

INTEGRATED SAFEGUARDS DATA SHEET APPRAISAL STAGE

Report No.: ISDSA746

Date ISDS Prepared/Updated: 27-Jun-2012

I. BASIC INFORMATION

1. Basic Project Data

Country:	China	Project ID:	P125021
Project Name:	Hunan Forest Restoration and Development Project (P125021)		
Task Team Leader:	Jin Liu		
Estimated Appraisal Date:	29-Jun-2012	Estimated Board Date:	21-Feb-2013
Managing Unit:	EASCS	Lending Instrument:	Specific Investment Loan
Sector:	Forestry (100%)		
Theme:	Climate change (50%), Other environment and natural resources management (50%)		
Financing (In USD Million)			
Financing Source			Amount
Borrower			35.20
International Bank for Reconstruction and Development			80.00
Total			115.20
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Objectives

The PDO would be to enhance the resilience and environmental function of selected ice storm-affected ecological forest plantations in Hunan Province by increasing forest species diversity and vegetative tree cover in those areas.

3. Project Description

In early 2008, southern-central China experienced an extreme ice storm. Hunan Province experienced the most severe damage with some 4.5 million ha of forests or 35 percent of the provincial forest area affected. The proposed Hunan Forest Restoration and Development Project will support the provincial Government's effort in restoring the damaged plantation sites, to prevent further forest degradation and rehabilitate the ecological balance in the storm-affected landscapes.

The Government of China will borrow US\$ 80 million IBRD loan to finance this project. The World Bank Loan would support forest restoration of the estimated area of 58,900 hectares degraded forest lands and damaged forests identified by the local government as priority for forest restoration, as well as the relevant technical support, monitoring and evaluation, institutional capacity building and project management.

It is expected that this project will be implemented over a period of six years from March 1, 2013 to March 1, 2019. The following components and activities are proposed to be included:

A. Component One: Reforestation and rehabilitation of damaged ecological forest plantations. It includes two subcomponents:

(a) The full reforestation of ecological forest plantations completely denuded by the ice storm. This reforestation would be achieved by reforesting about 27,700 ha of forestland with various locally-adapted species mixed with conifer and indigenous broadleaf species.

(b) The rehabilitation of damaged ecological forest plantations, which would include:

(i) The supplemental reforestation of about 18,600 ha of damaged and partially denuded ecological forest plantations by inter-planting mixed species of conifer and indigenous broadleaf species; and

(ii) the natural regeneration for about 12,600 ha of damaged ecological forest plantation where spontaneous germination of forest seedlings as well as the sprouts from damaged stumps would be supported through silvicultural management measures and supplemented by some partial replanting of mixes of conifer and broadleaf indigenous species in locations where natural regeneration is not taking place.

The project interventions envisaged under this component would result in the creation of rehabilitated multi-species ecological forest plantations that would have multi-level structures (trees of different heights and ages) with an optimum canopy cover allowing them to be more resilient to the effects of future natural disasters and to provide better soil and water conservation and other environmental functions.

B. Component two: Institutional support and technology enhancement. It would finance five subcomponents:

(a) To upgrade two central nurseries in Taoyuan County and Suxian District and a provincial demonstration nursery in Ningxiang County, as well

as to improve the quality of seedlings throughout the project area. The proposed upgrading would: (i) increase the number of seedlings of species and improve the quality of planting materials; and (ii) support the adoption of sound nursery management technologies.

(b) To establish and strengthen 22 farmer forest cooperatives for the purpose of reforestation, forest rehabilitating and long-term management of the ecological forest plantations.

(c) To carry out an applied research, capacity building and knowledge dissemination program covering various areas and topics and to implement training and extension activities, which would help to introduce new and more adapted ecological forest plantation species, new plantation technical models, as well as nursery management techniques. These activities would also upgrade the capacity of forestry staff in providing technical services and extension to the project beneficiaries.

(d) To establish and implement the project's progress, outcome, and impacts monitoring and evaluation system.

(e) To strengthen institutional capacity for project management offices at both provincial and county levels.

The implementation of the component would strengthen the institutional capacity for project management, improve the quality of planting material and enhance the technologies used for reforestation and managing the ecological forest plantations.

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

The project activities would be implemented in 22 counties in Hunan Province. The project site/location selection was made in accordance with the following criteria:

- (a) Sites would only be made up of ecological plantation areas damaged by the 2008 ice storm;
- (b) Private and collective ecological forest plantations would be included in the project only at the voluntary request of their land use right owners;
- (c) All the sites to be selected would be free of claims and/or disputes and would be outside the boundaries of any natural forest, habitat and/or cultural heritage site.

The project areas cover a large mountainous landscape that is traversed by a couple of rivers. The region is largely prone to water and soil erosion mainly because of the steep slopes and the fact that the upper reaches of the Zijiang, Yuanjiang and other rivers have degraded forest cover and vegetation. The rehabilitation of damaged forest plantations in those areas would help reduce soil erosion and water losses caused by water runoff, as well as enhance the sustainability of water resource and improve its quality.

5. Environmental and Social Safeguards Specialists

Zong-Cheng Lin (EASCS)

Yiren Feng (EASCS)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The explanations are detailed in the following section.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	Yes	
Pest Management OP 4.09	Yes	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	Yes	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the Restructured project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>The Environmental Assessment (EA) and Social Assessment (SA) conducted during the project preparation have not identified any potential large scale, significant and/or irreversible impacts. No involuntary relocation or land acquisition is expected under the project. There are also no archaeological and historical sites found. More specific assessment is summarized as the following:</p> <p>1. Environmental Assessment. The project is designed to enhance the resilience and environmental function of selected ice storm-affected ecological forest plantations in Hunan Province. It is expected to generate significant positive environmental impacts in the project areas. Negative impacts are unlikely to be generated and could occur only if the project is not properly designed and implemented. For example, poor plantation model design such as application of unsuitable planting materials and species, improper site selection and site preparation, uncontrolled use of pesticides, etc. However, such negative impacts are unlikely to materialize because Hunan Province has long-term experience in managing similar forestry projects and the detailed design for reforestation and forest rehabilitation has been carefully undertaken during project preparation. Environment risks will be mitigated and managed through the appropriate planting model selection and the safeguards measures proposed under the project, which are included in the project implementation plan.</p> <p>One Environmental Management Plan (EMP), including Environmental Protection Guidelines (EPG) and a Pest Management Plan (PMP) was</p>
--

prepared for the project, building on the experience of the previous forestry projects in China. The environmental monitoring plan is integrated into the project's overall M&E approach. The proposed mitigation measures have been integrated into the project implementation and operational phases. The proper implementation of the mitigation measures would minimize the potential negative environmental impacts to an acceptable level or even eliminate those impacts.

2. Natural Habitats. EA indicated that the proposed sites are ecological plantation areas damaged by the 2008 ice storm, which are not located in or near any critical natural habitats. The site selection criteria also exclude such areas under the project. During project implementation, further site screening process will be undertaken for each of the candidate sites to confirm that no critical natural habitats or cultural heritage exist in the project areas and the information about each site will be well documented. On-site screening and ex-post checking approach have proven to be an effective tool in previous World Bank-financed forestry projects.

3. Forests. The project includes reforestation and rehabilitation of damaged ecological forest plantations. The project will use mainly local, indigenous species and develop forest plantation models with significant environmental benefits. The plantation will be largely managed by communities and villages and in their lands for which they have the land use rights. The plantations will keep the permanent forest cover for generating the ecological functions. Only thinning that will promote the forest growth, healthy conditions and underground generation and selected cutting for regeneration purpose will be allowed. The project does not entail conversion of natural forests and the introduction of any invasive species. Communities will manage the improved forest plantations based on their interest and voluntary participation. Policy requirements on plantation and community forests management have been integrated into the EMP.

4. Pest Management. Since the establishment and management of forest plantations require to use limited pesticides or herbicides, a Pest Management Plan (PMP) has been developed based on the implementation experience from managing previous Bank financed forestry projects in China. An integrated pest management (IPM) approach has been incorporated into the project design during preparation. The IPM, including training and monitoring programs and budget plan, will be implemented during the project implementation period.

5. Physical Cultural Resources. The detailed site selection process and environmental screening confirmed that the project sites are not located in or next to any known areas with physical, cultural, or natural relics and the results have also been confirmed by the Cultural Relics Bureau of each proposed project county. In addition, the site selection criteria exclude such areas. A chance finding procedure for physical cultural resources was included in the EMP.

6. Indigenous Peoples (IP). Several ethnic minority people reside in the project area, including Miao, Yao and Tujia people. The Miao and Yao ethnic groups, who mainly live concentrated in 5 counties in the west and the south-west of Hunan Province, are identified as indigenous people in accordance with OP4.10. During project preparation, the project SA was conducted by a social expert consulting team with a focus on the Miao and Yao communities. Free, prior and informed consultation was carried out in these communities by the project entities and local authorities with social expert team's guidance. Based on the findings of the assessment, an Ethnic Minority Development Plan (EMDP) was developed to ensure that the proposed project activities on ecological forest plantation restoration and rehabilitation are offered to the Miao and Yao communities in the same way as to other project beneficiaries and that their participation would be on a voluntary basis.

7. Involuntary Resettlement. The project SA and the technical design confirmed that there are no any physical relocation and/or land acquisitions under the project. All project activities would be undertaken on a voluntary basis. The project will only include those lands where the land users agreed voluntarily to be included. The project has developed a Participatory Planning Manual (PPM) which was applied during project preparation and will continue to be applied during the implementation period to ensure full voluntary participation of farmers and communities.

8. Safety of Dams, International Waterways and Disputed Areas. The project will not finance construction or rehabilitation of any dams; there are no project components involving international waterways; and the project sites are not located in any known disputed areas as defined under the policy. No action is required under those policies.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The project has been assigned as an EA category B project in the World Bank's classification system. Overall, the Project is expected to generate significant long term environmental benefits such as reducing water and soil erosion, promote forest sustainability and biodiversity conservation, as well as make contributions to the reduction of GHG. The relevant monitoring activities on soil erosion reduction and other ecological environmental impacts have been designed as part of the project monitoring plan.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The borrower conducted a detailed feasibility study for selecting the most appropriate reforestation and forest rehabilitation models, including tree species selection, forest management models etc. The technical models designed during the project preparation would represent an appropriate balance between technical and cost effectiveness and are environmentally and ecologically sound choices. Some project activities were modified during preparation in order to increase the environmental benefits, such as reducing planting density to promote multi-story canopies and adopting mixed forest structure to maximize the soil erosion reduction function and minimize pest and diseases occurrence rate.

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 project implementation agencies readily endorsed the principle of carrying out all project activities in accordance with the Bank safeguard policies. The project agencies developed and would implement the EMDP, the EMP including EPG and PMP, as well as the PPM. The relevant standards, requirements and procedures have been incorporated into the final project design and its implementation plan to guide the project implementation. More specifically:

The project environmental assessment was carried out in accordance with the Bank's operational Policy and local government regulation and an EMP was prepared. The key potential negative impacts on the environment would include: (a) short-term impact to the ground vegetation and potential temporary soil and water erosion due to site preparation for planting and (b) pesticide application on the planting site. If the mitigation measures proposed in the EMP are implemented, the negative impacts will be minimized. The mitigation measures to address the potential negative environmental impacts have been identified and included in the EMP as well as the technical design. The EMP also includes institutional arrangement for EMP implementation, budget requirements for monitoring and training. For easier reference during implementation, the operational procedures and the mitigation measures for each step of project activities are included in a stand-alone EPG. The EPG covers the guidelines for the entire cycle of reforestation and forest rehabilitation activities stating from site selection, site preparation, species

selection, planting and tending management (including weed and soil loosening, fertilization, and pest control), fire prevention and control, to long-time forest stand management and regeneration selective cutting. Good practice and procedure in the previous forestry projects in Hunan were adopted in the Guidelines. A PMP was prepared for the project in accordance with OP4.09. The PMP covers preface, major pest issues, pesticides management methods and their scope of application, and provided recommendations for different situations. It summarizes the IPM approaches adopted by the project, and lists all chemicals that might be potentially needed for the project forest plantation management, which fulfill the Bank's requirements and within the World Health Organization's recommended categories. The PMP also includes the institutional arrangements for pesticides management, the relevant training program and monitoring program. The implementation of the training and monitoring programs has been budgeted as part of the project cost.

The project social assessment was also carried out. Because of the presence of Miao and Yao ethnic minority groups in the project areas, the Bank OP/BP 4.10 was triggered. The project PMO invited ethnologists/sociologists from Hunan Academy of Social Science and the Southern Industrial University conducted project SA with a focus on the Miao and Yao ethnic minority communities. The project social assessment report (SA report) was prepared to inform the project designers of the critical social impacts that might caused by the project. Therefore, the social concerns have been appropriately addressed in the project design. Moreover, The EMDP would also help to mobilize additional government resources and social services for the development of village infrastructure in these ethnic minority communities. Through the implementation of the EMDP, the project would provide an opportunity for both the restoration of damaged ecological forest plantations and for the socio-economic development of the ethnic minority communities.

Hunan Province has participated in four previous Bank-supported forestry projects and has demonstrated excellent institutional capacity in project management, including implementation of the World Bank's safeguards policies. All of the previous forestry development projects required the preparation and implementation of EMP, EPG and PMP, which have proven to be effective tools in mitigating the potential negative impacts to the environmental condition. The implementation agencies are also familiar with the Bank's social safeguards policies through the implementation of the Sustainable Forestry Development Project, in which the Community Consultation and Participatory Manual as well as EMDP were developed and implemented successfully.

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

Key stakeholders are the local governments, individual households, forest farms, farmer forest cooperatives, village groups and communities in 22 counties of Hunan Province, including the Miao and Yao ethnic minority communities. The project has established a broader participation mechanism throughout the project area. A PPM has been prepared to guide the project design and implementation on the ground. The PPM requires a three-step process to secure local villages and farmers' voluntary participation in the project, and their preference in technical design would be taken into consideration. These steps include: (a) the dissemination of detailed information on project reforestation and forest rehabilitation activities in all project villages; (b) the establishment of a two-way communication process between households and county PMOs on the selection of plantation models and tree species; and (c) a process of formal application and contracting between the participating villages or households and the county project management offices for project participation.

During project preparation, a detailed consultation and participatory design process has been carried out in all project villages and key stakeholders. More than 26,000 individual households were interested in the project and would participate in and benefit from the project by various operational and management arrangements on a fully voluntary basis.

More specifically, in ethnic minority communities, led by project SA team, extensive project information dissemination and consultation campaign were conducted and intensive socio-economic survey fieldwork was carried out in the project Miao and Yao communities. Around 24 village conferences and 46 focus group meetings were held and 558 farmers attended the meetings; around 40 key village informants and 149 rural leaders were interviewed. In addition, 180 Participatory Rural Assessment (PRA) paradigms and tables were drawn and 522 questionnaire sheets were collected. Through the intensive PRA fieldwork and extensive consultation, all these Miao and Yao villages and communities fully understood the potential risks and opportunities associated with the projects, and expressed their enthusiasm interest and broad support to the project activities.

The project safeguard documents have been disclosed in Hunan provincial PMOs, 22 project county PMOs and county libraries, as well as Hunan Forestry Bureau website on April 20, 2012. The Documents have been also disclosed at Bank InfoShop on May 23, 2012.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	12-Apr-2012
Date of "in-country" disclosure	20-Apr-2012
Date of submission to InfoShop	23-May-2012
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	12-Apr-2012
Date of "in-country" disclosure	20-Apr-2012
Date of submission to InfoShop	23-May-2012
Pest Management Plan	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	12-Apr-2012
Date of "in-country" disclosure	20-Apr-2012
Date of submission to InfoShop	23-May-2012

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

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			
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP 4.09 - Pest Management			
If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples			
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
OP/BP 4.36 - Forests			
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]	NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
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 [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
All Safeguard Policies			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader:	Jin Liu	
Approved By:		
Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name Mark R. Lundell (SM)	Date: 29-Jun-2012