Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 04-Mar-2019 | Report No: PIDISDSA24011

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
China	P158124	Green Urban Financing and Innovation Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
EAST ASIA AND PACIFIC	29-Mar-2019	30-May-2019	Social, Urban, Rural and Resilience Global Practice
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	PEOPLE'S REPUBLIC OF CHINA	Shanghai Green Urban Financing and Services Co., Ltd (FSC)	

Proposed Development Objective(s)

The project development objective is to increase access to sustainable, long-term financing for selected green urban investments for participating local governments in the Yangtze River Delta.

Components

Facility Credit Line
Credit Enhancement for Risk Management
Institutional Strengthening and Project Management

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	520.00
Total Financing	520.00
of which IBRD/IDA	200.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	200.00

Non-World Bank Group Financing	
Counterpart Funding	148.00
Borrowing Agency	148.00
Other Sources	172.00
GERMANY: KREDITANSTALT FUR WIEDERAUFBAU (KFW)	172.00

Environmental Assessment Category

F-Financial Intermediary Assessment

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

1. **Financing green and climate resilient infrastructure remains a key challenge for both developed and developing countries.** Globally, financing needs for urban infrastructure and public service delivery are far exceeding current available public resources. A US$5.5 trillion spending gap is estimated between 2016 to 2035, which does not include the incremental costs of green investments.[1] Public sector resources can only meet 10 to 15 percent of total financing needs. Without effective financial mechanisms to crowd in more private resources, cities around the world are unlikely to maintain the level of services many provide today. The need for new sources of financing is particularly urgent as lack of resources could slow down the switch toward low-carbon and resilient economic growth needed to ensure a sustainable future. As the world continues to urbanize, particularly for large countries that are major contributors to pollution, innovative financial institutions that can tap into capital markets and help meet international green standards will be key to resolving global climate change challenges.

2. **China's unprecedented urban development brought heavy environmental costs, including significant degradation and heavy resource use.** More than half of China's population now lives in cities and 70 percent is expected to do so by 2030, adding another 300 million urban residents seeking jobs, housing, infrastructure, and other services. Urban development is starting to show strains as the current growth model is running out of steam with inefficient use of land, capital, and labor.[2] The current urbanization path is not efficient because it imposes rising direct and indirect economic costs that are often not reflected in market transactions. China's cities have faced serious challenges in quality and

[1] McKinsey Global Institute. 2017. "Bridging Infrastructure Gaps: Has the World Made Progress?"
[2] For instance, the share of growth attributed to productivity growth (declined from 2.5 percent to 0.3 percent, while productivity gains from reallocating labor and capital are almost exhausted. Source: World Bank; Development Research Center of the State Council, the People's Republic of China. 2014. *Urban China: Toward Efficient, Inclusive, and Sustainable Urbanization*. Washington, DC.

quantity of water, with substantial health risks imposed on continuously expanding urban population. Municipal solid waste is expected to double to 5.2 billion tons by 2030, challenging the urban waste management systems across the country. Importantly, China's environmental performance is of global relevance. Today, China is responsible for 30 percent of the world's greenhouse gas (GHG) total emissions, of which 70 percent comes from its urban areas.

3. **The traditional model of land-based financing has left most cities poorly served on the infrastructure front.** Land sales revenue has been a major source of extra funding for local governments, accounting on average for 40 percent of all local revenues used to fund urban infrastructure.[3] Over the last 10 years, municipalities have overdeveloped land, resulting in massive urban sprawl, and an oversupply of housing inventory, which will take a few years to absorb. Without continuing real estate development, land-based financing will not work, and these cities will not be able to borrow further. Dependence on land-based financing also makes local governments' fiscal health vulnerable to volatility in land prices and inventory of land assets.[4] Other forms of financing involved land-based rights for collateral and implicit local governments' guarantees, such as loans from banks and the shadow banking system.[5] The Government of China (GoC) recognizes the embedded risks in implicit guarantees as well as the other risks and is taking significant steps to sever this link by turning to alternative means of infrastructure financing with proper risk allocation.

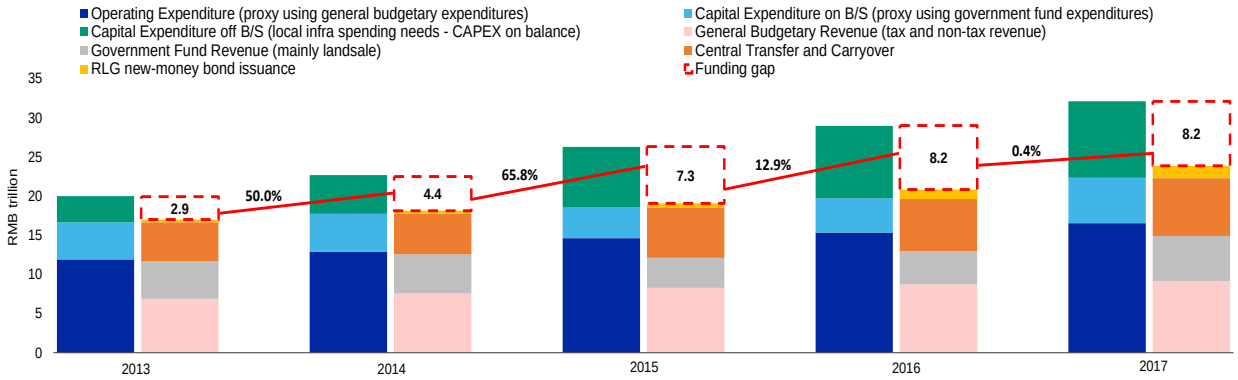
4. **China's new sustainable model of urbanization calls for new green financing platforms for different layers of government.** The GoC's 'New Urbanization Plan' seeks a critical shift from a resource-mobilization strategy to increased efficiency and sustainability, gearing its cities to a low-carbon and resilient path. Going forward, China is seeking improved access to long-term low-cost urban environmental and green infrastructure financing for all level of governments. Recognizing in particular the environmental infrastructure investments expanding demand, the GoC issued the 'Guidance on Establishing Green Financial System' on August 31, 2016; this guidance includes 35 action points to advance regulatory issues related to green finance markets, including support for green bonds issued by local governments through credit enhancements and special guarantees, as well as encouraging the establishment of regional green funds.

5. **A significant funding gap weighs on local governments, particularly in the urban environmental sector.** Local governments' funding gap as a percentage of total local spending has been fluctuating around 50 percent and reached more than 60 percent for 2015 and 2016. The growth in the annual funding gap eased in 2017 and 2018 but still accounts for over half of total local infrastructure financing needs.[6] China's level of investments in environmental infrastructure lags significantly behind international standards and sees an increasing shortfall. China's investment in environmental protection has remained around 1.5 percent of gross domestic product (GDP) for the past decade and needs to be at least doubled to reach the required stock.[7] The environmental financing demand of China in 2014–2030 is estimated at

[3] This percentage is even higher for lower-tier governments and could reach up to 70 percent. Campanaro A., and B. Reja. 2017. "Sustainable Infrastructure Financing for Small Towns in China." Urban Development Series, World Bank: Washington, DC.
[4] Campanaro, A., and J. Masic. 2017. "Municipal Asset Management in China's Small Cities and Towns: Findings and Strategies Ahead." Policy Research Working Paper No. 7997, World Bank, Washington, DC.
[5] The primary 'shadow banking' sources used by urban development corporations are wealth management products sold to retail customers, trust loans sold to high-net-worth investors, and entrusted loans from large companies. McKinsey & Company. 2015. *Debt and (Not Much) Deleveraging*. Chapter 4.
[6] Moody's. 2018. *Gap between Spending Needs and Funding Capacity Weighs on Creditworthiness*.
[7] Guo, Chaoxian, Yanhong Liu, Xiaoyan Yang, and Hongxia Wang. 2015. "China Environmental Sector Financing Challenges and

RMB 40.3 trillion in a low scenario and up to RMB 70.1 trillion in a high scenario.[8] The demand for environmentally friendly public transport, buildings, and water supplies and sanitation and energy is significant and estimated to be up to RMB 30 trillion for 2014–2020 for the whole country. Of these demands, only about one-fourth currently has sufficient resources and is indeed receiving investments.[9] The demand is expected to multiply by over threefold in the following decade. Yet, the current market still lacks long-term financing and market-based instruments to bridge the financing gap in local infrastructure.

Figure 1. Funding Gap between Chinese Local Governments' Spending Needs and Revenues



Source: National Statistics Office, Ministry of Finance, Moody's Investors Service.

Sectoral and Institutional Context

6. **The amended State Budget Law (SBL)[10] provides a framework for local infrastructure finance, favoring transparency and market participation.** The SBL aims at placing legal constraints on government income and spending and requires on-balance sheet borrowing through markets. Under the new framework, municipalities will have two main channels for debt financing of urban infrastructure: (a) local government bonds through the provincial-level governments (with a share of the proceeds to be passed down to lower levels of government) and (b) corporate bonds or commercial bank loans for revenue-earning utilities and infrastructure service providers. The new law also encourages public-private partnership (PPP) arrangements and the establishment of revenue-earning entities that can provide services through concession contracts or service agreements. Institutional investors such as social security funds and insurance companies are also encouraged to play a more active role in the sector.

7. **Local governments are still falling short in terms of resources compared to their investment needs.** Since the launch of local government direct bond issuance, only about 16 percent of local

Mechanism Innovation." *Resource and Environment* (8): 92–99.

[8] CCICED (China Council for International Co-operation on Environment and Development). 2015. *Green Finance Reform and Green Transformation*.

[9] The report foresees a low-scenario financing gap of RMB 14.9 trillion and a high scenario of up to RMB 30 million. For 2013 alone, a gap of RMB 3.7 trillion was identified, with current investments of RMB 0.9 trillion. CCICED (China Council for International Co-operation on Environment and Development). 2015. *Green Finance Reform and Green Transformation*. Annual Conference of CCICED.

[10] On August 31, 2014, the Amendment of the Budget Law of the People's Republic of China was passed, and it became effective on January 1, 2015.

governments' debt is financed through such bond issuance. While the amended SBL is a step forward in terms of allowing local governments to access the capital market directly, it may not permit lower-tier cities to access these funds due to competing priorities. At the same time, other debt-finance is under strict control, leaving lower-tier local governments largely unserved by capital markets. The private sector's uptake in China's PPP space has also been slow, due to ambiguous regulations, lack of local governments' credibility in contract enforcement, and difficulty for privately owned enterprises to obtain finance. Overall, it will take time to align local governments' financing capacity and their spending responsibilities.

8. **Significant green infrastructure[11] investment opportunities reside in lower-tier cities.** Infrastructure development in lower-tier cities lags considerably behind,[12] in part because such cities have little fiscal autonomy, limited capacity to borrow given their low revenue base, and heavy reliance on upper-level government transfers. Lower-tier cities are often unable to raise funds for infrastructure projects,[13] still struggling with bringing infrastructure provision at par and may overlook green investments due to the incremental cost of environmental mitigation. While noticeable efforts are under way in Chinese megacities to protect the environment and reverse the prevailing trend of increasing energy intensity per GDP, the low-carbon trajectory may be neglected or discounted off-hand in lower level tiers of cities due to financial constraints. Supporting the development of urban green infrastructure in lower-tier cities could yield multiple parallel benefits including improving public health and quality of urban life, contributing to their competitiveness. In particular, improving water supply and wastewater services is known to have a positive impact on quality of life at the household level (cooking preparation, bathing, toilet facilities, laundry, home garden, and so on). Traditionally those who benefit most from such improvements are female beneficiaries such as housewives, mothers, and children.

9. **The Yangtze River Delta (YRD) Region has strong demand for investment in environmental sectors among urban agglomerations in China.** The YRD Region has achieved economic growth over the past decades at hefty environmental costs, including dramatic change in landscape patterns, rising air pollution, deteriorating water environment, and serious heavy metal pollution in the soil.[14] The need for environmental protection and ecological rehabilitation is substantial and urgent. For 2018–2020, the investment need for environmental protection sectors in the Shanghai metropolitan area and surrounding lower-tier cities alone amounts to RMB 2,765 trillion (about US$410 billion), of which only 12 percent will be financed by the Government, leaving a wide gap to be filled by private capital. The region ranks the highest in demand for PPP investments in water treatment and soil treatment sections, with an estimated demand of RMB 8.72 billion (US$1.30 billion) for the next five years, which is 3.4 times that of the Pearl River Delta Region.[15]

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[11] The term 'green infrastructure' here refers to a broad definition, as adopted by the Global Green Growth Institute, encompassing all growth-enhancing infrastructure that reduces emissions and/or enhance natural resource resilience. This could comprise urban environmental infrastructure such as water, solid waste, low carbon infrastructure such as energy efficiency, mass urban transport, and renewable energy, as well as other infrastructure such as floodplains, green roofs, etc.

[12] For instance, the percentages of population with access to water supply, road space per resident, and length of drainage pipes per square kilometer of built-up area were, respectively, 89 percent, 74 percent, and 67 percent lower than the national level. In 2009, the coverage rate of wastewater treatment was 75 percent in cities but only 42 percent for county towns.

[13] World Bank. 2012. *China Small and Medium Town's Overview*. Washington, DC.

[14] Zhang, H., J. Gao, J. Gong, and Y. Zhang. 2017. "Ecological Environment Protection Situation, Problems and Suggestions in the Yangtze River Delta." *China Development* 17 (2): 3–9.

[15] Wind Data, consolidated by Deloitte China.

10. **The YRD Region is also vulnerable to the impact of climate change.** Direct economic losses from extreme weather events account for up to 3 percent of China's annual GDP.[16] The YRD Region is especially prone to flood risks related to climate change. Out of the top 20 cities worldwide affected by rising sea level, 7 are from China, of which 4 are in the YRD Region.[17] According to a Climate Change Special Assessment Report on the YRD Region, water resources shortage, water environment degradation, and urban flooding are the top three climate-change-related challenges facing cities in the region.[18] Investments in water supply, wastewater, and solid waste will help cities enhance resilience against climate change threats.

11. **The Shanghai Municipal Government (SMG) has been actively exploring ways to support the development of urban green infrastructure in its peri-urban area.** The SMG has been a pioneer in seeking private sector leverage for financing infrastructure investment needs of its suburban districts and small towns.[19] A pilot District Financing Vehicle (DFV) was set up in 2005 under a World Bank-financed Shanghai Urban Environment APL Phase 2 (P075732) and played an innovative role in appraising, managing, and leveraging private financing in infrastructure projects for districts and towns within the Shanghai metropolitan area. With the support of the National Development and Reform Commission (NDRC) and the Ministry of Finance (MOF), the SMG intends to step up the game for green infrastructure development of lower-tier local governments and set up an institutional mechanism that addresses their financing needs. This pilot project will have strong demonstration effect and serve as an innovative model for the other regions of China. The success of this project will have great potential to be scaled up in other developing countries in the region such as Vietnam and Indonesia.

12. **Building on the experience of the DFV, the proposed financial intermediary (or Shanghai Green Urban Financing and Services Co., Ltd, FSC) will raise medium- to long-term funds in the capital markets and on-lend to specific subprojects based on project appraisal and fiduciary oversight capacity.** The FSC will be the first subnational financing facility of its kind in China. The FSC would be open to public utilities and revenue-earning entities that are the service providers for districts and towns in the Shanghai metropolitan area and other cities/towns in adjacent provinces in the YRD Region. They would be responsible for raising the initial financing and would repay loans from operating revenues and/or government subsidies. Importantly, the FSC will use a creditworthiness assessment tool to select bankable projects with contract terms, tariffs, and subsidies agreed between the sponsoring governments and service providers. Any subsidy would be reflected in the annual local government budget, and there will be no government guarantee for loan repayment.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The project development objective is to increase access to sustainable, long-term financing for selected green urban investments for participating local governments in the Yangtze River Delta.

[16] Sall,, Chris. 2013. *Climate Trends and Impacts in China*. World Bank, Washington, DC.
[17] WWF (World Wildlife Fund), Fudan University. 2015. *Studies on Climate Change and Development Strategies for the Resilient Cities in China*.
[18] Shanghai City Climate Change Center. 2013. *Typical Urban Agglomeration Climate Change Special Assessment Report - Yangtze River Delta Region as an Example*. For more information, see http://politics.people.com.cn/n/2013/1111/c70731-23504737.html.
[19] By 2017, there were 8 suburban districts and 107 small towns in the Shanghai metropolitan area.

Key Results

PDO Level Indicators

13. The achievement of the PDO will be measured through the following Key Performance indicators: (1) Total private direct mobilization (PDM) of World Bank loan; (2) Leverage ratio for World Bank project portfolio; (3) FSC's Green Bond principles certification obtained; (4) Credit rating of FSC obtained; (5) Number of beneficiaries of urban environmental investments (of which percentage are female).

D. Project Description

14. **The proposed project is part of the World Bank's long-term engagement to support sustainable infrastructure development and efficient urbanization in China.** The World Bank has collaborated with the NDRC in a two-phased assessment[20] to evaluate potential financing strategies for lower-tier cities and towns: individually their financing needs are too small, their stand-alone credit-worthiness too weak, and their expertise too limited to allow them to access low-cost long-term financing for infrastructure on their own. Such limitations in terms of financial resources and capacities represent an emerging challenge for the GoC that hinders its efforts at the national level to promote the transition to a low-carbon trajectory. The reports highlight that a full-fledged infrastructure financing facility (IFF) can be an alternative source of debt financing for local governments' needs. By pooling financing needs from lower-tier local governments, state-owned enterprises (SOEs), utilities, or projects, such an IFF can support liquidity for timely repayment and enhance credit quality to enable low-cost borrowing, overcoming a major obstacle in the current financial framework.

15. **The project will contribute with a series of innovations to green urban infrastructure finance in China.** By contributing to setting up the FSC, the proposed project demonstrates the viability of the next generation of financing vehicles at the subnational level, which can be operated on a commercial, transparent, and sustainable basis, properly allocating and pricing risks and minimizing public liabilities. The key innovations are the following: (a) the FSC will provide longer-tenor financing to urban environmental infrastructure projects and reduce refinancing risks that are typically seen in the current domestic market; (b) the FSC will pool the risk profiles of underlying projects, thus aggregating demand for lower-tier governments and reducing the overall portfolio risk, providing a new approach to project finance that is still unexplored in China; (c) the project aims at mobilizing private capital through private equity participation in the FSC capital structure and syndicated bank loans and by issuing bonds; (d) the project will prepare the FSC to introduce a new asset class of green bonds based on pooled assets in the subnational debt market (never done in China); (e) the FSC will adopt international standards for issuing green bonds; (f) the credit enhancement provided to the newly established FSC will make explicit the use of guarantee to enhance the credit quality of the fund (walking away from old models of implicit guarantees), which in turn will help with obtaining long-term lower-cost debt finance for environmental infrastructure; and (g) different from typical financial institutions, the FSC will capitalize both the shareholders' strong capacity in project development and implementation and the World Bank's long experience in IFF, offering technical advisory services and capacity building to local borrowers in project technical design, packaging, financial management (FM), and project execution.

[20] The 2014 World Bank report on 'Financing Small-Town Infrastructure' (P143473) provided recommendations based on key findings and lessons and the follow-up 2016 report on 'Sustainable Small Town Infrastructure Financing' (P150179).

16. **The proposed project will ramp up the establishment and operationalization of a financial intermediary facility focused on green urban investments (FSC).** The facility will be established with initial equity of RMB 2 billion (about US$300 million) provided by two shareholders: Shanghai Chengtou Group Corporation (SCGC) (75 percent) and China Pacific Insurance Company (CPIC) (25 percent). The World Bank will provide US$200 million to cover early construction risks of underlying subprojects, enhance credit rating of the FSC, and provide capacity building within the facility and to the local borrowers. The FSC was registered on December 6, 2018. Two shareholders will contribute 50 percent of the equity by the end of March 2019 and the rest by December 2020.

17. **The FSC will mainly invest in three key urban environmental sectors that will contribute to climate change adaptation and mitigation: water, wastewater, and solid waste management.** On the adaptation front, the FSC will invest in the water and wastewater sectors to address water resource security and sustainability, as well as enhance cities' resilience against urban flood risks by improving drainage systems. On the mitigation front, new and improved wastewater/solid waste collection and treatment can help achieve energy savings and reduce GHG emissions. The FSC includes subprojects' potential contribution to local environment and climate change co-benefits as one key project selection criterion. Projects to be financed by the FSC should incorporate climate resilient strategies into their technical design. In addition, the FSC is developing a set of quantifiable green selection criteria for project selection and post-investment monitoring.

18. **Component 1. Facility Credit Line (IBRD Loan: US$172 million).** Providing a credit line for FSC to extend sub-loans to eligible sub-borrowers for carrying out of green infrastructure subprojects, in the sector of water supply, wastewater treatment, solid waste management. This component will provide initial low-cost long-term funding and accelerate the FSC facility start-up. This component will be co-financed with KfW loans. The FSC will be organized into five distinctive lines of functions, including on-lending and direct investments into subprojects. This component will finance the debt arm of the facility (that is, the on-lending function) at the onset of the project and will focus on covering construction risks in the early period of subproject execution. Once the facility has a significant portfolio of performing projects, it will pool project finance qualification and demands and issue green bonds to raise funds from the capital market. These funds will in turn be on-lent to local governments' green urban infrastructure projects, under a revolving fund mechanism. The structure of each loan will be defined based on credit risk analysis and it will include several sources of funding, including FSC debt and equity, syndicated bank loans, and private equity. It is expected that the final borrower will contract a medium- to long-term loan, with a duration between 8 and 15 years, depending on the specifics of the subproject activity. After 3 years, when the subproject has passed the construction phase and it starts to produce income, the borrower will start loan repayments.

19. **Component 2. Credit Enhancement for Risk Management (IBRD Loan: US$20 million).** Supporting the establishment of a liquidity reserve facility to cover shortfalls under FSC Sub-loans. This component will enhance the credit capacity of the FSC by enabling the company to withdraw funds when its subprojects fail to fulfil their repayment obligation to the FSC on a due date as a result of liquidity shortfall. Specifically, the liquidity reserve will be used to cover the eligible subprojects for their repayment risk to the FSC's own capital debt investment. One missed debt service payment for the FSC (on-lent from its own capital) will give the FSC the right, but not the obligation, to trigger and withdraw from the liquidity reserve. The reserve will not cover the subprojects' repayment shortfall to the World Bank/KfW loans due to conflict of interests. The shortfall risk coverage will be limited only to the

subprojects that adopt the World Bank safeguards policy and that meet the eligibility criteria established under the project. A dedicated monitoring system will be set up to monitor the liquidity shortfall events. The objective of this component is twofold. First, it will be used as part of the FSC's risk management tools to mitigate liquidity risks when the FSC is building up its investment and portfolio management expertise. The facility offers the FSC an important buffer to absorb risks at the early stage of its operation to meet its cash call requirements when a failure and/or delay of repayment from a single project could cause a significant liquidity problem at the FSC's level. Second, the facility adds additional security to lenders and improves the credit quality of the FSC, thus enabling further leverage and facilitating better financing terms. Overall, the facility provides the FSC with a financial tool and credit enhancement to manage risks, to operate on a stand-alone basis, and to develop its own track record and balance sheet, creating an example for the next generation of local government financing vehicles. Such a credit enhancement measure, based on the initial market feedback from rating agencies and security firms in China, will be needed for the FSC, a newly created entity entering the capital market without its corporate guarantee/government support. This is also in line with international best practices. When the FSC is ready for issuing bonds in the capital markets, the requirement and scale of credit enhancement will be reexamined based on the FSC's financial strength and market dynamics. Additional financing from IBRD might be considered if a more sizable and more dedicated credit enhancement is needed to achieve a desirable level of credit rating, as well as bond pricing and maturity.

20. **Component 3. Institutional Strengthening and Project Management (IBRD Loan: US$8 million).** Supporting capacity building within the Facility to scale up operations, technical assistance and knowledge sharing. It will support the setting up of a fully staffed entity with trained personnel in all departments; ramped-up functions (including business development, financial structuring departments, and technical operational departments) that would support clients in subproject identification; planning and preparation; and obtaining of credit rating and green bond principle certification for the facility. Advisory services will also be provided to eligible borrowers for the selection and packaging of infrastructure investment projects. The component will leverage SCGC's technical capacity and support the dissemination of SCGC's experience in structuring, executing, and attracting private finance for urban environmental infrastructure projects. This can provide useful lessons to other countries. The project will also explore partnerships with local, national, and international research institutes to conduct further studies on innovative green finance for China.

21. Activities eligible for financing under Component 3 will include the following: Capacity-building activities within the FSC, including trainings on the FSC's operational manual, project selection and appraisal, procurement, FM, legal compliance, risk management, safeguards, and monitoring and evaluation (M&E); this will also include the activity to support the development of the FSC's own Environmental and Social Management System (ESMS), commensurate with its vision in the long term; (b) TA for the FSC to obtain credit rating and green bond principle certification; (c) TA provided to sub-borrowers, including trainings on the process of obtaining the FSC's financial support, subproject appraisal criteria and standards, M&E requirements, procurement, FM and safeguards, technical design and supervisory assistance, advisory services related to FM, environmental and social assessments, and support in the preparation of procurement and contract documents; (d) conferences and other dissemination activities that support knowledge sharing with other countries on urban financing and implementation of urban environmental projects; (e) further studies on innovative green urban finance for China.

C. Project Beneficiaries

22. **Direct beneficiaries of the project are the participating local governments that receive sustainable, long-term financing provided by the FSC (the World Bank financing subprojects' portfolio).** The ultimate beneficiaries on the ground are urban residents in the districts and towns of the local governments that borrow from the FSC in the YRD, including the Shanghai broader metropolitan area and Jiangsu and Zhejiang Provinces. The FSC will finance an array of revenue-generating[21] green and environmental urban infrastructure projects, with initial focus sectors such as water supply and sanitation, wastewater treatment, and solid waste management, areas where the FSC would benefit from the shareholders' strong technical capacity and expertise.

23. **In the long term, the project portfolio may expand to include, among others, energy efficiency, renewable energy, and green urban transport.** Project evaluation will follow a 'portfolio management' approach to minimize potential risks while maximizing the use of financing, considering subsector composition criteria, geographic location, project type, and size to mitigate portfolio risk. A credit risk analysis and fiscal analysis will also be carried out for each investment to ensure that the final asset owner is solvent and not incurring unlawful levels of debt. Recognizing the potential for misallocation and wasteful investments, strict eligibility, screening, and prioritization criteria have been developed for the business plan. Project selection will be oriented toward investments that address an identified need for improved service delivery in a priority area, are aligned with low-carbon development and compact city principles, and are informed by prioritization criteria. The client already has a long list of projects and potential sub-borrowers, and these will be subject to additional screening and consideration.

24. **Improved access to good-quality water supply financed by the project will bring multiple benefits, especially from the perspective of female beneficiaries.** Gender differences in terms of women's needs for the urban environmental sector has not yet been properly addressed in water regulation and infrastructure development in China. Studies have shown that women are more likely to be concerned with environmental issues and will benefit more broadly from environment improvement compared to men.[22] However, the existing water law in China has yet to address the role of women in water resources management as providers, users, and guardians of the living environment, which was recognized in the Dublin statement.[23] Concerns have also emerged related to increasing cases of gynecological diseases in China, particularly in areas where clean water is scarce.[24]

E. Implementation

Institutional and Implementation Arrangements

25. **The project is expected to be implemented by the newly established FSC.** The project will be coordinated and managed by the Shanghai Municipal Investment Corporation (SCGC), the majority shareholder of the FSC, with the supervision of the Shanghai Finance Bureau (SFB) and the Shanghai Development and Reform Commission (SHDRC). SCGC has considerable experience in urban infrastructure

[21] It is acceptable that the revenue is partially from government transfers/tariffs.
[22] Zhao, J. 2015. "Urban Water Management Reform. A Case of China."
[23] Lu, C. 2009. "Water Policies in China: A Critical Perspective on Gender Equity." *Gender, Technology and Development* 13 (3): 319–339.
[24] World Bank. 2006. *China: Research Report on Gender Gaps and Poverty Reduction*.

development and has been at the forefront of planning, constructing, executing, and managing infrastructure projects in China. SCGC has over a decade of experience in implementing World Bank projects, including the Shanghai Urban Environment Project APL series, which focused on green urban investments in the greater Shanghai region. It is familiar with the World Bank requirements in procurement, FM, and safeguards. Finally, it has a history of working toward leveraging private sector financing and partnerships for urban infrastructure and public service provision. SCGC is a unique partner that can balance experience, discipline, and innovation, which are all essential elements to open up infrastructure finance for lower-tier local governments. Leveraging its existing capacity will be critical to move ahead on the innovative agenda in the uncharted territory of building a new transparent sub-sovereign market in stages.

26. **As part of the project setup, the core staff that used to work for the APL series-linked DFV will be absorbed by the new FSC to ensure continuity and early project capacity.**[25] A plan for gradual staffing of the FSC has been prepared as part of the business plan and it foresees acquisition of a total of 30 staff within 3 years and about 50 staff by the fifth year. Additional ad hoc professional support could be granted by the equity shareholders, for instance, in the matter of project technical designs from SCGC or in matters of preparation for credit rating from CPIC. The World Bank loan proceeds will be ring-fenced and channeled to a dedicated business division, which will ensure separate accountability, processing, and audit of such funds, as well as application of relevant safeguards standards. Any subproject activity that shall receive full or partial financing from World Bank funds will be subject to the World Bank's Environmental and Social Management Framework (ESMF).

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will follow a framework approach to support the financing of urban environmental infrastructure in medium and small cities and towns of Yangtze River Delta (YRD) region, particularly in the municipality/provinces of Shanghai, Jiangsu and Zhejiang. Located downstream of the Yangtze River, the project area is challenged by environmental pollution and ecological degradation while maintaining a dense population and a high rate of urbanization. According to 2016 statistic data, the population of Shanghai, Zhejiang and Jiangsu has respectively reached 24.20million, 55.90million and 79.99million, with an urbanization rate of 89.4 percent, 67.0 percent and 67.7 percent respectively. Along with more than ten megacities and large cities, there are also numerous medium-sized or small cities in the region, over 80 towns every 10,000km2 by average. In terms of ethnic minorities, "She" is the only ethnic group identified in the region, with 36,368 people in 18 towns/townships in Zhejiang Province. The YRD region is dominated by monsoon-influenced subtropical climate, characterized by warm and humid weather with the average annual rainfall of 1000 to 1400mm. The river-lake network is well developed on the alluvial plain before the Yangtze drains into the East China Sea and there are natural reserves distributed. The high-level urbanization and fast-growing population has added unprecedented pressure to the local environment in

[25] As for assets and liabilities, the DFV will eventually be closed and its assets will be transferred either to the final operator or to the FSC. There are two routes that can be followed: (a) single assets transferred to different operators or owners or (b) the whole DFV can be evaluated and transferred, which may take 2–3 years as national-level agencies need to be involved in this project.

the region, particularly in contrast with the inadequacy of basic infrastructure and environmental services in medium and small cities and towns. Water pollution, air pollution and soil contamination are listed as the top three environmental issues to be addressed according to the YRD region city cluster development plan approved by the State Council in 2016.

G. Environmental and Social Safeguards Specialists on the Team

Songling Yao, Social Specialist
Ning Yang, Environmental Specialist
Xiaodan Huang, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Bank loan is proposed to support the establishment and operation of an innovative financing vehicle (namely, Shanghai Green Urban Financing and Services Company, simplified as FSC) to finance urban environmental infrastructure in medium and small towns in the Yangtze River Delta region, particularly in Shanghai, Zhejiang and Jiangsu. The project will have apparent environmental and social benefits as by design the project aims to address environmental problems and imbalances of infrastructure and basic public services in the region. Meanwhile, the Project implementation is also anticipated with adverse environmental and social impacts during the construction and operation of targeted investments on water supply, wastewater, solid waste, soil remediation and river rehabilitation. Specific activities and subproject location will be identified by the FSC during project implementation. Thus OP4.01 is triggered and the project is assigned as Category FI. Considering project types targeted by FSC, both Cat. A and Cat. B subprojects could be involved. An Environmental and Social Management Framework (ESMF) has been developed as the instrument to address environmental and social

		issues and to ensure safeguards compliance during the preparation and implementation of activities receiving full or partial funding from WB/KfW loans. The ESMF was prepared in parallel with the social assessment. Specific to the Project, all the applicable social management procedures and supportive instruments have been integrated into the ESMF. In addition, a project-specific capacity building plan on environmental and social management has been developed as an integral part of the ESMF to support the sustainable development of FSC and its business. The first subproject in each sector will be subject to Bank prior review and clearance to ensure the appropriateness of ESMF implementation and E&S risk management by FSC at the startup stage. If the first project is Category B, then the first Category A sub-project in that sector will also be subject to prior review. The Bank will retain the right of prior review and clearance of Category A subprojects until the FSC can demonstrate its capacity to manage safeguards issues on its own, which based on the experience of previous APLs is expected to be on a limited number of subprojects. Public consultation and information disclosure has been carried out during ESMF development following OP4.01, both locally and in the Bank's external website.
Performance Standards for Private Sector Activities OP/BP 4.03	No	The proposed FSC will be a majority state-owned limited liability company (LLC) and it will be subject to laws and regulations applied to the supervision of SOEs. Thus OP4.03 is not deemed to be triggered.
Natural Habitats OP/BP 4.04	Yes	Although the likelihood of involving any natural habitat is not so high based on previous experience of similar projects in this highly urbanized region, the policy is still triggered from a precautionary perspective considering project uncertainty at this stage. As defined in the ESMF, any sub-project involving significant conversion or degradation of critical natural habitats will be excluded from project financing at screening stage, and environmental assessment for subprojects will include the analysis of any natural habitat issue with necessary

		mitigation measures proposed in the sub-project EMPs.
Forests OP/BP 4.36	No	The subprojects to be supported by the FI will take place in already established towns and the project is not anticipated to involve any forest.
Pest Management OP 4.09	No	The project is not anticipated to involve the use or procurement of any pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	Considering subproject uncertainties, this policy is triggered from a precaution perspective. Screening procedure and subproject preparation requirements when the policy is triggered have been incorporated into the ESMF for future implementation, including the ToRs for Physical Cultural Resources (PCR) management plan in the appendix of ESMF.
Indigenous Peoples OP/BP 4.10	Yes	Though the specific location of subprojects will only be identified during the project implementation, the project financing area covers Zhejiang Province where some "She" Nationality villages are located. Therefore OP 4.10, Indigenous People, is triggered and a EMDF was prepared as part of the ESMF.
Involuntary Resettlement OP/BP 4.12	Yes	The project proposed activities probably involve treatment of waste water, solid waste, contaminated soil. Therefore, the OP 4.12, Involuntary Resettlement, is triggered. A RPF was prepared as part of the ESMF, because subproject specific location could be determined only in the project implementation stage. The traditional Category FI approach foresees a social part of the ESMF to be developed during project preparation. The social safeguards approach of the project could be very similar with the DFV approach under the Shanghai APL series. The proposed ESMF is deemed to be a superior instrument as it not only includes a RPF, but also ensures coverage of other social issues, like social issues mentioned in OP4.01, such as gender and poverty.
Safety of Dams OP/BP 4.37	Yes	Considering water supply projects possibly to be supported by the Project, OP4.37 is to be deemed triggered from a precaution perspective. The process of meeting the policy requirements is covered by the ESMF if OP4.37 is determined to be triggered during project implementation.

Projects on International Waterways OP/BP 7.50	No	Not applicable since the project could not possibly involve any international waters.
Projects in Disputed Areas OP/BP 7.60	No	Not applicable since the project could not possibly involve any disputed areas.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The project is designed to ramp up the establishment and operationalization of a Financial Intermediary (FI) facility focusing on the financing of green urban infrastructure and environmental services in medium and small-sized towns of the Yangtze River Delta region. The FI is named as Shanghai Green Urban Financial Services Company (hereinafter referred to as the "FSC"). Hence, OP4.01 is triggered and the project is assigned as Category FI. As any subprojects and their locations could not be clear at this stage, an Environmental and Social Management Framework (ESMF) was prepared by the PMO as the only instrument on safeguards under the project.

Environmental Aspects

The project is expected to have environmental and social benefits as by design the project aims to address environmental problems and imbalances of infrastructure and basic public services in the region. Based on the FSC's business plan, activities to be supported by the Project may involve water supply, wastewater collection and treatment, solid waste management, soil remediation and so on. Environmental and social screening was conducted during the Environmental Assessment process, which concluded that the construction and operation of anticipated subprojects would also bring adverse environmental and social impacts, mainly including: (i) general construction nuisance such as dust, noise, wastewater, spoil disposal, ecological destruction, traffic disturbance, etc. (ii) impacts on the quality of surface water, groundwater, soil, air and acoustic environment due to the operation of constructed wastewater and solid waste treatment facilities. Since the type, location and size of investments will only be identified by the FSC during project implementation, the levels of associated safeguards risks and the significance of resulted impacts could vary, and it is possible to involve Category A subprojects.

Policy triggering. Considering subproject possibilities and uncertainty at this stage, the policies of OP4.04 (Natural Habitat), OP4.11 (Physical Cultural Resources) and OP4.37 (Safety of Dams) are also deemed triggered from a precaution perspective to address any potential issue related to natural habitat (river/lake/wetland), physical cultural resources (PCRs, identified/underlying) and dam safety (new/existing/under construction, particularly in relation to water supply subprojects) following the policy requirements if applicable.

Social Aspects.

The Shanghai Chengtou Company (Chengtou) is currently playing a PMO role to prepare the project, who has contractually engaged Hohai University to assist with the social safeguards preparation. The social section of the ESMF is prepared and generally in good shape, mainly containing project scope; management mechanism; capacity building measures; procedure of subproject preparation, review and approval; requirements of information disclosure, monitoring, and grievance redress mechanism (GRM); and specific frameworks of resettlement, minority, social assessment.

Policy triggering. The activities will probably involve treatment of wastewater, solid waste, contaminated soil. Given the project is infrastructure-related and its financing area covers Zhejiang Province where some "She" Nationality villages are located, it will trigger the OP 4.12, Involuntary Resettlement, and OP 4.10, Indigenous People. Therefore, a resettlement policy framework (RPF) and an ethnic minority development framework (EMDF) are prepared as important component in the ESMF.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
Overall the project implementation is anticipated with long-term environmental and social benefits by piloting the provision of sustainable and long-term financing for selected green urban investments in participating local governments in the Yangtze River Delta region. Based on the experience and lessons learned from the project implementation, the FSC is expected to further expand the geographical coverage of its business in the long run and will serve as an example to promote the financing of green urban infrastructure and basic environmental services in other less developed parts of China.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
During project preparation, analysis was conducted on targeted fields and areas of investments for the proposed FSC. Based on the technical expertise of Shanghai Chengtou and the results of the market analysis, water supply, wastewater management and solid waste management in the Yangtze River Delta region are selected to control the safeguards risks to an acceptable level while maintaining the adequate market space.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
Environmental Aspects.
As part of the Operation Manual for developed for the Project, an Environmental and Social Management Framework (ESMF) has been developed as the safeguards instrument to address environmental and social issues and to ensure safegurads compliance during the preparation and implementation of activities receiving full or partial funding from WB/KfW loans under the Project. The document includes environmental guidelines and procedures to be applied during the “project cycle” to comply with the national law and the World Bank’s safeguards policies, from subproject screening, risk categorization, environmental document preparation and review and approval to implementation and monitoring. In response to different levels of safeguards risks possibly involved based on the screening results, the ESMF provides the details on the type, level and depth of environmental and social impact assessments (ESIAs) required for each of the investments and contains measures and plans to avoid, mitigate and/or offset adverse impacts. At the same time, all the social elements have been integrated into the ESMF as a standalone chapter (Chapter 7), including social management procedure, Resettlement Policy Framework (RPF) and Ethnic Minority Development Framework (EMDF). In addition, useful tools have been developed and included in the appendices to support the ESMF implementation, including the environmental and social screening form, the exclusion list, the generic Environmental Management Plans (EMPs) and the Terms of References (ToRs) of others applicable safeguards instruments such as Environmental Impact Assessment (EIA) report and Physical Cultural Resources (PCR) management plan.

The ESMF also specifies the requirements for public consultation and information disclosure throughout the Project’s implementation and proposes the Grievance Redress Mechanism (GRM) to be established for the Project to ensure the transparency during implementation.

The first subproject in each sector will be subject to Bank prior review and clearance to ensure the appropriateness of ESMF implementation and E&S risk management by FSC at the startup stage. If the first project is Category B, then the first Category A sub-project in that sector will also be subject to prior review. The Bank will retain the right of prior review and clearance of Category A subprojects until the FSC can demonstrate its capacity to manage safeguards issues on its own, which based on the experience of previous APLs is expected to be on a limited number of subprojects.

Natural Habitat (OP4.04). In the ESMF, screening criteria has been set up to exclude any project involving significant conversion or degradation of critical natural habitats. The project design includes the analysis of any natural habitat issue, including identification of natural habitat sites, their ecological functions and potential project impacts on the sites. Necessary mitigation measures have been proposed in the generic EMPs to avoid or minimize anticipated ecological impacts for future implementation.

Physical Cultural Resources (OP4.11). Based on past project experiences in the region, the policy is triggered from precautionary perspective. As designed in the ESMF, any investment with significant impacts on important physical cultural resources will be excluded from the project financing. For any supported subprojects deemed triggering this policy, heritage impact assessment will be conducted during the EA process and a PCR management plan will be developed as an integral part of the subproject Environmental Management Plan (EMP) when applicable. The chance-find procedure is included in the generic EMPs.

Safety of Dams (OP 4.37). Screening procedure and subproject preparation requirements proposed in the ESMF have considered the policy requirements if applicable.

Social Aspects.
The PMO confirmed that the environmental and social management mechanism under the FSC is to follow the successful DFV experience (under the closed WB-financed Shanghai APL series) and it will be built based on the DFV approach, which will be further highlighted in the OM and the BP. Based on which, the ESMF is developed in accordance with the DFV ESMF and to be additionally supplemented with update of new social policies and performance of the WB policies and in China, especially on social assessment, Gender, Poverty. The first subproject in each sector will be subject to Bank prior review and clearance to ensure the appropriateness of ESMF implementation and E&S risk management by FSC at the startup stage. If the first project is Category B, then the first Category A sub-project in that sector will also be subject to prior review. The Bank will retain the right of prior review and clearance of Category A subprojects until the FSC can demonstrate its capacity to manage safeguards issues on its own, which based on the experience of previous APLs is expected to be on a limited number of subprojects.

Social management mechanism. The specific social management structure was clearly defined in the ESMF, especially including management unit, staffing and their responsibilities, technically supportive external experts and their responsibilities.

The specific frameworks of the resettlement, minority and social assessment were compliant with the OP 4.12, OP 4.10 and the OP 4.01 and are part of the ESMF.

Social management will rest with an Environmental and Social Division within the WB Financing Department of the FSC, in which one full time staff with social related education background should be assigned to coordinate and be responsible for the social work under the ESMF. To technically assist the division, an experienced external expert as a member of external panel to the FSC will be contractually engaged through the project cycle. All the subprojects

should be staffed with at least a dedicated staff to take charge of subproject social side. The qualification and TORs for the FSC and Subproject staff and the experts were integrated in the ESMF.

Capacity building and institutional arrangements
As the FI responsible for project implementation, the FSC will take the leading responsibilities to implement the ESMF. A dedicated department in the FSC, the International Business Department (or the so-called World Bank Business Department), will be responsible for the management of Bank-financed investments and the coordination of ESMF implementation. The FSC is proposed to be developed based on the existing District Financing Vehicle (DFV), which was established under the WB-financed Shanghai Urban Environment APL series since 2004 with good track records to provide long-term financing to the districts of Shanghai on environmental infrastructure. The local administrative management also shows strong capacity and good performance on environmental management, resettlement and other social affairs in Shanghai. The DFV team set and operated within the Shanghai Chengtou will be entirely merged into the FSC (under its International Business Department) and the institutional arrangements on safeguards management within the new FSC has been clarified in the ESMF, including dedicated staff within the FSC and external environmental and social specialists and consultants. A separate International Business Department will be established under the FSC to be responsible for the management of the Bank-financed Project.

Still, all the TORs in the ESMF will be reviewed by the Bank. The change of FSC safeguards staff and the environmental and social experts should get no objection from the Bank to maintain adequate capacity on environmental and social safeguards within the FSC. Further, the FSC should take measures to build and maintain the capacity of safeguards management, which include training course, seminar, study tour, workshop, etc. To support the sustainable development of FSC and its business, institutional strengthening and capacity building program has been developed as an important and integral part of the ESMF, for both the FSC and its future borrowers.

The training programs for FSC staff, consultants and subproject staff with proper budget fully financed by the FSC are tabulated and incorporated into the ESMF. Part of the project's TA activities will also support the FSC in the development of its own Environmental and Social Management System (ESMS) commensurate with its development vision in the long run.

Procedures of safeguards preparation, review and approval
The first subproject in each sector will be subject to Bank prior review and clearance to ensure the appropriateness of ESMF implementation and E&S risk management by FSC at the startup stage. If the first project is Category B, then the first Category A sub-project in that sector will also be subject to prior review. The Bank will retain the right of prior review and clearance of Category A subprojects until the FSC can demonstrate its capacity to manage safeguards issues on its own, which based on the experience of previous APLs is expected to be on a limited number of subprojects. Safeguards documents of subprojects, following the ESMF, will be prepared by experienced consulting agencies, disclosed locally, and revised as needed according to the disclosure. The approved documents should be submitted to the Bank for disclosure. Regular review and approval of safeguards documents is to rely on the FSC itself, while the Bank should conduct check as needed.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
The ESMF include the mechanism for subproject consultation and disclosure and also a GRM for subprojects, in which a grievance redress mechanism is set up to cover system channel with contact information; formats of recording and reporting of grievance cases; responsible persons and roles; and timeframe for case handling, reporting on the grievance. In the ESMF preparation process, extensive consultation activities, including consultation with minority

communities in Jingning and Yunhe counties in Lishui of Zhejiang province, were conducted to disclose information to and consult with various stakeholders.

The ESMF itself was disclosed locally for two rounds (respectively on September 30, 2018 and November 27, 2018) and was disclosed on the Bank's website on January 9, 2019.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
28-Nov-2018	09-Jan-2019	

"In country" Disclosure

China
27-Nov-2018

Comments

First round of in-country disclosure for the draft ESMF in Chinese was done on the website of Shanghai Chengtou in September 2018. Link: http://www.smi-co.com/node2/n578/n589/n1599/u1ai30643.html.
Second round of in-country disclosure for the ESMF in Chinese wasdone on the website of Shanghai Chengtou in Nov. 2018. Link: http://www.smi-co.com/node2/n578/n589/n1599/u1ai30801.html

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
28-Nov-2018	09-Jan-2019

"In country" Disclosure

China
27-Nov-2018

Comments

Second round of in-country disclosure for the ESMF in Chinese was done on the website of Shanghai Chengtou. Link: http://www.smi-co.com/node2/n578/n589/n1599/u1ai30801.html

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank	Date of submission for disclosure
28-Nov-2018	09-Jan-2019

"In country" Disclosure

China
27-Nov-2018

Comments

Second round of in-country disclosure for the ESMF in Chinese was done on the website of Shanghai Chengtou. Link: http://www.smi-co.com/node2/n578/n589/n1599/u1ai30801.html

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
Yes
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?
Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?
Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?
No
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?
Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?
Yes
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?
Yes

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

NA

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes

OP/BP 4.37 - Safety of Dams

Have dam safety plans been prepared?
NA
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?
NA
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?
NA

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?
Yes
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
Yes

Have costs related to safeguard policy measures been included in the project cost?
Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
Yes

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