CAPACITY STRENGTHENING FOR IMPLEMENTATION OF MINAMATA CONVENTION ON MERCURY PROJECT (P151281)

Implementing Agencies: Ministry of Ecology and Environment, Foreign Economic Cooperation Office, PEOPLE'S REPUBLIC OF CHINA

Key Dates

<table>
<thead>
<tr>
<th>Key Project Dates</th>
<th></th>
<th>Effectiveness Date: 06-Feb-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Approval Date: 09-Sep-2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planned Mid Term Review Date: 17-Dec-2018</td>
<td></td>
<td>Actual Mid-Term Review Date: --</td>
</tr>
<tr>
<td>Original Closing Date: 30-Apr-2021</td>
<td></td>
<td>Revised Closing Date: 30-Apr-2021</td>
</tr>
</tbody>
</table>

Global Development Objectives

Project Development Objective (from Project Appraisal Document)
The PDOs are to (a) develop a national strategy on mercury and related action plans, and (b) improve China's mercury management capacity and readiness to implement this strategy in the project provinces.

Has the Global Environmental Objective been changed since Board Approval of the Project Objective?
No

Components

<table>
<thead>
<tr>
<th>Name</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of National Strategy and Sectoral and Provincial Action Plans:</td>
<td>$4.72 M</td>
</tr>
<tr>
<td>Capacity Strengthening for Mercury Management and Risk Assessment:</td>
<td>$10.48 M</td>
</tr>
<tr>
<td>Project Management:</td>
<td>$0.80 M</td>
</tr>
</tbody>
</table>

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>
Implementation Status and Key Decisions

Despite delay due to slow start-up the project is gaining momentum and making progress towards the PDO. The National level inter-ministerial coordinating group of Minamata Convention was established and held its first coordination meeting in April 2018 with the participation of representatives of 16 ministries. The national technical advisor has been hired and is working effectively with FECO in providing technical advice. Various consultancies that will contribute to the development of national strategy and related action plans are contracted or at different stages of procurement. These consultancies are expected to mobilize more resources to speed up the studies to ensure that national strategies and sub-strategies development are completed within the current implementation period despite the initial delay. The Mercury flow reporting template is being finalized and shared with stakeholders for comments by end of June 2018 with contracts expected to be signed by September 2018.

Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>Low</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Overall</td>
<td>Moderate</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

Results

Global Environmental Objective Indicators

- National strategy developed and submitted for approval (Text, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>No national strategy</td>
<td>No national strategy</td>
<td>Not started</td>
<td>Contract signed and actual work has started.</td>
<td>Submitted for approval</td>
</tr>
</tbody>
</table>

| Date                | 01-Nov-2016    | 19-Dec-2017       | 21-Jun-2018                           | 31-Dec-2020                                  |
The National Strategy Preparation Coordination Group has been established for implementation of the Minamata Convention,

<table>
<thead>
<tr>
<th>Mercury flow tracked by a fully functional MIS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
</tr>
<tr>
<td>Baseline: No system to track mercury flow</td>
</tr>
<tr>
<td>Actual (Previous): Not started</td>
</tr>
<tr>
<td>Actual (Current): TOR has been finalized.</td>
</tr>
<tr>
<td>End Target: MIS in operation in the three provinces</td>
</tr>
<tr>
<td><strong>Date</strong></td>
</tr>
<tr>
<td>01-Nov-2016</td>
</tr>
<tr>
<td>19-Dec-2017</td>
</tr>
<tr>
<td>21-Jun-2018</td>
</tr>
<tr>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

Overall Comments
A national MIS platform for soil environment is expected to be completed by the end of 2018. It was agreed that the CPMO aims to sign a contract for this consulting service by September 2018 and continues to follow up with the relevant MEP departments and other key stakeholders as to the appropriate institutional arrangements that will ensure sustainable functioning of the MIS.

Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Development of sectoral action plans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
</tr>
<tr>
<td>Baseline: 0.00</td>
</tr>
<tr>
<td>Actual (Previous): 0.00</td>
</tr>
<tr>
<td>Actual (Current): 0.00</td>
</tr>
<tr>
<td>End Target: 9.00</td>
</tr>
<tr>
<td><strong>Date</strong></td>
</tr>
<tr>
<td>01-Nov-2016</td>
</tr>
<tr>
<td>19-Dec-2017</td>
</tr>
<tr>
<td>21-Jun-2018</td>
</tr>
<tr>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

Comments
There are a total number of 24 TORs concerning the Development of National Strategy and Sectoral and Provincial Action Plans. Among which, four individual contracts (national technical advisor, expert to provide guidance and support on the national strategies of the five atmospheric point sources, formulation of strategy for management of mercury supply sources and trade) have been signed. The bidding process for the six sub-strategies and sectoral action plans were finished in April and the contract signing are expected in June. The bidding of the other nine more complex sub-strategies and sectoral action plans are expected to happen in June/July, Three TORs have received NOL from the Bank and will enter procurement process shortly. Another two TORs are being drafted.
### Development of three provincial action plans (Text, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>No provincial action plans</td>
<td>Not started</td>
<td>Not started</td>
<td></td>
<td>Submitted for provincial approval</td>
</tr>
<tr>
<td>Date</td>
<td>01-Nov-2016</td>
<td>19-Dec-2017</td>
<td>21-Jun-2018</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

**Comments**
The bidding of the Provincial Implementation Plans in Shaanxi, Hunan, and Guizhou are expected to happen in June/July, due to the complexity of the relevant sectors.

### Recycling technologies assessed (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>2.00</td>
</tr>
</tbody>
</table>

**Comments**
Five candidate plants on mercury recycling technology of waste mercury-added products were preliminaries investigated and visited on-site by Shaanxi Province. Anxing CRT recycling company was selected for technology demonstration for the assessment of mercury recycling from waste mercury-added products. Guizhou Gravity Science and Technology Environmental Protection Co., Ltd. was selected for technology demonstration of assessment of mercury recycling from mercury waste.
### Mercury contaminated sites with environmental risks assessed (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Nov-2016</td>
<td>19-Dec-2017</td>
<td>21-Jun-2018</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

**Comments**

All three local PIUs carried out investigation and screening of mercury pollution sites for environmental risk assessment. The preliminarily screened contaminated sites include primary mining, mercury and mercury-added products smelting, and production of precious metals. Wu Qiang Xi town in Yuanling county of Hunan province is selected as the demonstration site. The first stage tailing yard of Shaanxi Mercury Antimony Science and Technology Co., Ltd is being considered as a suitable candidate for site risks assessment. The site of Guizhou Blue Sky Solid Waste Disposal Co., Ltd, formerly the site of Guizhou mercury smelter, was selected as the site in October 2017.

### Participants in consultation activities during project implementation (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1,600.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Nov-2016</td>
<td>19-Dec-2017</td>
<td>21-Jun-2018</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

### Number of key mercury sectors represented by participants (Number, Custom Breakdown)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Nov-2016</td>
<td>19-Dec-2017</td>
<td>19-Dec-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>
### Participants in dissemination events (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>1,600.00</td>
<td>2,700.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Nov-2016</td>
<td>19-Dec-2017</td>
<td>21-Jun-2018</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

Comments:
About 1800 representatives from environmental protection departments and enterprises have participated in the awareness building activities regarding Minamata Convention and mercury pollution management.

### Participants in dissemination events - female (Number, Custom Breakdown)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>500.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Nov-2016</td>
<td>19-Dec-2017</td>
<td>19-Dec-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

Overall Comments:
The project activities are just starting and most consultancies are at procurement stage or at early stage of contract implementation. So the indicators are not showing substantial progress yet.

## Data on Financial Performance

### Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P151281</td>
<td>TF-A3066</td>
<td>Effective</td>
<td>USD</td>
<td>8.00</td>
<td>8.00</td>
<td>0.00</td>
<td>0.92</td>
<td>7.08</td>
<td>12%</td>
</tr>
</tbody>
</table>

### Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>P151281</td>
<td>TF-A3066</td>
<td>Effective</td>
<td>14-Nov-2016</td>
<td>14-Nov-2016</td>
<td>06-Feb-2017</td>
<td>30-Apr-2021</td>
<td>30-Apr-2021</td>
</tr>
</tbody>
</table>

### Cumulative Disbursements
Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.