

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED  
SAFEGUARDS DATA SHEET (PID/ISDS)  
CONCEPT STAGE**

**Report No.:** PIDISDSC15993

**Date Prepared/Updated:** 06-Jan-2016

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	China	<b>Project ID:</b>	P156507
		<b>Parent Project ID (if any):</b>	
<b>Project Name:</b>	GEF China Sustainable Cities Integrated Approach Pilot (P156507)		
<b>Region:</b>	EAST ASIA AND PACIFIC		
<b>Estimated Appraisal Date:</b>	01-Jul-2016	<b>Estimated Board Date:</b>	16-Dec-2016
<b>Practice Area (Lead):</b>	Social, Urban, Rural and Resilience Global Practice	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	General energy sector (20%), Urban Transport (60%), General water, sanitation and flood protection sector (20%)		
<b>Theme(s):</b>	Other urban development (30%), City-wide Infrastructure and Service Delivery (30%), Climate change (20%), Other environment and natural resources management (20%)		
<b>Borrower(s):</b>	People's Republic of China		
<b>Implementing Agency:</b>	Ministry of Housing and Urban Rural Development		
<b>Financing (in USD Million)</b>			
	<b>Financing Source</b>		<b>Amount</b>
	Borrower		0.00
	Global Environment Facility (GEF)		32.75
	Total Project Cost		32.75
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Concept Review Decision:</b>	Track II - The review did authorize the preparation to continue		
<b>Is this a Repeater project?</b>	No		
<b>Other Decision</b>			

(as needed):	
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## **B. Introduction and Context**

### **Country Context**

The pace of China's urban population growth over the last thirty years has been rapid but not as rapid as other countries when they were going through a similar stage of development, for example the Republic of Korea (during 1960-1990) and Japan (during 1950-1980). Also compared with other countries at similar incomes, China has a significantly lower urbanization rate, at just 55 percent. It is the scale of China's urban population growth that is remarkable. More than 130 million people have become urbanites between 2000 and 2010 reaching a total of 750 million by 2014. Chinese government at various levels has exerted a strong push towards urbanization in the form of vast amounts of urban construction and the physical build-out of cities has forged ahead. As a result, while the urban population increased by 130 million between 2000 and 2010, the density of urban areas has remained almost constant, in contrast with the rapidly increasing urban density seen in other countries in the East Asia region. China dominates East Asia's urbanization trends with more than two-thirds of the region's total urban land as well as more than 80 percent of the new urban land added between 2000 and 2010.

Urbanization and urban sprawl have been accompanied by deep changes in the overall travel patterns of China's urban residents. Cities have rapidly spread out as a result of increased real estate costs, incentives for cities to convert rural land in peri-urban areas to urban land, and improved road infrastructure. This expansion of cities has been accompanied by rapid motorization with a 25% annual growth in private cars (reaching 126 million in 2014), an increase in distances travelled and a steady decline in the percentage of biking and walking trips. City urban design has also given growing priority to cars in the streetscape. While motorization initially brought gains in terms of mobility and convenience, it has also brought about adverse economic, environmental and social impacts including increased traffic congestion, air pollution, fossil fuel consumption, road accidents, social isolation, and disconnection among residents and their communities.

### **Sectoral and Institutional Context**

China aims to transition to high-income status with an urban population of 1 billion (70 percent) by 2030 - adding a further 250 million people in the next 15 years. China has recently announced its goal to peak greenhouse gas (GHG) emissions during the same time period. With cities accounting for about 70% of energy-related carbon emissions worldwide this seems an insurmountable task without radical change in the way cities are designed. Mainly as result of urbanization and industrialization, in 2009 China's per capita GHG emissions of 5.8 CO<sub>2</sub> metric tons already reached those of the EU but lower than that of the USA. China submitted its Intended Nationally Determined Contribution (INDC) ahead of the UN climate talks in Paris in December 2015, which sets out the goal of cutting GHG emissions per unit of GDP by 60-65% by 2030, from 2005 levels. China's cities face a difficult challenge in meeting their global targets without radically transforming the way urban areas are planned and how people move around them. Implementing sustainable city policies is not only essential for China's green and climate change agenda but also for creating livable, healthy, and vibrant urban environments.

To achieve their emissions reduction goals, China's cities will need to move to a more compact form of urban development, specifically developing urban forms along well-connected transit networks, thus allowing the shift from private car ownership to public and non-motorized

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transport. Compact, mixed-use, pedestrian-friendly development organized around a transit station, often termed Transit-Oriented Development (TOD), is one of the most effective strategic initiatives reversing the trend of automobile-dependent sprawl. Recognizing the problems of car-dependent urbanization, many cities have already been investing in metro rail, light rail, bus rapid transit, and commuter and heavy rail transit. These systems are extremely intensive in capital. Beyond the upfront construction costs, operation and maintenance also require substantial cross-subsidies from other revenue sources because fare revenues in most cities are insufficient. Such operational deficits are due in large part to the weak integration of transit infrastructure with urban development. These constraints are beginning to stimulate interest in better integrating transport and land use planning as well as development-based Land Value Capture (LVC) for transit financing and sustainable urban development.

In recent years, the national government and many cities have engaged in a strategic shift in their urban and transport investments towards public transport, walking and biking. China's State Council adopted public transport as a national policy priority, through a directive on the Prioritization of Urban Public Transport Development (2012). The State Council reinforced such emphasis as part of the Air Pollution Prevention and Control Plan (2013) which identifies key actions to prevent and control mobile pollution sources including prioritizing public bus, increasing the proportion of public transport, and upgrading pedestrian and public bike systems. To implement such policies, the government is also actively promoting sectoral policies and pilots. Ministry of Transport's Transit Metropolis Demonstration Project, has selected 37 cities to pilot strategies on public and non-motorized transport priority schemes, travel demand management, and TOD patterns. A National Walking and Cycling Transport System Demonstration program has also been in place since 2010. The Ministry of Housing and Urban-Rural Development (MOHURD) also issued Guidelines for Urban Pedestrian and Bicycle Transportation System Planning and Design (2013), with 100 pilot projects to be selected by 2015. MOHURD is also in the process of developing TOD guidelines, which are expected to be issued in 2016.

### **Relationship to CAS/CPS/CPF**

The proposed project is consistent with a Strategic Theme One: Supporting Greener Growth of the World Bank's Country Partnership Strategy for China for 2013 to 2015 (Report No. 6766-CN), which was disclosed by the Board of the Executive Directors on November 6, 2012. Under this theme the project aligns with three key outcome areas. (i) Outcome 1.2: Enhancing Urban Environmental Services which aims at addressing environmental management, including piloting cutting edge technologies to address environmental challenges in large cities and helping to establish "eco cities" that will be models for cities in China and the world. (ii) Outcome 1.3 Promoting Low-Carbon Urban Transport through piloting institutional and technological innovations that have potential for scale up in cities throughout China, such as public transport integration, transit-oriented development, travel demand management, and sustainable municipal financing mechanisms. (iii) Outcome 1.7: strengthening Institutional and Financial Mechanisms for Climate Change through improving knowledge on the economics of climate change, through TA and analytical work, including analyzing the costs and benefits of strategies to adapt to projected climate impacts; promoting access to new technologies to address both mitigation and adaptation challenges; and mainstreaming low-cost adaptation measures in sectoral investments across the rural, urban, transport, and energy sectors.

Shared Prosperity. Good urban planning can help reduce inequality in access to urban opportunities and amenities. The pattern of urban form is one of many factors that affect the

ability of the urban poor to access economic opportunities in their cities. Ensuring a spatial match between jobs, affordable retail, public transportation, health and education services, recreational areas, and affordable housing is one of the means of fostering such access. The project is aligned with both China's New Urbanization Plan (2020) and the World Bank and the State Council Development Research Center Report on Urban China: Toward Efficient, Inclusive, and Sustainable Cities (2014).

### **C. Proposed Global Environmental Objective(s)**

#### **Proposed Global Environmental Objective(s) (From PCN)**

The main objective is to develop integrated strategies, guidelines and capacity to increase integration of land use and transport planning in select cities in China.

#### **Key Results (From PCN)**

The achievement of the PDO will be measured through the following Key Performance Indicators: (i) integrated planning strategies adopted in Ningbo and Shenzhen; (ii) seven cities with pilot areas demonstrating the integration of land use and transport planning; (iii) national and international networks for sustainable city peer learning established and maintained; and (iv) annual emission reductions of x tons by 2020.

### **D. Concept Description**

As a response to the importance of cities in addressing climate change, the Global Environment Facility (GEF) is promoting urban sustainability as one of their three Integrated Approach Pilots. The urban program, known as the Sustainable Cities Integrated Approach Pilot (SC-IAP), consists of two tracks: (i) country-level "child" projects, which include 24 cities across 11 countries with a total of US\$144 million in grant funding. Each country is paired with one or several global organizations acting as implementing agencies to manage the various projects in the participating cities; and (ii) a Global Platform for Sustainable Cities (GPSC), led by the World Bank, with a US \$10 million grant that will promote shared learning among participating cities and develop tools and methodologies for promoting an integrated approach to urban planning, financing and implementation.

The China "child" project will be implemented by MOHURD and seven cities that represent a range of the development stages and challenges of cities in China. The China "child" project places special emphasis on integrating land use and transport planning and TOD, at city and/or sub-city levels. The focus is on using TOD as an integrated approach to incentivize compact, connected and mixed use urban development or redevelopment around stations. Given limited funding, the project will not support any civil works. Goods may be funded on an exceptional basis where there is clear justification.

The project has two components.

Component 1: National Platform and Policy Support (US \$1.63 million). The capacities of local governance and planning for sustainability are significantly affected by the relations between municipalities, regional or provincial authorities and national governance (vertical coordination) and between different agencies and policy divisions within municipal governments (horizontal coordination). The importance of vertical and horizontal coordination, or multi-level governance, is crucial in reducing highly fragmented nature of city building. This project component will finance multi-level coordination, both at national level and amongst cities and further develop

national policies, guidelines, and strategies for integrated urban planning and TOD. The national platform will aggregate the results of the city level activities and also compile monitoring and evaluation indicators and progress reporting. This component will be managed by MOHURD, through the China Society of Urban Studies, and will have a 5 percent project management cost.

Component 2: City level Integrated Planning and TOD (US\$ 31.12 million). Specifically this component would support the seven cities in developing strategies and plans to better integrate land use and transport planning to create urban forms and space that reduce the need for private motorized vehicles, and increase transport and energy efficiencies. Depending on their focus, cities could develop a selection of conceptual land use plans, development schemes, streetscape and design guidelines, parking strategies, priority infrastructure investments, and a financial plan around a specific transit station, stations or line. Plans would ideally include housing types and affordability, commercial uses, business attraction and mixes, and job location. However, they should be flexible enough to allow for creativity, originality, and affordability. TOD approaches could be developed at various levels depending on the city focus including: (i) city-wide; (ii) urban area or city center; (iii) corridor or region; (iv) transit line; (v) or station. All cities would consider aspects of low-income groups and gender dimensions in their TOD approach and all would adopt a participatory and data-driven and evidence-based process. This component will support partnerships for cities at local, national, and global levels, through knowledge management, capacity building, peer-to-peer learning and global coordination. Resources would come from each city's individual allocation and will enable them to attend annual meetings of the global platform and visit cities or accept city visits from other cities around the globe. This component will be managed by each of the seven cities and each city will have a 5 percent project management cost.

## II. SAFEGUARDS

### A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

China is facing tremendous challenges with very rapid urbanization, increasing energy demand and growing pollution, and the challenges different cities face varies according to their size, rate of development, management capacity, energy mix and environmental issues. The megacities in the more developed regions of China are facing increasing challenges with pollution, congestion and resource scarcity. But China has 658 cities that are in the early stage of rapid growth and urbanization and need to balance economic development with environmental and social challenges it faces. With economic development and Chinas urban population projected to rise to about one billion or close to 70 percent of the country's population by 2030, the population will continuously demand higher standard of living in cities, and better management of the urbanization process is essential to make cities more livable, efficient and sustainable.

The Government of China proposes a pilot program with different types of cities according to their level of urbanization and challenge. The 7 cities are: Guiyang, Shenzhen, Ningbo, Nanchang, Beijing, Tianjin and Shijiazhuang. The population of target cities and metropolitan areas today and projections for 2050 are as follows: (i) Guiyang: 4.3 - 8 million; (ii) Shenzhen: 10.4 to 12.9 million; (iii) Ningbo: 7.6 to 9.4 million; (iv) Nanchang: 5 - 9.4 million; (v) Beijing: 20 to 25 million; (vi) Tianjin: 12.9 to 16 million; and (vii) Shijiazhuang: 10 to 15.5 million. The numbers are official national statistics or local official's estimates of 2010 reported to the NDRC's National Climate Change Center for the Low Carbon Pilot Program.

The cities of Guiyang, Shenzhen, Ningbo, Nanchang, Beijing, Tianjin and Shijiazhuang have been selected jointly by Ministry of Finance (MOF) and MOHURD, representing different types of cities in terms of population size, urbanization rate, economic condition, energy mix and environmental problems. All selected cities share the common aspiration of sustainable urbanization and are committed to taking on a new path and leading demonstrative effects to other cities of their peer. Guiyang represents cities in western China, where it is in early urbanization stage that offers an opportunity to balance economic development and natural resource conservation, including unlocking its tourism potential. Shenzhen has been a show case of market reform policies for other Chinese cities. With the highest urbanization rate, Shenzhen has existing industrialized areas that face challenges in upgrading and restructuring. Shenzhen is a member of the R20 Regions of Climate Action. Ningbo is one of the eastern coastal cities that has rapidly developed over the last decade, attracted a large work force. Its sprawl is in the need of urban spatial use efficiency and urban services. Nanchang represents the cities in central China in an rural setting and which can develop sustainable avoiding lock-in effects in terms of urban structures and services. Beijing, the largest of all the target cities, is a typical mega city in the needs of addressing issues from its urban sprawling, which affect the efficient provision of services such as energy, transportation and heating. Beijing is an observer member of the C40 initiative. Tianjin, taking the momentum of the central government's commitment in regional coordinated development of Jingjinji (Beijing- Tianjin- Shijiazhuang) area, would promote integrate urban resources efficiency in its development planning. Shijiazhuang City, also a core part of the Jingjinji area, has an economy dominated by heavy industries. The industrialized city is seeking a new pathway to become cleaner and more efficient.

TOD is a land planning tool used to synchronize the planning of land development along with transit. The aim is to introduce more compact forms of urban development along transit lines and avoid urban sprawl. Urban sprawl is a key driver of environmental degradation and impacts on land and biodiversity. The project will therefore have positive environmental benefits. However, along with more compact urban development other impacts, including congestion and local air pollution may occur. The project is also aiming to contribute to policy making that aims to provide more option for non-motorized transport and walking to reduce the negative impacts of more compact urban development. TOD may also lead to increased land prices and increasing rentals. The project will also look at policies for incorporating provision of affordable services along with TOD planning helping to ensure a spatial match between jobs, affordable retail, public transportation, health and education services, recreational areas, and affordable housing.

### **B. Borrower's Institutional Capacity for Safeguard Policies**

Implementing agencies have varying levels of experience with Bank safeguards policies from the novice to the expert. Shenzhen and Beijing, although with developed capacity in general, have not had many Bank project in many years. Guiyang also has not had many Bank projects and has one ongoing rural roads project. Implementing agencies in Tianjin, Nanchang and Ningbo have comparatively more experience with Bank safeguard policies.

Capacity building related to Bank social environment and safeguards is needed. And it is needed to build counterpart capacity for integrating social concerns into their work also. Training, by Bank mission or experienced social consultants and in other ways, should be prepared in relevant documents, and implemented during the project preparation and implementation process.

### **C. Environmental and Social Safeguards Specialists on the Team**

Songling Yao (GSU02)

**D. POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	The project will not support any civil works. Component 1 finances further development of national policies and strategies for integrated urban planning and monitoring indicators. Component 2 supports cities to develop conceptual land use plans, development schemes, streetscapes and design guidelines. During the project preparation, an Environmental and Social Management Framework (ESMF) will be prepared as per the WB requirement. The ESMF will mainly include a brief of potential environmental and social impacts, requirements to integrate environmental and social consideration depending on type of TA activities, prescription and possible draft ToRs for safeguard instruments to be prepared during implementation, and public consultation and grievance mechanism. Given the potential impacts, a category B is proposed.
Natural Habitats OP/BP 4.04	No	The project will not involve any civil works and is intended for urban built-up areas. The policy is not triggered.
Forests OP/BP 4.36	No	This policy is not applicable and triggered.
Pest Management OP 4.09	No	This policy is not applicable and triggered.
Physical Cultural Resources OP/BP 4.11	Yes	Although the project will not involve any civil works, the development of conceptual land use plans, planning regulations, or planning for TOD may have implications for physical cultural resources depending on the location of the proposed pilot TOD activities in each city. The ESMF will include requirements on physical cultural resources.
Indigenous Peoples OP/BP 4.10	No	The project is only in urban areas and there are no groups of indigenous peoples.
Involuntary Resettlement OP/ BP 4.12	Yes	The project will support technical assistance for developing policies and regulations, conceptual land use planning, and TOD planning which may have downstream implications for land use changes or construction around transit stations, social disturbance, or impacts on urban poverty and women, etc. There is no civil works, specific land use planning, or investment plans involved in the

		<p>project implementation. However, at this stage the nature, scope, scale of the proposed TOD planning in the seven cities is not defined, which may have some potential implication on resettlement.</p> <p>A TOR for a Social Management Framework (or as part of ESMF), including social assessment, possible involuntary resettlement will be prepared prior to project appraisal.</p>
Safety of Dams OP/BP 4.37	No	The project will not involve any dams. The policy is not triggered.
Projects on International Waterways OP/BP 7.50	No	This policy is not applicable and is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not applicable and is not triggered.

## E. Safeguard Preparation Plan

### 1. Tentative target date for preparing the PAD Stage ISDS

15-May-2016

### 2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

The China Society of Urban Studies (CSUS), as one project implementing entity (PIE) under MOHURD, is responsible for the whole project preparation and its own component implementation. The participating cities, as PIEs, will take charge of preparation and implementation of their own parts. Well coordination among the agencies is critical for the project preparation and implementation. CSUS should contractually entrust experienced environmental and social consultant to assist preparation of the project, including all the project activities under all agencies and all the proposed social documents discussed above.

An Environmental Management Framework would be prepared prior to appraisal planned for June 2016. The need for a Social Safeguards Framework will be further reviewed in early preparation. If consider necessary this will be prepared along the same timeframe as the environmental management framework.

## III. Contact point

### World Bank

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Title: Sr Urban Spec.

Contact: Wanli Fang

Title: Urban Economist

### Borrower/Client/Recipient

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**Implementing Agencies**

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**IV. For more information contact:**

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**V. Approval**

Task Team Leader(s):	Name: Joanna Mclean Masic, Wanli Fang	
<b><i>Approved By</i></b>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 28-Jan-2016
Practice Manager/ Manager:	Name: Abhas Kumar Jha (PMGR)	Date: 28-Jan-2016
Country Director:	Name: Mara K. Warwick (CD)	Date: 24-Feb-2016

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.