



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

Appraisal Stage | Date Prepared/Updated: 29-Jun-2018 | Report No: PIDISDSA23821



BASIC INFORMATION

A. Basic Project Data

Country China	Project ID P158142	Project Name Chongqing New Urbanization Pilot and Demonstration Project	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 16-Jul-2018	Estimated Board Date 27-Sep-2018	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) People's Republic of China	Implementing Agency Chongqing PMO	

Proposed Development Objective(s)

The project development objective is to improve the use of public space and increase pedestrian mobility in selected districts of Chongqing’s Central City.

Components

District Regeneration Planning and Implementation
Regeneration Interventions in Nan’an District
Regeneration Interventions in Jiulongpo District
Project Management and Capacity Building

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	264.68
Total Financing	264.68
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	100.00
--	--------



Non-World Bank Group Financing

Counterpart Funding	164.68
Borrower	164.68

Environmental Assessment Category

A-Full Assessment

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

China’s medium-term challenge is to move toward more inclusive and sustainable growth. Rural to urban migration is slowing, the working-age population has peaked and the population is rapidly aging. The economy is at the same time transitioning from investment to consumption and from manufacturing to services. Yet, China is less urbanized than other countries at a similar stage of development and the urban population will rise from 800 million to just over one billion in the next twenty years.¹ The country’s future economic potential will be driven by raised productivity and innovation resulting from the increasing concentration of people and economic activities in cities.

Previous approaches to urbanization are incompatible with China’s new growth scenario. Cities relied heavily on converting collectively-owned rural land into urban land to finance vast greenfield urban-industrial development. Together with single-purpose superblocks surrounded by broad arterial roads, this status-quo approach has led to widespread urban sprawl and car dependency. Correspondingly, air pollution and greenhouse gas (GHG) emissions have increased, community livability has decreased and some inner-city districts have suffered from a lack of investment, deindustrialization, and a declining environment.²

To address this, China has put in place a framework for more inclusive and sustainable urbanization with a focus on the quality, versus quantity, of urban growth. The government has committed to the UN Sustainable Development Goals and adopted the *New Urban Agenda*³ in the form of a National New-Type Urbanization Plan (2014-2020). It has set a goal of peaking GHG emissions by 2030 and launched national policies for a new urban paradigm.⁴ A combination of compact city development and urban regeneration are recognized as increasingly fundamental to sustainable urban development. To do this, cities will need a combination of good urban policies for infill development and urban regeneration alongside targeted investments to focus development around

¹ UN Urbanization Prospects.

² For example, since 1999, Carbon Dioxide (Co2) emissions (metric tons per capita) in China have increased around 300%.

³ As set out in the National Report at Habitat III (2016). Ministry of Housing and Urban-Rural Development, China.

⁴ These include the *National New-Type Urbanization Plan (2014-2020)*; China’s 13th National Five-Year Plan (2016-2020), which dedicated a chapter to people-centered (new-type) urbanization; *Guidelines for Urban Development and Management (2016)*; and *Guidelines on Strengthening Environmental Remediation and Urban Rehabilitation of Cities (2017)*.



centers of social and commercial activity near public transit thus creating a network of neighborhoods, each with its own parks and public spaces, and accommodating a diversity of mixed and overlapping private and public activities and services.⁵

Climate change presents an increasing challenge and risk for city governments. Temperatures in China are rising, precipitation regimes are changing, and shifts have occurred in the distribution of extreme weather events. Urbanization has played a significant role in warming; the heat island effect from expanding cities may account for 40 percent of the warming recorded by China’s network of monitoring stations over the past 50 years.⁶ As China continues to grow, urbanize, and age, its exposure to weather-related loss and damage will increase. The extent of the impacts, however, will be highly dependent on local factors, including the quality of urban planning and city resilience.

Sectoral and Institutional Context

Chongqing has a unique geography and culture and is an economic hub for the less developed western region. The city has a densely-built urban core and a *Central City* consisting of nine urban districts characterized by scattered urban communities located amongst hilly areas. It has numerous suburban districts; a large northeast area dominated by the three-gorges dam area; and a vast, mountainous southeast wing. The landscape of the *Central City* is dominated by mountains spliced by two major rivers – the Yangtze and Jialing – which have been open to international river trade since the late 1800s. For over 70 years, the city has been an economic and cultural center for China’s less developed western region. More recently, it has established itself as a major manufacturing and transportation hub, attracting migrants from across China.

Chongqing is one of the world’s fastest growing cities. GDP per capita increased from US\$544 to US\$8,908 between 1996 and 2016 and the urban population rose from 29.5 to 62.6 percent (of the total population of 30.5 million). The *Central City* population stands at 8.5 million, with a further 5.8 million people expected over the next 20 years. A large share of GDP growth has come from infrastructure development, especially transport. Urban land expansion has been rapid; the urban built-up area has increased fourfold between 1997 and 2015, from 390km² to 1529km², and average density in the *Central City* has declined to lower levels as compared to outside districts.⁷

Chongqing is now one of the World’s most congested cities. The exponential expansion in road and highway networks has consumed and interrupted traditional walkways, disrupted the urban fabric, and laid a heavy environmental footprint. Traffic congestion is a serious issue and the city ranks very high in global traffic congestion surveys. People in the city can expect to spend 52% more time in traffic amounting to an extra 55 minutes per day.⁸ While congestion can be a sign of a vibrant urban economy, at a certain threshold it will become a drag on job growth.

Chongqing has one of the lowest levels of urban human development of China’s 35 biggest cities. Of China’s

⁵ including policies that promote urban regeneration, revitalization of urban centers, restraint on new development in rural areas, higher densities, mixed-use and mixed-income developments, promotion of public and non-motorized transport and the concentration of urban development, and services and facilities at public transit nodes.

⁶ World Bank (2013) Discussion Papers: Climate Trends and Impacts in China.

⁷ By 2015, average population density in the *Central City* (9,118 people per km²) became lower than the average density of districts outside the central city (11,661 people per km²).

⁸ Tom Tom Traffic Index places Chongqing as fourth most congested city in the world after Mexico, Bangkok, and Jakarta.



35 large- and medium-sized cities, Chongqing ranks second to bottom in UNDP's urban human development index, even lower than the provincial capitals of the poorest provinces (Yunnan, Guizhou, and Gansu).⁹ The average urban disposable income in Chongqing was RMB 27,239 in 2017, well below the national average and half that of Shanghai and Beijing. In the past 15 years, Chongqing has become an aging society, which presents an additional challenge for both the economy and municipal service provision, especially under conditions of urban sprawl.¹⁰

Continued urban sprawl and congestion could cancel out the city's emission reduction gains while making it harder to adapt to climate change. Recent studies across Chinese cities suggest that gains in vehicle technology or fuel improvements have already been overwhelmed by changes in travel behavior and urban lifestyles, which are exacerbated by auto-centric urban form and sprawl, leading to overall increases in energy use and GHG emissions. Southwest China has already seen an increase in the frequency and intensity of extreme precipitation events, especially in summer, and climate models suggest this is a trend that is likely to continue along with increasing run-off. The city is already oppressively hot and humid in summer. In July 2016, temperatures in Chongqing reached 44.5 degrees Celsius resulting in an additional 20,000 cases of heat stroke, with the elderly being especially vulnerable.

Chongqing government recognizes the imperative of reforming its urban development model. Chongqing has committed to reduce 19.5 percent of its carbon intensity by 2020, compared to the level in 2015.¹¹ It has put in place municipal plans and policies in support of new urbanization. The municipal government is partnering with the World Bank on a high-level strategic policy report titled *Chongqing 2035 - Towards a Sustainable, Inclusive, and Livable Global City*.¹² The report concludes that how the city plans to accommodate the additional 5.8 million people in the *Central City* and where it will plan job growth will have a fundamental impact on both the city's economic competitiveness and environmental sustainability. The report recommends that the government implement a spatial strategy for compact development that increases economic agglomeration and manages land as a high value but scarce asset.

The municipal government has set out specific objectives for achieving more compact development, through urban regeneration and other means. These include better balancing the location aspects of its job to resident ratio and improving access and walkability to community services, parks, and commercial facilities. In 2017, the municipal government formulated its first-ever *Urban Regeneration Plan*, under the City Masterplan, and developed a package of municipal policies and guidelines to start this process. The plan identifies large stocks of grey-and-brownfield land and under-used buildings where there is need to revitalize neighborhoods and businesses. The plan recognizes the importance of developing community engagement approaches.

Districts will be responsible for implementing urban regeneration activities but are yet to develop their own plans and guidelines or implementing capacity. Previous attempts at regenerating some of the municipality's most depressed urban areas have not had the desired results. Focus has been on physically constructing anew without a sound long-term economic strategy that considers social and environmental dimensions or multi-stakeholder engagement. Most districts do not yet have the experience or technical capacity to plan and

⁹ China Sustainable Cities Report (2016): *Measuring Ecological Input and Human Development*". United Nations Development Programme China.

¹⁰ It is generally accepted in the international community that an aging society is when 10 percent of the population is over the age of 60, or 7 percent of the population is aged 65 and above.

¹¹ Chongqing 13th Five Year Plan for Social and Economic Development (2016-2020).

¹² The report is expected to be released in FY19.



implement long-term multi-dimensional urban regeneration interventions, nor the capacity to support community-led improvements. There is a need for ‘quick-win’ interventions to improve neighborhood spaces, parks, and pedestrian walkways a sufficiently targeted, concentrated form to have impact. At the same time, and in parallel, Districts need to develop more sophisticated plans for regenerating urban land and buildings and strategies for leveraging private sector investment. Districts also require avenues to share experiences within the municipality and globally.

This project will support two Central City Districts to pilot interventions in neighborhood spaces, parks and walkway networks near transit, while more broadly building district and municipal capacity for urban regeneration. These pilot interventions have been selected based on a rigorous screening methodology and are considered quick-win, no-regret investments. They will be monitored using, and contributing to, emerging global good practices. There is growing evidence that these types of intervention can have positive social and environmental benefits and can be good for improving the economic vitality of communities. Sustainable urban regeneration encompasses broader societal, environmental, and economic interventions. Cities around the world, at all stages of development, are looking for evidence-based approaches to urban regeneration that can increase livability, reduce a city’s environmental impact, introduce green solutions, and improve the economic vibrancy and attractiveness of built-up areas. The Project will support the selected City Districts to prepare such long-term strategies, plans, and guidelines for sustainable urban regeneration and sharing these experiences across the municipality and globally.

The project approaches and experiences will be shared through, and enhanced by interactions with, various knowledge sharing channels locally, nationally, and globally. These include: (a) an annual municipal workshop with Central City districts and municipal authorities; (b) an annual stakeholder dialogue on Urban Regeneration with Central City districts, municipal authorities, non-government, academia, and the private sector; and (c) a national workshop on urban regeneration to share the project results with other municipalities in China. The project stakeholders will benefit from interactions as part of ongoing World Bank city knowledge partnerships with WB-Tokyo Development and Learning Center, Korean Institute of Human Settlements, Singapore Urban Regeneration Authority, and Singapore Center for Livable Cities. The project will draw from, and provide inputs to, the World Bank Group’s (WBG) Communities of Practice on (i) Urban Regeneration, (ii) Urbanscapes, and (iii) Transit-Oriented Development as well as the WBG-GEF *Global Platform for Sustainable Cities*. Chongqing City is confirmed as a participating city in the WBG South-south Facility Program for *Knowledge Sharing and Peer Learning on Integrated Urban Transformation* along with Ho Chi Minh, Jakarta, Mumbai, Dar es Salaam, Nairobi, Kinshasa, Kigali, Dakar, Johannesburg, Capetown, and Medellin. The exchange program will focus on three inter-related areas of integrated urban redevelopment: (a) redevelopment of at-risk neighborhoods; (b) integrated transit; and (c) sustainable financing models.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The project development objective is to improve the use of public space and increase pedestrian mobility in selected districts of Chongqing’s Central City.

Key Results

The following indicators will measure achievement of the PDO:



(a) Outcome 1: Improve Use of Public Space¹³

- (i) People provided with access to new or improved public spaces within a 500 meter range, including percentage of female, elderly, and disabled;
- (ii) Public space users within a defined catchment area, including percentage of female, elderly, and disabled;
- (iii) User satisfaction with new or improved public space (% satisfied; rating ≥ 3), including separate ratings for female, elderly, and disabled users;
- (iv) Number of civic institutions accessible within a 10-minute walk from public space intervention sites; and
- (v) Number of businesses accessible within a 10-minute walk from public space intervention sites

(b) Outcome 2: Increase Pedestrian Mobility

- (i) Number of pedestrians per year on walkway intervention sites, including percentage of female;
- (ii) Pedestrian mobility satisfaction within a defined catchment area (% satisfied; rating ≥ 3), including separate ratings for female and elderly users;
- (iii) Number of Points of Interest (POIs) within a 10-minute walk of walkway intervention sites; and
- (iv) Number of transit stations accessible within a 10-minute walk of walkway intervention sites.

Institutional capacity for urban regeneration will be measured by an increase in institutional and technical capacity built in urban regeneration at District-Level (percentage improvement).

D. Project Description

The PDO will be achieved through the following technical support and physical investments in improving public space and pedestrian mobility in two Districts of Chongqing *Central City*. These are complemented by necessary measures to improve technical and institutional capacity for regeneration planning and implementation and knowledge sharing. Details of each project component and scope are described below.

A mini-manual has been prepared (as part of the Project Operation Manual) setting out the screening process for subproject selection for Component 2 and 3, which can be used in future under the Project (in the case of any loan savings occurring) and for scale up in the municipality and lessons sharing nationally and globally (see project file: *Manual: Analytical Approaches for Identification and Prioritization of Urban Regeneration Interventions*). Further details are provided in the PAD Section C: Technical Soundness.

Component 1 - District Regeneration Planning and Implementation (IBRD Loan US\$2.5 million).¹⁴ Technical assistance to: (a) Nan'an and Jiulongpo Districts to (i) conduct urban regeneration demand survey and assessment, including a survey of demand and needs from small-and-medium-size enterprises for business development opportunities,¹⁵ (ii) prepare District Urban Regeneration Plans and Implementation Guidelines, and (iii) assess and enhance institutional capacity in the Districts for planning and implementing urban regeneration; (b) carry out a Nan'an and Jiulongpo District Visioning 2035; (c) Nan'an District to conduct a *Green Buildings Study*

¹³ 'Public spaces' are defined by the activities, a) "neighborhood spaces" and b) "parks," financed by the Project.

¹⁴ Outline Terms of Reference are developed for each technical assistance activity described under Component 1.

¹⁵ As part of this assignment, Nan'an District would conduct a study to review how current parking policies complement a greater emphasis on public space and pedestrian walkways, and make recommendations for improvements in parking policies (including opportunities for private sector participation).



to pilot a building assessment and labeling system for existing buildings, which can be scaled-up to create a market-driven green building system; (d) Nan'an District to develop a mobile phone APP in connection with monitoring the district-wide pedestrian walkway network; and (e) Nan'an District to pilot a Community-Led Bottom-Up (CLBU) Approach for regeneration of three pilot neighbourhoods (Nanping, Huayuanlu and Nanshan). A CLBU Handbook has been developed (as part of the Project Operation Manual) to guide the pilots (see project file: *Handbook of A CLBU Approach for Neighborhood Regeneration*).

Component 2 - Regeneration Interventions in Nan'an District (US\$147.20 million, IBRD US\$68.48 million).

Investments in: (a) regeneration of 13 neighborhoods (Dongxinglu, Jinzjie, Yangguang, Xiangshuilu, Jinshanlu, Jinyan, Gulouwan, Nanhu, Huangjiaya, Zhenwushan, Nanping, Huayuanlu, and Nanshan) of 29 Streets in connection with 16,133 households in 268 buildings in a built-up area 1,208,500 m² on 529 hectares of land in Nanping, Huayuanlu, and Nanshan Street Communities Neighborhoods; (b) improvement of District-Wide Pedestrian Walkway Networks of 29 pedestrian routines of total length of 88.32 km and 3m wide respectively, rehabilitation of Mountain Walkway Networks of 16 pedestrian routines of total length of 42.31 km; and upgrading of three missing road connections (Huanglonglu of 769 m, Huguilu of 1,403m and Tushanlu of 647 m); and (c) greening improvement of Nanhu Neighborhood, Guohuishan, Houbao, Nanping, Huigonglu and under the Dafoqiao Bridge public spaces and parks totaling 32.17 hectares.

The Urban Regeneration Plans will encourage compact and in-fill urban development with less car use as well emphasize private sector participation and the introduction of regeneration financing tools. The plans will potentially generate significant GHG savings. The investment in regeneration of 10 neighborhoods, will include improving drainage systems that would prevent urban flooding and thus increase urban resilience. The building or improving of major walkway networks that connect to public transportation will support city's strategic objective of becoming a car light city. This investment component will have significant positive contributions to climate mitigation goals.

Component 3 - Regeneration Interventions in Jiulongpo District (US\$31.61 million, IBRD Loan US\$24.72 million).

Investments in: (a) construction of 5.3 km pedestrian walkway of average width 3 meters to complete a district-wide pedestrian walking loop; and (b) urban greening improvements of 9 parks (i.e. new construction of Kanglong, Aitao, Wutaishan, Longjingwan, Shimei, Taohuaxi, Jiulong and Tiaodenghe Parks and rehabilitation of Caiyunhu Wetland Parks) totaling 138.37 hectares. Greening improvement of public space and parks and tree planning will serve as "sinks" that are positive for both mitigation and adaptation. Urban greening improvements include green infrastructure necessary for the city to manage increasing run-off and stormwater.

Component 4 - Project Management and Capacity Building (IBRD Loan US\$4.05 million).¹⁶

Provision of project management, implementation support and capacity building activities for the two project districts of Nan'an and Jiulongpo, and Chongqing PMO at the municipal level, including: (i) project management, procurement and contract management, accounting and financial management, project reporting, and construction supervision for Nan'an district and Jiulongpo district; (ii) performance evaluation and results sharing; (iii) independent monitoring of the implementation of environmental management plans and external resettlement monitoring; and (iv) a program of municipal urban regeneration activities including: workshops for strengthening the capacity of district governments, multi-stakeholder municipal dialogues on urban regeneration, and a national urban regeneration conference.

¹⁶ Outline Terms of Reference are developed for each technical assistance activity described under Component 4.



E. Implementation

Institutional and Implementation Arrangements

Chongqing Municipal government will be responsible for project management, reporting, and lessons-sharing. A Municipal Project Management Office (PMO) is established within the Development and Reform Commission (DRC) of Chongqing Municipal Government. The Municipal PMO will be responsible for overall project management and reporting (including progress reports, audit reports, and completion reporting). The Municipal PMO will management technical assistance for both project management and capacity building and draw lessons from the Project to share amongst a platform of government and non-government stakeholders in Chongqing, nationally, and globally.

District governments will implement the technical support and investment components. PMOs have been established within the District DRCs, of each respective District, to be responsible for coordinating District Bureaus and agencies and for overall project implementation at District Level. District Project Leading Groups (PLG) have been established and will be led by the District Mayors and include representatives from all key municipal government bureaus. In Jiulongpo District, day to day implementation will be by one sub-PIU and in Nan'an District by seven sub-PIUs under the direct administration of the District Government who have appointed the PIUs to carry out relevant project activities.¹⁷

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

Chongqing, located in the southwest of China, is one of China's four direct-controlled, or province-level, municipalities. Chongqing Municipality had a total population of 30.2 million and an urban population of 18.4 million in 2015, distributed over a total land area of 82,403 sq.km including a densely built city core (181 sq.km) and a Central City consisting of nine central urban districts (5,292 sq.km, 8.5 million population). The territory of Chongqing's Central City has a unique geography of hilly land divided by parallel strips of mountains and major rivers (the Yangtze River and Jialing River), which include pockets of land space, constrained urban growth, higher infrastructure costs (for constructing bridges, tunnels, road/pipes, subways), disadvantageous road networks, and connection bottlenecks between land pockets. Nan'an District is located in the southeast of Chongqing Central City, south to the Yangtze River. It covers an area of 274 km² including 10% river area, and has a population of about 1.2 million. Commerce, business, and industry are the main pillars of economy. Nan'an is also famous for its tourism and education, as the residence of a myriad of celebrities during WWII and where a number of universities are located. Jiulongpo District is located in the southwest of Chongqing Central City and neighbors the Yangtze River. It has an area of 432 km² and a population of about 1.1 million. The district was a traditional industrial base with the key industry being manufacturing. The district has been able to successfully upgrade its manufacturing

¹⁷ In Jiulongpo District, the PIU is Jiulongpo City Management Bureau. In Nan'an District, the seven PIUs include three sub-district government offices, the Tunnels Construction Management Office, the Infrastructure and Greenery Management Bureau, and two State-Owned Enterprises (SOEs), namely Chongqing Jiangnan Urban Construction and Asset Management Corporation and Chongqing Huangshan Enterprise Co., Ltd.



industries and sustain economic growth. The district is also an important transport hub, housing a major waterway port and two railway stations.

G. Environmental and Social Safeguards Specialists on the Team

Jun Zeng, Social Safeguards Specialist
Ning Yang, Environmental Safeguards Specialist
Mauricio Monteiro Vieira, Social Safeguards Specialist
Shuang Zhou, Social Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project is assigned Category A due to diverse impacts associated with various activities to be implemented in densely populated urban core areas. Full environmental assessment was conducted during the project preparation. Overall the project is anticipated to bring about significant environmental and social benefits as it aims to improve the urban environment and build more livable neighborhoods. Most of the activities will be small-scale and target improvement of details, and environmental impacts will be primarily related to construction and installation activities that may pose social disturbance such as noise, dust and traffic disturbance, solid waste management, and safety concerns, which can be well mitigated with readily available measures and good practices. Full EIA and EMP prepared for Nan’an and Jiulongpo districts respectively; ESMF prepared for component 1 technical assistance component; Two rounds of public consultation and information disclosure conducted per OP4.01.
Performance Standards for Private Sector Activities OP/BP 4.03	No	Not relevant
Natural Habitats OP/BP 4.04	Yes	Physical works in Nan’an district involve two forest parks and a scenic area. Physical works in Jiulongpo



		<p>district involve a wetland park. Thus the policy is triggered by definition of the policy.</p> <p>These sensitive areas are for public recreational purpose. Proposed activities are of small scale, upgrading of existing facilities, and will not affect the ecological function or landscape of these sensitive areas. Mitigation measures have been incorporated into the EMP. The project will not cause significant conversion or degradation of natural habitats.</p>
Forests OP/BP 4.36	No	<p>The project will not have impacts on the health and quality of forests, or affect the rights and welfare of people and their level of dependence upon or interaction with forests. The policy is not triggered.</p>
Pest Management OP 4.09	No	<p>The project will not involve use or procurement of pesticides directly or indirectly . The policy is not triggered.</p>
Physical Cultural Resources OP/BP 4.11	Yes	<p>Physical cultural resources survey was conducted through desk review, field visit and consultations.</p> <p>Under Nan’an district component, the proposed pedestrian walkway improvements are located in the vicinity of several PCR sites. The pedestrian walkway improvements won’t affect these historical sites physically. Design has taken into account the landscape and preservation of these historical sites adequately. Precautionary measures have been incorporated into the EMP.</p>
Indigenous Peoples OP/BP 4.10	No	<p>The project sites are in urban areas and the population of the affected areas of the project are mostly of Han ethnicity, the ethnic majority population in China. Thus, the Bank’s Indigenous People’s Policy Op 4.10 is not triggered.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>The social safeguard policy OP 4.12 is triggered as the project will finance activities which require land acquisition (LA) and house demolition (HD).</p> <p>In Nan’an District, 3 roads were proposed for the traffic system renewal component: Hugui Road, Longhuang Road and Tushan Branch Road. For the Hugui Road construction and one part of the broadening of Longhuang Road, LA and HD were approved in September 2016 and March 2016 respectively. As of November 2017, when these sub-projects were confirmed, the main phases of the</p>



resettlement implementation had almost finished (74 percent of the compensation already paid for Hugui Road and more than 95 percent for Longhuang Road). A Due Diligence Report (DDR) has been prepared for Nan'an District, considering the Chinese regulatory framework and OP4.12. Resettlement implemented after May 1, 2017 will be subject to and covered by the external monitoring and evaluation to be implemented as part of the WB project arrangements, based on the OP4.12 objectives and principles focused mainly on four key issues related to compensation, livelihood restoration (LR), public consultation and GRM. To undertake such external monitoring and evaluation additional data collection to complete the initial Due Diligence will be undertaken during implementation as needed.

For the resettlement yet to be implemented in Nan'an District, for the construction of Tushan Branch Road and the broadening part of Longhuan Road, a Resettlement Action Plan (RAP) was prepared.

In Jiulongpo District, the land of all 9 sites of the proposed parks was transferred to state-owned 10 to 20 years ago; whilst the land of 5 sites remain empty to date, the other 4 sites were filled with new residents or structures after the first round of resettlements. For the sites related to the four proposed parks (Kanglong Park, Wutaishan Park, Jiulong Community Park and Huayan Riverside Park) a new round of resettlements commenced in 2015 and 2017. House demolition was completed by the end of 2017. A Due Diligence Report for Jiulongpo District was prepared in order to review the resettlement implementation of the 4 sites where second-round displacements were completed in 2015 and 2017.

A Resettlement Policy Framework (RPF) has been prepared for each of the two districts, Nan'an and Jiulongpo, for any other potential land demands and HD under the project that may become known after appraisal, and including the implementation of the proposed Community-Led Bottom-Up (CLBU)



approach for regeneration of three pilot neighborhoods in Nan'an District, to be designed as part of the Component 1 and implemented under Component 2.

Safety of Dams OP/BP 4.37	No	The project does not involve any dams.
Projects on International Waterways OP/BP 7.50	No	The project is in hinterland areas and does not involve any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	There project is not in 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:

Three environmental safeguard policies were triggered for the project: OP4.01 Environmental Assessment, OP4.04 Natural Habitats and OP11 Physical Cultural Resources. The project is assigned category A primarily due to diverse impacts associated with the various activities to be implemented in densely built and populated old urban areas, in several ecologically sensitive areas, and in areas with physical cultural resources. Full environmental assessment was conducted during the project preparation.

OP4.01 Environmental Assessment. Overall the project is anticipated to bring about significant environmental and social benefits as it aims to improve urban environment and build more livable neighborhoods. Most of the activities will be of small-scale and targeting improvement of details. Given that most of the activities will take place in densely populated areas, potential negative environmental impacts will be primarily related to construction and installation activities that may pose social disturbance such as noise, dust and traffic disturbance, solid waste management, and safety concerns. These impacts have been fully assessed and mitigation measures included in the EMPs.

Nan'an District. i) Rehabilitation of old neighborhoods covers upgrading or adding of street furniture (such as bench, footsteps) and facilities, and water supply pipes and sewers. All the physical works are of small scale and targeting necessary rehabilitation of the old facilities. Major environmental concerns are associated with removal, excavation, building and installation activities in the densely populated neighborhoods, including social disturbance such as noise, dust and traffic disturbance, community safety and construction waste; ii) improvements to public space involve existing parks and squares and utilization of an idled land (20 ha). Limited construction impacts, notably soil erosion, are anticipated. The idled land has been surveyed and presents no soil pollution; iii) improvements to pedestrian walkway involve existing 3m wide slow-walking foot path and 1-m wide hiking footpath. Safety and disturbance to walkway users during construction are the main concern. Some of these pedestrian walkways are located in ecologically sensitive areas or physical cultural resource sites; PCR and natural habitats impacts are discussed in below; and iv) three road connections (769m, 1403m and 647m long respectively) under pedestrian walkway category (as all will contribute to pedestrian walkway network) present larger potential impacts. Widening or extending these existing roads will have impacts on traffic and community safety, construction nuisance, soil erosion during construction, and increased noise and traffic safety concerns during operation.



Jiulongpo District. i) building a 5.3 km pedestrian walkway presents generic construction impacts; ii) building eight new parks and improving an existing park. The park sites present no soil pollution based on site survey conducted during EA preparation. Of the 9 parks and green spaces, 8 parks will be newly built, 7 of which has an area of 1-5 ha, the remaining one is about 19ha; besides, an existing Caiyunhu wetland park will be upgraded. Proposed activities include landscaping, resting facilities, water and power supply, functional building and facilities (e.g. toilet, warehouse). The environmental assessment indicated that social disturbance, construction waste management, safety concerns during construction is the main concern. During operation of the parks, limited amount of wastewater and domestic wastes need to be managed properly.

ESMF. Component 1 aims to build on the 'demonstration activities' under component 2 and 3 and promote the good practices through building planning and management capacity, and support similar construction activities. Therefore, an ESMF was prepared to ensure that environmental and social considerations are incorporated into the development of studies and technical guidelines. In addition, 3 additional neighborhoods in Nan'an will be rehabilitated using innovative approach (bottom-up community driven planning approach). The ESMF will provide guidance on the environmental and social assessment process for the 3 neighborhoods.

OP4.04 Natural Habitats. Several ecologically sensitive areas are identified in both Nan'an and Jiulongpo districts. The EA addressed the natural habitats following OP4.04.

- In Nan'an district, along the Nanshan mountain ridge (NE-SW) there are Nanshan National Forest Park, Liangfengya Municipal Forest Park and Nanshan-Nanquan Municipal Scenic Area. Some pedestrian walkways and hiking trails fall into these forest parks and scenic area. The Nanshan mountain is flat on top that houses large residential and built-up areas. The walkways and trails historically serve as passages for local communities. Since the civil works associated with these trails and walkways won't require land acquisition, design and construction have taken environmental and social considerations properly, upgrading of the trails and pedestrian walkways will have minimal impacts on the forest parks and scenic area. Design measures taking into landscape of the sensitive areas and precautionary measures have been incorporated into the project design and EMP.
- In Jiulongpo district, the project will support upgrading of Caiyunhu wetland park. The wetland park, 110ha in area, was built along a segment of Taohuaxi River during 2007-2010. The wetland park is managed by Jiulongpo district Parks Bureau. The project will support landscaping, protection works, water and power supply and functional buildings and facilities. These activities will help the park better serve the recreational needs of local communities and are not expected to pose significant negative impacts to the waterbody, riparian areas or vegetation in the wetland park. Further, the project design and EMP have incorporated proper measures to ensure impacts associated with construction activities will not impact the wetland park during construction.

OP4.11 Physical Cultural Resources. Physical cultural resources survey was conducted through desk review, field visit and consultations. Under Nan'an district component, pedestrian walkway activities involve several PCR sites.

- By Nanbin Road (a riverfront road by the Yantze River) there is a belt of historical buildings of the Allies during the second World War when Chongqing was the temporary capital of China. These historical buildings include assets affiliated to the US Embassy, Belgium Embassy, Italy Embassy (These are District Level Cultural Relics Protection Unit), French navy barracks (National Level Cultural Relics Protection Unit), and commercial and residential buildings. A Laojundong Taoist Temple is located by Longhuang Road, on which pedestrian walkway will be implemented. The temple is a Municipal Level Cultural Relics Protection Unit. The main features are temple in a stone cave and stone carving. The project supported pedestrian walkway are located in their vicinity but won't physically encroach these



historical sites. Design and precautionary measures have been incorporated into the project design and EMP.

- Chongqing Anti-Japanese War Historical Site Museum has 15 historical buildings scattered on an area of about 500mu (30 ha). These buildings were constructed during the second World War and include residences of then top leaders of Chinese government and military, US military advisers, and bomb shelter, etc. The area is located in a hilly and well vegetated area and featured beautiful landscape as well. In the whole it is a National Level Cultural Relics Protection Unit. Within the area the project will support improvement of several pedestrian walkways. Likewise, design and precautionary measures have been incorporated into the project design and EMP.

OP4.12 Involuntary Resettlement. The social safeguard policy OP 4.12 is triggered as the project will finance activities which require land acquisition (LA) and house demolition (HD).

In Nan'an District, 3 roads were proposed for the traffic system renewal component: Hugui Road, Longhuang Road and Tushan Branch Road.

For the Hugui Road construction and one part of the broadening of Longhuang Road, LA and HD were approved in September 2016 and March 2016 respectively. As of November 2017, when these sub-projects were confirmed, the main phases of the resettlement implementation, such as public consultation, the publicity of compensation policy, asset appraisal and its publicity, contracts signing and notice on the payment had almost finished. As they were in the final stages of resettlement (74 percent of the compensation already paid for Hugui Road and more than 95 percent for Longhuang Road), a Due Diligence Report (DDR) was prepared. The completed LA and HD process of Hugui Road and part of the broadening of Longhuang Road, covered by the DDR, were separately conducted under 2 tasks, namely, the "Chongqing Medical Technical School Plot Slum Reconstruction HD Task", and part of the "Longdongtian Area Reconstruction HD Task". The project areas of the proposed roads are part of the referred two "HD Tasks". Since it has been difficult to get the exact data related to the WB project parts, the DDR included the description of all the impacts. 701 households with a total of 1663 persons were physically and/or economically displaced. As estimated by the Housing Management Office, approximately 1/3 of these households are related to the areas demanded for construction of the beforementioned roads.

For the resettlement yet to be implemented in Nan'an District, for the construction of Tushan Branch Road and the broadening part of Longhuan Road, 14.2 mu of collective land will be acquired permanently, affecting 14 households with 36 persons; 52.8 mu of state-owned land will be allocated; rural residential houses of 1,450 m², urban residential houses of 539 m², non-residential properties on state-owned land of 4,464.32m², and houses with limited property rights of 4,636.8 m² will be demolished, affecting 34 households with 102 persons.

In Jiulongpo District, 9 public spaces and one walking path are proposed to be built for the sub-project. As confirmed with the FSR institute, there will be no resettlement at the walking path site. The land of all 9 sites of the proposed parks was transferred into state-owned 10 to 20 years ago; whilst the land of 5 sites remain empty to date, the other 4 sites were filled with new residents or structures after the first round of resettlements. For the sites related to the four proposed parks (Kanglong Park, Wutaishan Park, Jiulong Community Park and Huayan Riverside Park) a new round of resettlements commenced in 2015 and 2017. House demolition was completed by the end of 2017, when these parks were confirmed as part of the proposed project scope to be funded by the Bank.

The displacement of the four sites were carried out in the names of other projects, therefore, the scale of house demolition was far bigger than the proposed parks. The land was acquired prior to the year of 2000, with a total area of 27.54 hectares. 1497 households with a total of 5067 persons were physically and/or economically displaced. The



number of affected households/people comprise all the resettlement areas where only part will be used for the park projects construction.

Resettlement of Kanglong Park was carried out under the title of “House Acquisition of Kanglong Food Factory Area”; Wutaishan Park was titled with “House Acquisition of Nan Yuan residential area of Chongqing Weather Bureau”; Jiulong Community Park was titled with “ House Acquisition of the Aluminium Product Factory Area”, and Huayan Riverside Park was titled with “House Acquisition of Huayan Riverside (Jiulongpo Section) Water Treatment”.

As described in the SIA, main positive impacts assessed include improvements to the community infrastructure, accessibility, sanitation, security and living quality, providing better public spaces, recreational and walking experiences, promoting economic development and employment. The following negative impacts and risks were assessed: involuntary resettlement; environmental impacts and disturbances during construction; increasing management and maintenance costs after renewal; impacts on nearby stores; safety risks during construction; risk of increasing traffic accidents; risk of increased living costs and urban gentrification. The project sites are in urban areas and labor influx is not considered a risk or of adverse impact to this project.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The project is expected to bring about long-term significant environmental and social benefits as it aims to improve the urban environment and build more livable neighborhoods. No significant cumulative impacts are anticipated because, i) the majority of the proposed activities are small scale and will be implemented over 3-5 years at community level. Thus construction stage cumulative impacts would not be significant; ii) When it comes to planning side (future overlapping of effects), the project’s objective is to promote rehabilitation of old neighborhoods and improvement of details rather than greenfield development that involves significant land acquisition or structure demolition. Analysis of three road connections in Nan’an District indicated that potential induced impacts will be limited given the scale of the road connections (769m, 1403m and 647m long respectively), which will be effectively mitigated by sound planning and mitigation measures included in the EMPs.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. During EA preparation, ‘without project’ scenario was considered. Since the project will help improve neighborhood public space, parks and green area and pedestrian walkways, and the negative impacts can be effectively mitigated with readily available measures, the environmental benefits outweigh potential impacts apparently. Thus the ‘with project’ scenario is recommended.

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. The PMO retained experienced EA consultant to prepare EA for the project during preparation. EA instruments prepared included, i) ESIA and ESMP for Nan’an (component 2); ii) ESIA and ESMP for Jiulongpo district (component 3); iii) an Environmental and Social Management Framework (ESMF); and iv) an EA Executive Summary. The EAs were prepared following domestic EIA requirements, Bank safeguard policies and EHS guidelines. The Bank team has reviewed and provided comments to draft EAs and found them satisfactory. The Chongqing municipal PMO has rich safeguard management experiences gained from implementing several Bank-financed projects in the past two decades. It will provide guidance and supervision to the two district PMOs in EMP implementation.

For each district, an EMP was prepared based on the findings of the EIA. The EMPs outline measures to avoid, minimize, and mitigate potential environmental and social impacts as well as the budgets for their implementation. They outline the roles and responsibilities of pertinent organizations and institutions. The EMPs incorporate plans for



training, monitoring and evaluation, and budget estimates. They include sets of Environmental Codes of Practice for contractors, which will be incorporated in bid documents and contracts. The EMPs also includes mitigation measures and a comprehensive capacity building plan for the local environmental authority. The EMPs include clear institutional arrangement that defines the environmental management responsibilities, supervision and reporting duties of the Chongqing municipal PMO and district/county-level PMOs in Nan'an and Jiulongpo districts. Compliance with the EMP will be included as a clause in all bidding documents. An independent environmental monitoring consultant will be hired to assist the PMOs in managing environmental safeguards compliance during project implementation.

A Social Assessment Report for each district was prepared in order to: (i) understand the current socio-economic situation and existing issues of the project sites; (ii) identify stakeholders and conduct consultations to collect opinions and different needs; (iii) analyze the development and special needs of local women, minority residents, low-income population and other vulnerable groups; (iii) assess possible positive and negative socio-economic impacts and potential risks; (iv) propose public participation and stakeholders engagement mechanisms and activities, and (v) develop a social action plan to optimize the project design, maximize the positive impacts, avoid, minimize or mitigate adverse social risks and impacts.

A Due Diligence Report (DDR) has been prepared for Nan'an District, considering the Chinese regulatory framework and OP4.12. Resettlement implemented after May 1, 2017 will be subject to and covered by the external monitoring and evaluation to be implemented as part of the WB project arrangements, based on the OP4.12 objectives and principles focused mainly on four key issues related to compensation, livelihood restoration (LR), public consultation and GRM. To undertake such external monitoring and evaluation additional data collection to complete the initial Due Diligence will be undertaken during implementation as needed.

For the resettlement yet to be implemented in Nan'an District, for the construction of Tushan Branch Road and the broadening part of Longhuan Road, a Resettlement Action Plan (RAP) was prepared.

A DDR for Jiulongpo District was prepared in order to review the resettlement implementation of all the completed sites, with emphasis on the 4 sites where second-round displacement were completed in 2015 and 2017.

For any other potential land demands and HD under the project that may become known after appraisal, including the implementation of the proposed Community-Led Bottom-Up (CLBU) approach for regeneration of three pilot neighborhoods in Nan'an District, to be designed as part of the Component 1 and implemented under Component 2, a Resettlement Policy Framework (RPF) has been prepared for each of the two districts, Nan'an and Jiulongpo.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Two rounds of public consultations and information disclosure were carried out during project preparation. Public consultations were undertaken in the form of questionnaires, focus group discussions, and public meetings. Information disclosure on EA preparation was advertised through public bulletins and the internet. The Chinese version of the draft Nan'an EA documents were disclosed on internet on Dec 21, 2017 and hardcopies disclosed at all community offices involved in the project. The Chinese version of the draft Jiulongpo EA documents were disclosed on internet on Jan 11, 2018 and hardcopies disclosed at all community offices involved in the project. Consulted people concerned about noise, ecological environment, and wastes management. These concerns have been addressed in the project design and EMP. The EA documents were disclosed on the Bank's external website on May 7, 2018 and June 29, 2018.



Different consultation activities were conducted during the preparation of Social Assessments (SA), RAP and DDRs, including interviews, questionnaire survey, focus group discussion (including gender discussion) in the project areas and around the communities near the project sites. For the components where resettlement was completed in recent three years, interviews with affected people already resettled were also conducted.

The Chinese version of the draft Jiulongpo SA was locally disclosed on the internet on April 11, 2018. The Chinese version of the draft Nan'an SA, RPF and RAP were disclosed on the website of the district government by the PIU on May 11, 2018. The draft Jiulongpo RPF was disclosed in Chinese on the website of the district government on May 17, 2018. The draft of Jiulongpo SA, Nan'an SA, RPF and RAP were disclosed on the Bank's external website on May 14, 2018, and Jiulongpo RPF on May 18, 2018. Final versions were disclosed on the Bank's external website on June 29, 2018.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 23-Mar-2018	Date of submission for disclosure 07-May-2018	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors 23-May-2018
--	--	---

"In country" Disclosure

China
11-Jan-2018

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank 05-Mar-2018	Date of submission for disclosure 17-May-2018
--	--

"In country" Disclosure

China
11-May-2018

Comments

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?

Yes

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 4.12 - 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

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

CONTACT POINT

World Bank

Joanna Mclean Masic
Sr Urban Spec.

Xueman Wang
Sr Urban Spec.

Borrower/Client/Recipient

People's Republic of China
Jiandi Ye
Director, Ministry of Finance
yeduanluo@sina.com

Implementing Agencies

Chongqing PMO
Tao Zhou
PMO Director
zhoutau@foxmail.com



FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Joanna Mclean Masic Xueman Wang
----------------------	------------------------------------

Approved By

Safeguards Advisor:	Peter Leonard	29-Jun-2018
Practice Manager/Manager:	Abhas K. Jha	29-Jun-2018
Country Director:	Harold L. Bedoya	06-Jul-2018