangtze River Basin, including the upper reach (Chongqing, Chengdu and Chengdu-Chongqing Corridor) with recognized ecological importance in China, the project will only target highly urbanized areas where it is unlikely to be highly ecologically sensitive. Therefore, the project is unlikely to result in the conversion and degradation of critical or sensitive natural habitats. From precautionary perspectives, screening criteria will be established under the Environmental and Social Management Framework (ESMF) to filter out any activities involving critical natural habitats and natural habitats with high fragility or sensitivity. During project preparation and implementation, the outcomes of the ongoing Strategic Environmental Impact Assessment (SEIA) for Yangtze River Economic Zone (YREZ, led by the Ministry of Ecology and Environment), upon availability, will be reviewed and incorporated into the design of project activities and ESMF to ensure project delivery consistent with the national ecological protection strategies. In addition, the ESMF will provide guidelines or Terms of References (ToRs) for developing biodiversity strategies and supporting other ecological studies under the project by adopting the ESS6 requirements and other application good international practice.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

The three selected cities and two city clusters under consideration represent big and middle cities in China, two in southwest and one in east coastal, which are largely Han Chinese dominated areas. At this concept stage, although the possibility that ethnic minorities presented in these cities cannot be excluded. The potential negative impacts on ethnic minorities (if any) would be minor associated with piloting the low carbon strategies in selected communities. Further requirements will be formulated in the ESMF and SEP to inform a cultural appropriate approach during the detailed project design and implementation.

At the current concept stage, ESS7 is deemed not relevant to the project considering low presence of ethnic minorities and nature of project investment without direct negative impacts in selected cities. To better design culturally appropriate stakeholder engagement strategies, the relevant PMOs from participating cities will include related elements on ethnic minorities in the E&S screening checklist. Both the overall project SEP and the city level stakeholder engagement plan should include culturally appropriate ways and strategies to assure meaningful consultation with the ethnic minorities throughout the project life cycle, to contribute to the project design and facilitate the E&S risks mitigation. The measures would be put in place in the ESMF if ethnic minority presence were to be identified during the preparation of downstream investment. Applicability of ESS7 will be further assessed through subproject selection during preparation.

ESS8 Cultural Heritage

Though the project activities are not expected to result in direct risks or impacts to cultural heritage, the standard is deemed relevant from a precautionary perspective considering the uncertainties around the spatial scope of urban planning activities to be supported under the project. The Environmental and Social Management Framework (ESMP) will include guidance on the measures, including the chance-finding procedures, to avoid, minimize and mitigate potential negative impacts on cultural heritage resources, which will be then incorporated in the TA deliveries as the project output.



ESS9 Financial Intermediaries

This project will not involve financial intermediaries, and the ESS9 is therefore not relevant.

B.3 Other Relevant Project Risks

At this concept stage, there are no other specific environmental and social risks of relevance to the project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

No co-financing is considered under the project.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

- City PMOs to develop and agree with the World Bank an ESCP;
- City PMOs to develop their respective ESMF consistent with ESF, including a timebound E&S capacity building plan;
- City PMOs to develop their respective SEP consistent with ESS10;
- City PMOs to disclose their respective ESMF, ESCP and SEP as early as possible and before Appraisal;
- For the pilot demonstrations that can be determined before Appraisal, the subproject owner(s) to develop appropriate environmental and social documents consistent with the ESMFs and ESSs and disclose them before Appraisal.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- City PMOs to implement E&S capacity building plan;
- City PMOs to carry out E&S risk screening for potential subprojects;
- Subproject PIUs to develop needed environmental and social assessment documents consistent with the ESMF and relevant ESSs;
- PMOs and subproject PIUs to implement SEP and GRMs;
- PMOs to report to the World Bank and agree on measures and actions if a subproject risk profiles increases significantly at any stage during the lifecycle of the project;
- PMOs to submit annual Environmental and Social Monitoring Report.

Public Disclosure



The preparation of TORs, Feasibility Studies, Detailed Engineering Design (DED), Environmental and Social Impact Assessment (ESIA) including land use due diligence, and other documents with environmental and social implications under the project to be reviewed and approved by the Bank to meet ESF requirements.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

15-Dec-2020

IV. CONTACT POINTS

World Bank

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Borrower:	Zhou Tao
Borrower:	Zhu Xiaowen

Implementing Agency(ies)

Implementing Agency: Zhou Huiling

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Yuan Xiao, Xueman Wang
Practice Manager (ENR/Social)	Ann Glauber Recommended on 18-Jun-2020 at 00:15:2 EDT
Safeguards Advisor ESSA	Peter Leonard (SAESSA) Cleared on 29-Jun-2020 at 12:39:46 EDT

Public Disclosure