

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC9593

Project Name	CN-Hubei Jingzhou Historic Town Conservation Project (P148523)
Region	EAST ASIA AND PACIFIC
Country	China
Sector(s)	Urban Transport (50%), General water, sanitation and flood protection sector (50%)
Theme(s)	Cultural Heritage (60%), Other urban development (40%)
Lending Instrument	Investment Project Financing
Project ID	P148523
Borrower(s)	People's republic of China
Implementing Agency	Hubei Jingzhou PMO
Environmental Category	A-Full Assessment
Date PID Prepared/ Updated	01-Jun-2015
Date PID Approved/ Disclosed	02-Jun-2015
Estimated Date of Appraisal Completion	06-Jul-2015
Estimated Date of Board Approval	19-Nov-2015
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

China's rapid urbanization over the past three decades has facilitated impressive economic and social gains. The country became the second largest economy in the world in 2010, with over half of its population now living in cities. About 500 million people have been pulled out of poverty in the process. Further transition is projected to add another 300 million to China's urban population by 2030 and continue boosting the economic growth. Coupled with people's improving living standard is the increasing awareness and appreciation of cultural heritage assets. Cultural heritage is considered to be not only an essential element of national history and pride, but also an asset for economic and social development.

Historic cities in China have been facing multiple challenges in leveraging heritage assets. They need to (i) conserve the degrading heritage assets under technical and financial constraints and (ii) upgrade the dilapidated infrastructure in a densely populated urban context, (iii) modernize without

completely losing the cities' distinctive features and the indigenous live elements, etc. Without a sound understanding of the local historic urban fabrics and a proper and efficient regulatory framework, investments might be inappropriately made for new constructions imitating ancient architect or copying development patterns in other cities, jeopardizing the value of existing historic relics and leading to the loss of the uniqueness of such cities.

Sectoral and Institutional Context

Cultural heritage conservation is incorporated into national development strategies. China's National 12th Five-Year Plan highlights the conservation of historic relics, listed historic cities and intangible heritage as ways of enhancing inheritance and expanding utilization of cultural capital. The most recent national urbanization strategy, the National New-type Urbanization Plan (2014-2020) identifies inadequate conservation of heritage assets and loss of cities's uniqueness as two critical challenges that need immediate attention. The conservation of distinctive historic urban landscapes, environmental improvement and enhanced resource management are key goals.

Tourism is a high priority in China's National 12th Five-Year Plan. It attaches great importance to balancing conservation and development of tourism resources, including tangible and intangible heritage assets. to the Government's main measures to promote tourism development include (i) strengthening tourism infrastructure; (ii) promoting the development of key tourism regions and travel routes; (iii) facilitating markets and diversifying tourism associated products; (iv) designing in-depth cultural tourism experiences, etc. Recently, the State Council issued a number of guidance notes to promotetourism reform and development. By the year 2020, total tourism spending is expected to reach 5.5 trillion Yuan, with the tourism industry accounting for more than 5 percent of GDP.

Jingzhou Municipality, located in south central Hubei Province is endowed with rich cultural heritage assets where tourism is a pillar industry. With a population of 6.6 million,the annual per capita disposable income of urban households was 18,706 yuan in 2013, lower than the national average of 26,955 yuan and provincial level of 22,906 yuan . Jingzhou was the capital of the Chu Kingdom for over 4 centuries. It has a long and fabled past in Chinese history and imagination as many of the well-known episodes in the Three Kingdoms, an ancient novel and a part of the national literary canon read by all school children, take place there. Given this past, Jingzhou was among the first set of cities to be listed as a national historic city in 1982. Jingzhou Historic Town is surrounded by a 12-km City Wall, one of the best preserved and complete City Walls in China and is clearly of immense cultural and historic value. Recognized as a National Heritage asset since 1996, it is now on the tentative list for nomination to UNESCO as a World Heritage site. The water environment is a distinguishing feature of the Historic Town, with its series of inner and outer lakes, outer canals, moat, and numerous smaller ponds. Built in 1725, Jingzhou's Confucius Temple is listed as a provincial and municipal level heritage asset; it once included an elaborate complex much of which was demolished during the Cultural Revolution and its grounds were subsequently converted into a school. Western Hubei Eco-Cultural Tourism Circle Plan also identifies Jingzhou Historic Town as one of the Top 10 destinations in the province.

The lack of funds and limited asset management capacity has led to a piecemeal approach to restoration of the ancient city wall and other heritage sites within the historic town. Rapid economic development, poor enforcement of planning and environmental regulations and outdated infrastructure systems has also been putting pressure on the conservation of heritage assets. Little remains of the historic buildings within the city walls. The few remaining historic buildings and the

wall itself are facing increasing degradation due to lack of maintenance, conflicting land use and pressures for redevelopment. Historically, the town's water bodies were inter-connected and subsequently flowed into the nearby Yangtze River, but with the combined effect of urban encroachment and climate change, many of these linkages have disappeared. The water bodies are now heavily polluted (less than Class V) due to discharge of raw sewage and non-point source pollutants as well as the urban drainage run-off. Tourism development and support to local livelihoods require the systematic conservation of heritage assets restoration of the water environment and upgrading of infrastructure. The proposed project will support the municipality in this regard.

Relationship to CAS

The project is aligned with the Country Partnership Strategy (CPS) for FY 2013-FY 2016, specifically the objectives set under focus area I "Supporting greener growth." The project's focus on cultural heritage conservation, sustainable tourism development and improved water environment contributes to the CPS outcomes of "Enhancing urban environmental services" and "Demonstrating pollution management." The focus on access to tourism sites through multimodal transport contributes to the CPS outcome of "Promoting low carbon urban transport."

The project supports the World Bank's twin goals of eliminating extreme poverty and boosting shared prosperity. Bank experience demonstrates that effective management and conservation of cultural heritage assets of historic cities, where poor and marginal communities tend to live, can bring measurable improvements in their livelihoods. Integration of cultural heritage assets into development through sustainable tourism is likely to benefit poor communities. Tourism is a labor intensive job creating sector that can employ those with limited skills, providing employment opportunities to women, youth and disadvantaged groups such as migrant workers.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

To conserve cultural heritage, improve water quality and tourism services in project areas in Jingzhou Municipality.

Key Results (From PCN)

At the project level, PDO indicators for the proposed project include:

Tourists' satisfaction with tourism services within project areas

Cultural heritage sites conserved/rehabilitated under the project

Direct project beneficiaries (number), of which female (percentage)

Moat water meets Class IV for BOD

Intermediate outcome indicators include:

City Wall restored under the project (Meter)

Wastewater intercepted from discharging into the moat (Tones/year)

Dredging materials appropriately disposed (Cubic Meter)

Roads rehabilitated, Non-rural (Kilometers) - (Core)

non-motorized roads (Kilometers - Sub-Type: Breakdown)

Tourism bus usage (Number)

Participants rated the training/study tours good or excellent (Percentage)

Participants in consultation activities during project preparation (Number) - (Core)

Participants in consultation activities during project implementation (Number) - (Core)

The indicators will be further refined during project preparation.

III. Preliminary Description

Concept Description

The project would tentatively comprise of four components: a) Cultural Heritage Conservation and Tourism Development; b)

Component 1: Cultural Heritage Conservation and Tourism Development (US\$ 45,605,424 or approximately 30% of total project funds)

This component is intended to conserve Jingzhou's physical and intangible cultural heritage assets intended to also foster tourism development. It comprises of four subcomponents: (i) Conservation of the City Wall which has been damaged by years of neglect, weather and invasive vegetation; the project will introduce a more systematized approach to the conservation and restoration of all the unique features of the wall; (ii) Conservation of the Confucius Temple, establishment of an archaeological excavation site within the temple complex and an exhibition center for educating the public about Confucius; (iii) Support to tourism development by constructing four tourist information centers, landscaping, providing signage and visitor's navigation systems and training local residents to participate in the tourism related business and intangible cultural heritage activities; and (iv) Technical assistance for tourism development (e.g., historic town management, public participation, official tourism website and a 3-D digital cultural heritage management system).

Component 2: Improving the Water Environment of the Historic Town (US\$ 45,605,424 or approximately 30% of total project funds)

This component aims to systematically improve the water ecosystem in the moat, lakes and ponds through the following activities: (i) dredging of the moat and lakes within the historic town to increase their hydraulic capacity, interconnecting water bodies to improve flow; (ii) constructing combined sewage interceptors to prevent raw sewage from being discharged into the moat; (iii) expanding wetlands around the lakes and ponds to support ecological water treatment; and (v) Technical assistance to monitor hydraulic flows and water quality through modeling; and monitoring of the ecosystem of the historic town.

Component 3: Improving Accessibility of the Historic Town (US\$ 58,349,479 or approximately 38% of total project funds)

By introducing multimodal transport options, this component will facilitate access to the Historic City for residents and tourists alike. Possible interventions include upgrading road systems to facilitate pedestrian and bike access in and out of the historic town, improving traffic flow at key choke points (including widening bridges), constructing new above and underground parking garages, public transportation to key sites and an electronic traffic management system. In addition, the component tentatively includes a technical assistance subcomponent to support smart traffic management systems and to develop a guide for non-motorized transport Planning and Design.

Component 4: Project Management and Institutional Capability Building (US\$ 1,923,594 or approximately 1.2% of total project funds)

The component aims to strengthen the institutional capacity of implementing units. It supports (i) consulting services for project management, monitoring and supervision; (ii) office equipment (iii)

training for project management and strengthening institution capacity; and (iv) independent monitoring for the implementation of environmental and social safeguards.

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IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04	x		
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11	x		
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	150.00	Total Bank Financing:	100.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			50.00
International Bank for Reconstruction and Development			100.00
Total			150.00

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Implementing Agencies

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