Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 10/27/2021 | Report No: ESRSA01688

BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
China	EAST ASIA AND PACIFIC	P171644	
Project Name	Yangtze River Protection and Ecological Restoration Program		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Water	Program-for-Results Financing	10/12/2021	12/21/2021
Borrower(s)	Implementing Agency(ies)		
People's Republic of China	National Development and Reform Commission, Changjiang Water Resources Commission, Jiangxi Provincial Finance Department, Jiangxi Provincial Development and Reform Commission??, Hunan Provincial Finance Department, Hunan Development and Reform Commission		

Proposed Development Objective

To improve institutional coordination, enhance ecological protection and reduce water pollution in select regions of the Yangtze River Basin

Financing (in USD Million)	Amount
IPF Component	10.00
Total Project Cost	13052.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed Program has been requested to support the Government's national strategy for the YREB within the Yangtze River Basin and prioritized target provinces. The Program contributes to achievement of the Government's national strategy for ecological protection and water pollution control in the Yangtze River through: (i) basin level coordination, policy development, and capacity-building; (ii) provincial level development of policies, regulations and guidelines; (iii) sub-basin level ecological protection and integrated water management through implementation of policy measures, regulations and guidelines; and (iii) county level investments aimed at reducing water pollution, including plastics. The Program represents a significant and long-term engagement in support of the YREB Development Plan and consists of: (i) Provincial components with Program-for-Results (PforR) financing, supporting the sub-national provincial YREB plans in Jiangxi and Hunan; and (ii) a central basin component with Investment Project Financing (IPF), supporting technical assistance activities at the central and basin level. The supported activities will promote cross-sectoral coordination and inter-jurisdictional cooperation toward the common goals of improving water quality and ecological protection in the Yangtze River Basin. Funds would be used to support a range of potential activities through technical assistance, goods and non-consulting services, along with incremental operating expenses, including: (i) coordination mechanisms to promote the sharing of information and coordination of river protection and restoration activities; (ii) policy support for ecological protection and environmental restoration; (iii) policy support for water pollution; (iv) policy support for ecological incentive mechanisms; (v) activities to promote data sharing and technical capacity, and support program implementation, including a 'OneMap' data compilation system, trainings and knowledge exchanges, and program implementation support.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The Yangtze River Basin and its more than 700 tributaries cover over 19 percent of mainland China. The basin includes 17 provinces and two municipalities. The annual water resources of the Basin are estimated at 995.8 billion cubic meters, roughly 35 percent of China's total water resources. It serves as the source of water for the South-North Water Transfer Project, diverting water to reduce water stress in more arid areas of North China including Beijing. The basin is also important for manufacturing, national food and energy security, and inland freight traffic.

The Yangtze River flows through a wide range of ecosystems and the basin has some of the highest levels of biodiversity in the world. The region is known to support over 200 fish species, more than 84 mammal species, 60 amphibian species and 87 reptile species. The basin has a forest coverage rate of 41.3 percent and is home to some of China's most iconic and endangered species. The river is home to 33 percent of the rare or endangered freshwater fishes in China and the basin accounts for 39.7 percent of the country's rare or endangered plants. The lakes in the Basin provide critical habitat for internationally migratory birds. In addition, the Yangtze River Basin has a large number of UNESCO natural and cultural world heritage-designated sites.

Pollution remains one of the biggest threats to the environmental sustainability of the basin. Some tributaries have poor water quality, and the eutrophication of some lakes has not been effectively controlled. Phosphorus is one of the main remaining pollutants of concern. Plastics are also a concern, and it has been reported that the Yangtze River contributed 55 percent of the plastic pollution entering the ocean from the world's rivers. Around 30 percent of

factories that pose environmental risks are located within 5 km of drinking water sources. The annual throughput of hazardous chemicals in the ports along the mainstream of the Yangtze River reaches 170 million tons. Nearly half of the country's key heavy metal prevention and control zones are located in the Yangtze River Economic Belt (YREB). Over the past two decades, the urban areas have increased around 40 percent in the basin and the areas of lakes and wetlands have decreased significantly, with more than 800 lakes within the central basin thought to have been lost to land reclamation. Biodiversity continues to decline, with new risks emerging. Predicted changes in climate suggest a future increase in precipitation, amplified in streamflow with significant shifts in temporal and spatial variation.

The Yangtze River Basin spans a total of 19 provinces, municipalities, and autonomous regions. The typical lakes (Dongting Lake, Poyang Lake) and tributaries (such as Jialing, Wujiang, and Chishui Rivers) that are selected as the focused areas of research are in the middle and lower basin of the Yangtze River. The Yangtze River Basin about 459 million population, accounting for one-third of China’s total population. There are 14 autonomous prefectures and 32 autonomous counties in the Yangtze River Basin, mainly along the upper Yangtze River Basin. There are around 50 ethnic minorities with over 20 million populations in the Yangtze River Basin. But the distribution is uneven, with the majority are located in the river’s upper reaches. Although the cultivated area of the basin is just one-quarter of China’s gross cultivated area, its grain output is about one-third (34%) of that of China, and its paddy rice output is 70% of that of China. The value of annual livestock outputs in the Yangtze River Basin accounts for around half of that of China. The Yangtze River Basin has a very developed phosphorus chemical industry focused on phosphate mining. Reportedly, there are around 200 phosphorus chemical enterprises in the Yangtze River Basin, accounting for two-fifths of the whole nation. The Yangtze River Basin is the powerhouse of China’s economic development. The region generates more than half of the country’s gross domestic product (GDP). As of 2019, the per capita GDP was RMB 78,276, higher than the national average by RMB 7,400.

In response, the Government has implemented a number of measures to ensure the ecological protection of the Yangtze River Basin. The National Strategy for the YREB is articulated through the “YREB Development Plan” issued by the National Development and Reform Commission (NDRC) in October 2016. This emphasizes the overall objectives of “prioritizing ecological protection, river basin coordination and integrated development” among the 11 provinces in the YREB. Implementation is guided by the “Action Plan for the Yangtze River Protection and Restoration” released by NDRC with the Ministry of Ecology and Environment (MEE) in 2019. These measures are accompanied by a law for the protection of the Yangtze River approved by the National People’s Congress on December 26, 2020. The law calls for establishment of a National Yangtze River Basin Coordination Mechanism and places obligations on the national line agencies and provinces, among others, to improve systems for information sharing, water quality and pollution control, water resources conservation, and to establish ecological flows and standard systems for biodiversity protection among others.

D. 2. Borrower’s Institutional Capacity

A Central Program Management Office (CPMO) will help ensure the integrated river basin approach required to address the fundamental challenge of inter-sectoral coordination and inter-jurisdictional cooperation. The CPMO is proposed to be established in the Office of the Leading Group for the Development of the Yangtze River Economic Belt (YREB Office) within the Infrastructure Development Department of National Deveopment and Reform Commission (NDRC). The mandate of the YREB Office is to promote implementation of the national YREB strategy through policy formulation and high-level planning. The YREB Office works in coordination with other NDRC departments, notably Rural Economy, Environment and Natural Resources, and Regional Revitalization. The CPMO will coordinate Program implementation with the following roles and responsibilities: (i) supporting the Program

Leading Group (PLG) hosted by the NDRC YREB Office in overseeing the Program and undertaking regular Program reviews; (ii) conducting the declaration, procurement and financial management of the central basin component; (iii) supervising and reviewing implementation of the central basin component; (iv) engaging qualified experts to conduct technical consulting; (v) organizing outcome review and inspection, and submitting to the PLG; (vi) coordinating with the World Bank; and (vii) handling other tasks assigned by the PLG.

The NDRC YREB Office in the Infrastructure Development Department is proposed to host the Central Program Management Office (CPMO) and be supported during implementation by the Changjiang (Yangtze) Water Resources Commission (CWRC). CWRC will be responsible for the daily management of the E&S related elements. CWRC is a river basin authority dispatched by the Ministry of Water Resources to exercise water administration, law enforcement, integrated water resources management, basin planning, flood control, and drought relief, river course management, soil conservation, hydrology, scientific research for the Yangtze River Basin and other river basins of southwestern China. It has high technical capacity with staff experienced in water resources management, environmental management, and resettlement implementation, among others.

During preparation, CWRC, on behalf of of NDRC YREB Office, was coordinating the preparation of environmental and social documents. The ESMF and ESCP have set out comprehensive measures to ensure the CPMO will have adequate capacity to manage the E&S related elements for the central basinc component. During implementation and prior to commencement of technical assistance (TA) activities, the CPMO will assign internally one environmental specialist and one social specialist for i) implementing the procedures and requirements in the environmental and social management framework (ESMF); ii) including the environmental and social (E&S) impact assessment requirements in the terms of references (ToRs) for TA implementation agencies; iii) reviewing the TA output reports to ensure that the E&S impacts are assessed in accordance with the requirements in the ToRs; iv) track and record the E&S management performance in the progress reports submitted to the Bank. The external advisory committee to be established by the CPMO will also include at least one environmental and one social expert to assist the CPMO in preparing the ToRs and reviewing the output reports for TA activities with substantial risk, and help carry out E&S management capacity training for the CPMO's internal staff, TA implementation agencies and other stakeholders. Meanwhile, the team of TA implementation agencies will have at least one environmental and one social expert based on the complexity of E&S impacts to conduct E&S impact assessment and stakeholder engagement, and prepare corresponding E&S documents according to the ToRs. A time-bound capacity development plan has been prepared as part of the ESMF, and key actions committed under the Environmental and Social Commitment Plan (ESCP). During implementation, the Bank task team will provide training to enhance the CPMO and relevant participating entities' awareness and capacity to ensure the central basin component is implemented consistent with the ESF requirements.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) — Substantial

Environmental Risk Rating — Substantial

The project has environmental benefits of improving the water and ecological environment of Jiangxi and Hunan province, and the overall Yangtze River Basin. The project's central basin component primarily consists of technical assistance (TA) activities covering Yangtze River Basin water and environmental protection, including investigation and tracing of water pollution, assessment of water ecosystems, case studies of environmental protection and

restoration, solid waste management technology, ecological protection incentive mechanisms, data sharing and coordination mechanisms, and related capacity building and international knowledge exchange activities. The central basin component will not directly draft policies or regulations, support any physical investments, or support feasibility studies/technical designs for any future investments. Therefore, implementation of the central basin component will not cause any direct adverse environmental impacts but may involve significant stakeholder engagement and public consultation, and potentially have indirect impacts related to the implementation of the products or outcomes of the TA activities. For example, there could be adverse environmental, health and safety risks and impacts from construction and operation of physical facilities (such as wastewater and solid waste collection and treatment facilities) in the river basin following the TA recommendations. Some TA studies aiming to reduce pollutants to the river and develop techniques for waste recycling and ecological rehabilitation may have downstream implications on resource efficiency and pollution management in relevant sectors, such as relocation/shutting down/upgrading of industrial enterprises, reduced use of chemical fertilizer and pesticides, agricultural and industrial water efficiency improvement, reduced and recycled wastes, and contaminated land remediation. The significance of these impacts will vary by the type, location, and scale of the downstream activities. Although the majority of the impacts are predictable, reversible, localized, and readily avoided/mitigated, the river basin represents a medium to large spatial extent with existence of environmentally sensitive areas, and there could be cumulative impacts from collectively significant downstream activities taking place over a period of time in the river basin. Therefore, the overall environmental risk is rated substantial. An Environmental and Social Management Framework (ESMF) has been prepared by the borrower to screen and assess the environmental risks and impacts of the TA activities. Management measures are proposed, including that the ToRs for the TA activities will require analysis of the downstream direct, indirect and cumulative environmental implications; the study outputs will have specific chapter on the environmental assessment results and corresponding mitigation measures; and meaningful stakeholder engagement shall be carried out throughout the TA activities. The ToRs and study outputs will be reviewed by the Bank team to ensure compliance with ESF. During implementation, environmental management will be undertaken by an internal environmental specialist in the CPMO, with assistance from the environmental expert on the cross-sectoral external advisory committee to be established by the CPMO.

Social Risk Rating Substantial

The central basin component would finance technical and policy studies, goods and non-consulting services. The central basin component would not support physical investment or the direct formulation of policies or regulations, but would involve conducting basin studies relating to ecological flows, river health, and water pollution control; and research to inform the implementation of the Yangtze River Protection Law. Implementing the central basin component itself would have moderate social risks, mainly related to health and safety risk to field workers and inadequate consultations with stakeholders. Further, adopting and enforcing the study outputs could have potential basin-wide social implications. The downstream social risks could potentially include labor risks, community health, and safety, restrictions on land use, resettlement (e.g., targeted actions to address phosphorous, restore aquatic ecosystems and manage solid wastes), and exclusion risks for vulnerable groups. Potential downstream social ramifications to ethnic minorities include limitations on agricultural land use, labor and working conditions, community safety, and inadequate consultations. Considering the Yangtze River Basin's size, the downstream social implications could be high in spatial extent. The size of the population likely to be affected by any potential downstream social risks and impacts could be large. China has adopted a social stability risk assessment (SSRA) system for the government's major decisions, such as policy, planning, and other major measures (that would induce significant public concerns). The SSRA is a tool to find ways to manage conflicts and reduce the underlying risks of mass events or protests, which has a narrower scope of work than ESF. The CPMO has prepared an ESMF

and SEF, setting out operational guidance for applying relevant ESSs to TA activities. Adopting the ESF would create added value for the policy-related studies to enhance the operationality of proposed actions and recommendations while incorporating solid considerations on significant E&S risks and impacts. The CPMO has agreed in the ESCP on material measures and actions to undertake appropriate E&S assessment and promote meaningful stakeholder engagement to inform the formulation of policy recommendations consistent with relevant ESSs. The overall social risk is deemed as Substantial at the Appraisal stage.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

Environmental and social (E&S) due diligence review was conducted by the Bank Task Team on the draft central basin component project proposal, as well as on the Environmental and Social Framework (ESMF), Stakeholder Engagement Framework (SEF) and Environmental and Social Commitment Plan (ESCP) prepared by the CPMO.

The project has overall environmental and social (E&S) benefits of improving water quality and ecological protection in the Yangtze River Basin. The central basin component primarily consists of TA activities covering Yangtze River Basin water and environmental protection, including investigation and tracing of water pollution, assessment of water ecosystems, case studies of environmental protection and restoration, solid waste management technology, ecological protection incentive mechanisms, data sharing and coordination mechanisms, and related capacity building and international knowledge exchange activities.

The central basin component will not directly draft policies or regulations, support any physical investments, or support feasibility studies/technical designs for any future investments. Therefore, implementation of this central basin component will not cause any direct adverse environmental impacts but may involve significant stakeholder engagement and public consultation, and potentially have indirect impacts related to the implementation of the products or outcomes of the TA activities. For example, there could be construction/operation nuisance and community health and safety risks from civil works of physical investment projects following the TA recommendations, such as wastewater and solid waste collection and treatment facilities, sampling and monitoring stations, ecological remediation and river/lake connection works, etc. Studies aiming to reduce pollutants to the river and develop techniques for waste recycling and ecological rehabilitation may have downstream implications on resource efficiency and pollution management of relevant sectors, such as relocation/shutting down/upgrading of industrial enterprises, reduced use of chemical fertilizer and pesticides, agricultural and industrial water efficiency improvement, reduced and recycled wastes, and contaminated land remediation. The studies will also need to consider and assess potential impacts on aquatic life, water rights, water uses, ecosystem services, and broader implications from perspectives of hydrology, climate change, sedimentation, urbanization, and industrialization. Meanwhile, there could be risk of communicable disease transmission caused by people gathering for training, workshop, meetings, etc., particularly given the context of COVID-19 pandemic.

The TA-related studies under the central basin component are expected to have broad social benefits serving a significant proportion of China's population. Implementing the central basin component itself would have moderate

social risks, mainly related to health and safety for field workers and and meaningful stakeholder engagement. The ESMF requires that the TOR for a specific study will set out provisions to require TA implementing agencies to protect workers' rights, health, and safety. The CPMO has prepared a SEF, consistent with ESS10, to offer operational guidance for CPMO and TA implementing agencies to follow. However, adopting and enforcing the study outputs could have potentially significant downstream social changes among relevant communities, enterprises, institutions, vulnerable groups (such as ethnic minorities, workers, farmers, etc.) through regulating land, and resources use and constructing and operating physical facilities to improve water quality and improve the ecological environment. The ESMF screened the potential downstream social risks and impacts in connection with the proposed TA activities, including labor risks, community health and safety, restriction on land use, resettlement, and exclusion risks for vulnerable groups. Exclusion risks would potentially relate to livelihood impacts to farmers by limiting land use, inadequate consultations with ethnic minorities, livelihood impacts to workers potentially experiencing lay-off, among others. The TA-related studies will need to adequately consider downstream social risks and impacts to formulate meaningful and strategic advice as part of study outputs consistent with relevant ESSs. The Bank task team will further review the social risks (particularly downstream risks) against relevant ESSs when more project information is available during implementation.

Given the above E&S assessment results, the CPMO has prepared an ESMF to set out the principles, procedures, and requirements for managing the underlying E&S risks and impacts of the TA activities. The ESMF (i) reviewed the high-level E&S baselines of the river basin; (ii) compared the domestic regulatory framework and the ESF and proposed gap-filling measures; (iii) screened and assessed the potential E&S risks and impacts of the TA activities; (iv) set out E&S screening, assessment, management and monitoring procedures and measures for the TA activities.

The ESMF, SEF, and ESCP have formulated relevant actions and measures to ensure that the TA studies shall adequately consider E&S risks and impacts. During the implementation, the CPMO agreed to designate one environmental and one social specialist responsible for the ESMF implementation, and establish a cross-sectoral external advisory committee with at least one environmental and one social expert to assist on TA activities with substantial E&S risk. The external experts will also help with the capacity-building program in the ESMF. The ToRs for the TA activities, subject to prior review by the Bank Task team, will require TA implementing agencies to have E&S specialists' input on screening and analysis of any downstream direct, indirect and cumulative E&S implications with regards to each relevant ESS, and also carry out meaningful stakeholder engagement throughout the TA activities. The TA implementing agencies shall prepare a stakeholder engagement plan (SEP) (which may be part of the TA work plan) before conducting the specific TA activity. The study outputs will have a specific chapter on the E&S assessment results and mitigation recommendations for any downstream activities, including appropriate E&S assessment tools (such as strategic environmental and social analysis (SESA) and cumulative impact assessment (CIA)) and templates. The study outputs, particularly the E&S sections, are subject to prior review by the Bank Task Team. The CPMO will monitor the implementation of the E&S screening, assessment, and management measures for the TA activities, including labor management performance and stakeholder engagement. The Implementation Completion and Results Report (ICR) shall recap the E&S impacts of the central IPF component and corresponding mitigation measures and policy recommendations.

The draft E&S documents (including ESMF, ESCP and SEF) were locally disclosed on July 25, 2021. The E&S documents will capture the comments and recommendations received (if any) and document responses accordingly. The E&S package will be re-disclosed locally and on the Bank website after the Bank clears it and before Appraisal.

ESS10 Stakeholder Engagement and Information Disclosure

As the central basin component primarily consists of basin studies, capacity building, coordination mechanisms, and knowledge exchange, stakeholder engagement and information disclosure is a central pillar to promote transparency and inclusive planning, and ensure wide public participation, acceptance and equal access of vulnerable groups (including ethnic minorities).

The Borrower has developed a Stakeholder Engagement Framework (SEF). The SEF identified key stakeholders for the central basin component, including project-affected parties, other interested parties, and vulnerable groups. The affected parties would be primarily associated with the downstream application of TA outputs, such as enterprises and workers, farmers, livestock breeding enterprises and cooperatives, industrial park administrations, and the government authorities at county and township levels, among others. Other interested parties would include national, line ministerial, and regional governments engaged in basin management; academic institutions, NGOs and community organizations involved in basin research, and the broader public. Vulnerable groups would include ethnic minorities, farmers, and workers. The SEF assessed the impacts to and influence by these various stakeholders and formulated the different guiding approaches and strategies for engaging with them. The SEF differentiated the roles and responsibilities for CPMO and TA implementing agencies regarding effective stakeholder engagement throughout the process of TA studies. The SEF set out operational guidance and templates outlining general principles and a collaborative strategy to identify stakeholders and plan for an engagement process per ESS10, with particular consideration to the influential authorities/parties, the affected persons/groups, vulnerable groups, and the evolving context of COVID-19.

The TA TORs will define the provisions for detailed stakeholder analysis. During project implementation, the TA implementing agency shall prepare an activity-specific stakeholder engagement plan (SEP) when the specific contents of the proposed TA are known. The SEP may be developed as part of the TA work plan or a stand-alone document, depending on the nature of relevant TA activities and the E&S risks. The activity-specific SEP (or work plan) will mainstream the arrangement for information disclosure to and meaningful consultation (as relevant to the specific TA activities) with various stakeholders involved in the study itself and affected by potential downstream impacts through potential application of the study's outputs. It will also include the description of an accessible and effective grievance redress mechanism (GRM) to respond to any potential concerns relating to the study as well as any potential risks associated with the proposed studies. The GRM will be operational by project effectiveness and before any activities are supported that require the GRM coverage.

It is committed in the ESCP that the CPMO and TA implementing agencies shall put in place culturally appropriate actions and measures to enable ongoing meaningful consultation with representative stakeholders throughout the whole process of the TA studies. The TA outputs shall document how stakeholder engagement informs the formulation of relevant policy recommendations in the identification and mitigation of E&S risks and impacts. During implementation, CPMO will monitor the performance of stakeholder engagement and report to the Bank on a semi-annual basis.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

This standard is relevant. Two categories of workers are expected to be involved in the implementation of the central basin component: i) direct workers; ii) contracted workers. The direct workers will mostly be government workers who will be governed by the government/national code of conduct, unless there is an effective legal transfer of their employment or engagement in the Project. Contracted workers under the TA will be mostly white-collar knowledge workers (e.g., consultants, trainers, monitors or verifiers recruited by the implementing agency or its sub-contractors), who will be governed by mutually agreed terms of employment/contract including all relevant code of conduct and labor management procedures.

The ESMF undertook a high-level assessment of the CPMO's human resources policies (as an annex of the ESMF) and concluded it is, in general, aligned with ESS2 requirements and adequate to govern the labor risks associated with implementing TA-studies. The TOR for a specific study will set out relevant provisions to require TA implementing agencies to protect workers' rights, health and safety (including the particular health and safety issues posed by COVID-19) for contracted workers and respond to their grievances.

The TA studies could have potential downstream impacts on labor and working conditions. The ESMF carried out a preliminary screening of potential downstream labor and working conditions risks by TA studies. For example, occupational health and safety (OHS) risks associated with the downstream investment projects and civil works related to implementing recommended actions. The targeted measures to address the hotspots concerning phosphorous or plastic pollutions would have potential implications on worker lay-off in specific sectors. The TA studies themselves should therefore include an assessment of labor-related risks and impacts, as appropriate, and consider integrating mitigations, consistent with ESS2, into the design of advice to targeted actions and policy recommendations. During the implementation stage, the TA output would recommend appropriate labor management procedures to manage any potential downstream labor risks identified in the relevant studies.

The ESCP committed that during project implementation, CPMO will report any incidents and/or accidents (e.g., health and safety incidents in the workplace) involving project workers to the Bank on a timely basis through the monitoring and reporting mechanisms established for the project.

ESS3 Resource Efficiency and Pollution Prevention and Management

The central basin component does not involve any physical activities and therefore is not directly associated with resource efficiency or pollution issues. However, this standard is considered relevant as some of the studies aim to reduce pollutants (particularly phosphorus and plastic waste) in the river basin. For example, some TA activities will study and develop techniques for organic and inorganic solid waste pretreatment, processing, recycling and utilization, manganese mines ecological rehabilitation, and phosphorus tailings polluted sediment / soil rehabilitation and utilization. Outputs and recommendations from these TA studies may have downstream implications on resource efficiency and pollution management in relevant sectors, such as reduced use of chemical fertilizer and pesticides, agriculture and industrial water efficiency improvement, contaminated land rehabilitation, and waste recycling and utilization. It is required in the ESMF and ESCP that when carrying out the TA activities, any downstream implications with regards to ESS3 shall be screened and assessed, and the study outputs shall take into account sustainable use of resources and pollutants minimization.

ESS4 Community Health and Safety

This standard is relevant. Although the central basin component itself would not involve any civil works, it would involve meetings, workshops and trainings with stakeholders, and travel by project workers to the field, in which case there is possibility of the transmission of communicable diseases such as COVID-19. China has been implementing strict and comprehensive COVID-19 preventative measures which are proven to be quite effective. Therefore, the risk of COVID-19 is low. During project implementation, the domestic, World Bank, WHO guidance on COVID-19 will be followed to prevent or minimize the spread of COVID-19 in the communities. The Borrower will monitor the situation and prepare an emergency response plan for COVID-19 spread when it is necessary.

Another tier of consideration is to apply ESS4 to the TA studies. In the future, taking actions proposed as study outputs may involve investment projects and civil works which could impose potential downstream risks on community health and safety. It is required in the ESMF and ESCP that when carrying out the TA activities, any downstream implications with regards to ESS4 shall be screened and assessed, and the study outputs will include appropriate advice following the ESS4.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is considered relevant, although the central basin component itself will focus on TA-related studies and will not finance physical activities that would directly involve land acquisition, restrictions on land use, or involuntary resettlement. Resettlement implications are potentially associated with the downstream application of policy recommendations proposed by the TA studies. For example, the proposed strategies addressing phosphorous pollution control and aquatic ecosystem restoration may include policy recommendations restricting certain nutrient intensive activities, restricting pesticide or fertilizers use in certain areas, or progressively phasing out pollution industries, etc. Targeted studies on solid waste utilization and restoration of mining sites could involve considerations relating to the establishment of processing facilities.

The ESMF carried out a preliminary screening of downstream resettlement risks based on the nature and scope of relevant TA studies. The potential downstream resettlement implications could be large in spatial extent and of substantial risk. The ESMF and SEF have set out governing principles and procedures and consultation strategies to consider resettlement dimensions as a genuine part of relevant TA studies.

Following the ESMF and SEF, the TA ToRs should ensure relevant studies shall specifically screen and assess the underlying risks and impacts of land acquisition, restriction on land use, and resettlement. The ESMF and ESCP require that the TA implementing agencies shall carry out a focused E&S assessment to assess the potential downstream risks, and the policy recommendations shall include appropriate recommendations for addressing the social risks consistent with ESS5. When the policy recommendations would imply downstream resettlement, the core elements of a resettlement framework (as appropriate) shall form part of the TA output in the Project implementation.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The central basin component will not involve any civil works, or introduce alien species. Neither will the component involve primary production and harvesting of living natural resources, or purchase/use natural resource commodities. ESS6 is considered relevant because the proposed TA studies would be directed toward improving/protecting the natural habitats and biodiversity of the Yangtze River Basin, restoring natural and ecological functions, and sustainable management of ecosystem services. The ESMF requires that the TA activities will consider any downstream implications with regards to ESS6 and provide appropriate advice following the ESS6, and it is committed in the ESCP that implementation of TA outputs shall not bring any negative impacts on critical habitats or natural habitats, and will avoid, minimize, or reduce impacts to modified habitats and biodiversity.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS7 is deemed relevant because the Project would have some basin-wide TA-related studies. The ESMF identified that the Yangtze River Basin includes 14 ethnic minority autonomous prefectures and 32 ethnic minority autonomous counties. Distribution is uneven, with the majority are located in the river's upper reaches. In the highlands of the upper basin, the population consists mainly of Sala, Qiang, Tibetans, and Hui, among others. The population of the Yunnan-Guizhou Plateau is a mixture of Han Chinese and many ethnic minorities, such as ethnic Yi, Miao, Dong, Buyi, Yao, and Bai, among others. The population in the middle and lower parts of the basin becomes progressively more Han Chinese, although, many other ethnic minorities (such as Tujia) are represented, especially in the middle basin.

The ESMF concluded that subsequent implementation of recommendations from the study outputs could potentially include significant social implications for ethnic minorities, such as limitations on agricultural land use, labor and working conditions, community safety, exclusion risks for vulnerable groups, etc. Therefore, it is vital to promote meaningful and inclusive engagement with various stakeholders (including ethnic minorities) during the formulation of the TORs and throughout the study process, as appropriate. The ESMF has established procedural guidance to ensure that the TA studies genuinely consider assessing the potential for downstream social risks to ethnic minorities (if relevant) and advise on appropriate mitigation measures in the TA outputs, consistent with ESS7.

The SEF analyzed the potential (downstream) impacts to and influence by ethnic minorities and formulates general principles and strategies to enhance the meaningful engagement with ethnic minorities. During implementation, the TOR will define the provisions for detailed stakeholder analysis in connection with a study. The work plan of a corresponding TA study will include a specific stakeholder engagement plan to guide meaningful consultations with stakeholders and particularly ethnic minorities (if relevant). The ESCP stipulates that both CPMO and TA implementing agencies shall provide adequate resources to adequately consult ethnic minorities about the design and implementation of relevant TA studies.

ESS8 Cultural Heritage

This standard is considered relevant. The central basin component is not expected to support any construction or rehabilitation activities that would involve the movement of earth, thereby potentially having an impact on tangible cultural heritage. Also, the central basin component will neither have a material impact on intangible cultural heritage nor use such cultural heritage for commercial purposes. However, ESS8 is considered relevant because implementation of TA recommendations may involve physical investments that potentially impact known and unknown cultural heritage. The ESMF and ESCP articulates that assessment of potential downstream risks and

impacts on cultural heritage, and mitigation measures and recommendations shall be included in the ToRs and output reports of the TA activities, and implementation of TA outputs shall avoid adverse impacts on any known cultural heritage, and shall have chance find procedures for unknown heritage.

ESS9 Financial Intermediaries

This standard is not relevant as the central basin component will not involve any financial intermediaries.

B.3 Other Relevant Project Risks

No specific other E&S risks were identified.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

B.3. Reliance on Borrower's policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?	No

Areas where "Use of Borrower Framework" is being considered:

Although China has a comprehensive country framework governing environmental and social issues, its use for the central basin component is not recommended due to the limited experience of the implementing agencies in implementing and applying the ESF and its associated environmental and social standards.

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: People's Republic of China

Implementing Agency(ies)

Implementing Agency: National Development and Reform Commission

Implementing Agency: Changjiang Water Resources Commission

Implementing Agency: Jiangxi Provincial Finance Department

Implementing Agency: Jiangxi Provincial Development and Reform Commission??

Implementing Agency: Hunan Provincial Finance Department

Implementing Agency: Hunan Development and Reform Commission

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Marcus J. Wishart, David James Kaczan, Xiaokai Li
Practice Manager (ENR/Social)	Susan S. Shen Cleared on 26-Oct-2021 at 19:14:13 GMT-04:00
Safeguards Advisor ESSA	Nina Chee (SAESSA) Concurred on 27-Oct-2021 at 07:07:11 GMT-04:00