I. Project Context

Country Context
1. Since the historic 1998 floods of the Yangtze River that claimed the lives of over 2,300 people, China's flood disaster prevention capacity and infrastructure has been improved and strengthened markedly over the past decade. Many reservoirs and dikes along the main rivers have been improved and reinforced.

2. With the improvement of flood control systems, especially along the main rivers, there are increasing flood disasters along small and medium-sized rivers. During the past 10 years over 90% of the flood-related disasters occurred in small towns, cities and rural areas, caused mostly by landslides and flashfloods due to excessive rainfall. Floods in 2010 left over 2,690 people dead and 1,170 missing, and affected 140 million people and 7 million hectares of agricultural land across 28 provinces and regions. Direct economic losses are estimated to be around US$40 billion, mostly as a result of landslides and flashfloods in small and medium-sized river basins.

3. In late 2010, the State Council Standing Committee made a decision to prioritize and increase investments to improve planning, prevention, mitigation and response to floods in small and medium-sized rivers. Each province or municipality is required to resolve in five years outstanding issues/problems with weak segments of flood control and disaster mitigation systems in order to safeguard people’s lives and property, and maintain overall economic and social development.

4. In early 2011, the Central Government issued its first document on water resources issues entitled “Decisions on Accelerating Water Sector Reform and Development,” which proposed a strategy for establishing a comprehensive flood prevention system by 2020. The strategy requires that flood control systems of small and medium-sized rivers in areas most vulnerable to mountain flash flooding should be strengthened by the end of 2015 (the end of the 12th five-year plan, 2011-2015).

5. Jingdezhen City is a medium-sized industrial city in Jiangxi Province. According to the City’s Social and Economic Development Master Plan, the downtown population will increase from the present 0.48 million to 0.60 million by 2015, to 0.70 million by 2020, and to 1.20 million by 2050. The average annual GDP growth rate will be 13.4% from 2015 to 2020 and 8.8% from 2020 to 2030. Thus Jingdezhen City will develop rapidly in the near future, and economic losses from a big flood event will increase significantly unless the city's flood management capacity is enhanced.

II. Sectoral and Institutional Context

1. A major flood protection system has been established in China, comprising important flood control structures and dikes along big rivers and main tributaries. However, comprehensive flood management along small and medium sized rivers is very complex due to China’s vast territory and the wide variety of issues and local conditions. Many flood control structures along small and medium sized rivers are poorly maintained, and measures to effectively respond to regular flooding are absent. Current sector issues and challenges include: (a) inadequate investment; (b) inadequate land use planning; (c) poor O&M; (d) aging dams; (e) poor flood risk awareness; (f) slow disaster response and recovery; and (g) lack of countermeasures for more frequent flood events due to climate change. These issues and challenges will have to be dealt with during the implementation of the national strategy.

2. Jingdezhen City, an industrial and cultural center in Northeastern Jiangxi, is very vulnerable to river flooding with its low ground elevation and very little flood control infrastructure. A major challenge for Jingdezhen City is to reduce the risks of frequent floods from the Chang River, a medium-sized river flowing through the downtown areas of the City.

3. Flood losses are enormous and increasingly so in recent decades. The 20-year flood event in 1998 put 31 km2 under water for 94 hours and affected 354,000 people and over 2,000 production entities with an estimated direct loss of over US$354 million.
4. The strategy of Jingdezhen Municipal Government (JMG) is to build a "Combined City Dike-Reservoir System" for the protection of Jingdezhen City from a 50-year flood event of the Changjiang River: (a) the City Dike System – a separate and on-going government program which includes construction of dikes along river sections within the City to upgrade flood protection standard from a 10-year flood event to a 20-year flood event, and rehabilitating the city’s urban drainage system up to a standard of maximum 24 hour storms in 20-year frequency will be completed by 2013; and (b) Wuxikou Flood Control Scheme, which includes construction of a flood control scheme upstream in Fuliang County to upgrade the flood protection standard for the City from a 20-year flood event to a 50-year flood event.

5. The Wuxikou Flood Control Scheme on the Changjiang River, which will provide necessary flood protection to Jingdezhen City, is the focus of the proposed project. The project has been included in Jiangxi Province’s 12th Five-year Plan and the Feasibility Study Report (FSR) has been cleared by the Ministry of Water Resources (MWR) and was approved by the National Development and Reform Commission (NDRC) in July 2011.

III. Project Development Objectives
The project development objective is to reduce the flood risk in the central urban area of Jingdezhen City through implementation of priority structural and non-structural measures and contribute to establishment of an integrated flood risk management system for the city.

IV. Project Description
Component Name
Component 1: Construction of Wuxikou Flood Control Scheme (US$114.86 million), which consists of the following three subcomponents
Component 2: Capacity Building for Integrated Flood Risk Management System (US$9.40 million), which consists of the following five subcomponents
Component 3: Implementation of Resettlement Action Plan (US$384.61 million to be fully financed by government)
Component 4: Project Management and Implementation Support (US$2.39 million), which consists of the following four subcomponents

V. Financing (in USD Million)

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VI. Implementation
Overall responsibility for flood management in Jingdezhen city rests with the City Flood Command Center, headed by the Mayor. The City Water Affairs Bureau serves as the Flood Control Office (and Technical Secretariat) of the Command Center. A River and Dike Management Bureau under the Water Affairs Bureau is responsible for managing the dike system and urban drainage. Hydrological and meteorological data collection, processing and analysis are carried out by the Hydrological Bureau and Meteorological Center, respectively.

Institutional arrangements for project implementation are summarized below:
(a) A Project Leading Group at the municipal level in Jingdezhen City, chaired by the Vice Mayor of Jingdezhen City, will be responsible for overseeing the overall implementation of the Project, making decision on key Project issues and carrying out interagency coordination at the municipal level.
(b) A Project Management Office located within the Water Affairs Bureau of Jingdezhen City, will be responsible, inter alia, for Project management and implementation, procurement and financial management, monitoring and evaluation of the Project, as well as reporting on progress and implementation issues to the Project Leading Group.
(c) An expert Group will provide technical support to the PMO.
(d) An Independent Panel of Experts for Environment, Social and Resettlement and Dam Safety will provide advice and guidance on the implementation of the safeguards aspects of the Project.

VII. Safeguard Policies (including public consultation)

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<td>Projects in Disputed Areas OP/BP 7.60</td>
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VIII. Contact point

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