INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE

I. Basic Information
Date prepared/updated: 05/12/2006
Report No.: AC2277

1. Basic Project Data

<table>
<thead>
<tr>
<th>Country: China</th>
<th>Project ID: P099992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name: Liaoning Medium Cities Infrastructure Project</td>
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<tr>
<td>Task Team Leader: Shomik Raj Mehndiratta</td>
<td></td>
</tr>
<tr>
<td>Estimated Appraisal Date: April 13, 2006</td>
<td>Estimated Board Date: June 27, 2006</td>
</tr>
<tr>
<td>Managing Unit: EASTR</td>
<td>Lending Instrument: Specific Investment Loan</td>
</tr>
<tr>
<td>Sector: General transportation sector (100%)</td>
<td>Theme: Other urban development (P)</td>
</tr>
<tr>
<td>IBRD Amount (US$m.): 218.00</td>
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<tr>
<td>IDA Amount (US$m.): 0.00</td>
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<td>GEF Amount (US$m.): 0.00</td>
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<td>PCF Amount (US$m.): 0.00</td>
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<tr>
<td>Other financing amounts by source:</td>
<td>BORROWER 306.50</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>Environmental Category: A - Full Assessment</td>
<td></td>
</tr>
<tr>
<td>Simplified Processing: Simple [X] Repeater []</td>
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</tr>
<tr>
<td>Is this project processed under OP 8.50 (Emergency Recovery):</td>
<td>Yes [ ] No [X]</td>
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</table>

2. Project Objectives
The objectives of the project are to assist the Borrower in supporting the project cities in enhancing the: (a) performance and quality of the existing urban transport infrastructure in terms of mobility, access and safety; (b) efficiency and effectiveness of the urban public transport and road maintenance services; and (c) responsiveness of the urban transport systems to the needs of the segment of the population without access to private motorized vehicles.

3. Project Description
The project covers the center cities of Panjin, Jinzhou, Fushun, Benxi, and Liaoyang municipalities, and the county town of Dengta in Liaoyang municipality. The project has been designed to reverse the deterioration of the asset base, improve the “livability” and investment climate, and support initiatives that reflect national and provincial priorities related to urban transport. The design has been refined through extensive consultation with user groups.

A brief description of the project components follows.

The Road Infrastructure and Reconstruction Component [US$330.65 million, including resettlement costs of US$105.0 million] includes road improvements in the primary,
secondary and tertiary networks that would address current transport problems and bottlenecks.

The Secondary Road Rehabilitation and Road Maintenance Equipment Component [US$113.48 million] will finance rehabilitation of major segments of the participating cities’ road network to improve last-mile access to pedestrians and bicyclists, and finance road maintenance equipment.

The Traffic Safety and Traffic Management Component [US$22.17 million] supports the implementation of the NRSL through enhanced traffic management, monitoring and traffic control systems (including traffic signals and intersection improvements) to improve safety and traffic flow.

The Public Transport Component [US$14.32 million] includes provision of bus priority facilities and improvements in public transport planning and operations in the project cities. It includes investments in public transport infrastructure such as on-street bus priority and transit oriented traffic engineering, shelters, terminals and interchanges.

The Institutional Development Component [US$4.85 million] supports technical assistance (TA) in transport planning and management, reform in road maintenance practices and in the structure of the public transport industry, and includes project management assistance for LUCRPO and the project cities.

4. Project Location and salient physical characteristics relevant to the safeguard analysis
Liaoning Province, located in the northeast of China, is one of the heavy industrial bases in the country. Fushun, Benxi, Jinzhou, Panjin and Liaoyang are important cities in the Liaoning regional development plan, and are located along the two priority development corridors that will receive financial and institutional support for infrastructure development in the context of the Revitalization of Northeast Program.

Detailed geographical locations of these project cities are given below.

Geographical Location of the Cities
Fushun
East longitude 123Â°39'-125Â°28', north latitude 41Â°41'-42Â°38'
Benxi
East longitude 123Â°34'-125Â°46', north latitude 41Â°49'-41Â°35'
Jinzhou
East longitude 121Â°8', north latitude 41Â°7'
Panjin
East longitude 123Â°31'-122Â°28', north latitude 40Â°40'-41Â°27'
Liaoyang
East longitude 122Â°35'-123Â°41Â°4, north latitude 40Â°42'-41Â°36'
Dengta
East longitude 122Â°54'-123Â°40Â°4, north latitude 41Â°13'-41Â°36'
II. 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:

From a social perspective, the project supports the improvement of the secondary and feeder road networks; the development of public transport, pedestrian, and bicycle facilities; and traffic safety measures. The pioneering public participation process undertaken during preparation enables the project to address the transport-related needs of vulnerable groups. It was also designed to be sensitive to gender issues by conducting women-only focus groups.

From an environmental perspective, the project facilitates environmentally desirable planning and physical improvements in the urban transport networks of the six project cities by supporting safety, the development of secondary roads that promote NMV travel, pedestrian and bicycle ways and public transport. In addition, all project investments have been designed to minimize any adverse impact on the physical environment; none of the components encroach on any environmentally sensitive terrain.

The objective of the EA is to determine the potential negative impacts of the project at the project planning/design stage to ensure the development environmentally sound and acceptable. The EA has also identified and assessed, quantitatively to the extent possible, the project benefits and positive impacts to the natural and social environments.

The Liaoning Academy of Environmental Sciences, a State Environmental Protection Agency (SEPA) Class A - accredited agency for EIAs in China, jointly with local environmental institutes, prepared Environmental Impact Assessments (EIAs) and Environmental Management Plans (EMPs) for each project city, according to national policies and regulations as well as Bank guidelines. The required two-step consultation
was conducted during the EIA preparation process. These documents were disclosed locally and in Washington, D.C., in January 2006. The final EIA reports were furnished to the Bank in mid-March 2006.

Project resettlement impacts include permanent land acquisition, residential house demolition, demolition of buildings belonging to enterprises and public institutions, demolition of shops, infrastructure and ground attachments. These impacts will be scattered in 12 districts/counties: Baita, Wensheng, and Taizihe districts of Liaoyang city; Linghe, Guta, and Lingnanxin districts of Jinzhou; Xinglongtai, and Shuangtaizi districts of Panjin; Xihu, Pingshan, and Mingshan districts of Benxi; Shuncheng district of Fushun; and two streets of Dengta. The project will affect 4,994 households and 677 enterprises and shops, and will affect 31,547 people in all. The collective land acquired is currently being used primarily for housing and a very limited amount of farm land will be acquired.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Project components will potentially cause a variety of short-term construction and longer-term operational impacts. A series of mitigation measures have been planned to reduce the impacts to acceptable levels during construction and operation. Mitigation monitoring procedures have been established and the organizations responsible for monitoring have been designated.

Construction Phase. Project components could cause short-term impacts, such as dust, noise, traffic, soil erosion, workers’ safety, and solid wastes from construction activities, community activities and public health issues. Various measures planned to reduce them to acceptable levels have been described in the EIA and the EMP, including restrictions on night-time construction, mandating the use of low-noise machinery and construction methods, and the development of detailed plans for the disposal of soil and waste disposal.

Operation Phase. Project impacts on air quality are limited and pollutant concentrations comply with applicable standards. The primary negative impact of the project is predicted to be higher than standard noise levels at a selection of identified locations. However, some sensitive receptors in project locations have baseline noise levels higher than standard. In other locations, the project is expected to lower noise levels through eased congestion and improved road quality. The impact of the project on noise will be most significant in green field sites and alleys, where there is no motor vehicle traffic at present.

During implementation noise levels at affected sensitive receptors will be monitored, and residents and other affected people will be consulted on the actual noise impact with regard to their life and/or work. The results of this monitoring and consultation will serve to identify locations where window ventilation or air conditioners will be installed to mitigate noise impact. Details of all mitigation measures and the responsible agencies for their implementation and supervision are provided in the EMP.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Alternatives were considered for each component during the preparation of the feasibility studies. As has been described in the PAD, this resulted in enlarging the scope of the secondary road rehabilitation component, and focusing on reducing existing transport congestion on the road infrastructure component. Most of the project investment focuses on reconstruction, rehabilitation, and traffic management of existing road construction. Choice of roads was based on a combination of a formal technical analysis based on overall traffic levels and the needs of bicyclists and pedestrians; and the preferences of the public expressed in the public consultation process. In Fushun, the results of bicycle user survey provided additional insights with regard to traffic management.

All projects that required significant stand-alone investment were subject to rigorous alternatives analysis including an effort to minimize involuntary resettlement and negative environmental impacts. For example, the red line for Xinggong Road was modified to minimize resettlement impacts in Panjin. Similarly, an analysis of alternatives considered for the proposed Hu Bin Road in Panjin led to a modification of the original design to avoid encroachment in a neighborhood lake. Details of these and related analyses are in the component RAPs, Chapter 6 of the consolidated EA report and are summarized in the PAD.

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.

LUCRPO is very familiar with Bank safeguard policies (as the proposed project would be the fifth Bank-financed project managed by LUCRPO) and Liaoning has a good track record of implementing resettlement consistent with Bank guidelines. A recently completed independent assessment of resettlement activities conducted as part of the just completed Liaoning Urban Transport Project found that resettlement had been properly implemented in compliance with Bank policies.

Environment

LUCRPO will manage the EMP implementation. The staff responsible for EMP implementation at LURCPO and the city PMOs will be trained on environmental regulations and their application, mitigation measures, public consultations, environmental monitoring and producing progress reports. An environmental specialist from the supervisory consultant team will ensure that construction is done in an environmentally sound manner.

Supervision and Reporting. The Bank will supervise project related environmental issues twice a year. Semi-annual progress reports from LUCRPO will include a section/chapter on EMP implementation. During project implementation, an annual report on the EMP implementation will be furnished to the Bank by March 31 of each year, along with any revisions proposed to the EMP to achieve its objectives.
Training Requirements. To ensure smooth EMP implementation, staff will be trained on environmental issues, including appropriate responses to accidents. The training program will cover issues such as environmental laws and regulations, standards, project-related environmental science, and environmental management.

Funding Arrangements and Schedule of Implementation. Each city’s EMP includes a budget that the city has formally committed to. The costs of mitigating the effects from construction will be covered in the cost of facilities. Monitoring of air and water quality, noise, worker health, and site safety/hygiene will be conducted by local environmental monitoring units or consultants, and financed from counterpart funds.

Monitoring. The EMP lists environmental performance indicators, such as air and water quality, noise levels, construction sites and camps, as well as details on where and when they will be monitored, and the agencies responsible for reviewing them. LURCPO will be responsible for reporting on the environmental monitoring.

Furthermore, a monitoring and consultation program has been developed to monitor actual noise impacts during operation. The actual indoor noise levels at the affected sensitive receptors will be measured. Residents and other affected people will be consulted on the impact of the noise on their lives. The monitoring and consultation will serve as the basis for implementation of noise mitigation.

Resettlement

Resettlement Planning. The project includes six cities. Individual RAPs were prepared for each project city in Chinese by following local policies and regulations, as well as Bank’s policy on Involuntary Resettlement OP 4.12. A summary RAP was prepared in both English and Chinese based on guidelines provided by the Bank.

Resettlement Implementation Capacity. LUCRPO will take the lead to ensure compliance with Bank resettlement policies. At the city level, Leading Groups, Project Management Offices, and Project Implementation Units have been established and resettlement officials are assigned in each of the municipal PMO.

Resettlement Monitoring. Internal and external monitoring has been designed as part of the project resettlement management. The project resettlement offices will carry out internal monitoring of the resettlement implementation. The monitoring procedures, content, staffing, responsibility, timeframe and reporting have been detailed in the RAPs. An external monitor has been selected for independent monitoring of the RAP implementation. Independent monitoring will cover physical progress of RAP implementation, including compensation payment, allocation of residential sites, farmland allocation, and restoration of infrastructure. The independent monitor will also review the public consultation process, operation of the resettlement project offices, grievance redress mechanisms, and restoration of livelihood of the affected farmers. Independent monitoring will be conducted twice a year during the project implementation period.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The PAD provides details on the public participation processes conducted both for project design, and under the EIA and resettlement planning processes.

Public Participation in Project Design

A major achievement of this project has been the successful development of a meaningful public participation process that influenced project designs. Public participation was integrated into the project cycle and carried out in three phases: (a) Phase I (project design and feasibility stage), participation was designed to identify key issues of concern to the public; (b) Phase II (post appraisal stage), when solutions were presented to the public for review and comments; and (c) Phase III (project implementation stage), during which the satisfaction level of the public with project implementation will be ascertained.

Public Consultation during Environmental Impact Assessment and Resettlement Planning

Public Consultation during EIA Process. Two rounds of public consultation were carried out during the EA: the first round during the preparation of EA terms of reference (TOR), between August to November, 2005; and the second round at the draft EA report stage in early January, 2006 in the six project cities/county town. The primary technique used in public consultation was public opinion survey through questionnaires and public meetings, or both combined. This was supplemented by interest group interviews such as temple/mosque communities, cultural properties management, and relevant agencies. Consultation was focused primarily on the project areas, and the people consulted included mainly those who will be affected directly by the project. Relevant government and non-government organizations, and experts from academic institutions on various environmental and socio-economic issues, have also been consulted. In total, 599 individuals responded to the questionnaire survey in the first round of consultation, and about 438 person-times have participated in the second round of consultation.

The draft EIA reports were released on January 25, 2005 on the Liaoning Academy of Environmental Sciences website. The printed city EIA reports were distributed during the week of February 6, 2006 to the city PMOs and/or local environmental protection bureaus for public review.

Information about the project and the process of the EIA was published in the local media through advertisements or public notices. These include brief announcements of project content, the process of environmental impact assessment, the contact persons and their telephone numbers for the public to express their concerns or opinions on the EIA. The media disclosure is summarized in the table below.

Summary of Media Disclosure
Benxi
Date: December 15, 2005
Media: Benxi Daily
Content: Brief description; major environmental impacts, benefits, invitation for public opinions
Contact persons: City PMO officials

Fushun
Date: January 12, 2006
Media: Fushun Daily
Content: Brief description; major impacts, invitation for public opinions
Contact persons: PMO official

Liaoyang
Date: January 16, 2006
Media: Liaoyan Daily
Content: Brief description; major impacts, invitation for public opinions.
Contact persons: PMO officials

Panjin
Date: November 30, 2005
Media: Panjin Daily
Content: Brief description; major impacts, invitation for public opinions
Contact persons: PMO officials

Jinzhou
Date: January 13, 2006
Media: Jinzhou Daily
Content: Brief description; major impacts, invitation for public opinions
Contact persons: EA team

Public Consultation Process during Resettlement Planning. The project RAPs have been prepared after consultation with the affected persons, as detailed in the tables below:

Public Participation Process

Content: Physical quantity investigation in project areas
Place: Affected persons locus
Participants: PMO members, affected persons
Method: Interview
Time: Benxi - 2005.11; Dengta - 2005.6-7; Fushun - 2005.4-6; Jinzhou 2005.8;
Liaoyang - 2005.6-8; Panjin - 2005.8
Conclusion: Data confirmed

Content: Project area social economy situation investigation and compensation & resettlement intent
Place: Affected persons locus
Participants: PMO members, affected persons
Method: Interview
Time: Benxi - 2005.11; Dengta - 2005.7-8; Fushun - 2005.4-6; Jinzhou 2005.8;
Liaoyang - 2005.6-8; Panjin - 2005.8
Conclusion: Data confirmed

Content: Compensation and resettlement policy
Place: Municipal PMO
Participants: PMO members, affected persons, representatives
Method: Workshop and discussion
Time: Benxi - 2005.11; Dengta - 2005.9; Fushun - 2005.1; Jinzhou 2005.8; Liaoyang -
2005.8; Panjin - 2005.9

Content: Resettlement Plan
Place: Municipal PMO
Participants: PMO members, affected persons, representatives
Method: Workshop and discussion
Time: Benxi - 2005.12; Dengta - 2005.1; Fushun - 2005.12; Jinzhou 2005.8; Liaoyang -
2005.8; Panjin - 2005.9

Disclosure Procedure for Resettlement

Topic/documents: Project introduction
Disclosure language: Chinese
Media: Municipal radio and tv stations
Period: Benxi - 2005.12; Dengta - 2005.10; Fushun - 2005.12; Jinzhou - 2005.7,
Liaoyang - 2005.10; Panjin - 2005.9

Topic/documents: General introduction of project land acquisition
Disclosure language: Chinese
Media: Municipal radio and tv stations
Liaoyang - 2005.10; Panjin - 2005.10

Topic/documents: Municipal policies of land acquisition and house demolition
Disclosure language: Chinese
Media: Municipal websites
Period: Benxi - 2005.12; Dengta - 2005.12; Fushun - 2005.12; Jinzhou - 2005.12,
Liaoyang - 2005.11; Panjin - 2005.12

Topic/documents: Resettlement plan report disclosure
Disclosure language: Chinese
Media: Municipal radio and tv stations, newspaper
Period: Benxi Daily - 2006.1.11 and Urban Infrastructure Construction Office,
Demolition Department; Dengta Daily - 2006.1.12 and PMO library; Fushun Daily -
A mechanism has been designed for grievance redress under each of the project components. All grievances can be filed in both written and verbal forms. The redress channel lies within the project management and government systems. Recording requirements and timeframe have been established for grievance resolution. This mechanism will be disclosed as part of the resettlement information booklet (RIB).

The project has obtained a waiver from Bank Management with regards to the current BP 4.01 requirement relating to translations of EIA reports. Chinese language EIA and RAP reports have been prepared for project activities proposed in each city; these have been reviewed and disclosed separately in each project city and in the Bank Infoshop and in the Bank Beijing Office Website. In addition, a Consolidated EIA and EMP for the project covering all cities, and a Summary RAP for the entire project, have been prepared in English and disclosed. These documents include detailed findings and recommendations, and address in sufficient depth and detail all the critical issues and data needed to support their findings and recommendations. Bank Management is satisfied that on the basis of staff review of these documents, as well as a review of the local language reports by qualified country office staff, that the Bank has complied with the review obligations set out in OP 4.01 without the need to resort to translate all of the detailed city specific reports into English. In addition, Bank management is satisfied that the Bank would meet the disclosure objectives set out in the policy through disclosure of the above English language documents, together with the disclosure of city specific EIAs, EMPs and RAPs in the Chinese language.

### B. Disclosure Requirements Date

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<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other:</th>
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<tbody>
<tr>
<td>Date of receipt by the Bank</td>
<td>01/31/2006</td>
</tr>
<tr>
<td>Date of &quot;in-country&quot; disclosure</td>
<td>01/25/2006</td>
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<tr>
<td>Date of submission to InfoShop</td>
<td>02/06/2006</td>
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<tr>
<td>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</td>
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<th>Resettlement Action Plan/Framework/Policy Process:</th>
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<td>Date of &quot;in-country&quot; disclosure</td>
<td>01/27/2006</td>
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<td>Date of submission to InfoShop</td>
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* If the project triggers the Pest Management and/or Cultural Property, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

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

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<thead>
<tr>
<th>OP/BP/GP 4.01 - Environment Assessment</th>
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<tbody>
<tr>
<td>Does the project require a stand-alone EA (including EMP) report?</td>
<td>Yes</td>
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<tr>
<td>If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?</td>
<td>Yes</td>
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<tr>
<td>Are the cost and the accountabilities for the EMP incorporated in the credit/loan?</td>
<td>Yes</td>
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<tr>
<th>OP/BP 4.12 - Involuntary Resettlement</th>
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<tr>
<td>Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?</td>
<td>Yes</td>
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<tr>
<td>If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?</td>
<td>Yes</td>
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<table>
<thead>
<tr>
<th>The World Bank Policy on Disclosure of Information</th>
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<tbody>
<tr>
<td>Have relevant safeguard policies documents been sent to the World Bank’s Infoshop?</td>
<td>Yes</td>
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<tr>
<td>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?</td>
<td>Yes</td>
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</table>

<table>
<thead>
<tr>
<th>All Safeguard Policies</th>
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<tr>
<td>Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?</td>
<td>Yes</td>
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<tr>
<td>Have costs related to safeguard policy measures been included in the project cost?</td>
<td>Yes</td>
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<tr>
<td>Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?</td>
<td>Yes</td>
</tr>
<tr>
<td>Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?</td>
<td>Yes</td>
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### D. Approvals

<table>
<thead>
<tr>
<th>Signed and submitted by:</th>
<th>Name</th>
<th>Date</th>
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<tbody>
<tr>
<td>Task Team Leader:</td>
<td>Mr Shomik Raj Mehndiratta</td>
<td>04/28/2006</td>
</tr>
<tr>
<td>Environmental Specialist:</td>
<td>Ms Chongwu Sun</td>
<td>05/01/2006</td>
</tr>
<tr>
<td>Social Development Specialist</td>
<td>Mr Chaogang Wang</td>
<td>05/09/2006</td>
</tr>
<tr>
<td>Additional Environmental and/or</td>
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<tr>
<td>Social Development Specialist(s):</td>
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<tr>
<th>Approved by:</th>
<th></th>
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<tbody>
<tr>
<td>Regional Safeguards Coordinator:</td>
<td>Mr Glenn S. Morgan</td>
<td>05/11/2006</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
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<tr>
<td>Sector Manager:</td>
<td>Mr Jitendra N. Bajpai</td>
<td>05/11/2006</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
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