

**INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.: AC4332

Date ISDS Prepared/Updated: 06/04/2010

I. BASIC INFORMATION

A. Basic Project Data

Country: China	Project ID: P110661
Project Name: Sustainable Management and Biodiversity Conservation of the Lake Aibi Basin	
Task Team Leader: Gayane Minasyan	
GEF Focal Area: Biodiversity	Global Supplemental ID:
Estimated Appraisal Date: September 20, 2010	Estimated Board Date: April 12, 2011
Managing Unit: EASCS	Lending Instrument: Specific Investment Loan
Sector: General agriculture, fishing and forestry sector (100%)	
Theme: Biodiversity (34%);Water resource management (33%);Other environment and natural resources management (33%)	
IBRD Amount (US\$m.):	0.00
IDA Amount (US\$m.):	0.00
GEF Amount (US\$m.):	3.56
PCF Amount (US\$m.):	0.00
Other financing amounts by source:	
<u>BORROWER/RECIPIENT</u>	4.00
	4.00

B. Project Objectives [from section 2 of PCN]

The project's development objective is to provide an enabling environment for sustainable management of Lake Aibi basin. This will be achieved through development of management strategies and mechanisms, pilot testing of good practice approaches and capacity development. The project would ultimately contribute to conservation of wetland ecosystem and globally threatened biodiversity in Lake Aibi Basin. Measureable reductions of land degradation by wind-blown salt and silt are the higher level objective to which the project will also contribute

C. Project Description [from section 3 of PCN]

The proposed project will adopt integrated ecosystem management approach to address interlinked problems of water, land and biodiversity loss. Interventions will be structured through four main components: (a) water resources assessment and optimized allocation; (b) sustainable land management practices; (c) biodiversity conservation management and rehabilitation in Lake Aibi NWR; (d) monitoring, technical support and capacity building. The expected costs will

amount to US\$7.2 million, with US\$3,228,000 million from the GEF (\$1,580,000 for biodiversity and \$1,648,000 for land degradation), and US \$4 million from XUAR Government. It is expected that the project will be implemented over a 5-year period.

Component 1 - Water Resources Assessment and Optimized Allocation.

The purpose of this component would be to carry out comprehensive water consumption analysis of the Lake Aibi Basin based on integrated river basin management approaches, and pilot water saving technologies and approaches. An evapotranspiration (ET) -based consumption analysis for the Lake Aibi Basin will be prepared with the objective to allocate the consumptive uses among different water-use sectors with remote sensing based ET measurement technology, including industrial, domestic, agricultural and ecological water uses. Based on the results of the consumption analysis a supplementary plan to the Prefecture's existing plan on irrigated agricultural water savings will be prepared. The objective is to adjust the Prefecture's existing plan based on the concept of real water savings. Finally, four pilot subprojects (drip irrigation with surface system, drip irrigation with groundwater system, land leveling improvements and change of cropping pattern to grassland) will be designed and set up in accordance with the above supplementary plan, and the water savings will be monitored and evaluated with RS-based ET measurement technology. Based on the demonstration results, a replication plan will be prepared for the rest of the irrigated areas of the Prefecture to be financed by the government after the project.

Component 2 - Sustainable Land Management Practices

Under this component support will be provided for carrying capacity assessment of natural grasslands/ rangelands (government has already signed a contract for this activity), thus the project will provide incremental support. The purpose is to ensure that the grazing management is lead by known limits. Obviously different regimes will need to be developed for grazing outside of NWR and conservation-oriented grazing regimes in flooded meadows. In addition, pilot rehabilitation of natural grasslands and protection and restoration of desert rangelands will be carried out with an aim of adopting cost-effective means of bringing grasslands/ rangelands under sustainable management.

Component 3 - Biodiversity Conservation Management and Rehabilitation in Lake Aibi NWR

The purpose of this component is to develop and implement a realistic, effective and adaptive management plan for biodiversity conservation and the rehabilitation of degraded land. It would include investments for provision of habitat for Relict Gulls and other threatened water birds; and the development and implementation of a sustainable use plan that optimizes the cutting regime of reeds, benefits globally-significant biodiversity, and explores added value options. The component would also finance the development and partial implementation of Lake Aibi Basin ecotourism plan, possibly the production of a multi-lingual tourist guidebook to Lake Aibi wildlife and ecology, establishment of an ornithological club, #Friends of Lake Aibi#; and the production of a film on the ecological benefits of Lake Aibi. In addition, alternatively livelihood opportunities for herders in and around Lake Aibi NWR will be explored.

Component 4 - Monitoring, Technical Support and Capacity Building

Under this component Monitoring and Evaluation System will be developed, which should be able to monitor biodiversity, water and land changes, as well as project impact on those resources. Possibility of establishing Research Fund for financing action-oriented research covering topics such as Xinjiang salamander, impacts of artificially #rain-making#, how different management regimes (e.g. grazing of flood meadows, artificial islands) might increase the biodiversity value of Lake Aibi NWR, will also be explored. The aim is to better understand ecosystem dynamics and human-ecosystem interactions and feed the acquired knowledge into the project#s activities. Training and capacity building for different stakeholders, as well as environmental education programs will be developed

D. Project location (if known)

Bortala prefecture in western Xinjinag Uygur Autonomous Region, is surrounded in three directions by high mountains, where the elevation varies between 3000 and 5000 meters, accounting for 51% of the prefecture’s total area. On the east is Lake Aibi, which sits in an internally-draining, salt-rich basin which experiences high winds for about half the year. Elevation of lake surface is 195 m, accounting 4% of total area. Average annual precipitation is about 40 mm and most of its water resources are derived from the glacier and snow melt. Much of this is retained behind dams and is released according to the needs of downstream urban and agricultural areas. The surface of the lake has been considerably reduced in area over the last 50 years because of excessive emphasis on the development of irrigated agriculture, including areas of marginal quality soils. The large area of exposed sediments resulting from reduced water coverage is reportedly an important source of wind-blown dust affecting eastern China and beyond. Furthermore, Lake Aibi has globally-significant biodiversity (primarily migratory water birds). However, the management of Lake Aibi National Wetland Reserve (NWR), and of the adjacent Ganjiahu National Nature Reserve, is currently focused more on livestock production than on biodiversity conservation.

E. Borrower’s Institutional Capacity for Safeguard Policies [from PCN]

The Project Leading Groups (PLGs) and Project Management Offices (PMOs) which were established to implement the existing GEF-financed, ADB-executed, "PRC/GEF Partnership on Land Degradation in Dryland Ecosystems: Project I-Capacity Building to Combat Land Degradation", will be used by the proposed project, but adapting it to accommodate project design. The institutional structures thus do not have immediate experience of implementing World Bank financed projects, and will need substantial support and assistance with managing safeguards issues. On the other hand, Xinjiang Autonomous Region has a long history of collaboration with the Bank on water and irrigation projects. The project preparation team could draw on expertise and knowledge from water resources bureau.

F. Environmental and Social Safeguards Specialists

- Mr Zhefu Liu (EASCS)
- Mr Ning Yang (EASCS)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
This project is essentially designed to generate environmental improvements by optimizing			

Safeguard Policies Triggered	Yes	No	TBD
<p>water resources, promoting sustainable land management practices and biodiversity conservation in Lake Aibi Basin. Through contributing to reductions of land degradation by wind-blown salt and silt, the project will eventually contribute to conservation of wetland ecosystem and globally threatened biodiversity in Lake Aibi Basin. The potential negative environmental impacts envisaged are from the limited infrastructure development during construction and increased visitor numbers.</p> <p>EA Preparation. The PMO has engaged registered environmental consultant to conduct environmental impact assessment. In view of the type, location, sensitivity and scale of the proposed project as well as the nature and magnitude of its potential impacts and its potential risk, Category B is assigned to the project for environmental assessment purpose. Therefore, an EIA report and an EMP will be prepared.</p> <p>The project will support mostly planning and TA activities, pilots and limited physical construction related to tourism development, such as tourist reception center, solid waste recycling facilities, and board walks, hides and rescuing station for bird observation. Key issues include:</p> <p>Assessment of planning-type project activities: Environmental consequences resulting from the implementation of these plans (including irrigation plan, grazing management, biodiversity conservation) in the future should be included in the EA process. Meanwhile, the EA process should be fully mainstreamed into the plan development process.</p> <p>Sensitive Areas: Most of the proposed construction activities will take place in the vicinity of the sensitive areas of the Lake Aibi Nature Reserve. Hence it merits careful assessment, planning, design of the construction plan.</p> <p>Alternative analysis: 3 levels of alternative analysis would be conducted: 1) comparison between "without project" scenario and proposed project scenario; 2) comparison among different level of development and conservation; 3) comparison among specific technical options. Environmental and social considerations, compatibility with relevant plans, and public consultation with relevant authorities and communities should be taken into account adequately.</p> <p>Impacts assessment and environmental management plan (EMP): The EA will assess environmental impacts (both positive and possible negative) and propose mitigation measures and environmental monitoring plan. Since most of the activities are about improved planning and capacity building, the EA will focus on planning and design to avoid or minimize impacts through: (i) community consultation and development programs; (ii) limiting site disturbance and soil degradation; (iii) minimizing disturbance and contamination of watershed and wetland; (iv) promote integrated ecosystem management under the project; and (v) well-conceived environmental management plan.</p> <p>Disclosure and public Consultation: Public consultation will be needed in accordance with the requirements set forth in Chinese EIA law and Bank policies. The EIA will document when the consultation is conducted, what kind of people to be consulted, where the consultation will be set, and how many people are to be consulted, and how the consultation to be conducted in detail. The environmental and social safeguards documents will be individually disclosed locally (in local language) and in the InfoShop prior to departure of the appraisal mission.</p>			

Safeguard Policies Triggered	Yes	No	TBD
Natural Habitats (OP/BP 4.04)	X		
Although triggered, the project is designed to enhance natural habitat values, not to convert or significantly degrade them. EIA will include assessment of critical and natural habitats and the project designs to increase sustainable ecosystems and specify mitigation measures for minimizing habitat loss, if applicable.			
Forests (OP/BP 4.36)	X		
The policy is triggered since the project aims to bring about changes in the management, protection and utilization of natural forests within Lake Aibi Nature Reserve. The EA will determine what types of impacts are potentially present and indicate the mitigation measures which the client will put in place to comply with OP 4.36.			
Pest Management (OP 4.09)			X
Since it is still in the very early stages of the environmental analysis and therefore whether the policy is triggered is to be determined.			
Physical Cultural Resources (OP/BP 4.11)			X
No sufficient information on the presence or absence of sites with archeological, paleontological, historical, religious, or unique natural values is available. The EA will assess the project area and consult with local authority on cultural property.			
Indigenous Peoples (OP/BP 4.10)	X		
About 32 per cent of the prefecture's population are ethnic minorities. The largest minority groups are Uygurs, Kazaks, Mongolians and Hui. The initial social screening of the project concluded that Kazaks are collectively attached to the project area and the project will have impact on the livelihood of those people. The project will thus trigger the Bank's operational policy on Indigenous Peoples.			
Ethnic Minorities Development Plan will be developed.			
Involuntary Resettlement (OP/BP 4.12)	X		
A Kazak village named Kokobasto, is located in the north part of the Lake Aibi Natural Wetland Reserve, within the project area. The village consists of 51 households with a total population of 251 inhabitants. All villagers are Kazak.			
Although the village is located in Bortala prefecture, all villagers have registered their Hukou (resident permit) in Tuoloi County, Tacheng Prefecture, which is about 6 km to the north of the village. The Tuoli County Government issued a #Collective Rangeland Grazing Permit# for the village in the year 1998 at a cost of RMB50 per household. However, this 10,000 mu grazing rangeland is actually within the boundary of Lake Aibi NWR which is located in Jinghe County, Bortala Prefecture. The two governments have tried to negotiate this discrepancy several times, but the conflict is still unresolved simply because no new grazing land in either Touli or Bortala could be provided to the villagers by either "side".			
Despite the prohibition of grazing in the conservation area, the villagers graze their livestock on a strip of very low quality rangeland (5km in width and 31 km in length) in the conservation area; they simply have nowhere else to go. The total livestock the village had are 1300 goats and sheep, 120 cows, 30 horses and 30 camels. This is a very high stocking rate and the rangeland used is severely overgrazed.			

Safeguard Policies Triggered	Yes	No	TBD
<p>In addition, there are 59 more Kazak households living to the east of Lake Aibi. Although their homes are located in Wusu City, Tacheng Prefecture, the Kazaks households traditionally conduct their livestock grazing in the nature reserve. The establishment of the National Wetland Reserve imposed restrictions on access to rangeland within it, though there is still massive grazing during September-October months. Negative impact on the non-certificated herdsman's livelihood can be anticipated if the nature reserve is managed according to the regulations.</p> <p>In sum, the policy is triggered because both communities may suffer negative impacts when legislation is enforced and the protected area reserve is managed properly, resettlement process framework (s) will be prepared in compliance with OP 4.12 to cover both the case of grazers community living east of Lake Aibi and the community located in the north part of the Lake Aibi Natural Wetland Reserve, within the project area. As both communities may be considered IP communities as per OP 4.10, the social assessment work will be coordinated with the preparation of resettlement instruments.</p>			
Safety of Dams (OP/BP 4.37)	X		
There are three Class III dams in project area. Remedial works have been completed in 2005-2006. Safety reassessment after remedy and reinforcement has not been done yet. Independent Dam Safety Expert will be hired to conduct the assessment.			
Projects on International Waterways (OP/BP 7.50)		X	
Lake Aibi is the lowest point in the catchment. It is also a closed lake without any outlet. There are four rivers Bortala River, Jinghe River, Daheyenzi River, and Tuotuo River that flow into the lake with an annual flow rate of around 600-700 million cubic meters. Among all the rivers flowing into Lake Aibi there are no any international waterway neither the rivers flowing across the border.			
Projects in Disputed Areas (OP/BP 7.60)		X	
The project is not located in any known disputed areas as defined under the policy.			

Environmental Category: B - Partial Assessment

III. SAFEGUARD PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 08/25/2010
- B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A
- C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS.

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

Safeguard-related studies have already been launched. The task team received draft TORs for EA (in Chinese), draft Social Assessment and draft Ethnic Minorities Development Plan (in Chinese). Revised drafts of SA, EMDP and process framework would be available in June, EA report in July.

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Ms Gayane Minasyan	05/27/2010
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr John R. Butler	06/01/2010
Comments: Signed as Acting RSA		
Sector Manager:	Mr Ede Jorge Ijjasz-Vasquez	05/27/2010
Comments:		