



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
HUAINAN MINING AREA REHABILITATION PROJECT
APPROVED ON MAY 11, 2015
TO THE
PEOPLE'S REPUBLIC OF CHINA

URBAN, RESILIENCE AND LAND

EAST ASIA AND PACIFIC

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ABBREVIATIONS AND ACRONYMS

ESMP	Environmental and Social Management Plan
GRM	Grievance Redress Mechanism
IBRD	International Bank for Reconstruction and Development
IRI	Intermediate Result Indicator
ISR	Implementation Status and Results Report
KPI	Key Performance Indicator
NGO	Non-government Organization
OP	Operational Policy
PDO	Project Development Objective
PIA	Project Implementing Agency
PMO	Project Management Office
RAP	Resettlement Action Plan
RP	Restructuring Paper
RSS	Regional Safeguards Secretariat
TA	Technical Assistance



BASIC DATA

Product Information

Project ID P133000	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 11-May-2015	Current Closing Date 30-Jun-2022

Organizations

Borrower People's Republic of China	Responsible Agency Huainan Project Management Office
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Project Development Objective (PDO)

Original PDO

The project development objective is to remediate and create a public space at the JiuDa mining site in Huainan city.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-85120	11-May-2015	23-Jun-2015	16-Sep-2015	30-Jun-2022	63.00	48.35	14.65

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Background

1. A US\$100 million IBRD Loan for the Huainan Mining Area Rehabilitation Project ('the project') was approved on May 11, 2015 and became effective on September 16, 2015 with initial loan closing date on June 30, 2021. The Project Development Objective (PDO) is to remediate and create a public space at the JiuDa mining site in Huainan city. The project consists of three components, namely: (a) Environmental Remediation and Water Management; (b) Infrastructure Improvement and Site Utilization; and (c) Capacity Building and Technical Assistance.

2. On September 22, 2020, the project underwent a Level II restructuring to (i) adjust the scope of several components and their costs due to higher than planned land acquisition needs and insufficient counterpart funding to support them, as well as changed government priorities for project versus private financing of several project activities; (ii) cancel US\$37 million of the IBRD Loan to account for loan savings and the cancelled activities; (iii) reallocate Loan proceeds between disbursement categories to reflect the cancellation and facilitate further utilization of the Loan proceeds; (iv) extend the closing date by 12 months, from June 30, 2021 to June 30, 2022, to facilitate the completion of delayed and new activities; (v) make adjustments to project indicators and targets to ensure proper M&E of the revised activities; (vi) align the disbursement estimates and implementation schedule with the Loan allocation and extended closing date, (vii) adjust the implementation arrangements to reflect an organizational reform within the Huainan Municipal Finance Bureau; (viii) revise several risk ratings with an overall Moderate risk rating following a recalibration exercise; and (ix) update the project's economic and financial analysis and technical analysis in view of the cancelled and added activities.

3. This Restructuring Paper (RP) proposes a second level II project restructuring for Regional Vice President (RVP) approval to add OP 4.04 (Natural Habitats) to the list of triggered safeguards policies, a change which was noted in the September 2020 RP as forthcoming once the project's Environmental and Social Management Plan (ESMP) was updated with additional mitigation and management measures for habitat conservation. The remediation works of the project turned the abandoned mining areas into lakes with improved environment surrounded by vegetation, one of which become a new wetland habitat for migratory birds (mandarin ducks, second class national protected animals). The migratory birds are thus identified as additional environmental sensitive receptors under the project under OP/BP4.04 Natural Habitat. The RP also proposes to align the project's social and environmental analyses with the updated ESMP, and a design change associated with the construction of Wanxiang Road from initial 1.432 km to 0.654 km to reflect unstable geotechnical conditions of the proposed route and very few traffic volume than predicted at appraisal. In addition, the length change of Wanxiang Road plus some design optimization to better protect the natural habitat also leads to revision of three IRIs targets. The results framework results will be adjusted to reflect the proposed changes, and that the closing date of the project remains as planned.

B. Project Status

4. **Overall Implementation Status and Achievements to-date.** Progress towards achieving the PDO is rated *Satisfactory*, justified by the PDO's relevance, efficacy, and efficiency, as well as the residual risk to the PDO as follows:

- (a) **Relevance:** The PDO remains relevant to the World Bank Group's Country Partnership Framework (CPF) for China for FY2020-2025 (Report No. 117875-CN), and its aim to promote greener growth under Engagement Areas 2.1: Facilitating transition to a low-carbon energy path and 2.2: Reducing air, soil, water, and marine plastic pollution. It is also in line with the new national strategy "National Sustainable



Development Planning for Resource-Based Cities (2013-2020)”, where Huainan City was selected as the first city to pilot ecological transformation in the context of resource-exhausted cities - an extremely pressing subject in China. This strategy’s call for market-driven creation of public space from remediated land was addressed in the September 2020 restructuring where such activities were removed from the project.

- (b) Efficacy: The project has continuously made progress toward achieving the agreed outcome with all the five outcome indicators either met or exceeded their 2021 and/or end of target value. Land acquisition has been completed, setting the stage for the completion of all remaining project activities and the achievement of all project targets by the closing date.
- (i) PDO Indicator¹ #1 on ‘Dump sites closed under the project (ha)’ has been achieved with 94.9 ha of dumpsites closed – meeting the end target.
 - (ii) PDO Indicator #2 on ‘Improved water quality in the remediated area (water quality grade)’ has been achieved, with water quality monitoring in 6 ditches within the remediation zones showing that surface water has reached a Class V quality.
 - (iii) PDO Indicator #3 on ‘Satisfaction of users of public space created under the project (percentage)’, has been exceeded for both male and female users compared to the 2021 targets, with 72% satisfaction of males and 70% satisfaction of females.
 - (iv) PDO Indicator #4 on ‘Public space created (public park, tourist/exhibition centers and associated entertainment/recreational facilities) (ha)’ has reached 330 ha, exceeding the 2021 target.
 - (v) PDO Indicator #5 on ‘Direct project beneficiaries’ has reached 20,200, exceeding the final target 20,000, of which 52% females.
- (c) Efficiency: Project efficiency has been supported by promoting standardization, transparency, open government, and contractual consistency across project procurement, resulting in the significant loan savings that led to the cancellation of US\$37 million IBRD in the September 2020 restructuring. Efficiency is also promoted by focusing on total asset management after construction and handover to concerned government agencies, private participation, and public-private partnerships. On the other hand, efficiency has been somewhat weakened by past implementation delays.
- (d) Risks Assessment: The project’s overall risk was recalibrated from ‘Low’ in the June 2021 Implementation Status and Results Report (ISR) to ‘Moderate’, given the Moderate risk rating of environmental and social safeguards, which was suggested in the supplementary ecological impact analysis. The analysis concluded that if the mitigation actions were not implemented timely, the original engineering design and remaining construction activities will have potential adverse impacts on mandarin duck habitat during wintering with potential impacts on the existing favorable landscape features (i.e., lake surface, aquatic ecosystem and nut trees), temporary disturbance due to construction nuisance (noise and human activities) to the birds, and potentially disturbance to bird habitat due to visitor activities during project operation. Mitigation actions have been agreed and implemented by the client, including: (i) suspension of construction activities around the habitat during mandarin duck wintering from November to March; (ii) improvements of aquatic ecosystem with very close by woodland plus additional protection measures to minimize disturbance to the bird during project operation; and (iii) consultation with key stakeholders including bird protection NGO and bird experts to discuss the adequacy of additional mitigation measures proposed for the project on the protection of new wetland, close by woodland and migratory birds.

¹ Referred to in the results framework as Key Performance Indicator (KPI).



5. **Overall Implementation Progress.** Overall implementation progress is rated *Moderately Satisfactory* due to some delays experienced mainly under Component 2 as described below. As of now, about 95% of the original remediation activities have been completed, and the additional batch of five contracts of about US\$21.5 M of project activities for tourist center/curbside service stations/irrigation pumping stations were launched in March 2021 and will be completed by December 2021 for civil works, and April 2022 for interior decoration and commissioning. Disbursement has picked up in the past year from 55% to 71% thanks to good progress made in the original activities, showing no disbursement lag, with 3 of the 5 outcome results increasing and 7 of the 15 intermediate results also showing an increase as a result of this good progress.

(a) **Component 1: Environmental Remediation and Water Management** is rated *Satisfactory*. The component which includes environmental remediation of 350 ha. of abandoned mining area, rehabilitation of local water system, and closure of Datong dumpsite was packaged into seven civil works contracts, of which six were fully completed and one at 98% completed. All the component-level intermediate results, as measured by their intermediate result indicators (IRIs), have been achieved or exceed their respective final targets.

(b) **Component 2: Infrastructure Improvement and Site Utilization** is rated *Moderately Satisfactory*. This originally include seven contracts (4 works and 3 goods): three goods contracts of CNY6.65 M were fully completed; one of the works contracts of CNY67.35 M is ongoing; and the other three works contracts of CNY75 M were either built by domestic funds or dropped due to the change of government priorities of the municipality. The implementation of the new activities of five contracts as approved in the September 2020 restructuring, including construction of a 3,998 m² multi-function visitor center with two additional curbside services (together with expansion of initial proposed three, the total built-up area of curbside services will be 1,362 m²), ecological parking lots, public toilets, completed with re-vegetation of a 12,845 m² area and a green path with three irrigation pumping stations are on track. All activities including the above-mentioned five new contracts of about CNY104 M will be completed by the closing date. All six intermediate results will achieve the final target.

(c) **Component 3: Capacity Building and Technical Assistance** is rated *Moderately Satisfactory*. The component includes five technical assistance (TA) contracts, of which three were fully/substantially completed and two are under implementation to support the project implementation up to until project closure. Despite of the delay, all three intermediate results will achieve their final targets before the loan closing June 30, 2022.

6. **Environmental Safeguards.** The project has been in compliance with the environmental safeguards policies with a 'Satisfactory' rating, and the environmental benefits anticipated at appraisal have been achieved, including clearance of all dumpsites and improvement of water quality. The remediation works have turned the mining areas into lakes surrounded by vegetation, one of which becoming a new habitat for migratory birds (mandarin ducks, second class national protected animals) since October 2017 based on the observation of a local non-government organization (NGO), Huainan Bird Lover Association. The Project Management Office (PMO) received a complaint in October 2019 from the NGO expressing concerns about the potential impacts of the project activities on the migratory birds in the vicinity of the lake in the wintertime. Immediately after receiving the complaint, the PMO organized consultations with the NGO and measures were taken to mitigate any negative impacts on the habitat. These included: (i) the suspension of all ongoing works (i.e. Contract No: C15) in the vicinity of the new habitat during the bird wintering period from November to March (five months) since 2020, (ii) improvements of aquatic ecosystem with very close by woodland plus additional protection measures to minimize disturbance to the bird during project operation; and (iii) consultation with key stakeholders including bird protection NGO and bird experts to discuss the adequacy of additional mitigation measures proposed for the project on the protection of new wetland and migratory birds.



7. Since the new wetland and the migratory birds are identified as additional environmental sensitive receptors under the project, OP/BP4.04 Natural Habitat was additionally triggered during project implementation following the World Bank's Safeguards Policy requirements and the supplementary ecological impact analysis particularly targeting the new habitat and migratory birds was conducted to evaluate the project-associated ecological impacts, based on which the project ESMP has been updated to integrate all the additional measures proposed for the project, including engineering measures as part of the improved project design, and management measures and monitoring arrangements in construction and operation phases. The Bank team had fully consulted and engaged with the regional safeguards advisor throughout the process.

8. **Citizen Engagement:** The project has established and implemented various mechanisms to ensure proactive and robust engagement with affected persons and stakeholders. The environmental and social (E&S) assessments consulted multiple stakeholders as a way of informing project design and identifying mitigation measures. The PMO/PIUs operate various formal and informal grievance mechanisms to make them suitable for the communities. The PMO addressed the complaint to the satisfaction of the NGO and received very positive recognition by the local media on the way addressing the issue. Following the World Bank's recommendations, the PMO has conducted further environmental and social assessments and stakeholder consultations related to the new habitat during the bird wintering period and used the findings to update the project's ESMP with additional mitigation and management measures for natural habitat conservation to ensure compliance with OP 4.04.

9. **Social Safeguards.** The project has been in compliance with the social safeguards policies with a 'Satisfactory' rating. All land acquisition and physical/economic resettlement have been completed.

10. **Financial Management.** The financial management rating remains 'Moderately Satisfactory' mainly due to the delayed disbursement although financial management system has been maintained in a manner satisfactory to the World Bank. The required financial reports are being submitted to the World Bank on time, and all audits have been 'unqualified'. There are no pending financial reports or audits.

11. **Procurement Management.** The procurement rating is 'Satisfactory'. Initial procurement plan approved at the project appraisal included eighteen contracts (eleven civil works, two goods and five TAs consulting). Of all eleven civil works, seven are fully or substantially completed; one contract was terminated by the contractor with its remaining works packaged as a new contract currently under rebidding process (cost estimate \$1.92); and other three civil works contracts were dropped due to either the change of government priorities or switching to local funding. Two goods contracts were fully completed. Of all five consulting services contracts, one was fully completed; two are substantially completed pending for the workshop to be held in November; and two are ongoing as to support the project implementation up to loan closing.

12. Out of the five newly added civil works contracts of total estimates around US\$21.6 million proposed after the first restructuring on September 22, 2020, one contract (US\$7.4 million for the tourist center) has completed by 40%, three contracts (in value around US\$3.1 million) which are the provision of interior facilities of tourist center are being processed of bidding. The final contract (in value around US\$11.1 million) for enhancing future site operation plus better protection of natural habitat in responding to triggering Bank safeguards policy the OP4.04 by this restructuring, will be called for bid in November 2021. The contract implementation schedule is optimized to minimize its impacts on the birds wintering. As committed by the municipal government, all remaining contracts will be completed before the project closing date. Detailed implementing schedule and implementation status of the civil works contracts are summarized in Annex 2.



13. **Compliance with Covenants.** Compliance with the project's legal covenants has been satisfactory with all covenants complied with.

C. Rationale for Restructuring

14. Site remediation has resulted in significant environment improvements, including improved water quality, enhanced vegetation coverage (woodland), and increased biodiversity. One of the rehabilitated lakes becomes new habitat for bird wintering. It is necessary to trigger additional safeguards policy OP 4.04 for Natural Habitat to protect this new natural habitat to ensure risk mitigation and management measures are taken by the client. The ESMP was updated to reflect triggering this policy.

15. Under the Component 2, modification of initial Wanxiang Road construction by reducing its length and width due to its unstable geological conditions is proposed to avoid significant cost increase. Moreover, the road will have much lower traffic volume than initially projected. These factors were not reflected in the September 2020 results framework changes because the subsidence investigation was ongoing, and decision and approval for the modification were not finalized by the government. The proposed changes will have no impacts on PDO achievement.

II. DESCRIPTION OF PROPOSED CHANGES

D. Details of Changes

16. **Safeguard Policy- OP 4.04 Natural Habitat Triggered.** An updated ESMP, which provides additional risk mitigation and management measures to protect the new migratory bird's habitat from the impacts of the project, was prepared and disclosed for public consultation on local media and the website² of Huainan Municipal Development and Reform Commission on March 23, 2021 and within the World Bank on August 3, 2021. It has been reviewed by the World Bank and cleared by the Regional Safeguards Secretariat on August 3, 2021. The updated version of ESMP will not leads to amendment to the LA. This may refer to the LA, in Section I- 7 of Appendix, where it mentioned that the ESMP dated Nov. 17, 2014 may be revised from to time to time with the prior written agreement of the Bank', which the Huainan PMO had complied with. The project continues to use the existing multi-level effective GRM to address any related environmental and social complaints.

17. **Social and Environmental Analyses.** The implementation of this project since 2015 has brought marked improvements of local environment. This also leads to the increased biodiversity. In October 2019. the Bank task team received a complaint from local NGO expressing their concerns over the construction impacts on newly formulated bird habitat. Some mandarin ducks which are categorized as Class 2 protection animal in China, arrived in one of rehabilitated lakes for wintering in 2017. The Bank task team advised the PMO to take measures immediately, including suspending construction activities during wintertime, optimizing design to minimize the loan impact, and engaging the stakeholders to develop better protection plan. Meanwhile, the task team launched preparation of triggering the Bank safeguards policy for Natural Habitat of OP4.04. Meanwhile, during the implementation of the project, it was found that there was a big gap between the actual requirements of land acquisition and displacement with what had been initially identified in the RAP prepared before project launching. The RAP was updated and approved by the Bank in January 2019. Further amendment was made to the RAP to reflect some changes of the

² <http://fgw.huainan.gov.cn/xmgs/551560768.html>



restructuring approved on September 24, 2020. Such changes were reflected in the revised ESMP. A copy of the updated ESMP (summary) is attached as Annex 1 to this RP.

18. **Results Framework.** Three of the project's IRIs' targets will be revised as shown in the following Table 1. These changes were communicated to the World Bank by the PMO on April 28, 2021, and the PMO will be requested to revise the Project Implementation Plan as stated upon approval of this restructuring.

Table 1. Summary of IRI changes

Intermediate Results Indicator	Proposed Change
Component 1	
IRI 1.5 Length of green paths constructed (Kilometers)	The end target will be increased from 28.48 km to 28.82 km.
IRI 1.6 Length of the flood discharge canals rehabilitated (Kilometers)	The end target will be reduced from 8.9 km to 8.09 km.
Component 2	
IRI 2.1 Length of road rehabilitated/constructed (Kilometers)	The end target will be reduced from 6.97 km to 6.07 km.

19. **Overall Risk Rating.** The overall risk was recalibrated from 'Low' to 'Moderate' to reflect the residual risks mainly due to the environmental impacts of remaining project activities on the natural habitat. Additional safeguards policy has been triggered, physical mitigation measures have been adopted, moderate risk rating may draw more attention from all stakeholders to minimize potential adverse impacts.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Overall Risk Rating	✓	
Safeguard Policies Triggered	✓	
Social Analysis	✓	
Environmental Analysis	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Components and Cost		✓
Loan Closing Date(s)		✓



Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓

IV. DETAILED CHANGE(S)

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating at Approval	Current Rating
Political and Governance		● Low
Macroeconomic		● Low
Sector Strategies and Policies		● Low
Technical Design of Project or Program		● Low
Institutional Capacity for Implementation and Sustainability		● Low
Fiduciary		● Low
Environment and Social		● Moderate
Stakeholders		● Low
Other		● Low
Overall		● Moderate



COMPLIANCE

Safeguard Policies

Safeguard Policies Triggered	Current	Proposed
Environmental Assessment (OP) (BP 4.01)	Yes	Yes
Performance Standards for Private Sector Activities OP/BP 4.03	No	No
Natural Habitats (OP) (BP 4.04)	No	Yes
Forests (OP) (BP 4.36)	Yes	Yes
Pest Management (OP 4.09)	Yes	Yes
Physical Cultural Resources (OP) (BP 4.11)	Yes	Yes
Indigenous Peoples (OP) (BP 4.10)	No	No
Involuntary Resettlement (OP) (BP 4.12)	Yes	Yes
Safety of Dams (OP) (BP 4.37)	No	No
Projects on International Waterways (OP) (BP 7.50)	No	No
Projects in Disputed Areas (OP) (BP 7.60)	No	No



Results framework

COUNTRY: China

Huainan Mining Area Rehabilitation Project

Project Development Objectives(s)

The project development objective is to remediate and create a public space at the JiuDa mining site in Huainan city.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets							End Target	
			1	2	3	4	5	6	7		
To remediate the JiuDa mining site											
KPI #1 Dump sites closed under the project (Hectare(Ha))		0.00	0.00	23.90	55.90	94.90	94.90	94.90			94.90
KPI #2 Improved water quality in the remediated area (water quality grade) (Text)		Below Class V	Below Class V	Below Class V	Below Class V	Class V	Class V	Class V			Class V
To create a public space in JiuDa mining site											
KPI #3 Satisfaction of users of public space created under the project (Percentage)		0.00	0.00	20.00	40.00	45.00	55.00	70.00			75.00
KPI #3.1 Satisfaction of female users (Percentage)		0.00	0.00	20.00	40.00	45.00	55.00	70.00			75.00



The World Bank

Huainan Mining Area Rehabilitation Project (P133000)

Indicator Name	PBC	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
KPI #3.2 Satisfaction of male users (Percentage)		0.00	0.00	20.00	40.00	45.00	55.00	70.00		75.00
KPI #4 Public space created (public park, tourist/exhibition centers and associated entertainment/recreational facilities) (Hectare(Ha))		0.00	0.00	0.00	0.00	50.00	200.00	300.00		379.67
To remediate and create a public space at the JiuDa mining site										
KPI #5 Direct project beneficiaries (Number)		0.00	0.00	5,200.00	8,320.00	12,800.00	20,000.00	20,000.00	20,000.00	20,000.00
KPI #5.1 Female beneficiaries (Percentage)		0.00	0.00	41.00	45.00	47.00	47.00	47.00		47.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets						End Target	
			1	2	3	4	5	6		
Component 1: Environmental Remediation and Water Management										
IRI 1.1 Land area remediated with improved vegetation coverage (Hectare(Ha))		0.00	0.00	35.00	101.00	230.00	300.00	350.00		350.00



Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
IRI 1.2 Vegetation cover of the remediated areas (Percentage) (Percentage)		20.00	20.00	20.00	25.00	30.00	40.00	65.00	75.00
IRI 1.3 Leachate collected and treated for safe disposal annually (Cubic Meter(m3))		0.00	0.00	0.00	0.00	350.00	350.00	350.00	350.00
IRI 1.4 Area protected against 1/30 year floods (Square kilometer(km2))		0.00	0.00	0.00	0.00	4.00	6.00	9.00	9.00
IRI 1.5 Length of green paths constructed (Kilometers)		0.00	0.00	0.00	5.00	11.00	20.00	28.82	28.82
Action: This indicator has been Revised	Rationale: The final target is revised from 28.48km to 28.822km as a result of green paths routing optimization in line with bird habitat protection measures prescribed in the ESMP.								
	Green paths		Length, km						
	Grade I		7.23						
	Grade II		2.5						
	Grade III		19.09						
	Total length		28.822						
IRI 1.6 Length of the flood discharge canals rehabilitated (Kilometers)		0.00	0.00	0.00	3.00	5.50	7.56	8.09	8.09
Action: This indicator has been Revised	Rationale:								



Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
<p><i>The final target is revised from 8.90km to 8.093km as a result of flood discharge canal optimization.</i></p>									
<p>Component 2: Infrastructure Improvement and Site Utilization</p>									
IRI 2.1 Length of road rehabilitated/constructed (Kilometers)		0.00	0.00	1.30	4.20	4.20	4.67	6.07	6.07
	<p>Rationale: <i>The final target is revised from 6.97km to 6.07km to reflect 1) a reduced length of Wanxiang Road from initial 1.432km to current 0.654km, and 2) a correction to previous calculation error by deducting 0.123 km for the total length. Currently, the geological conditions of a certain section crossing one a lake is unstable as evident in its settling by more than 0.5m in the past 3-5 years as per the recent monitoring conducted by the designing institute of the project. To stabilize it, additional financial resources are needed and contract price would be doubled. Moreover, the implementation of regional road networks planning in the vicinity of Wanxiang Road are scheduled in phases, resulting in less traffic volume foreseeable for dropped section. Therefore, it will be more cost-effective to reduce the length of the road to reflect the change of the local context.</i></p> <p>Action: This indicator has been Revised</p>								
IRI 2.2 Number of people employed through site utilization activities (Number)		0.00	0.00	0.00	0.00	0.00	100.00	350.00	430.00
IRI 2.2.1 Number of women employed through site utilization activities (Number)		0.00	0.00	0.00	0.00	0.00	50.00	206.00	206.00
IRI 2.3 Number of visitors to public space created (Number)		0.00	0.00	0.00	0.00	0.00	20,000.00	50,000.00	100,000.00
IRI 2.3.1 Number of Women visitors to		0.00	0.00	0.00	0.00	0.00	9,800.00	24,000.00	48,000.00



Indicator Name	PBC	Baseline	Intermediate Targets						End Target	
			1	2	3	4	5	6		
public space created (Number)										
IRI 2.4 Total areas of tourist service center constructed (Square Meter(m2))		0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	3,998.00
IRI 2.5 Number of Curbside Service Stations with Public Toilets Constructed (Number)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	5.00
IRI 2.6 Number of Irrigation Pumping Stations Constructed (Number)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	3.00
Component 3: Capacity Building and Technical Assistance										
IRI 3.1 Number of people trained at the skills training institutions (Number)		0.00	0.00	0.00	0.00	0.00	0.00	100.00	800.00	965.00
IRI 3.1.1 Number of women trained at the skills training institutions (Number)		0.00	0.00	0.00	0.00	0.00	0.00	50.00	380.00	463.00
IRI 3.2 Technical Guidelines for mining subsidence area rehabilitation & redevelopment (Text)		Non-Existent	Non-Existent	Non-Existent	Non-Existent	Inception reports	Reports developed and workshops held	Technical Guidelines disseminated on Website	Technical Guidelines disseminated on Website	Technical Guidelines disseminated on Website



Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
IRI 3.3 Project site management entity established and operational (Yes/No)		No	No	Yes	Yes	Yes	Yes	Yes	Yes



Annex 1: ESMP Summary

The Loan Agreement and Project Agreement of Huainan Mining Area Rehabilitation Project funded by the World Bank Loan (Loan Number: LN-85120) were signed on 23 June 2015. Implementation period of this project is six years and the loan closing date planned is 30 June 2021.

The Environmental Impact Assessment (EIA) report and the Environmental and Social Management Plan (ESMP) of this Project were prepared in 2014, covering environmental and ecological impact assessment on the project-affected areas. The EIA report concluded that the project areas had been long affected by human activities, with the presence of industries and entities, closed coal mines, villages, secondary forest, farmland, and water ponds. When the EIA was prepared, no natural reserve, drinking water source protection area, scenic area or other environmentally sensitive area was identified in the assessment area and there are no rare or endangered animals or wild animals under legal protection. Implementation of this project will benefit local environment without the potential to cause significant conversion (loss) or degradation of natural habitat

As originally expected, the implementation of this project since 2015 has brought marked improvements of local environment. Water system rehabilitation and environmental remediation in the subsidence areas has helped to increase water surface and vegetation coverage and formed new lake wetland, which has attracted wild mandarin ducks (under national Class 2 protection) to Lake 2 in the project area for wintering. The formation of this new natural habitat has drawn the attention of both project implementation units and a local NGO. After the wintering of wild mandarin ducks was found in the project area, immediate measures were taken to avoid and minimize any negative impacts of the project on the new wetland and wintering birds, including: (i) suspension of construction activities around the habitat during mandarin duck wintering; (ii) improvements of aquatic ecosystem with very close by woodland plus additional protection measures to minimize disturbance to the bird during project operation; and (iii) consultation with key stakeholders including bird protection NGO and bird experts to discuss the adequacy of additional mitigation measures proposed for the project on the protection of new wetland and migratory birds. Since the new wetland and the migratory birds are identified as additional environmental sensitive receptors under the project, OP/BP4.04 Natural Habitat was additionally triggered during project implementation following the World Bank's Safeguards Policy requirements and the supplementary ecological impact analysis particularly targeting the new habitat and migratory birds was conducted to evaluate the project-associated ecological impacts (Attachment 5), based on which the project ESMP has been updated to integrate all the additional measures proposed for the project, including engineering measures as part of the improved project design, and management measures and monitoring arrangements in construction and operation phases, as reflected in Chapter 1, Chapter 2, Chapter 4, Chapter 5 and Attachment 5.

The supplementary ecological impact analysis concluded that the original engineering design and remaining construction activities will have potential adverse impacts on mandarin duck habitat during wintering with potential impacts on the existing favorable landscape features (i.e., lake surface, nut trees and) and temporary disturbance due to construction nuisance (noise and human activities) to the birds, and potentially disturbance to bird habitat due to visitor activities during project operation. Accordingly, the key mitigation measures are proposed as follows: (a) design improvements to retain/enhance landscape features in favor of newly identified bird habitat, such as the increase of water surface and buffer zone; (b) suspension of construction activities with potential disturbance to migratory birds during wintering; (c) regular monitoring of bird communities; (d) enhanced education and better behavior management of construction workers (during construction) and visitors (during operation); and (e) establishment and maintenance of grievance redress mechanism throughout project implementation. The above mitigation measures is deemed adequate to manage the



anticipated adverse impacts on the newly identified bird habitat during project construction and operation and to enhance the environmental benefits already achieved with current project implementation.

This edition of ESMP also reflects the adjustments of activities following the project restructuring completed in September 2020, including the cancellation of some project activities (i.e., construction of Zhongxing Road, flower market, tree nursery, and bonsai garden) and the addition of some small-scaled civil construction (namely, a multifunctional visitors' service center, three additional curbside service stations, and three additional irrigation pump stations) as well as the change of institutional arrangements (reduction of PIU number from original five to current four). The overall reduced scope of construction activities is anticipated to decrease the adverse environmental and social impacts resulting from the project. Also, all the additional small-scaled civil works are located within the original project areas and will not involve any new sensitive environmental receptor. Adverse environmental and social impacts associated with the newly added project activities will be adequately mitigated through implementation of mitigation measures in the original ESMP.

During the project preparation period (2014), the Resettlement Action Plan was prepared and approved by the World Bank. However, during the implementation of the project, there was a big gap between the actual impact of land acquisition and the impact of the RAP prepared during the preparation period of the project. Therefore, from September to December 2018, Huainan State finance Office commissioned a new agency to update the RAP, which was approved by the WB in January 2019. On the other hand, based on the report of RAP (updated version 2019), a supplementary description of the change of project content and land use of the subproject of mid-adjustment was prepared. The new project activities will occupy 48.94 mu state-owned land, including 38.44 mu for multifunctional service center, 10.47 mu for five roadside service stations, and 0.42 mu for the three irrigation lifting stations. All these facilities were within original project area and there was no new impact of land acquisition and demolition. See Chapter 9 for main updates and modifications.



**Annex 2 Implementation Status of Civil Works Contracts
as of 30 September 2021**

No	Contracts Description/Contract No.	Contract price,* Mln US\$	Physical Complet. %	2021			2022						ORI/ RES*	Impacts on bird habitat				
				Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun						
1	Rehabilitation Zone 1	C01	3.82	100%	Site transferred to operation											ORI	No	
2	Rehabilitation Zone 2-1	C02-1	6.72	100%	Site transferred to operation											ORI	No	
3	Rehabilitation Zone 2-2	C02-2	3.41	100%	Site transferred to operation											ORI	No	
4	Rehabilitation Zone 3-2	C03-2	4.48	100%	Site transferred to operation											ORI	No	
5	Green paths	C04	6.97	95%	Reparing damaged sections due to recent floods.	Site transferred to operation											ORI	Yes**
6	Water System	C05	4.47	100%	Site transferred to operation											ORI	Yes**	
7	Dumpsite closure	C06	13.14	100%	Run by professional operator											ORI	No	
8	Jiukong/Wanxiang/Yanshan	C08	6.05	Terminated on request of contractor. Remaining works packaged into C13											ORI	No		
12	Wanxiang Road (for remaining works under C08)	C13	1.92	0%	Rebidding	Construction									ORI	No		
9	Tourist center/curbide stations/Irrigation facilities	C10	7.38	40%	Construction									RES	No			
10	Interior decoration of the tourist center	C11	1.33	0%	Bidding	Interior decoration/equipment								RES	No			
11	Power supply of the tourist center	C12	0.95	0%	Bidding	Installation of electrical								RES	No			
13	Exhibition design/arrangement	C14	0.77	0%		Bidding	Exhibiting facilities						RES	No				
14	Facilities for enhancing the habitat protection and remediated site operation***	C15	11.08	0%	Bidding	Enhancing activities for future operation as a public space of the municipality. No direct works in bird habitat but minor works (US\$2 mln) around habitat scheduled in Aril-June 2022 when birds migrate away.											RES	Limited.
Total			72.49															

Notes: * ORI/ RES - ORiginal / REStructuring activities.

** The activities which had impacts on bird inhabit were fully completed during none bird wintering period.

*** Implementation of contract C15 will enhance the future site operation but minimize the operation impatcs on new natural habitat, including ecological screen and buffer around the habitat. Works with limited impacts in value around US\$2 million will be implemented in late April to June 2022 when birds migrate away.