

**ASIAN DEVELOPMENT BANK**

**COUNTRY STRATEGY AND PROGRAM UPDATE  
(2002-2004)**

**PEOPLE'S REPUBLIC OF CHINA**

**July 2001**

## CURRENCY EQUIVALENTS

(as of 28 June 2001)

Currency Unit	–	Yuan (Y)
Y1.00	=	\$0.1208
\$1.00	=	Y8.2768

The exchange rate of the yuan is determined under a managed floating exchange rate system.

## ABBREVIATIONS

ADB = Asian Development Bank  
ADF = Asian Development Fund  
ADTA = advisory technical assistance  
AEAR = Agriculture and Rural Development Division East  
AED = Agriculture and Social Sectors Department (East)  
AEFN = Forestry and Natural Resources Division East  
AEWU = Water Supply, Urban Development and Housing Division East  
CBM = coalbed methane  
COD = chemical oxygen demand  
CSP = country strategy and program  
DMC = developing member country  
ESW = economic and sector work  
GDP = gross domestic product  
GEF = Global Environment Facility  
IED = Infrastructure, Energy and Financial Sectors Department (East)  
IEEN = Energy Division East  
IEFI = Financial Sector and Industry Division East  
IETC = Transport and Communications Division East  
IPF = indicative planning figure  
ISA = initial social assessment  
JSF = Japan Special Fund  
LCF = local cost financing  
n.a. = not available  
OEED = Operations Evaluation Division East  
OGC = Office of the General Counsel  
PE1 = Programs Division 1 East  
PPTA = project/program preparatory technical assistance  
PRC = People's Republic of China  
PRCM = People's Republic of China Resident Mission  
RM = resident mission  
SDPC = State Development and Planning Commission  
SOE = state-owned enterprise  
SP = State Power Corporation  
TA = technical assistance  
TASF = Technical Assistance Special Fund  
TBD = to be determined  
TFYP = Tenth Five-Year Plan  
WTO = World Trade Organization

## NOTE

The fiscal year of the Government ends on 31 December.

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## I. DEVELOPMENT SITUATION

### A. Recent Developments

1. The People's Republic of China (PRC) adopted its Tenth Five-Year Plan (TFYP) 2001-2004 in March 2001. Unlike previous plans, the TFYP does not focus on physical or output targets but on quality of growth and sustainable development. This, in part, also reflects the greater role of markets in the economy. In addition, public opinion was sought when drafting the TFYP through various communication channels, including the Internet, indicating an increasing willingness to mainstream participatory mechanisms in development planning. Key strategic themes of the TFYP include (i) continued reliance on market-oriented reforms and innovations; (ii) promoting nonstate sector development; (iii) intensified protection of the environment; and (iv) improving the quality of life for all, including programs to reduce poverty, develop human resources, and strengthen social safety nets.

2. The PRC's population was 1.265 billion in 2000, of which 36 percent lived in urban areas. The annual population growth rate during the 1990s (1.07 percent) was lower than the 1.47 percent recorded in the 1980s. The number of people aged 65 and above is growing rapidly (7 percent of the population in 2000 compared with 5.6 percent in 1990). Changing demographics will increase pressures on the health care, social security, and pension systems.

3. The Government has been pursuing social security reforms to support its restructuring of state-owned enterprises (SOEs) and reduce urban poverty. Social security reforms are being pilot tested in Liaoning Province, which has one of the largest concentrations of SOEs in the country. The National Social Security Fund was established in 2000 and a social security law is now being drafted with Asian Development Bank (ADB) assistance. A new medical insurance policy introduced in 2001 in most cities will benefit 80 million citizens. Conceptual planning for extending social protection measures to rural areas has also started with ADB assistance. In May 2001, the PRC adopted its new ten-year poverty strategy (2001-2010) with a focus on poor household and village activities. Key counties that will be eligible for national poverty funding will be selected on the basis of income, social and physical conditions. Priority will be given to remote and mountainous areas and minority areas. County poverty offices will use participatory approaches to ensure farmers' involvement in project planning and implementation.

### B. Economic Assessment and Outlook

4. Despite the slower growth in world economy, the PRC's real gross domestic product (GDP) grew by 8.0 percent in the first half of 2001 mainly due to strong domestic consumption and investment. Exports grew by 11 percent in the first five months of 2001 and imports at 16.3 percent. The external current account surplus is projected at 1.2 percent of GDP, lower than the 1.9 percent in 2000. The exchange rate has remained stable and official foreign exchange reserves reached \$175.6 billion in March 2001. The PRC's economic indicators are given in Appendix 1.

5. Domestic demand, a key to sustained long-term growth, is being stimulated through an expansionary public investment program. Strong consumption demand will also be supported by rising incomes, including an increase in civil servant salaries. Along with foreign direct investment, which rose by 12 percent during the first five months of 2001, consumption demand and public investment will offset slower export growth. Current expenditures are growing more slowly than revenue collection. The consumer price index, which has risen by 0.9 percent in the first four months of 2001, is projected to increase by 2.0 percent for the whole of 2001. ADB has

revised its GDP growth forecast in 2001 from 7.3 percent to 7.5 percent based on the PRC's economic performance in the first half of 2001.

6. Strengthening of the financial system, dealing with its sizable nonperforming loans, further SOE restructuring, developing legal and regulatory framework for a market economy and promoting the role of private sector are PRC's key challenges that have to be tackled in the coming years. Growing regional disparities also need to be addressed. Per capita GDP in western region is about two-thirds of the national average and only one-third of that in the eastern region. The regional disparities are also reflected in such indicators as poverty incidence, primary school enrollment rate, health care facilities, physical infrastructure and ecological aspects. Accordingly, the development of the western region will be promoted during the TFYP.

### **C. Implications for the Country Strategy and Program**

7. ADB's current operational strategy for the PRC was discussed with ADB's Board of Directors in 1997 after approval of the Ninth Five-Year Plan. The TFYP and the Ten-Year Poverty Reduction Plan have been adopted and there have been significant country, regional, and global developments. ADB has adopted several major new policies, including making poverty reduction its overarching objective. Because of these factors, and in view of the PRC's rapid economic growth, deepening of market-based reforms, and the PRC's imminent accession to the World Trade Organization (WTO), work has begun to revise the country strategy. Most other funding agencies are also revising their strategies. The new strategy, to be completed in 2002, will address the strategic objectives and crosscutting themes in support of the poverty reduction strategy as highlighted in ADB's long-term strategic framework.

## **II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM**

### **A. Poverty Reduction**

8. Despite significant achievements in reducing poverty in the past two decades, the PRC's fight against poverty is not over. The official poverty line at 625 yuan (Y) is much lower than international standards and only reflects subsistence food and clothing. About 30 million people live below this poverty line. As in other countries, different poverty definitions and methodologies can yield substantially different results. In 2001, ADB will complete the PRC poverty profile, which will provide a basis for addressing a broader measure of poverty.

9. The rural poor live mostly in the western and central regions. Official statistics indicate that poverty incidence in the western region is more than four times the national average, and about seven times that of the eastern region. Inadequate infrastructure, severe ecological problems such as desertification and soil erosion, and weak human resources partly explain why the western region has lagged behind the coastal region. Poverty has grown in urban areas due to rural-urban migration and increased urban unemployment as restructuring of SOEs deepened. The floating urban population and the urban unemployed are susceptible to falling into poverty in the absence of new job opportunities and a well-developed social safety net.

10. The PRC's and ADB's shared long-term vision to fight poverty will be formalized in a poverty partnership agreement, currently being drafted. The agreement would be ADB's basis for assisting the PRC in achieving its poverty reduction goals. Some of the proposed strategies include (i) investing in the poorer, inland areas; (ii) developing social safety nets; and (iii) strengthening poverty intervention components of proposed projects. ADB is also helping the

PRC develop a strategic partnership with the Global Environment Facility (GEF) for implementing the operational program 12 aimed at addressing land degradation, which affects 260 million hectares (or about 27 percent) of the PRC's total land area.<sup>1</sup> Nearly 90 percent of the rural poor live in areas suffering from land degradation, a major element of rural poverty.

## **B. Thematic Priorities**

### **1. Economic Growth**

11. Sustained, broad-based economic growth is the key to the PRC's transformation into a modern, market-oriented economy and is an essential element to reducing poverty. Each year, six million new jobs are needed to absorb new labor market entrants. About seven million people have been laid off as part of the Government's program to restructure SOEs and downsize government. In addition, 120 million rural residents are underemployed. The PRC's economic indicators are given in Appendix 1.

12. One of ADB's core strategic areas of intervention is supporting pro-poor economic growth. Sustained rapid economic growth over the last two decades has been a major contributor to the PRC's success in increasing productivity and incomes and in sharply reducing absolute poverty. The rapid growth strategy must be accompanied by (i) increased emphasis on environmental protection to ensure that growth is environmentally sustainable, and (ii) increased emphasis on rectifying regional disparities and urban and rural poverty issues to ensure that the benefits are inclusive and pro-poor. Infrastructure development is critical to creating the conditions in which economic growth led by the private sector can take place and to integrating regional markets in a large economy. Most of the infrastructure projects in ADB's operational program for 2002-2004 will be located in the poor central and western provinces, including road projects in Guangxi, Hunan, Ningxia, Shanxi, Sichuan, and Yunnan provinces and the Hubei-Chongqing and Ningxia-Shanxi railway projects. Roads and railways projects will include components that spread project benefits to the poor and address the needs of rural communities. A technical assistance (TA) in 2002 will assess the socioeconomic impact of roads and railways in improving productivity and income in rural communities. Another TA will help map out the rural road requirements in the western region.

13. Sustained economic growth will also require expanding and diversifying energy sources and reducing energy intensity. Annual per capita energy consumption in the PRC is relatively low, at 0.63 ton of oil equivalent (toe) in 1999, or about 40 percent of the world average. Despite significant progress in promoting energy efficiency, energy intensity is still quite high at about 0.82 toe per \$1,000 of GDP. Proposed energy projects in 2002-2004 include the development of more environment-friendly types of energy (e.g., coal-bed methane, hydropower, and renewable sources such as wind or solar) and the improvement of interregional system efficiency for transmitting power from the west to the energy-deficit eastern region. In addition to developing cleaner biomass energy in four provinces, a proposed project would enhance efficient use of agricultural wastes (2002) and enable poor rural households to reduce their dependence on coal and firewood for cooking and heating. A TA in 2002 will build on previous successful work on restructuring the power sector and developing competitive power markets.

14. Promoting economic growth and diversification in rural areas is critical to raising incomes and living standards of the rural population. The proposed program includes a second project

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<sup>1</sup> TA 3657-PRC: *PRC-GEF Partnership on Land Degradation in Dryland Ecosystems*, for \$1.15 million, approved on 25 May 2001.

for soil conservation and rural development in Fujian Province. The proposed program also includes two projects that will have strong poverty reduction impact, which will support integrated ecosystem management and help develop dryland agriculture in the north.

## **2. Human Development**

15. The PRC ranked 87<sup>th</sup> among 162 countries based on the United Nations' 2001 human development index. Commendable progress in overall human development is reflected by improvements of social indicators (Appendix 2). Domestic and concessional funds are used to finance social development projects, such as in health and education. ADB has not been involved in these two sectors because the PRC has no access to the Asian Development Fund (ADF). ADB has been increasing its assistance for water supply and wastewater treatment projects, which have a direct impact on human development through improved access to clean water. A number of such projects are included in the 2002-2004 program (e.g., Fuzhou, Harbin, Mudanjiang, Wuhan, and selected cities in Hebei and Henan that rely on the polluted Hai River for water supply). ADB will provide TA to prepare a rural water supply strategy (2003) and a long-term national water sector framework (2004) to redress the water shortage problem, particularly in the rural areas where about 24 million rural dwellers still have no access to water.

## **3. Gender and Inclusive Development**

16. The PRC's lack of access to ADF has prevented ADB from financing projects that directly support the role of women in development. However, the proposed TA (2003) for the development of the legal aid system is aimed at developing mechanisms for improving access of the poor and other vulnerable groups, including women, to legal assistance. Gender concerns are being addressed through social impact assessment during processing of loan and TA projects. An ongoing TA<sup>2</sup> is building in-country capacity in social assessment that will underpin work in planning, monitoring, and evaluating resettlement, gender, poverty reduction, and other social issues. The new Trust Law, which ADB helped draft, provides the legal basis for the development and regulation of charitable trusts in the PRC, including those for poverty relief, emergency relief, and assistance to the disabled. This should help mobilize private sector resources for social development. A proposed TA in 2002 will help strengthen NGO partnerships for poverty reduction.

## **4. Sound Development Management**

17. Since 1978, the PRC has embarked on a series of reforms to redefine the role of the State. The transition has put extraordinary demands on the Government to change the legal, fiscal, policy, and regulatory environment to accommodate public administration reforms; increase decentralization of power from central to local levels; and increase the role of the private sector. Joint initiatives between the PRC and ADB have contributed to these reforms, including the drafting of key economic laws under an ongoing TA.<sup>3</sup> The implications of WTO membership on foreign trade laws will be studied under a TA to be implemented in 2001-2002.

18. ADB is conducting a study on governance issues in the PRC, entitled "Sound Development Management," to be completed in 2001. The study will review issues encompassing public expenditure management, public administration reforms, legal system and judicial reforms, enhancement of service delivery, public accountability, decentralization, and

<sup>2</sup> TA 3441-PRC: *Capacity Building for Social Assessments*, for \$781,400, approved on 18 May 2000.

<sup>3</sup> TA 3279-PRC: *TA Cluster for Development of Economic Law*, for \$1.4 million, approved on 19 October 1999.

corporate governance. The proposed TA program includes a range of activities for strengthening the financial sector (corporate governance, and banking law and regulations); developing laws and legal infrastructure (budget law and legal aid system); and capacity building at the subnational level (public finance and provincial development strategy).

19. The Government has strengthened its efforts to combat corruption. These include strengthening auditing methods, regularly inspecting public works, and creating a special body to enforce anticorruption measures. To reduce the potential for corruption in the longer term through the use of transparent, competitive bidding, ADB support includes an ongoing TA to help draft the implementation regulations for the 1999 Tendering and Bidding Law and a TA to prepare a government procurement law.<sup>4</sup> During 2002, a TA will be implemented to help strengthen the accounting profession and government auditing standards.

## 5. Private Sector Development

20. The private sector will be an important engine for job creation and productivity improvement, factors that are essential to reduce poverty. The Government should create a business environment that protects investor's rights and prevents corrupt practices. ADB has been providing policy support in SOE restructuring and corporatization. Assistance has also been provided to encourage the use of competitive bidding procedures for build-operate-transfer infrastructure projects (e.g., the Chengdu Water Supply Project); formulate economic laws; and develop credit support systems for small- and medium-sized enterprises (SMEs). An ongoing TA will identify impediments to developing the private sector.<sup>5</sup> The PRC's private sector will be assessed in 2001 when preparing the new country strategy.

21. ADB's private sector strategy in the PRC will focus on infrastructure development, financial intermediation, and projects that promote the development of SMEs. A proposed TA in 2003 will assess the role of capital markets in expanding the investment and funding options for enterprises and individuals. Private sector projects that generate pro-poor economic growth and employment will be supported. At present, ADB is evaluating proposed water supply projects in several medium-sized cities that will involve private sector participation. Private-public partnership will be pursued through the proposed Harbin Water Supply Project in 2002.

## 6. Environment Protection

22. Addressing environment problems is a key priority of the TFYP. The PRC will invest Y700 billion (\$85 billion) for the environment, equivalent to about 1.3 percent of annual GDP during the TFYP.<sup>6</sup> The PRC is moving from treating pollution at its exit points to prevention at source, and from command and control to increased use of market-based instruments. Preventing pollution is being promoted by an ongoing TA,<sup>7</sup> which will help draft the clean production law and develop activities to encourage the introduction of clean production technologies. Environmental indicators are given in Appendix 2.

<sup>4</sup> TA 3457-PRC: *Implementation of the Tendering and Bidding Law and Related Regulations*, for \$565,000, approved on 14 June 2000; TA 3631-PRC: *Formulation of Government Procurement Law*, for \$578,000, approved on 20 February 2001.

<sup>5</sup> TA 3543-PRC: *Private Sector Development*, for \$600,000, approved on 14 November 2000.

<sup>6</sup> Based on 7 percent annual GDP growth during TFYP. In absolute terms this is almost double the environmental investments during the Ninth Five-Year Plan when investments were equivalent to 0.9 percent of GDP.

<sup>7</sup> TA 3079-PRC: *TA Cluster for the Promotion of Clean Technology*, for \$3.5 million, approved on 29 September 1998.

23. Emissions of major air pollutants, mainly from coal burning, have declined since peaking in 1995. The Government's target is to further reduce sulfur dioxide emissions by 10 percent from the 2000 levels nationwide, and by 20 percent in some designated control areas by 2005, the end of the TFYP. The program includes TA to help control interprovincial acid rain and to build the institutional capacity for environment management in the western region. Integrating environment considerations in economic activities will be promoted through a proposed TA (2002) to develop implementation capacity for the clean development mechanism.

24. The program will continue to address water pollution, particularly since demand for water has been rising and water shortage is a serious problem in the northern areas. Pricing issues are a key theme of ADB's operations in the water sector. Water tariffs need to be increased to encourage water conservation, rationalize the use of a scarce resource, and cover the construction and operation cost of water projects. Improved rates of wastewater treatment (currently 32 percent of urban wastewater is treated) are also needed for economic, environmental, and public health reasons. The TA program includes a study for the control and management of nonpoint pollution sources, a major problem affecting farmlands, rivers, and lakes. The PRC-GEF operational program 12 partnership to combat land degradation in dryland ecosystems will enable ADB to broaden its role in environment protection in the PRC.

## **7. Regional Cooperation**

25. The PRC is an active participant in three regional cooperation initiatives: (i) through Yunnan Province for the Greater Mekong Subregion (GMS), (ii) through the Xinjiang Autonomous Region for the Central Asian republics initiative, and (iii) through Inner Mongolia with Mongolia in which an inception workshop was held in May 2001. Improving the crossborder trade regimes is a common feature of these regional initiatives. Since these programs involve the poorer areas of the PRC, poverty could be reduced by expanding regional markets and options. Under the GMS initiative, the PRC has expressed its willingness to provide financial support for improving the section of the Chiang Rai (Thailand) to Kunming (Yunnan, PRC) road that is in the Lao People's Democratic Republic (Lao PDR), once the issue concerning the public-private concession of the Lao PDR's section is successfully resolved. The proposed Western Yunnan Roads Development Project in 2002 will further support the GMS-related transport network. An agreement for facilitating the crossborder movement of goods and people is being developed under the GMS initiative. A senior-level Central Asia conference, to be held in Xinjiang in late 2001, will discuss a proposed institutional framework to facilitate the implementation of regional activities in such sectors as transport, energy, trade, and investment.

## **III. PORTFOLIO MANAGEMENT ISSUES**

### **A. Portfolio Performance**

26. The ADB December 2000 country portfolio review concluded that the PRC continued to demonstrate its strong project implementation capacity (Appendix 3). This finding is consistent with the experience of other major funding agencies. The portfolio's performance improved in 2000 compared with 1999 in terms of implementing loan and TA projects, and submitting audited financial statements. The number of projects rated as unsatisfactory and partially satisfactory has also declined over the years. As of 31 December 2000, cumulative net lending to the PRC reached \$9.8 billion, with contract awards and disbursements reaching \$6.2 billion and \$5.8 billion, respectively. The 22.8 percent disbursement ratio in 2000 was higher than the ADB-wide average of 21 percent. Contract award ratio reached 27.5 percent, higher than the ADB-wide average of 20.5 percent. However, loan start-up indicators and contract awards

performance slightly deteriorated. With the establishment of the PRC Resident Mission, ADB has been playing a more active role in portfolio monitoring. A time-bound PRC-ADB action plan has been developed to improve the PRC portfolio's performance and specific measures are being progressively implemented. The 2001 portfolio review will study sector performance to identify sector-specific and project design issues.

## **B. Counterpart Funding**

27. In the PRC, ADB finances about 33 percent of project costs while 67 percent is financed by other, largely domestic, sources. The ADB financing is far below the 60 percent ceiling applicable to the PRC, a Group B2 country, during 2002-2004. The high level of domestic financing is a good indicator of strong project ownership. The availability of counterpart funding in ADB-financed projects has generally not been a problem. This is partly due to the rigorous screening procedures for externally assisted projects that require project proponents to demonstrate to the Government that counterpart funding will be made available through their own resources or loans from domestic banks. Because of the PRC's strong macroeconomic performance, ADB has generally not provided local cost financing since 1995. An argument can be made that more local currency financing (LCF) may be appropriate for projects addressing poverty since such projects generally do not have sizable foreign currency requirements, or where there is weaker fiscal capacity. This issue will be examined for some projects in 2002-2004 in a manner that is consistent with ADB's LCF and graduation policies.

## **C. Monitoring and Evaluation**

28. Loan projects evaluated in 2000 included the Shenyang-Benxi Highway (Loan 1168-PRC),<sup>8</sup> the Jilin Expressway (Loan 1262-PRC),<sup>9</sup> and the Shanghai Investment and Trust Corporation Project or SITICO (Loan 933-PRC).<sup>10</sup> Full compliance with loan covenants were noted in the two road projects, which were evaluated as having high physical and financial sustainability. The Jilin Expressway Project was rated as highly successful while the Shenyang Benxi Expressway was rated as successful. Lessons learned from these included the need to have a proper economic appraisal methodology and the need for a properly designed pavement management system. These lessons have been incorporated in subsequent ADB-financed road projects. The TA for the Preparation of a Road Safety Program (TA 2177-PRC)<sup>11</sup> was rated as highly successful in promoting road safety measures, which are routinely used in preparing road projects in the PRC. The SITICO loan, which was rated successful, recommended that similar projects in transitional economies should focus more on the needs of enterprises in a rapidly changing environment and not use traditional design of credit lines.

# **IV. COUNTRY PERFORMANCE AND LENDING LEVELS**

## **A. Lending Level Proposed**

29. ADB lending to the PRC in 2001 is estimated at \$1.185 billion based on the current processing status of eight projects. During 2002-2004, the PRC will continue to need massive investments to support its development priorities of the TFYP, including the development of the western region. Based on the strong project pipeline, the proposed lending is estimated from

<sup>8</sup> PPA: PRC 23032: *Shenyang-Benxi Highway Project*, November 2000.

<sup>9</sup> PPA: PRC 24335: *Jinlin Highway Project*, November 2000.

<sup>10</sup> PPA: PRC 21197: *Shanghai Investment and Trust Corporation Project*, December 2000.

<sup>11</sup> TPA: PRC 2000-21: *Technical Assistance Performance Audit Report on Selected Technical Assistance in Road Safety*, January 2001.

\$1.3 billion to \$1.4 billion annually during 2002-2004 (Appendix 4). This lending level is commensurate with the PRC's sound macroeconomic fundamentals and high absorptive capacity and takes into account its satisfactory record of project implementation.

30. In conjunction with the proposed lending program, ADB will continue to actively pursue cofinancing from official and commercial sources (including export credit agencies). ADB will maintain its dialogue with the Government to identify the best financing solutions, including the use of credit enhancement products. Cofinancing from domestic banks will remain substantial. Efforts will be made to mobilize grant financing from the GEF and other sources.

## **B. Loan Program**

31. Transport projects, which have large average loan sizes, will account for half of the proposed lending program. The share of social infrastructure projects to total lending will sharply increase from zero in 2001 to 25 percent in 2004. Energy, natural resource management, and agriculture projects account for the balance of the proposed lending. About 70 percent of the lending program will finance projects in the poor central and western regions. This regional focus on the poor inland provinces will provide opportunities to increase productivity to help reduce poverty. Poverty classification of the proposed projects will be refined as more information becomes available during project preparation.

## **C. Technical Assistance and Economic and Sector Work Program**

32. An annual TA program of about \$12 million-\$13 million for funding by ADB through its Technical Assistance Special Fund (TASF) and Japan Special Fund (JSF) is proposed during 2002-2004 (Appendix 4). Outside of this core TA program, additional TA will be proposed for funding by other sources. Priority will still be given to project preparatory TAs. The advisory TA program has been prioritized based on how the proposed TA will address the strategic themes of poverty reduction, environment, governance, and the private sector. The remaining advisory TA funds will be used to conduct important economic and sector work (Appendix 5).

## **D. Summary of Changes**

33. The proposed program has a strong regional focus on the central and western provinces. All transport projects are located in the poor interior provinces. The number of social infrastructure projects will increase significantly. Energy projects will focus on cleaner and renewable sources of energy and power system efficiency improvements, with reduced lending for large thermal power generating plants. Agriculture and natural resource management projects will adopt a more integrated approach for addressing poverty issues. The PRC-GEF partnership will enable ADB to help ameliorate the impact of land degradation on poverty. Unlike previous years, the program does not include lending in the financial, industrial, ports, or telecommunication sectors. The proposed TA program indicates a substantial drop from the \$20 million approved in 1999 to around \$13 million during the period. The use of strategic themes to guide the TA program is an initiative that will sharpen the focus of ADB's economic and sector work in the PRC and maximize the effectiveness of ADB's policy contributions to the PRC's reform program. Project selection briefs and TA concept papers for ADB's activities are given in Appendix 6.

**APPENDIXES**

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6	Project Selection Briefs and TA Concept Papers	27	8, 33

## ECONOMIC INDICATORS

Item	1995	1996	1997	1998	1999	2000	2001 Estimates
<b>A. Income and Growth</b>							
1. GDP per Capita (dollars, current) <sup>a</sup>	520.0	620.0	710.0	750.0	800.0	855.9	923.1
2. GDP Growth (% , in constant prices)	10.5	9.6	8.8	7.8	7.1	8.0	7.5
a. Agriculture	5.0	5.1	3.5	3.5	2.8	2.4	2.6
b. Industry	13.9	12.1	10.5	8.9	8.1	9.6	8.4
c. Services	8.4	7.9	9.2	8.3	7.5	7.8	7.5
<b>B. Saving and Investment (current market prices)</b>							
	<b>(percent of GDP)</b>						
1. Gross Domestic Investment	40.8	39.6	38.2	38.8	38.3	37.1	37.0
2. Gross Domestic Saving	41.1	40.5	42.3	41.9	39.9	38.0	38.2
<b>C. Money and Inflation</b>							
	<b>(annual percent change)</b>						
1. Consumer Prices (annual average)	17.1	8.3	2.8	(0.8)	(1.4)	0.4	2.0
2. Broad Money (M2)	29.5	25.3	19.6	14.8	14.7	12.3	13.0
<b>D. Government Finance</b>							
	<b>(percent of GDP)</b>						
1. Total Revenue	11.1	11.3	12.1	12.6	14.0	15.0	15.2
2. Total Expenditure and Net Lending	13.2	12.9	13.9	13.8	16.1	17.8	17.8
3. Overall Surplus/Deficit (-)	(2.1)	(1.6)	(1.8)	(1.2)	(2.1)	(2.8)	(2.6)
<b>E. Balance of Payments</b>							
1. Merchandise Trade Balance (% of GDP)	2.6	2.4	5.1	4.9	3.7	2.7	1.2
2. Current Account Balance (% of GDP)	0.2	0.9	4.1	3.1	1.6	1.9	1.2
3. Export (\$) growth (annual percent change)	24.9	17.9	20.9	0.5	6.1	27.8	10.0
4. Import (\$) growth (annual percent change)	15.5	19.5	3.7	0.3	15.8	36.8	20.0
<b>F. External Payments Indicators</b>							
1. International Reserves (billion dollars, end of period) <sup>b</sup>	73.6	105.0	139.9	145.0	154.7	165.6	175.6
- months of imports	8.3	9.6	12.3	9.5	11.5	9.0	7.9
2. External Debt Service (% of exports)	7.6	6.0	7.3	10.9	11.5	—	—
3. External Debt (% of GDP)	15.2	14.2	14.6	15.4	15.3	—	—
<b>G. Memorandum Items</b>							
GDP (current prices, Y billion)	5,847.8	6,788.4	7,446.3	7,834.5	8,205.4	8,940.4	9,803.1
GNP (current prices, Y billion)	5,749.5	6,685.1	7,314.3	7,696.7	8,073.0	8,819.0	—
Exchange Rate (Y/\$, annual average)	8.3	8.3	8.3	8.3	8.3	8.3	—
Population (end-period, million)	1,211.2	1,223.9	1,236.3	1,248.1	1,259.1	1,265.8	—

— = Not available, GDP = gross domestic product, GNP = gross national product.

<sup>a</sup> Based on World Bank Atlas Method except for 1999 (staff estimate).

<sup>b</sup> Beginning July 1992, foreign exchange holdings of the Bank of China are excluded.

Sources: People's Republic of China authorities, World Bank, and staff estimates.

**SOCIAL AND ENVIRONMENTAL INDICATORS**  
**Table A2.1: Social Indicators**

<b>Item</b>	<b>1985</b>	<b>1990</b>	<b>Latest Year</b>	
Total Fertility Rate (births per woman)	2.4	2.1	1.8	(1995-2000)
Maternal Mortality Rate (per hundred thousand live births)	—	88.9	55.0	(1999)
Infant Mortality Rate (below 1 year; per '000 live births)	37.0	32.9	33.2	(1998)
Life Expectancy at Birth (years)	68.3	68.9	71.0	(1999)
Female	70.0	72.0	72.3	(1998)
Male	68.0	69.0	68.1	(1998)
Adult Literacy (%)	—	77.8	83.5	(1999)
Primary School Enrollment (% of school age population)	123.0	127.0	99.1	(2000)
Female	114.0	121.0	99.9	(1997)
Secondary School Enrollment (% of school age population)	40.0	49.0	70.0	(1997)
Female	33.0	42.0	65.1	(1997)
Child Malnutrition (% of under age 5)	21.0	17 (1987)	9.0	(1999)
Rural Population Below Poverty Line (%) <sup>1</sup>	—	31.3	11.5	(1998)
Income Ratio of Highest 20% to Lowest 20%	6.6	5.5	7.9	(1987-1998)
Population with Access to Safe Water (%)	—	75.5	75.0	(1999)
Population with Access to Sanitation (%)	—	—	24.0	(1990-1998)
Public Education Expenditure as % of GNP	2.6	2.3	1.9	(1999)
Public Health Expenditure as % of GDP	—	1.2	0.6	(1999)
Human Development Index	0.584	0.619	0.718	(1999)
Human Development Ranking	66	101	87	(2001)

— = Not available.

**Table A2.2: Environmental Indicators**

<b>Item</b>	<b>1985</b>	<b>1990</b>	<b>Latest Year</b>	
Forestry				
Deforestation				
Total Area ( km <sup>2</sup> )	—	—	866	(1990-1995)
Annual Deforestation (average % change)	—	—	0.1	(1990-1995)
Biodiversity				
Nationally Protected Area				
Area (thousand m <sup>2</sup> )	—	—	598.1	(1996)
As % of land area	—	—	6.4	(1996)
Land Use				
Cropland (% of land area)	11 (1980)	—	13	(1997)
Permanent Pasture (% of land area)	36 (1980)	—	43	(1994)
Air Pollution (Ambient concentrations)				
Particulates <sup>a</sup> (microgram/m <sup>3</sup> )	—	—	377	(1995)
SO <sub>2</sub> <sup>a</sup> (microgram/m <sup>3</sup> )	—	—	90	(1995)
Global Environmental Issues				
Total CO <sub>2</sub> Emissions (million metric tons)	1,476.8 (1980)	—	3,369.0	(1996)
Energy Efficiency of Emissions				
GDP per Unit of Energy Use (1995 \$/kg oil equivalent)	0.3	—	0.7	(1996)
Traditional Fuel Use (% of total energy use)	8	—	5.6	(1996)
CO <sub>2</sub> Emissions (per capita metric tons)	1.5	—	2.8	(1996)

— = Not available.

<sup>a</sup> Refer to Beijing only.

(continuation)

Item	1985	1990	Latest Year	
<b>Water Pollution</b>				
Emissions of Organic Water Pollutants (kg/day)	3,377,105	—	8,863,225	
Industry Share of Emissions of Organic Water Pollutants				
Wood (%)	—	—	1.1	(1996) <sup>b</sup>
Primary Metals (%)	—	—	19.0	(1996) <sup>b</sup>
Paper and Pulp (%)	—	—	13.2	(1996) <sup>b</sup>
Chemical (%)	—	—	11.8	(1996) <sup>b</sup>
Food and Beverages (%)	—	—	28.9	(1996) <sup>b</sup>
Textiles (%)	—	—	16.1	(1996) <sup>b</sup>
<b>Water and Sanitation</b>				
Urban percent of population with access to safe water	87.0	(1989-1994)	93.0	(1997)
Rural percent of population with access to safe water	67.7	(1989-1994)		
Access to sanitation in urban areas (%)	—	—	58.0	(1997)
<b>Land Use and Deforestation</b>				
Forest Area ('000 km <sup>2</sup> )	—	—	1,333	(1995)
Average Annual Deforestation (km <sup>2</sup> )	—	—	866	(1990-1995)
Average Annual Deforestation (% change)	—	—	0.1	(1990-1995)
Rural Population Density (people per km <sup>2</sup> of arable land)	—	—	675	(1996)
Arable Land (% of land area)	10.4	—	13.0	(1996)
Permanent Cropland (% of land area)	0.4	—	1.2	(1996)
<b>Biodiversity and Protected Areas</b>				
Nationally Protected Areas ('000 km <sup>2</sup> )	—	—	598.1	(1996) <sup>b</sup>
Percent of total land area	—	—	6.4	(1996) <sup>b</sup>
Mammals (number of threatened species)	—	—	75	(1996) <sup>b</sup>
Birds (number of threatened species)	—	—	90	(1996) <sup>b</sup>
Higher plants (number of threatened species)	—	—	312	(1996) <sup>b</sup>
Reptiles (number of threatened species)	—	—	15	(1996) <sup>b</sup>
Amphibians (number of threatened species)	—	—	1	(1996) <sup>b</sup>
<b>Urban</b>				
Urban Population (millions)	192.3	—	455.9	(2000)
Percentage Urban	20.0	—	36.0	(2000)
Per Capita Water Use	—	—	—	—
Wastewater Treated (percent)	17.0	(1994)	31.9	(2000)
Per Capita Solid Waste Generation (kg/day)	—	—	—	—
<b>Air Pollution</b>				
	<b>Shanghai</b>	<b>Beijing</b>	<b>Tianjin</b>	
City Population ('000)	13,584	11,299	9,415	(1995) <sup>b</sup>
Total Suspended Particulates (micrograms/m <sup>3</sup> )	246	377	306	(1995) <sup>b</sup>
Sulfur Dioxide (micrograms/m <sup>3</sup> )	53	90	82	(1995) <sup>b</sup>
Nitrogen Dioxide (micrograms/m <sup>3</sup> )	73	122	50	(1995) <sup>b</sup>

— = Not available.

<sup>b</sup> May refer to earlier years.Sources: *PRC Poverty Profile*, ADB; *Agrostat*, Food and Agriculture Organization; *World Development Indicators 1999*, World Bank; *Human Development Report 2000*, United Nations Development Programme.

**PORTFOLIO PERFORMANCE INDICATORS**  
**Table A3.1: Implementation, Disbursement Performance,**  
**And Postevaluation Results of Public Sector Projects**  
 (as of 31 December 2000)

A. Project Portfolio <sup>b</sup>	Net Loan Amount \$ million      %		Rating (No.) <sup>a</sup>									
			Total		Implementation Progress				Development Objectives			
			No.	%	HS	S	PS	U	HS	S	PS	U
Agriculture and Natural Resources	589.3	9.9	7	15.6	1	4	1	1	0	5	1	1
Energy	1,067.9	18.0	10	22.2	2	8	0	0	0	10	0	0
Finance and Industry	172.0	2.9	2	4.4	1	1	0	0	1	1	0	0
Social Infrastructure	660.0	11.1	5	11.1	2	3	0	0	0	5	0	0
Transport and Communications	3,172.0	53.4	19	42.2	4	15	0	0	1	17	1	0
Others/Multisector	279.4	4.7	2	4.4	0	1	1	0	0	2	0	0
<b>Total</b>	<b>5,940.6</b>	<b>100.0</b>	<b>45</b>	<b>100.0</b>	<b>10</b>	<b>32</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>40</b>	<b>2</b>	<b>1</b>

  

B. Disbursements <sup>c</sup>	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	2,809.0	0.0	2,809.0
(2) Disbursed amount (\$ mn, cumulative, active loans only)	2,157.3	0.0	2,157.3
(3) Percentage disbursed [(2)/(1)] (%)	76.8	0.0	76.8
(4) Disbursements (\$mn, active loans only, latest year)	831.6	0.0	831.6
(5) Disbursement ratio (%) <sup>d</sup>	22.8	0.0	22.8

  

C. Net Transfer of Resources <sup>e</sup> (\$ million)	OCR	ADF	Total
Net transfer in 1996	547.5	0.0	547.5
Net transfer in 1997	375.4	0.0	375.4
Net transfer in 1998	515.6	0.0	515.6
Net transfer in 1999	444.2	0.0	444.2
Net transfer in 2000	400.5	0.0	400.5

  

D. Post-Evaluated Projects (By Year of PPAR Circulation)	1996-2000	
1. Postevaluation Rating (as of 31 December 2000) <sup>f</sup>	No.	%
Highly Successful (HS)	2	33.4
Successful (S)	2	33.3
Partly Successful (PS)	0	0.0
Unsuccessful (U)	2	33.3
No Rating (NR)	0	0.0
<b>Total</b>	<b>6</b>	<b>100.0</b>

  

2. Postevaluation Rating by Sector 1996-2000 (as of 31 December 2000)	HS		S		PS		U		NR		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	16.7
Energy	0	0.0	0	0.0	1	0.0	0	0.0	0	0.0	0	0.0
Finance and Industry	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	16.7
Social Infrastructure	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	2	50.0	1	25.0	0	0.0	1	25.0	0	0.0	4	66.7
Others/Multisector	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>2</b>	<b>33.3</b>	<b>2</b>	<b>33.3</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>33.3</b>	<b>0</b>	<b>0.0</b>	<b>6</b>	<b>100.0</b>

<sup>a</sup> HS = highly satisfactory, NR = no rating, S = satisfactory, PS = partially satisfactory, U = unsatisfactory.

<sup>b</sup> Active loans only (excluding closed loans during the year).

<sup>c</sup> Includes loans closed during the year with disbursements.

<sup>d</sup> The disbursement ratio is defined as the ratio of total disbursement in a given year over the net loan amount available at the beginning of the year plus the loan amounts of newly approved loans which have become effective during the year. "Net loan amount at the beginning of the year" includes all effective loans at the beginning of the year. "Loan amounts of newly approved loans, which have become effective" includes loans approved before and after the beginning of the year that have become effective after the beginning of the year.

<sup>e</sup> Includes private sector projects.

<sup>f</sup> Three projects were post-evaluated in 2000 and the ratings followed the new four level rating system. The ratings for other six projects have been converted into the new four level ratings on a tentative basis. The formal rerating into the new four level rating for all projects will be carried out progressively.

Source: CIRC Country Detail/PPR (as of 31 December 2000); PEIS.

**Table A3.2: Status of Project Implementation of Public Sector Projects**  
(as of 31 December 2000)

Sector	Project Name	Loan Number	Net Loan Amount		Approval Dates	Effectivity (mm/yy)	Closing Dates		Physical Progress (%complete)	Cumulative (\$ million)		Project Performance Rating	
			OCR (\$ million)	SF			Original (mm/yy)	Revised (mm/yy)		Contract Awards	Disbursements	Implementation Progress	Development Objectives
AGR	Yunnan-Simao Forestation and Sustainable Wood Utilization	1304	77.00	0	Jun 94	Jun 95	Dec 99	Dec 00	75	63.84	75.62	PS	PS
AGR	Hainan Agriculture and Natural Resources	1372	53.00	0	Sep 95	Dec 96	Jun 00	Jun 04	20	2.09	5.28	U	U
AGR	Fujian Soil Conservation	1386	65.00	0	Sep 95	Feb 96	Jun 02	Jun 02	90	43.55	50.73	HS	S
AGR	North Flood Damage and Rehab: Inner Mongolia	1685	110.00	0	Apr 99	Aug 99	Apr 02	Apr 02	53	69.54	33.21	S	S
AGR	North Flood Damage and Rehab: Heilongjiang	1686	110.00	0	Apr 99	Aug 99	Apr 02	Apr 02	53	36.00	39.39	S	S
AGR	North Flood Damage and Rehab: Jilin	1687	110.00	0	Apr 99	Aug 99	Apr 02	Apr 02	53	26.98	6.14	S	S
AGR	West Henan Agricultural Development	1814	64.30	0	Dec 00		Sep 06	Sep 06	0	0.00	0.00	S	S
ENE	Hunan Lingjintan Hydropower	1318	116.00	0	Sep 94	May 95	Apr 01	Apr 01	94	79.70	77.13	S	S
ENE	Qitaihe Thermal Energy and Env'tl Imprv	1328	131.95	0	Oct 94	Jul 95	Jun 00	Jun 00	75	98.60	97.52	S	S
ENE	Henan Power	1400	200.00	0	Nov 95	Nov 96	Jun 01	Jun 01	80	169.17	151.67	S	S
ENE	Fujian Mianhuatan Hydropower	1417	60.00	0	Dec 95	Apr 97	Dec 01	Dec 01	62	45.13	29.50	S	S
ENE	Ping Hu Oil and Gas	1419	130.00	0	Dec 95	Dec 96	Jun 01	Jun 01	90	83.99	97.46	HS	S
ENE	Second Industrial Energy Efficiency	1436	149.98	0	May 96	Jan 97	Jun 01	Jun 01	92	131.86	138.65	S	S
ENE	Northeast Power Transmission	1582	55.00	0	Nov 97	May 98	Mar 01	Mar 01	85	47.22	44.65	S	S
ENE	Yunnan Dachoashan Power Transmission	1644	65.00	0	Nov 98	Aug 99	Jun 03	Jun 03	20	28.93	3.96	HS	S
ENE	Wind Power Development	1818	58.00	0	Dec 00		Jun 04	Jun 04	0	0.00	0.00	S	S
I&F	Everbright Bank of China	1477	60.00	0	Nov 96	Feb 97	Feb 01	Feb 01	DFI	58.91	58.91	HS	HS
I&F	(AEI) Industrial Pollution Abatement	1491	112.00	0	Nov 96	Oct 97	Jun 01	Jun 01	70	83.75	54.19	S	S
SOC	(AEI) Municipal Wastewater Treatment	1490	28.00	0	Nov 96	Oct 97	Jun 02	Jun 02	78	18.93	11.53	HS	S
SOC	Zhejiang-Shanxi Water Supply	1544	100.00	0	Sep 97	Feb 99	Jun 02	Jun 02	86	31.14	25.70	S	S
SOC	Fuzhou Water Supply and Wastewater Treatment	1636	102.00	0	Sep 98	Nov 99	Jun 03	Jun 03	35	18.08	0.58	S	S
SOC	Tianjin Wastewater Treatment and Water Resource Protection	1797	130.00	0	Dec 00		Jun 06	Jun 06	0	0.00	0.00	S	S
SOC	Suzhou Creek Rehabilitation	1692	300.00	0	Jun 99	Feb 00	Mar 05	Mar 05	19	82.94	35.20	HS	S

AEI = Anhui Environment Improvement, AGR = Agriculture and Natural Resources, DFI = Development Finance Institutions, ENE = Energy, HS = highly satisfactory, I&F= Industry and Finance, OTH = Others/Multisector, PS = Partially Satisfactory, S = Satisfactory, SOC= Social Infrastructure, U = Unsatisfactory.

(continuation)

Sector	Project Name	Loan Number	Net Loan Amount		Approval Dates	Effectivity (mm/yy)	Closing Dates		Physical Progress (%complete)	Cumulative (\$ million)		Project Performance Rating	
			OCR (\$ million)	SF			Original (mm/yy)	Revised (mm/yy)		Contract Awards	Disbursements	Implementation Progress	Development Objectives
T&C	Hebei Expressway	1387	220.00	0	Sep 95	Jul 96	Dec 00	Dec 00	98	192.66	197.93	HS	S
T&C	Second Yantai Port	1411	63.00	0	Dec 95	Mar 97	Jun 00	Jun 02	60	36.64	16.43	S	S
T&C	Fangcheng Port	1427	52.00	0	Jan 96	Jun 97	Dec 99	Jun 01	80	36.86	30.83	S	PS
T&C	Daxian-Wanxian Railway	1439	100.00	0	Jun 96	Dec 97	Dec 00	Dec 00	75	66.63	59.76	S	S
T&C	Chongqing Expressway	1470	150.00	0	Sep 96	Jul 97	Jan 02	Jan 02	64.30	110.17	84.55	S	S
T&C	Shenyang-Jinzhou Expressway	1483	200.00	0	Nov 96	Jul 97	Apr 01	Apr 01	90	173.41	179.81	HS	S
T&C	Jiangxi Expressway	1484	150.00	0	Nov 96	Mar 97	Jun 02	Jun 02	98	81.39	68.29	S	S
T&C	Shenmu-Yanan Railway	1553	200.00	0	Sep 97	Mar 99	Jun 03	Jun 03	50	102.18	86.75	HS	S
T&C	Xianmen Port	1584	50.00	0	Nov 97	May 98	Sep 02	Sep 02	60	20.51	16.56	S	S
T&C	Hebei Roads	1617	180.00	0	Jun 98	Feb 99	Dec 02	Dec 02	55	92.66	64.93	S	S
T&C	Guizhou-Shuibai Railway	1626	140.00	0	Aug 98	May 99	Jun 03	Jun 03	58	84.31	45.96	HS	S
T&C	Chengdu-Nanchong Expressway	1638	250.00	0	Nov 98	Aug 99	Dec 03	Dec 03	34	180.07	74.62	S	S
T&C	Changchun-Harbin: Hashuang Expressway	1641	170.00	0	Nov 98	Aug 99	Dec 02	Dec 02	70	94.38	56.43	S	S
T&C	Changchun-Harbin: Changyu Expressway	1642	127.00	0	Nov 98	Aug 99	Dec 02	Dec 02	50	68.15	21.83	S	S
T&C	Southern Yunnan Road Development	1691	250.00	0	Jun 99	May 00	Mar 04	Mar 04	18	180.35	27.98	S	S
T&C	Shanxi Road Development	1701	250.00	0	Sep 99	Nov 00	Jun 04	Jun 04	2	72.42	0.00	S	S
T&C	Hefei Xi'an Railway	1748	300.00	0	Aug 00	TBD	Dec 05	Dec 05	10	0.00	0.00	S	S
T&C	Chongqing-Guizhou Roads Development	1783	120.00	0	Nov 01	TBD	Sep 05	Sep 05	0	0.00	0.00	S	S
T&C	Chongqing-Guizhou Roads Development	1784	200.00	0	Nov 01	TBD	Sep 05	Sep 05	0	0.00	0.00	S	S
OTH	Beijing Env't Improvement	1336	123.37	0	Nov 94	May 96	Jun 02	Jun 02	63	49.71	58.54	S	S
OTH	Xian-Xianyang-Tongchuan Env't Improvement	1543	156.00	0	Sep 97	Mar 98	Dec 01	Dec 01	30	40.79	19.12	PS	S
OTH	Shanxi Env't Improvement	1715	102.00	0	Dec 99	TBD	Dec 03	Dec 03	3	0.00	0.00	S	S
<b>Total</b>			<b>5,940.60</b>	<b>0</b>						<b>2,903.64</b>	<b>2,157.34</b>		

HS = Highly Satisfactory, OTH = Others/Multisector, PS = Partially Satisfactory, S = Satisfactory, T&C = Transport and Communications, TBD = to be determined, U = Unsatisfactory.

## LOAN AND TECHNICAL ASSISTANCE PROGRAM

**Table A4.1: Lending Program 2002**

Sector/Project Name	Poverty Classification <sup>a</sup>	Thematic Priority <sup>b</sup>	Responsible Division <sup>c</sup>	Year of PPTA	Project Cost (\$ million)					
					Total	OCR	ADB		Govt	Cofinancing/Others
							ADF	Total		
<b>2002 Loan Pipeline</b>										
<b>Agriculture and Natural Resources</b>										
1 Efficient Utilization of Agricultural Wastes for Sustainable Rural Development	PI	ENV	AEAR	1999	63.6	35.0	0.0	35.0	20.0	8.6
2 Fujian Soil Conservation and Rural Development II	PI	ENV	AEAR	2000	200.0	80.0	0.0	80.0	120.0	TBD
3 Yunnan Comprehensive Agriculture Development and Biodiversity	PI	ECO; ENV	AEAR	1999	50.0	10.0	0.0	10.0	25.0	15.0
<b>Subtotal</b>					<b>313.6</b>	<b>125.0</b>	<b>0.0</b>	<b>125.0</b>	<b>165.0</b>	<b>23.6</b>
<b>Energy</b>										
4 Hebei Zhanghewan Pumped Storage Plant	NC	ECO	IEEN	1995, 1999, 2001	495.0	210.0	0.0	210.0	235.0	50.0
5 Gansu Hydropower	PI	ECO	IEEN	2001	265.0	100.0	0.0	100.0	165.0	TBD
<b>Subtotal</b>					<b>760.0</b>	<b>310.0</b>	<b>0.0</b>	<b>310.0</b>	<b>400.0</b>	<b>50.0</b>
<b>Transport and Communications</b>										
6 Shanxi Road Development II	NC	ECO	IETC	1999	450.0	150.0	0.0	150.0	200.0	100.0
7 Western Yunnan Roads Development (Baoshan-Longlin)	NC	ECO; RC	IETC	2001	800.0	250.0	0.0	250.0	550.0	TBD
8 Southern Sichuan Roads Development (Xichang-Panzhihua)	NC	ECO	IETC	2000	850.0	300.0	0.0	300.0	380.0	170.0
<b>Subtotal</b>					<b>516.0</b>	<b>200.0</b>	<b>0.0</b>	<b>200.0</b>	<b>260.0</b>	<b>56.0</b>
<b>Total</b>					<b>3,689.6</b>	<b>1,335.0</b>	<b>0.0</b>	<b>1,335.0</b>	<b>1,955.0</b>	<b>399.6</b>
<b>Social Infrastructure</b>										
9 Hebei Wastewater Treatment	NC	ENV; HD	AEWU	2000	266.0	100.0	0.0	100.0	110.0	56.0
10 Wuhan Wastewater Treatment	NC	ENV; HD	AEWU	2001	250.0	100.0	0.0	100.0	150.0	TBD
<b>Subtotal</b>					<b>516.0</b>	<b>200.0</b>	<b>0.0</b>	<b>200.0</b>	<b>260.0</b>	<b>56.0</b>
<b>Total</b>					<b>3,689.6</b>	<b>1,335.0</b>	<b>0.0</b>	<b>1,335.0</b>	<b>1,955.0</b>	<b>399.6</b>

<sup>a</sup> CPI = Core Poverty Intervention, NC = Not Classified, PI = Poverty Intervention,

<sup>b</sup> ECO = Economic Growth, ENV = Environmental Protection, GAD = Gender and Development, GG = Good Governance, HD = Human Development, PSD = Private Sector Development, and RC = Regional Cooperation.

<sup>c</sup> AEAR = Agriculture and Rural Development Division (East), AEFN = Forestry and Natural Resources Division (East), AEWU = Water Supply, Urban Development and Housing Division (East), IEEN = Energy Division (East), IETC = Transport and Communications Division (East).

**Table A4.2: Lending Program 2003**

Sector/Project Name	Poverty Classification <sup>a</sup>	Thematic Priority <sup>b</sup>	Responsible Division <sup>c</sup>	Year of PPTA	Project Cost (\$ million)					Cofinancing/ Others
					Total	ADB		Total	Govt	
						OCR	ADF			
<b>2003 Loan Pipeline</b>										
<b>Agriculture and Natural Resources</b>										
1 Dryland Farming in the Northern Region	PI	ECO	AEAR	2001	350.0	100.0	0.0	100.0	250.0	TBD
2 Integrated Ecosystem Management Project in Northern Areas	PI	ENV	AEFN	2002	295.0	100.0	0.0	100.0	180.0	15.0
<b>Subtotal</b>					<b>645.0</b>	<b>200.0</b>	<b>0.0</b>	<b>200.0</b>	<b>430.0</b>	<b>15.0</b>
<b>Energy</b>										
3 North China Power Transmission	PI	ECO	IEEN	1997	490.0	100.0	0.0	100.0	390.0	TBD
4 Coal Bed Methane Development	NC	ENV	IEEN	1995, 1998	550.0	200.0	0.0	200.0	300.0	50.0
<b>Subtotal</b>					<b>1,040.0</b>	<b>300.0</b>	<b>0.0</b>	<b>300.0</b>	<b>690.0</b>	<b>50.0</b>
<b>Transport and Communications</b>										
5 Ningxia-Shanxi (Zhongwei-Taiyuan) Railway	PI	ECO	IETC	2001	675.0	250.0	0.0	250.0	425.0	TBD
6 Xi'an Urban Transport	NC	ECO	IETC	2002	530.0	200.0	0.0	200.0	330.0	TBD
7 Ningxia Roads Development	PI	ECO	IETC	2001	675.0	250.0	0.0	250.0	425.0	TBD
<b>Subtotal</b>					<b>1,880.0</b>	<b>700.0</b>	<b>0.0</b>	<b>700.0</b>	<b>1,180</b>	<b>TBD</b>
<b>Social Infrastructure</b>										
8 Harbin Water Supply	PI	HD	AEWU	2000	450.0	100.0	0.0	100.0	159.0	191.0
9 Henan Hai River Wastewater Treatment	PI	ENV, HD	AEWU	2002	260.0	100.0	0.0	100.0	120.0	40.0
<b>Subtotal</b>					<b>710.0</b>	<b>200.0</b>	<b>0.0</b>	<b>200.0</b>	<b>279.0</b>	<b>231.0</b>
<b>Total</b>					<b>4,275.0</b>	<b>1,400.0</b>	<b>0.0</b>	<b>1,400.0</b>	<b>2,579.0</b>	<b>246.0</b>

<sup>a</sup> CPI = Core Poverty Intervention, NC = Not Classified, PI = Poverty Intervention.

<sup>b</sup> ECO = Economic Growth, ENV = Environmental Protection, GAD = Gender and Development, GG = Good Governance, HD = Human Development, PSD = Private Sector Development, and RC = Regional Cooperation.

<sup>c</sup> AEAR = Agriculture and Rural Development Division (East), AEFN = Forestry and Natural Resources Division (East), AEWU = Water Supply, Urban Development and Housing Division (East), IEEN = Energy Division (East), IETC = Transport and Communications Division (East).

Table A4.3: Lending Program 2004

Sector/Project Name	Poverty Classification <sup>a</sup>	Thematic Priority <sup>b</sup>	Responsible Division <sup>c</sup>	Year of PPTA	Project Cost (\$ million)					Cofinancing/ Others
					Total	ADB		Govt	Total	
						OCR	ADF			
<b>2004 Loan Pipeline</b>										
<b>Agriculture and Natural Resources</b>										
1 Agriculture and Water Conservation	PI	ENV	AEFN	2002	300.0	100.0	0.0	100.0	200.0	TBD
2 Integrated Natural Resources Management for Sangjiang Plain	PI	ENV	AEFN	2002	80.0	20.0	0.0	20.0	40.0	20.0
<b>Subtotal</b>					<b>380.0</b>	<b>120.0</b>	<b>0.0</b>	<b>120.0</b>	<b>240.0</b>	<b>20.0</b>
<b>Energy</b>										
3 Northwest Grid Super High Voltage Transmission	PI	ECO	IEEN	2002	250.0	100.0	0.0	100.0	150.0	TBD
4 Renewable Energy	NC	ENV	IEEN	2002	212.0	80.0	0.0	80.0	132.0	TBD
<b>Subtotal</b>					<b>462.0</b>	<b>180.0</b>	<b>0.0</b>	<b>180.0</b>	<b>282.0</b>	<b>TBD</b>
<b>Transport and Communications</b>										
5 Guangxi Roads Development II	NC	ECO, RC	IETC	2002	400.0	150.0	0.0	150.0	250.0	TBD
6 Hunan Roads Development II	NC	ECO	IETC	2002	750.0	300.0	0.0	300.0	450.0	TBD
7 Hubei-Chongqing Railway	NC	ECO	IETC	2002	750.0	300.0	0.0	300.0	450.0	TBD
<b>Subtotal</b>					<b>1,900.0</b>	<b>750.0</b>	<b>0.0</b>	<b>750.0</b>	<b>1,150.0</b>	<b>TBD</b>
<b>Social Infrastructure</b>										
8 Mudanjiang Water Supply	NC	HD	AEWU	1999	289.0	100.0	0.0	100.0	150.0	39.0
9 Fujian Fuzhou Wastewater Treatment II	NC	ENV, HD	AEWU	2002	250.0	100.0	0.0	100.0	150.0	TBD
10 Bohai Bay or Haihe Water Pollution Treatment	NC	ENV, HD	AEWU	2002	390.0	150.0	0.0	150.0	240.0	TBD
<b>Subtotal</b>					<b>929.0</b>	<b>350.0</b>	<b>0.0</b>	<b>350.0</b>	<b>540.0</b>	<b>39.0</b>
<b>Total</b>					<b>3,671.0</b>	<b>1,400.0</b>	<b>0.0</b>	<b>1,400.0</b>	<b>2,212.0</b>	<b>59.0</b>

<sup>a</sup> CPI = Core Poverty Intervention, NC = Not Classified, PI = Poverty Intervention.

<sup>b</sup> ECO = Economic Growth, ENV = Environmental Protection, GAD = Gender and Development, GG = Good Governance, HD = Human Development, PSD = Private Sector Development, and RC = Regional Cooperation.

<sup>c</sup> AEAR = Agriculture and Rural Development Division (East), AEFN = Forestry and Natural Resources Division (East), AEWU = Water Supply, Urban Development and Housing Division (East), IEEN = Energy Division (East), IETC = Transport and Communications Division (East).

**Table A4.4: Technical Assistance Program 2002**

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
<b>2002</b>					
<b>Agriculture and Natural Resources</b>					
1 Agriculture and Water Conservation	AEFN	PP	600.0	0.0	600.0
2 Integrated Ecosystem Management Project in Northern Areas	AEFN	PP	600.0	0.0	600.0
3 Integrated Natural Resources Management for Sangjiang Plain	AEFN	PP	600.0	0.0	600.0
4 Strategic Study of Carrying Capacity of Water Resources	AEFN	AD	0.0	600.0	600.0
<b>Subtotal</b>			<b>1,800.0</b>	<b>600.0</b>	<b>2,400.0</b>
<b>Energy</b>					
5 Coal Bed Methane Development (Shanxi/Liaoning)	IEEN	PP	150.0	0.0	150.0
6 North China Power Transmission	IEEN	PP	400.0	0.0	400.0
7 Clean Development Mechanism	ENVD	AD	0.0	500.0	500.0
8 Xinjiang Energy Sector Review	IEEN	AD	400.0	0.0	400.0
9 Power Sector Restructuring II	IEEN	AD	500.0	0.0	500.0
<b>Subtotal</b>			<b>1,450.0</b>	<b>500.0</b>	<b>1,950.0</b>
<b>Finance</b>					
10 Corporate Governance	IEFI	AD	600.0	0.0	600.0
11 Banking Law and Regulation	IEFI	AD	400.0	0.0	400.0
12 Evaluation of Methods and Standards for Efficient Corporate Management	IEFI	AD	500.0	0.0	500.0
<b>Subtotal</b>			<b>1,500.0</b>	<b>0.0</b>	<b>1,500.0</b>
<b>Transport and Communications</b>					
13 Guangxi Roads Development II <sup>a</sup>	IETC	PP	600.0	0.0	600.0
14 Hunan Roads Development II <sup>a</sup>	IETC	PP	600.0	0.0	600.0
15 Hubei-Chongqing Railway <sup>a</sup>	IETC	PP	600.0	0.0	600.0
16 Xi'an Urban Transport	IETC	PP	700.0	0.0	700.0
17 Socioeconomic Assessment of Transport Projects	IETC	AD	500.0	0.0	500.0
18 Western Rural Roads Development Strategy	IETC	AD	500.0	0.0	500.0
<b>Subtotal</b>			<b>3,500.0</b>	<b>0.0</b>	<b>3,500.0</b>

(continuation)

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
<b>Social Infrastructure</b>					
19 Fujian Fuzhou Wastewater Treatment II <sup>a</sup>	AEWU	PP	600.0	0.0	600.0
20 Henan Hai River Wastewater Treatment	AEWU	PP	600.0	0.0	600.0
<b>Subtotal</b>			<b>1,200.0</b>	<b>0.0</b>	<b>1,200.0</b>
<b>Others</b>					
21 Study on Control and Management for Nonpoint Pollution Sources	ENVD	AD	600.0	0.0	600.0
22 Hebei Province Development Strategy	PE1	AD	600.0	0.0	600.0
23 Western Area Human Resources Development (Phase II)	PE1	AD	600.0	0.0	600.0
24 Budget Law	PRCM	AD	200.0	0.0	200.0
25 Strengthening MIS and Project Administration of MOF	PRCM	AD	500.0	0.0	500.0
26 Poverty Reduction Strategy	PRCM	AD	500.0	0.0	500.0
27 NGO Partnerships for Poverty Reduction	PRCM	AD	300.0	0.0	300.0
<b>Subtotal</b>			<b>3,300.0</b>	<b>0.0</b>	<b>3,300.0</b>
<b>Total</b>			<b>12,750.0</b>	<b>1,100.0</b>	<b>13,850.0</b>

AD = advisory; AEFN = Forestry and Natural Resources Division (East); AEWU = Water Supply, Urban Development and Housing Division (East); ENVD = Environment Division; IEEN = Energy Division (East); IEFI = Financial Sector and Industry Division (East); IETC = Transport and Communications Division (East); OGC = Office of the General Counsel; PE1 = Programs Division 1 (East); PP = project preparatory; PRCM = People's Republic of China Resident Mission.

<sup>a</sup> New projects based on Government's request.

Table A4.5: Technical Assistance Program 2003

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
<b>2003</b>					
<b>Agriculture and Natural Resources</b>					
1 Western Region Ecological Agriculture Development <sup>a</sup>	AEAR	PP	600.0	0.0	600.0
2 Water Conservancy	AEFN	PP	600.0	0.0	600.0
3 Ecosystem Management in Western Region <sup>a</sup>	AEFN	PP	0.0	600.0	600.0
4 Planning and Management of Geological Hazards	AEFN	AD	500.00	0.0	500.0
5 Rural Water Supply Strategy	AEFN	AD	500.00	0.0	500.0
<b>Subtotal</b>			<b>2,200.0</b>	<b>600.00</b>	<b>2,800.0</b>
<b>Energy</b>					
6 Renewable Energy	IEEN	PP	500.0	0.0	500.0
7 Northwest Grid Super High Voltage Transmission	IEEN	PP	600.0	0.0	600.0
8 Small Hydropower and Rural Electrification <sup>a</sup>	IEEN	PP	300.0	0.0	300.0
9 Power Pricing Strategy	IEEN	AD	500.0	0.0	500.0
<b>Subtotal</b>			<b>1,900.0</b>	<b>0.0</b>	<b>1,900.0</b>
<b>Finance</b>					
10 Policy Support for Financial Sector Reforms	IEFI	AD	400.0	0.0	400.0
11 Social Security Reform II	IEFI	AD	1,000.0	0.0	1,000.0
12 Capital Market Development	IEFI	AD	500.0	0.0	500.0
<b>Subtotal</b>			<b>1,900.0</b>	<b>0.0</b>	<b>1,900.0</b>
<b>Transport and Communications</b>					
13 Western Roads I <sup>a</sup>	IETC	PP	700.0	0.0	700.0
14 Western Roads II <sup>a</sup>	IETC	PP	700.0	0.0	700.0
15 Road Development in Northwest China <sup>a</sup>	IETC	AD	500.0	0.0	500.0
<b>Subtotal</b>			<b>1,900.0</b>	<b>0.0</b>	<b>1,900.0</b>

(continuation)

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
<b>Social Infrastructure</b>					
16 Bohai Bay or Haihe Water Pollution Treatment	AEWU	PP	600.0	0.0	600.0
17 Urban Solid Waste Management	AEWU	PP	600.0	0.0	600.0
18 Wastewater Systems Financial Management (Wastewater Tariff II)	AEWU	AD	500.0	0.0	500.0
<b>Subtotal</b>			<b>1,700.0</b>	<b>0.0</b>	<b>1,700.0</b>
<b>Others</b>					
19 Support for Consulting Industry	COCS	AD	500.0	0.0	500.0
20 Strengthening Capacity of Public Financing	PRCM	AD	600.0	0.0	600.0
21 GDP Statistics	EDSD	AD	500.0	0.0	500.0
22 Environment Management in Western Region	ENVD	AD	500.0	0.0	500.0
23 Development of Legal Aid System	OGC	AD	400.0	0.0	400.0
24 Western Area Human Resource Development III	PE1	AD	300.0	0.0	300.0
25 Macroeconomic Policy Support	PRCM	AD	150.0	0.0	150.0
<b>Subtotal</b>			<b>2,950.0</b>	<b>0.0</b>	<b>2,950.0</b>
<b>Total</b>			<b>12,550.0</b>	<b>600.0</b>	<b>13,150.0</b>

AD = advisory; AEFN = Forestry and Natural Resources Division (East); AEWU = Water Supply, Urban Development and Housing Division (East); ENVD = Environment Division; IEEN = Energy Division (East); IEFI = Financial Sector and Industry Division (East); IETC = Transport and Communications Division (East); OGC = Office of the General Counsel; PE1 = Programs Division 1 (East); PP = project preparatory; PRCM = People's Republic of China Resident Mission.

<sup>a</sup> New projects based on Government's request.

Table A4.6: Technical Assistance Program 2004

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
<b>2004</b>					
<b>Agriculture and Natural Resources</b>					
1 Sustainable Ecosystem Protection <sup>a</sup>	AEAR	PP	600.0	0.0	600.0
2 Strategic Study on the Structural Adjustment of Agriculture Sector	AEAR	AD	500.0	0.0	500.0
3 Soil Erosion Rehabilitation in Western Region <sup>a</sup>	AEFN	PP	600.0	0.0	600.0
4 Water Saving Irrigation Project <sup>a</sup>	AEFN	PP	600.0	0.0	600.0
5 National Water Sector Framework	AEFN	AD	700.0	0.0	700.0
6 Integrated Conservation and Development Planning (Western Region)	AEFN	AD	600.00	0.0	600.0
<b>Subtotal</b>			<b>3,600.0</b>	<b>0.0</b>	<b>3,600.0</b>
<b>Energy</b>					
7 Rural Electrification	IEEN	PP	800.0	0.0	800.0
8 Western Regional Natural Gas Utilization	IEEN	PP	800.0	0.0	800.0
9 Urban Environmental Improvement in the Western Region	IEEN	AD	600.0	0.0	600.0
<b>Subtotal</b>			<b>2,200.0</b>	<b>0.0</b>	<b>2,200.0</b>
<b>Finance</b>					
10 Comparative Analysis on the Competitiveness of PRC Financial Sector	IEFI	AD	500.0	0.0	500.0
11 Study on Financial Sector Regulations	IEFI	AD	600.0	0.0	600.0
<b>Subtotal</b>			<b>1,100.0</b>	<b>0.0</b>	<b>1,100.0</b>
<b>Transport and Communications</b>					
12 Western Roads III <sup>a</sup>	IETC	PP	700.0	0.0	700.0
13 Western Railway Development <sup>a</sup>	IETC	PP	700.0	0.0	700.0
<b>Subtotal</b>			<b>1,400.0</b>	<b>0.0</b>	<b>1,400.0</b>

(continuation)

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
<b>Social Infrastructure</b>					
15 Suzhou Creek Project II <sup>a</sup>	AEWU	PP	600.0	0.0	600.0
16 Medium-Sized Cities Development (Western Region) <sup>a</sup>	AEWU	PP	600.0	0.0	600.0
17 Urbanization Strategy	AEWU	AD	500.0	0.0	500.0
18 Urban Poverty Study II	AEWU	AD	400.0	0.0	400.0
<b>Subtotal</b>			<b>2,100.0</b>	<b>0.0</b>	<b>2,100.0</b>
<b>Others</b>					
19 Study on the Interprovince Acid Rain Control	ENVD, IEEN	AD	600.0	0.0	600.0
20 Strengthening the Key Project Inspectorate	OEED	AD	500.0	0.0	500.0
21 Legal System Development	OGC	AD	500.0	0.0	500.0
<b>Subtotal</b>			<b>1,600.0</b>	<b>0.0</b>	<b>1,600.0</b>
<b>Total</b>			<b>12,000.0</b>	<b>0.0</b>	<b>12,000.0</b>

AD = advisory; AEFN = Forestry and Natural Resources Division (East); AEWU = Water Supply, Urban Development and Housing Division (East); EDSD = Statistics and Data Systems Division; ENVD = Environment Division; IEEN = Energy Division (East); IEFI = Financial Sector and Industry Division (East); IETC = Transport and Communications Division (East); OGC = Office of the General Counsel; OEED = Operations Evaluation Division (East); PE1 = Programs Division 1 (East); PP = project preparatory; PRCM = People's Republic of China Resident Mission.

<sup>a</sup> New projects based on Government's request.

## ECONOMIC AND SECTOR WORK PROGRAM

Type of ESW	Strategic or Operational Objective	Modality (staff/staff consultant/ ADTA/RETA)
<b>1 Economic Work</b> (includes macro and microeconomic studies and country-level economic studies)		
(i) Country Operational Strategy Study	Develop new ADB country operational strategy for PRC	Staff
(ii) Country Economic Review	Annual economic review	Staff
(iii) Global and PRC Economic Outlook conference	To assess the prospects of the PRC economy in the context of the global economy	Staff
(iv) Economic Issues Paper	To highlight policy an economic issues for discussion with the Government	Staff
<b>2 Thematic Work</b> (includes studies that cut across sectors or countries and are related to ADB thematic and operational priorities)		
(i) Sound Development Management Study	Background paper for Country Strategy and Program (CSP)	Staff consultant and staff
(ii) Private Sector Development Assessment	Background paper for CSP	Staff consultant and staff
(iii) Poverty Profile	Background paper for CSP	Staff consultant and staff
(iv) Low-Income Rural Households Study	Background paper for CSP	Staff consultant and staff
<b>3 Sector Work</b> (includes sector-specific analytical work)		
(i) Study on Foreign Capital Utilization for the Western Region	Helping the western region strengthen FDI attraction	ADTA
(ii) Agriculture and Water Conservation	Study on water conservation policy and implementation	ADTA
(iii) Western Region Human Resources Development	Formulate a human resource development strategy for the western region.	ADTA
(iv) Corporate Governance in Financial Enterprises	Develop a code of conduct of corporate governance	ADTA
(v) Hebei Provincial Development Strategy	Provincial development strategy including poverty reduction and social development	ADTA
(vi) Study on Budget Law	Assist fiscal reforms through improvements of the budget law	ADTA
(vii) Poverty Reduction Strategy	Develop poverty monitoring indicators	ADTA
(viii) NGO Partnership for Poverty Reduction	Formulate policy for NGO involvement in poverty	ADTA

**PROJECT SELECTION BRIEFS AND TA CONCEPT PAPERS**

**Table A6.1: Project Selection Brief for  
Yunnan Comprehensive Agriculture Development and Biodiversity**

<b>A. Data</b>	
Project Number	30484
Country	PRC
Sector	Agriculture and Natural Resources
Subsector	Agricultural Support Services
Project Division	AEAR
Contact Person in Projects Division	Siew Tuan Chew
Programs Division	PE1
Tentative Loan Amount According to CSP	\$10 million
Proposed Lending Modality	Project Loan
PPTA	TA 3372-PRC: Yunnan Comprehensive Agricultural Development and Biodiversity, approved on 23 December 1999
PPTA Amount	\$982,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	1999
Start Design Phase	2000
Approval Year According to CSP	2002
Proposed Executing Agency	Provincial Government
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	The development strategy of the provincial government of Yunnan Province is premised on the belief that it could encourage investments by private companies in agro-enterprises that will spearhead economic growth in rural communities, and thereby reduce poverty. The proposed project would support existing agro-enterprises producing and processing crops that can create significant employment and contract growing opportunities for farming households in poor and remote counties.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The PPTA is assisting the provincial government in screening proposals for investments from existing agro-enterprises in remote counties and preparing a suitable loan project and financing plan. A feasibility study is being conducted to assess 12-15 proposals for agricultural enterprise development covering 19 counties in 11 prefectures; six priority investments have been identified. The PPTA is also analyzing institutional, social, and environmental issues to incorporate into the project design measures to ensure proper protection of Yunnan's unique biological resources.

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Comparative Advantage of ADB in Proposed Project	ADB will leverage Global Environment Facility support for the project.
Rationale and Scope of attached ADTA	n.a.
Development Objective (thematic priority)	Economic Growth – Primary Poverty Reduction – Secondary
Environmental Classification	Category B
Social Issues	The design of the proposed project will require extensive beneficiary consultation concerning appropriate mechanisms to address their socioeconomic interests, particularly those of poor families and ethnic minorities.

ADB = Asian Development Bank, ADTA = advisory technical assistance, AEFN = Forestry and Natural Resources Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GEF = Global Environment Facility, n.a. = not available, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

**Table A6.2: Project Selection Brief for  
Efficient Utilization of Agricultural Wastes for Sustainable Rural Development**

<b>A. Data</b>	
Project Number	33443
Country	PRC
Sector	Agriculture and Natural Resources
Subsector	Agricultural Support Services
Project Division	AEAR
Contact Person in Projects Division	Yuen Loh Yee
Programs Division	PRCM
Tentative Loan Amount According to CSP	\$35 million
Proposed Lending Modality	Project Loan
PPTA	TA 3370-PRC: Efficient Utilization of Agricultural Wastes, approved on 26 December 1999
PPTA Amount	\$703,000
Attached ADTA	
Proposed ADTA Amount	
Start Pre-design Phase	January 2001
Start Design Phase	26 February-20 March 2001
Approval Year According to CSP	2002
Proposed Executing Agency	Ministry of Agriculture
Contact Person in Proposed Executing Agency	Zhou Qijiang, Vice Director, Office of External Economic Relations, Foreign Economic Cooperation Center
<b>B. Description</b>	
Brief Rationale of Project	<p>There are significant opportunities to improve the PRC's environment through promoting and adopting sustainable biomass technology for efficiently utilizing agricultural wastes to generate cleaner biomass energy. This will also improve natural resource management at the farm level, generating benefits for the rural households, the environment, and the economy. At present, large quantities of agriculture wastes are disposed of inappropriately. This is not only harmful for the environment, but constitutes a loss of potential energy and nutrient resources that could add value to integrated farm systems, reduce farm input costs, and provide opportunities for integrated pest management and organic farming techniques. Further, developing a clean energy source like biogas digesters would reduce dependence of poor households on coal and firewood for heating and cooking, promoting improved health from reduced air pollution and less stress on forest resources. An integrated agricultural production system with biomass technology has proven to be an effective means to generate cleaner renewable energy for environment improvement and improve the quantity and quality of farm outputs. However, rural households are facing constraints in obtaining access to credit for adopting biomass-based renewable energy systems integrated with the existing farming practice. The project is an effort to promote renewable energy generation to improve the environment, enhance the quality and quantity of agricultural production, and improve the health and income of rural farmers. It will also serve as a demonstration project showing</p>

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Brief Rationale of Project (continued):	its feasibility and profitability through adopting biomass technology and encouraging private entrepreneurs to participate in larger scale biomass technology for biogas production.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The four project provinces—Jiangxi, Hubei, Henan and Shanxi—ranging from the south to the north, represent a typical sample of the PRC's oldest farming areas. Pilot programs encouraging rural households to adopt the biomass technology have shown highly satisfactory results. Biomass generation from small-scale digesters is becoming popular in the four provinces and more villagers are willing to adopt the technologies in recent years. The central and local governments are giving significant emphasis to developing an integrated farming system that incorporates biomass technologies to generate cleaner biogas for lighting, cooking, and organic fertilizer for farming. However, key barriers that restrict promoting and expanding biomass renewable energy are lack of a replicable financing model and shortage of available capital and credit in the rural areas; weak institutional capacities and inadequate technical expertise; lack of a sound environmental program, public awareness, and information; and the inability of the poor to participate in biomass development. This project aims to provide the resources to remove the barriers and develop a sustainable and replicable model for further expansion to other nonproject provinces.
Comparative Advantage of ADB in Proposed Project	In 1999, the Government requested ADB to fund its first efficient utilization of agricultural wastes project. This is also the first loan project in the PRC to develop biomass production. Government support was put into the Tenth Five-Year Plan and strong interest for the success of this project was shown to ADB. The project is expected to serve as an important demonstration model for replication by other provinces.
Rationale and Scope of attached ADTA	n.a.
Development Objective (thematic priority)	Environment Protection
Environmental Classification	
Social Issues	

ADB = Asian Development Bank, ADTA = advisory technical assistance, AEAR = Agriculture and Rural Development Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, n.a. = not available, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, PRCM = People's Republic of China Resident Mission.

**Table A6.3: Project Selection Brief for Fujian Soil Conservation and Rural Development II**

<b>A. Data</b>	
Project Number	33439
Country	PRC
Sector	Agriculture and Natural Resources
Subsector	Irrigation and Rural Development
Project Division	AEFN
Contact Person in Projects Division	Yuen Loh
Programs Division	PE1
Tentative Loan Amount According to CSP	\$80 million
Proposed Lending Modality	Project Loan
PPTA	TA 3551-PRC: Fujian Soil Conservation and Rural Development II, approved on 24 November 2000
PPTA Amount	\$650,000
Attached ADTA	n.a.
Proposed ADTA Amount	n.a.
Start Predesign Phase	2000
Start Design Phase	2001
Approval Year According to CSP	2002
Proposed Executing Agency	Fujian Provincial Government
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	The current project has the objectives of promoting sustainable growth to benefit poor rural households by increasing agricultural production in an environmentally sustainable manner, and providing infrastructure support for increased economic activity. The project activities include (i) sustainable integrated development of sloping lands and soil conservation by adopting appropriate land development techniques and agricultural practices (and by strengthening agricultural extension services); (ii) aquaculture development in the lowlands; (iii) improving infrastructure for agro-processing, storage, and marketing agricultural output; and (iv) constructing small-scale hydropower schemes.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	ADTA – National Strategies for Soil and Water Conservation – is preparing a national strategy plan for the sector.
Comparative Advantage of ADB in Proposed Project	ADB is currently completing one of its most successful projects in the agriculture sector. The proposed project will build on the successful experience of the phase I project.
Rationale and Scope of Attached ADTA	n.a.
Development Objective (thematic priority)	Economic Growth – Primary Environment – Secondary
Environmental Classification	Category B –initial environmental examination required
Social Issues	Careful targeting of poor villages is needed to ensure that the project has maximum poverty reduction benefits.

ADB = Asian Development Bank, ADTA = advisory technical assistance, AEFN = Forestry and Natural Resources Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, n.a. = not available, PE1 = Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

**Table A6.4: Project Selection Brief for Hebei Zhanghewan Pumped Storage Project**

<b>A. Data</b>	
Project Number	28212
Country	PRC
Sector	Energy
Subsector	Electric Power
Project Division	IEEN
Contact Person in Projects Division	E. H. Hassing
Programs Division	PE1
Tentative Loan Amount According to CSP	\$210 million
Proposed Lending Modality	Project loan
PPTA	Hebei Zhangjiawan Pumped Storage Project (supplementary)
Proposed PPTA Amount	\$150,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	1995
Start Design Phase	1998
Approval Year According to CSP	2002
Proposed Executing Agency	Hebei Electric Power Corporation
Contact Person in Proposed Executing Agency	Mr. Zhou Jianfang, Vice-Director, Planning & Development Department
<b>B. Description</b>	
Brief Rationale of Project	The project will increase the efficiency and reliability of power transmission and distribution in Hebei Province. The project will also enable more efficient power supply at lower costs to poor communities and contribute to environmental improvement.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The feasibility study is being prepared.
Comparative Advantage of ADB in Proposed Project	ADB is in a position to provide the long-term financing required for the project while addressing efficiency improvement and poverty reduction.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Pro-poor Economic Growth
Environmental Classification	Category A
Social Issues	An acceptable resettlement plan will need to be prepared and implemented.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IEEN = Energy Division East, n.a. = not available, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China.

**Table A6.5: Project Selection Brief for Gansu Hydropower Project**

<b>A. Data</b>	
Project Number	34476
Country	PRC
Sector	Energy
Subsector	Electric Power
Project Division	IEEN
Contact Person in Projects Division	Bo Q Lin
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	Gansu Hydropower Project
Proposed PPTA Amount	\$950,000
Attached ADTA	n.a.
Proposed ADTA Amount	n.a.
Start Pre-design Phase	Preparation started in 1999.
Start Design Phase	June 2001
Approval Year According to CSP	2002
Proposed Executing Agency	Gansu Electric Power Construction Investment and Development Company (GEPCIDC)
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	The proposed project will assist Gansu provincial government in providing adequate electricity supply to power-deficient rural areas near Langzhou. The project will provide about 164 megawatts additional hydropower power capacity to enable the generation of about 830 gigawatt hours of electricity annually. It is the first power project proposed for ADB financing in Gansu Province and it would directly target rural power supply. The project will also extend rural electrification to strengthen the power supply for production and domestic use, which would have a direct impact on the rural poor. The PPTA will provide more details.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Preliminary design and feasibility study is ongoing by GEPCIDC
Comparative Advantage of ADB in Proposed Project	Given the limited private sector participation at the beginning of the western development, ADB's participation will be a catalyst in improving investment environment. ADB has the capacity to assess financial and economic viabilities, social, environmental, and institutional issues.
Rationale and Scope of Attached ADTA	n.a.
Development Objective (thematic priority)	Economic Growth
Environmental Classification	Category B –initial environmental examination required The PPTA will provide more details.
Social Issues	GEPCIDC will carry out the field survey and prepare a land acquisition and resettlement plan for the project in accordance with ADB's Policy on Involuntary Resettlement, and the ADB format on such a plan. Resettlement plan to be provided before appraisal.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GEPCIDC = Gansu Electric Power Construction Investment and Development Company, IEEN = Energy Division East, n.a. = not available, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

Table A6.6: Project Selection Brief for Shanxi Roads Development II

<b>A. Data</b>	
Project Number	34097
Country	PRC
Sector	Transport and Communications
Subsector	Roads and Road Transport
Project Division	IETC
Contact Person in Projects Division	Inngyou I. Choi, Sr. Financial Analyst
Programs Division	PE1
Tentative Loan Amount According to CSP	\$150 million
Proposed Lending Modality	Project Loan
PPTA	TA 3248-PRC: Shanxi and Shaanxi Roads (Supplementary)
PPTA Amount	\$250,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	30 June 2001
Start Design Phase	August 2001
Approval Year According to CSP	2002
Proposed Executing Agency	Shanxi Provincial Communications Department
Contact Person in Proposed Executing Agency	Mr. Yan, Deputy Director
<b>B. Description</b>	
Brief Rationale of Project	By improving local roads to poor township centers, the project will help provide access to market opportunities and social services for the poorer population in the project area. The provincial and county roads to expressway interchanges, and the expressway itself, through reducing transport time and costs, will promote economic diversification and sustain growth, employment, and incomes in the project area. The project will also help reduce traffic accidents, vehicle emissions, and traffic noise on the existing roads.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Feasibility study, EIA, and resettlement plan are being prepared by the EA. ESW includes a toll diversion study; corporatization; leasing and securitization in the road sector; and capacity building in traffic safety, planning, and management.
Comparative Advantage of ADB in Proposed Project	The project forms part of the Taiyuan-Xi'an section which is a priority corridor for ADB's intervention in the road sector.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth
Environmental Classification	Category A
Social Issues	Under the supplementary PPTA, social assessment in poverty reduction, land acquisition and resettlement, and gender impacts will be reviewed. Relevant data on poverty at province, prefecture, county and township levels in the project area will be collected and assessed, to quantify the project's impact on poverty reduction.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IETC = Transport and Communications Division East, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China.

**Table A6.7: Project Selection Brief for Western Yunnan Roads Development (Baoshan-Longlin) Project**

<b>A. Data</b>	
Project Number	32336
Country	PRC
Sector	Transport and Communications
Subsector	Roads and Road Transport
Project Division	IETC
Contact Person in Projects Division	Jean-Marie Lacombe, Sr. Transport Specialist
Programs Division	PE1
Tentative Loan Amount According to CSP	\$250 million
Proposed Lending Modality	Project Loan
PPTA	TA No.3642-PRC: Western Yunnan Roads Development Project, approved on 20 March 2001
PPTA Amount	\$770,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	June 2000
Start Design Phase	September 2001
Approval Year According to CSP	2003
Proposed Executing Agency	Yunnan Provincial Communications Department (YPCD)
Contact Person in Proposed Executing Agency	Mr. Xie Shuhong, Deputy Division Chief YPCD Loan Application Office
<b>B. Description</b>	
Brief Rationale of Project	Building roads is prerequisite to developing remote and environmentally difficult areas as roads link the rural population to the economic main streams, thus reducing poverty through increased agricultural outputs, increased incomes, and better living conditions. The project will complete a missing link of the trunk road between Kunming and the Myanmar border, and will improve local roads in the project area. It will provide better and safer transport links, thus facilitating movements of goods and passengers, improving trading exchange, facilitating interregional integration, and spreading economic and social benefits to a wider cross section of local communities.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The feasibility study will be approved by the State Development Planning Commission in August 2001. The environmental impact assessment is scheduled to be completed in August 2001, and the land acquisition and resettlement plan in September 2001. ESW includes a toll diversion study; corporatization, leasing, and securitization in the road sector; and capacity building in traffic safety, planning, and management.
Comparative Advantage of ADB in Proposed Project	ADB has already financed two other road development projects in Yunnan. The proposed project will give ADB continuity of the sector policy dialogue and enable it to follow up on its implementation. Lessons learned from these projects will be built into the project design.
Rationale and Scope of Attached ADTA	
Development Objective (thematic priority)	Economic Growth
Environmental Classification	Category A

(continuation)

Social Issues	The project area has a population of about 2.3 million of which, according to the initial social assessment (ISA), about 1.6 million are poor. About 216,000 people belong to 14 ethnic minorities. The poverty and social analysis under the TA will address the social issues identified during the ISA, i.e., land acquisition and resettlement, income generation, and social services and infrastructures. A poverty impact analysis will be carried out as part of the TA.
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ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, ISA = initial social assessment, IETC = Transport and Communications Division East, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TA = technical assistance, YPCD = Yunnan Provincial Communications Department.

Table A6.8: Project Selection Brief for Southern Sichuan Roads Development Project

<b>A. Data</b>	
Project Number	32334
Country	PRC
Sector	Transport and Communications
Subsector	Roads and Road Transport
Project Division	IETC
Contact Person in Projects Division	Makoto Ojiro, Senior Project Economist
Programs Division	PE1
Tentative Loan Amount According to CSP	\$300 million
Proposed Lending Modality	Project Loan
PPTA	TA 3546-PRC: Southern Sichuan Roads Development, approved on 16 November 2000
PPTA Amount	\$800,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	June 2000
Start Design Phase	May 2001
Approval Year According to CSP	2002
Proposed Executing Agency	Sichuan Provincial Communications Department
Contact Person in Proposed Executing Agency	Mr. Weng Wei Xiang, Director
<b>B. Description</b>	
Brief Rationale of Project	The economic development in the western region of the PRC has lagged behind primarily due to poor access. The area's severe socioeconomic conditions were verified during the initial social assessment. The existing road in this area is saturated. Traffic on this road has been growing at about 11 percent per annum in the last five years, while its physical condition has been deteriorating due to inadequate maintenance. The proposed project will comprise a 162 kilometers expressway and a local road network component providing access to poor counties and townships in the southern part of Sichuan Province. As one of the eight priority roads included in the Western Development Strategy, the expressway component forms a section of the main 900 km north-south route connecting Chengdu, the capital of Sichuan, and Kunming, the capital of Yunnan. The project will be in mountainous terrain.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Feasibility study and environmental impact assessment were prepared by the Government. A resettlement plan is being prepared. The potential of road development in the southwestern region, including Sichuan, was studied under TA 3086: Regional Road Sector Study (October 1998). ESW includes a toll diversion study; corporatization, leasing, and securitization in the road sector; and capacity building in traffic safety, planning, and management.
Comparative Advantage of ADB in Proposed Project	The project is in the poor, landlocked southwestern region where ADB is focusing investment in the road sector based on the findings of TA 3086. Lessons learned from the ongoing Chengdu-Nanchong Expressway in Sichuan Province will be built into the project design.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth

(continuation)

Environmental Classification	Category A
Social Issues	The initial social assessment (ISA) carried out during TA fact-finding through socioeconomic surveys of the project area identified the social issues that would need to be considered during project preparation, and reviewed the need for assessments of social dimensions for which ADB has established policies and norms of good practice. The ISA reviewed poverty conditions, minority issues, resettlement requirements, gender issues, needs and demand of beneficiaries, and their absorptive capacity. It concluded that key social issues to analyze during project preparation are resettlement, poverty reduction impact, and impact on minority ethnic peoples, given that (i) the project will require resettlement affecting more than 10,000 people; (ii) the project is likely to impact on the poor people as the road passes a relatively less developed area, and (iii) a large minority population resides in the project area.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IETC = Transport and Communications Division East, ISA = initial social assessment, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China.

**Table A6.9: Project Selection Brief for Hebei Wastewater Treatment Project**

<b>A. Data</b>	
Project Number	32327
Country	PRC
Sector	Social Infrastructure
Subsector	Water Supply and Sanitation
Project Division	AEWU
Contact Person in Projects Division	In-Ho Keum
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	TA 3488-PRC: Hebei Province Wastewater Management Project, approved on 30 August 2000
PPTA Amount	\$850,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	August 2001
Start Design Phase	January 2002
Approval Year According to CSP	2002
Proposed Executing Agency	Hebei Province
Contact Person in Proposed Executing Agency	Jin Haizeng
<b>B. Description</b>	
Brief Rationale of Project	The province has a critical and central role to play in overall wastewater management in the basin. Domestic and industrial wastewater management in the basin is inadequate. More than half of the water resources do not meet the minimum water quality standards for beneficial use. The Government has given high priority to the need for improving water quality of the river basin. To address water pollution and control issues, the Government has proposed a wastewater management project in five cities in Hebei Province.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The Government has completed the domestic feasibility study and environmental impact assessment for each subproject and the ADB feasibility will be based on these studies. ADB has carried out the economic sector work for wastewater management strategies for the PRC in 2001.
Comparative Advantage of ADB in Proposed Project	ADB has carried out the Hei River Basin Wastewater Management and Pollution Control and identified major four initiatives. The first one was the Tianjin Wastewater Treatment and Water Resource Protection Project. For the first one, an ADB loan of \$130 million was approved in December 2000. The project is the second initiative.
Rationale and Scope of Attached ADTA	
Development Objective (thematic priority)	Primary – Environment Secondary – Human Development
Environmental Classification	Category A
Social Issues	Resettlement

ADB = Asian Development Bank, ADTA = advisory technical assistance, AEWU = Water Supply, Urban Development and Housing Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China.

**Table A6.10: Project Selection Brief for Wuhan Wastewater Treatment Project**

<b>A. Data</b>	
Project Number	34472
Country	PRC
Sector	Social Infrastructure
Subsector	Sanitation – wastewater treatment
Project Division	AEWU
Contact Person in Projects Division	Nancy Convard, Urban Environment Specialist Amy Leung, Urban Development Specialist
Programs Division	PRCM, PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	TA 3638-PRC: Wuhan Wastewater Treatment, approved on 19 March 2001
Proposed PPTA Amount	\$500,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	2000
Start Design Phase	2001
Approval Year According to CSP	2002
Proposed Executing Agency	Wuhan Construction Administration
Contact Person in Proposed Executing Agency	Ms. Li Peng
<b>B. Description</b>	
Brief Rationale of Project	Wuhan is rich in water resources; however, rapid economic growth and resultant increased pollution have caused significant deterioration of water quality. National wastewater treatment guidelines require municipalities to achieve a 70 percent wastewater treatment ratio by 2010. Currently the wastewater treatment rate is approximately 8 percent. With completion of ongoing projects, wastewater treatment will reach approximately 30 percent. The proposed project involves constructing three of these new wastewater treatment plants and their associated sewers and pumping stations. These subprojects will collect, transport, and treat wastewater for their catchment areas and will provide secondary treatment for effluent to reach class I of the national standard.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The municipal government has completed a prefeasibility study for the project and has initiated an environmental impact study.
Comparative Advantage of ADB in Proposed Project	ADB has significant experience in the water supply and sanitation sector in the PRC.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Environmental Management Human Development
Environmental Classification	Category A
Social Issues	Resettlement (scope still to be determined)

ADB = Asian Development Bank, ADTA = advisory technical assistance, AEWU = Water Supply, Urban Development and Housing Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, PRCM = People's Republic of China Resident Mission.

Table A6.11: Project Selection Brief for Dryland Farming Project in the Northern Region

<b>A. Data</b>	
Project Number	34471
Country	PRC
Sector	Agriculture and Natural Resources
Subsector	Irrigation and Rural Development
Project Division	AEAR
Contact Person in Projects Division	Y.L. Yee
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	Dryland Farming in Northern Region (2001)
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	TBD
Start Design Phase	TBD
Approval Year According to CSP	2003
Proposed Executing Agency	TBD
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	In the northern region of the PRC, dryland occupies about 52 percent of arable land, and 43 percent of the total population. As a result of decades of negligence, deforestation, communal grazing, nonintensive farming, and uncontrolled exploitation of natural resources, particularly groundwater and forest cover, the environment in this region is fast deteriorating and faces serious land degradation and severe water loss. In terms of agricultural ecological environment, the northern region of the PRC is now the PRC's worst area and most underdeveloped. Farm productivity is 25 percent of the national average and the area has a high proportion of poor farmers in the country. Ecologically developing dryland farming is an effective way of reversing the environment degradation and increasing farm productivity to raise farmers' income and reduce poverty in the region.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Initial study by the Government indicated that farming productivity in dryland areas can be increased by appropriate ecological measures. The proposed PPTA in 2001 will further assess the potential of dryland farming in northern area.
Comparative Advantage of ADB in Proposed Project	ADB has taken the lead role in forging a partnership between PRC and the Global Environment Facility on land degradation.
Rationale and Scope of Attached ADTA	
Development Objective (thematic priority)	Environment protection, poverty reduction
Environmental Classification	
Social Issues	

ADB = Asian Development Bank, ADTA = advisory technical assistance, AEAR = Agriculture and Rural Development Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

**Table A6.12: Project Selection Brief for  
Integrated Ecosystem Management in Northern Areas**

<b>A. Data</b>	
Project Number	34474
Country	PRC
Sector	Agriculture and Natural Resources
Subsector	Agricultural Support Services
Project Division	AEFN
Contact Person in Projects Division	Peter King
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	None
Proposed PPTA Amount	Need for additional PPTA to be assessed, following completion of ADTAs.
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	June 2001
Start Design Phase	TBD
Approval Year According to CSP	2002
Proposed Executing Agency	Ministry of Agriculture/State Forestry Administration/Provincial Government
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	Irrigated land can only cover 41 million square kilometers in the PRC, while 70 percent of the land area is too hilly to irrigate. Nonirrigated dry land occupies 52 percent of the nation's farmland, much of which is subject to desertification. In the drier northern areas, unit crop yields average 1,125-2,250 kilograms per hectare per year. Even in the south, where rainfall is higher, crop yields are only one third of that on irrigated lands. As there is limited scope for expansion of irrigation areas, increased yields will increasingly have to come from dryland areas, where a combination of terracing, drip or trickle irrigation, and improved crop management offer considerable potential for increased production.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	In the area of land degradation and desertification, ADB intends to conduct three pivotal ADTA projects (i) PRC-GEF partnership on land degradation in dryland ecosystems, (ii) national strategies for soil and water conservation, and (iii) optimizing initiatives to combat desertification in Gansu Province. ADB also intends to support a regional TA on combating desertification in Asia, which includes the PRC as one of the participating countries.
Comparative Advantage of ADB in Proposed Project	The United Nations Resident Coordinator and ADB Resident Representative will form a contact group to coordinate activities in implementing of the Convention to Combat Desertification. As part of the GEF extended family, ADB had previously been requested by the Ministry of Finance to take a lead role in helping the PRC pursue GEF programs that respond to country priorities in land degradation.
Rationale and Scope of attached ADTA	None

(continuation)

Development Objective (thematic priority)	Economic Growth – Primary Poverty Reduction – Secondary
Environmental Classification	Category B –initial environmental examination required
Social Issues	The majority of rural poor live in dryland areas subject to land degradation.

ADB = Asian Development Bank, ADTA = advisory technical assistance, AEFN = Forestry and Natural Resources Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GEF = Global Environment Facility, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

Table A6.13: Project Selection Brief for North Power Transmission Project

<b>A. Data</b>	
Project Number	27372
Country	PRC
Sector	Energy
Subsector	Electric Power
Project Division	IEEN
Contact Person in Projects Division	Bo Q. Lin
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	North Power Transmission Project
Proposed PPTA Amount	\$400,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	Preparation started in 1996.
Start Design Phase	June 1997
Approval Year According to CSP	2003
Proposed Executing Agency	North China Power Group Corporation (NCPGC)
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	<p>Shanxi Province and the western part of Inner Mongolia, which cover the western part of the north power region, have considerable coal resources (486 billion tons), and large mine-mouth power plants are being constructed in these areas. Shanxi Province and Inner Mongolia Autonomous Region are poor with per capita gross domestic product of 75 percent and 77 percent of the national average, respectively. In contrast, the more prosperous eastern part of the region, which includes Beijing and Tianjin municipalities, does not have adequate installed capacity to meet its energy requirements and is still inadequately connected through bulk power transmission capacity with the western PRC. The project is needed to augment bulk power transmission capacity, increase the stability and reliability of the regional transmission system, and strengthen the 500 kilovolts backbone transmission system running through the region. The project will reduce the need to transport coal over long distances to load centers and will improve the dispatch of electricity. Besides strengthening the interprovincial connections in the region, the project will facilitate interregional interconnections in the future.</p>
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	<p>The Government's feasibility studies for the project were completed by January 1998. PPTA 2932-PRC: North Power Transmission Project provided some additional work needed to prepare the project for ADB financing. Such work included identifying measures to further power sector reform in the region, and an analysis of the technical, environmental, and social aspects of the project.</p>
Comparative Advantage of ADB in Proposed Project	<p>With support of TA 3547-PRC: Interregional Power Transmission Network Development Strategy commencing in July 2001, ADB is in a better position to assess all aspects of the project and ensure successful project implementation.</p>

(continuation)

Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth – Primary
Environmental Classification	Category B – initial environmental examination required
Social Issues	A social analysis has to be conducted in accordance with ADB's guidelines for incorporating social dimensions along the proposed 500 kV transmission line route. NCPGC will carry out the field survey and prepare a land acquisition and resettlement plan for the project in accordance with ADB's Policy on Involuntary Resettlement, and the ADB format on such a plan.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IEEN = Energy Division East, GDP = gross domestic product, NCPGC = North China Power Group Corporation, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

Table A6.14: Coalbed Methane Development

<b>A. Data</b>	
Project Number	30403
Country	PRC
Sector	Energy
Subsector	Fuel Minerals
Project Division	IEEN
Contact Person in Projects Division	E. H. Hassing
Programs Division	PE1
Tentative Loan Amount According to CSP	\$250 million
Proposed Lending Modality	Project Loan
PPTA	Coalbed Methane Utilization (supplementary)
Proposed PPTA Amount	\$150,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	2000
Start Design Phase	2001
Approval Year According to CSP	2002
Proposed Executing Agencies:	Yangquan Coal (Group) Co. Ltd (YCGL) Shanxi Jincheng Anthracite Mining Group (SJAMG)
Contact Person in Proposed Executing Agency	Mr. Wang Shizhong, General Manager, YCGL Mr. Wen Shi Hua, Deputy General Manager, SJAMG
<b>B. Description</b>	
Brief Rationale of Project	The project will reduce the emissions of coalbed methane (CBM), which is a potent greenhouse gas, by capturing the CBM and using it for environment-friendly power generation. It will also improve the safety of underground coal mining.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Feasibility studies are being prepared.
Comparative Advantage of ADB in Proposed Project	Ability to prepare detailed feasibility studies, mobilize long-term foreign exchange financing, and mobilize cofinancing from sources such as the Global Environment Facility.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Environment
Environmental Classification	Category A
Social Issues	None

ADB = Asian Development Bank, ADTA = advisory technical assistance, CBM = coalbed methane, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IEEN = Energy Division East, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, SJAMG = Shanxi Jincheng Anthracite Mining Group, YCGL = Yangquan Coal Group Co. Ltd.

**Table A6.15: Project Selection Brief for Ningxia-Shanxi (Zhongwei-Taiyuan) Railway Project**

<b>A. Data</b>	
Project Number	34478
Country	PRC
Sector	Transport and Communication
Subsector	Railways
Project Division	IETC
Contact Person in Projects Division	H. Sakurai, Financial Analyst
Programs Division	PRCM
Tentative Loan Amount According to CSP	\$250 million
Proposed Lending Modality	Project Loan
PPTA	Preparing the Zhongwei-Taiyuan Railway Project
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	January 2002
Start Design Phase	June 2002
Approval Year According to CSP	2003
Proposed Executing Agency	Ministry of Railways
Contact Person in Proposed Executing Agency	Mr. Yang Haichang, Director, Foreign Capital and Technology Import Center
<b>B. Description</b>	
Brief Rationale of Project	The project will link Zhongwei in Ningxia with Taiyuan in Shanxi, traversing some 800 kilometers of less developed and unserved areas that are rich in natural resources. Economic railway transportation will catalyze economic growth; generate employment and income-enhancing opportunities for the people, particularly the poor; and help reduce poverty. The project will assist in achieving the developmental and sectoral objective of improving the efficiency of railway transportation.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Prefeasibility study is in progress.
Comparative Advantage of ADB in Proposed Project	ADB's long-term lending is particularly suited to developing railway infrastructure in less developed and unserved areas to foster sustainable economic growth that will increase incomes and reduce poverty in the western regions of the PRC. ADB is committed to reducing poverty.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth
Environmental Classification	Category A
Social Issues	(i) Resettling affected persons (ii) Reducing poverty through accelerated economic growth

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IETC = Transport and Communications Division East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, PRCM = People's Republic of China Resident Mission.

Table A6.16: Project Selection Brief for Xi'an Urban Transport Project

<b>A. Data</b>	
Project Number	33459
Country	PRC
Sector	Transport and Communications
Subsector	Roads and Road Transport
Project Division	IETC
Contact Person in Projects Division	Makoto Ojira, Sr. Project Economist
Programs Division	PE1
Tentative Loan Amount According to CSP	\$200 million
Proposed Lending Modality	Project Loan
PPTA	Xi'an Urban Transport Project (2002)
Proposed PPTA Amount	\$700,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	November 2001
Start Design Phase	July 2002
Approval Year According to CSP	2003
Proposed Executing Agency	Xi'an Municipal Government
Contact Person in Proposed Executing Agency	Mr. Zhang Li, Chief, Technology Department, Xi'an Municipal Engineering Administration Bureau
<b>B. Description</b>	
Brief Rationale of Project	The Xi'an urban area, located in poor inland Shaanxi Province, is experiencing a serious traffic congestion due to rapid traffic increase, insufficient road infrastructure, and weak urban transport policy and institutions. The project will involve construction of the 69 kilometer third ring road, which will be an access-controlled, six-lane, toll road. The project will also include urban infrastructure, such as water supply and drainage. The physical component will be accompanied by an urban transport policy and institutional development component. The project will support the Western Region Strategy of the Government by facilitating a smooth flow of traffic on the national trunk highway system, connecting the western region with the coastal region.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	A project proposal is being prepared for submission to the State Development and Planning Commission by December 2001. The environmental impact assessment and resettlement plan will be prepared by the executing agency. The TA for urban poverty in the PRC is substantially completed.
Comparative Advantage of ADB in Proposed Project	The Taiyuan-Xi'an corridor is a priority section of the national trunk highway system for ADB in the road sector in the PRC; the project will support the smooth flow of traffic by providing a bypass at the end of this corridor.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth
Environmental Classification Project	Category A
Social Issues	Resettlement and urban poverty

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IETC = Transport and Communications Division East, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China.

Table A6.17: Project Selection Brief for Ningxia Roads Development Project

<b>A. Data</b>	
Project Number	33469
Country	PRC
Sector	Transport and Communications
Subsector	Roads and Road Transport
Project Division	IETC
Contact Person in Projects Division	Inngyou I. Choi, Senior Financial Analyst
Programs Division	PE1
Tentative Loan Amount According to CSP	\$200 million
Proposed Lending Modality	Project Loan
PPTA	Ningxia Roads Development
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	August 2001
Start Design Phase	May 2002
Approval Year According to CSP	2003
Proposed Executing Agency	Ningxia Communications Department
Contact Person in Proposed Executing Agency	Director
<b>B. Description</b>	
Brief Rationale of Project	Since the economic reform started in 1978, the PRC's transport sector has lagged much behind a rapidly developing economy that depends on the efficient transportation of goods and passengers for growth and sustainability. Despite the Government's efforts to increase transport capacity, serious constraints and bottlenecks remain. The project (Tongxing-Yanchuanzi) aims to stimulate the economic development and thereby reduce poverty in a poor, landlocked region.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Preliminary feasibility study has been submitted to the State Development and Planning Commission. The environmental impact assessment and and resettlement plan will be prepared by the executing agency. Some work was done for the road sector as part of the Triprovincial Highway Project financed by the World Bank. ESW includes a toll diversion study, corporatization, leasing, and securitization in the road sector, and capacity building in traffic safety, planning, and management.
Comparative Advantage of ADB in Proposed Project	Lessons learned from similar completed projects in the PRC will be built into project design.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth
Environmental Classification	Category A
Social Issues	Under the PPTA, a poverty impact analysis will be undertaken to quantify the project's impact on the poor. The study to be done under the TA will include social analysis to identify social dimensions.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IETC = Transport and Communications Division East, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China.

**Table A6.18: Project Selection Brief for Harbin Water Supply Project**

<b>A. Data</b>	
Project Number	33177
Country	PRC
Sector	Social Infrastructure
Subsector	Water Supply and Sanitation
Project Division	AEWU
Contact Person in Projects Division	Sangay Penjor
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	TA 3571-PRC: Harbin Water Supply, approved on 12 December 2000
PPTA Amount	\$720,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	2001
Start Design Phase	2002
Approval Year According to CSP	2003
Proposed Executing Agency	Harbin Municipal Government / Harbin Municipal Water Supply Construction Company
Contact Person in Proposed Executing Agency	Mr. Zhang Yueshan
<b>B. Description</b>	
Brief Rationale of Project	<p>With the rapid development of Harbin City, improving economic and social businesses, and urban population increase, the gap between the water demand and water supply facilities is becoming more serious. The existing raw water source for Harbin City domestic water supply, the Songhua River, has been polluted and for most of the year not potable. During the dry months, when the flow in the Songhua River is diminished, the water quality deteriorates even further, causing severe taste, odor, and color problems, with high levels of chemical and organic pollutants. There is an urgent need to replace the polluted raw water from the Songhua River with good quality water suitable for potable use and meet the existing shortage and the increasing demand resulting from economic and population growth. To secure reliable and safe water for the residents, the city government has planned to develop a new water source by constructing a dam on the Lalin River in Mopanshan, Wuchang City. The new water from the Mopanshan dam, which is about 175 kilometers (km) from Harbin City, will provide adequate and safe drinking water to the residents in the Harbin City up to 2010. The proposed Mopanshan storage dam—planned on the Lalin River—will transfer water through a 182 km transmission pipeline raw water to Harbin City by low-cost gravity flow. Corollary benefits of the project include improved flood protection standards along the Lalin River, and additional water to increase the irrigated area from 18, 320 hectares (ha) to 36,670 ha.</p>
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	<p>ADB has gained experience with the build-operate-transfer modality in the water supply sector and will draw on this experience to develop a public-private sector partnership for this project.</p>

(continuation)

Comparative Advantage of ADB in Proposed Project	ADB has successfully implemented the Dalian Water Supply Project and is implementing the Zhejiang Shanxi Water Supply Project and the Fuzhou Water Supply and Wastewater Project. Also, ADB has undertaken detailed studies of the PRC water sector through the TA on strategic options in the water sector. In addition, the two ADB water tariff study TAs have made significant contributions to tariff reforms in the PRC water sector.
Rationale and Scope of attached ADTA	None
Development Objective (thematic priority)	Human Development
Environmental Classification	Category A – summary initial environmental examination required
Social Issues	Careful targeting of poor villages is needed to ensure that the project has maximum poverty reduction benefits.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China.

**Table A6.19: Project Selection Brief for Henan Hai River Wastewater Treatment Project**

<b>A. Data</b>	
Project Number	34473
Country	PRC
Sector	Social Infrastructure
Subsector	Water Supply and Sanitation
Project Division	AEWU
Contact Person in Projects Division	TBD
Programs Division	PE1
Tentative Loan Amount According to CSP	\$1,000,000
Proposed Lending Modality	Project Loan
PPTA	Henan Hai River Wastewater Treatment Project
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	None
Start Design Phase	TBD
Approval Year According to CSP	2003
Proposed Executing Agency	TBD
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	The Hai River catchment in Henan Province covers 15 counties with a population of 15 million (16 percent of Henan's total population). Industry is comparatively advanced and industrial pollution is quite severe. The industrial chemical oxygen demand (COD) discharge is 84.2 percent of total COD load of the Hai River catchment area in Henan. It is urgent and essential to control industrial pollution sources to protect water resources and improve water quality in the Hai River Basin. Twenty subprojects are initially proposed and upon project completion, pollutant discharge from these project industries will be reduced from 268,000 tons/annum to 81,000 tons/annum.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	A project proposal is being prepared and 20 subprojects are identified with respective project construction activities and targets.
Comparative Advantage of ADB in Proposed Project	ADB has conducted a study on the Hai River and this will be the third project focusing on a specific sector of the river (Henan Province).
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Environmental Protection
Environmental Classification	TBD
Social Issues	TBD

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEWU = Water Supply, Urban Development and Housing Division East; COD = chemical oxygen demand; CSP = country strategy and program; DMC = developing member country; ESW = economic and sector work; PE1 = Programs Division 1 East; PPTA = project/program preparatory technical assistance; PRC = People's Republic of China; TBD = to be determined.

Table A6.20: Project Selection Brief for Agriculture and Water Conservation

<b>A. Data</b>	
Project Number	33438
Country	PRC
Sector	Agriculture and Natural Resources
Subsector	Agricultural Support Services
Project Division	AEFN
Contact Person in Projects Division	Peter King
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	Agriculture and Water Conservation
Proposed PPTA Amount	\$800,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	1998
Start Design Phase	January 2002
Approval Year According to CSP	2003
Proposed Executing Agency	Ministry of Water Resources/Provincial Government
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	About 180 million hectares of land in the PRC suffers from soil erosion, resulting in about 5 million cubic meters per year of surface soil loss. The serious soil erosion causes land degradation, decreased productivity, and even base rock exposure. The project will carry out a comprehensive, integrated soil erosion control program in the seriously eroded lower reach of the Jinshajiang River, involving 50 towns in 9 prefectures/cities, one autonomous municipality, and three provinces, comprising (i) demonstration areas, (ii) support systems, (iii) research and extension, and (iv) monitoring and early warning systems for landslides and mudflows. The objectives of undertaking widespread soil erosion control and developing water and land resources in the lower reaches of the Jinshajiang River tributary are to (i) raise agricultural production, (ii) increase the incomes of farmers and reduce poverty, and (iii) create the fundamental conditions for sustainable economic development in the project area and the whole Yangtze Valley.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	TA 3069-PRC: Soil and Water Conservation in the Upper Yangtze River Basin helped the Yangtze River Basin Commission prepare for the proposed PPTA. TA 3548-PRC: National Strategies for Soil and Water Conservation is preparing a national strategy plan for the sector.
Comparative Advantage of ADB in Proposed Project	As part of the extended GEF family, ADB has been requested by the Ministry of Finance to take a lead role in assisting the PRC to pursue GEF programs that respond to country priorities in land degradation.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth – Primary Poverty Reduction – Secondary
Environmental Classification	Category B – initial environmental examination required

(continuation)

Social Issues	Twenty-five percent of the national poverty counties are concentrated in seriously eroded areas, indicating a close correlation between soil erosion and poverty. Project preparation will incorporate detailed social assessment, building on the findings of the initial social assessment during the SSTA, which conducted field visits in nine counties/cities/disticts in one municipality and two provinces—Shizu and Nanchuan in Chongqing Municipality; Xichang, Renhe, Xuanhan, and Wanyuan in Sichuan Province; and Mouding, Jingning, and Xishan in Yunnan Province. Approximately 90 respondents were interviewed in 22 communities including 1 Tujia, 5 Yi, 1 Miao, and 2 Bai communities.
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ADB = Asian Development Bank, ADTA = advisory technical assistance, AEFN = Forestry and Natural Resources Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, GEF = Global Environment Facility, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, SSTA = small-scale technical assistance, TBD = to be determined.

**Table A6.21: Project Selection Brief for  
Integrated Natural Resource Management for Sanjiang Plain**

<b>A. Data</b>	
Project Number	35289
Country	PRC
Sector	Agriculture and Natural Resources
Subsector	Agricultural Support Services
Project Division	AEFN
Contact Person in Projects Division	Peter King
Programs Division	PE1
Tentative Loan Amount According to CSP	\$20 million
Proposed Lending Modality	Project Loan
PPTA	Integrated Natural Resources Management in the Sanjiang Plain (2002)
Proposed PPTA Amount	\$600,000
Attached ADTA	
Proposed ADTA Amount	
Start Predesign Phase	July 2001
Start Design Phase	January 2002
Approval Year According to CSP	2004
Proposed Executing Agency	Heilongjiang Provincial Government
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	The objective of the project is to remove threats to biodiversity of global concern in the Sanjiang Plain area by (i) developing capacity in managing water to enhance wetland biodiversity; (ii) developing research and monitoring capacity in wetlands and protected areas; (iii) developing capacity to use hydrologic and other wetland research and monitoring data in formulating basin water management policy and wetlands management planning; (iv) connecting existing and proposed nature reserves and other lands into effective biological corridors; and (v) developing local capacity to protect and manage critical sites in compliance with the guidelines of the Convention on Biological Diversity and in a manner that will enhance the livelihood opportunities of poor local residents. The Sanjiang plain contains the largest area of wetlands in East Asia, estimated at 1.97 million hectares. They represent one of the most important breeding sites and migratory routes for waterfowl in northeastern Asia, and are significant for the globally threatened waterfowl species.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Current biodiversity conservation initiatives in Sanjiang Plain include demonstration activities financed under the United Nations/Global Environment Facility Wetland Biodiversity and Sustainable Use Project. The focus is on strengthening and expanding the Honghe National Nature Reserve (NNR), restoring and managing the water regime at Honghe NNR, piloting integrated land use planning, promoting alternative livelihoods in the buffer zone of Honghe NNR, and increasing public awareness.

(continuation)

Comparative Advantage of ADB in Proposed Project	ADB has provided a \$330 million emergency loan for the Northeast Flood Rehabilitation Project and is currently preparing a \$150 million loan for the Songhua flood protection project. The proposed project would supplement all of this previous work and round out the concept of integrated resource management for the entire basin.
Rationale and Scope of Attached ADTA	n.a.
Development Objective (thematic priority)	Primary – Environmental Protection Secondary – Poverty Reduction
Environmental Classification	Category B – initial environmental examination required
Social Issues	Sanjiang wetlands are the homeland of several cultural minorities in the PRC. The Hezhe is the smallest minority in the PRC, with a population of about 4,000-5,000 people. The Hezhe relies on fishing and has its own language, culture, and lifestyle, all closely related to the wetland ecosystem. Livelihood options that do not disrupt these traditional activities must be found to reduce poverty in this area.

ADB = Asian Development Bank, ADTA = advisory technical assistance, AEFN = Forestry and Natural Resources Division East, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, NNR = National Nature Reserve, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

**Table A6.22: Project Selection Brief for  
Northwest Grid Super High Voltage Transmission Project**

<b>A. Data</b>	
Project Number	33440
Country	PRC
Sector	Energy
Subsector	Electric Power
Project Division	IEEN
Contact Person in Projects Division	TBD
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	Northwest Grid Super High Voltage Transmission (2003)
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	TBD
Start Design Phase	Feasibility Study
Approval Year According to CSP	2004
Proposed Executing Agency	State Power Corporation
Contact Person in Proposed Executing Agency	Ms. Chen Lifen, Deputy Division Chief Planning, Investment and Financing Department
<b>B. Description</b>	
Brief Rationale of Project	The existing 330 kilovolt (kV) transmission network in the northwestern region of the PRC can no longer meet the requirement of increasing energy flow and power export, particularly the requirement of power transmission from the west to the east. The proposed Gongboxia hydropower project in the upstream Yellow River has been approved by the State Council. The Gongboxia project will be formally launched by end-2001 and will be commissioned by 2004. In addition, the northwest power network covers three energy bases, the Yellow River upstream hydropower base, the Ningxia thermal power base, and the Shanxi thermal power base. The proposed project includes constructing about 400 kilometers of 750 kV transmission lines, and expanding 6,000 MVA of substation capacity. The objectives of the proposed project are to integrate the three energy bases and transmit power to the eastern region, and to further strengthen the northeast power network.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The feasibility study is being prepared.
Comparative Advantage of ADB in Proposed Project	This will be the first 750 kV transmission line in the PRC located in the western region. The project will help the poor by transmitting a lot of power to the east.
Rationale and Scope of Attached ADTA	
Development Objective (thematic priority)	Primary – Economic Growth Secondary – Poverty Reduction
Environmental Classification	Category B
Social Issues	Possible insignificant resettlement impact

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IEEN = Energy Division East, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

**Table A6.23: Project Selection Brief for Renewable Energy Development**

<b>A. Data</b>	
Project Number	32126
Country	PRC
Sector	Energy
Subsector	Others
Project Division	IEEN
Contact Person in Projects Division	E. H. Hassing
Programs Division	PE1
Tentative Loan Amount According to CSP	\$80 million
Proposed Lending Modality	Project Loan
PPTA	Renewable Energy Development (2003)
Proposed PPTA Amount	\$500,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	2002
Start Design Phase	2002
Approval Year According to CSP	2003
Proposed Executing Agencies:	State Power Corporation (SP) State Development and Planning Commission (SDPC)
Contact Person in Proposed Executing Agency	Ms. Chen Lifeng, Deputy Division Chief, Planning, Investment, and Financing Department, SP Mr. Li Junfeng, Deputy Director, Energy Research Institute, SDPC
<b>B. Description</b>	
Brief Rationale of Project	The project will develop wind-based power generation in various provinces and improve and integrate the technology for solar water heating in buildings.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Project proposals are being prepared.
Comparative Advantage of ADB in Proposed Project	Ability to conduct detailed feasibility studies, provide the required long-term foreign exchange financing, and mobilize cofinancing from sources such as the Global Environment Facility.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Environment
Environmental Classification	Category A
Social Issues	TBD

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IEEN = Energy Division East, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, SDPC = State Development and Planning Commission, SP = State Power Corporation, TBD = to be determined.

**Table A6.24: Project Selection Brief for Guangxi Roads Development Project II**

<b>A. Data</b>	
Project Number	35337
Country	PRC
Sector	Transport and Communications
Subsector	Roads and Road Transport
Project Division	IETC
Contact Person in Projects Division	TBD
Programs Division	PE1
Tentative Loan Amount According to CSP	\$150 million
Proposed Lending Modality	Project Loan
PPTA	Guangxi Roads Development II (2002)
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	September 2002
Start Design Phase	May 2003
Approval Year According to CSP	2004
Proposed Executing Agency	Guangxi Communications Department
Contact Person in Proposed Executing Agency	Director
<b>B. Description</b>	
Brief Rationale of Project	Since the economic reform started in 1978, the PRC's transport sector has lagged much behind a rapidly developing economy that depends on the efficient transportation of goods and passengers for growth and sustainability. Despite the Government's efforts to increase transport capacity, serious constraints and bottlenecks remain. The project, comprising a 230 kilometer section (Pingguo-Baise) of the national trunk highway system and local roads, aims to stimulate economic development and thereby reduce poverty in a poor, landlocked region. The project is included in the Tenth Five-Year Plan and will support the Western Development Strategy.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	A feasibility study is being prepared for submission to the State Development and Planning Commission soon. The environmental impact assessment and resettlement plan will be prepared by the executing agency. ESW includes a toll diversion study, corporatization, leasing, and securitization in the road sector, and capacity building in traffic safety, planning, and management.
Comparative Advantage of ADB in Proposed Project	The project is located in the poor landlocked southwestern region where ADB is focusing investment in the road sector based on findings of TA 3086. Lessons learned from the ongoing ADB-financed road project in Guangxi Province will be built into the project design.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth
Environmental Classification	Category A
Social Issues	The initial social assessment (ISA) will be carried out during TA fact-finding to identify the social issues that would need to be considered during project preparation. It will review poverty conditions, minority issues, resettlement requirements, gender issues, needs and demand of beneficiaries, and their absorptive capacity.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IETC = Transport and Communications Division East, PE1 = Programs Division 1 East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

**Table A6.25: Project Selection Brief for Hunan Roads Development Project II**

<b>A. Data</b>	
Project Number	35338
Country	PRC
Sector	Transport and Communications
Subsector	Roads and Road Transport
Project Division	IETC
Contact Person in Projects Division	TBD
Programs Division	PE1
Tentative Loan Amount According to CSP	\$300 million
Proposed Lending Modality	Project Loan
PPTA	Hunan Roads Development II (2002)
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	September 2002
Start Design Phase	May 2003
Approval Year According to CSP	2004
Proposed Executing Agency	Hunan Provincial Communications Department
Contact Person in Proposed Executing Agency	Director
<b>B. Description</b>	
Brief Rationale of Project	Since the economic reform started in 1978, the PRC's transport sector has lagged much behind a rapidly developing economy that depends on the efficient transportation of goods and passengers for growth and sustainability. Despite the Government's efforts to increase transport capacity, serious constraints and bottlenecks remain. The project, comprising a 230 kilometer section (Changde-Jishou) of the western development road and local roads, aims to stimulate economic development and thereby reduce poverty in a poor, landlocked central region. The project is included the Tenth Five-Year Plan.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Preliminary Feasibility study is being prepared for submission to the State Development and Planning Commission soon. The environmental impact assessment and resettlement plan will be prepared by the executing agency. ESW includes a toll diversion study, corporatization, leasing, and securitization in the road sector, and capacity building in traffic safety, planning, and management.
Comparative Advantage of ADB in Proposed Project	Lessons learned from the completed ADB-financed road project in Hunan Province will be built into the project design.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Economic Growth
Environmental Classification	Category A
Social Issues	The initial social assessment (ISA) will be carried out during TA fact-finding to identify the social issues that would need to be considered during project preparation, and review the need for assessments of social dimensions. The ISA will review poverty conditions, minority issues, resettlement requirements, gender issues, needs and demand of beneficiaries and their absorptive capacity.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, ISA = initial social assessment, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, TBD = to be determined.

Table A6.26: Project Selection Brief for Hubei-Chongqing Railway

<b>A. Data</b>	
Project Number	35339
Country	PRC
Sector	Transport and Communications
Subsector	Railways
Project Division	IETC
Contact Person in Projects Division	H. Sakurai, Financial Analyst
Programs Division	PRCM
Tentative Loan Amount According to CSP	\$300 million
Proposed Lending Modality	Project Loan
PPTA	Hubei-Chongqing Railway Project (2002)
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	January 2003
Start Design Phase	June 2003
Approval Year According to CSP	2004
Proposed Executing Agency	Ministry of Railways
Contact Person in Proposed Executing Agency	Mr. Yang Haichang, Director, Foreign Capital and Technology Import Center
<b>B. Description</b>	
Brief Rationale of Project	The project will link Wanzhou in Chongqing Municipality with Yichang in Hubei, traversing some 400 kilometers of mountainous and less developed and unserved areas that are rich in natural resources. Economic railway transportation will catalyze economic growth; generate employment and income-enhancing opportunities for the people, particularly the poor; and help reduce poverty. The project will help achieve the developmental and sectoral objective of improving the efficiency of railway transportation.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Preliminary studies in progress.
Comparative Advantage of ADB in Proposed Project	ADB's long-term lending is particularly suited to developing railway infrastructure in less developed and unserved areas to foster sustainable economic growth that will increase incomes and reduce poverty in the western regions of the PRC. ADB is committed to reducing poverty.
Rationale and Scope of Attached ADTA	
Development Objective (thematic priority)	Economic Growth
Environmental Classification	Category A
Social Issues	(i) Resettling affected persons (ii) Reducing poverty through accelerated economic growth.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = economic and sector work, IETC = Transport and Communications Division East, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, PRCM = People's Republic of China Resident Mission.

Table A6.27: Project Selection Brief for Mudanjiang Water Supply Project

<b>A. Data</b>	
Project Number	30471
Country	PRC
Sector	Social Infrastructure
Subsector	Water Supply and Sanitation
Project Division	AEWU
Contact Person in Projects Division	Sangay Penjor
Programs Division	PE1
Tentative Loan Amount According to CSP	\$100 million
Proposed Lending Modality	Project Loan
PPTA	TA 3215-PRC: Heilongjiang Water Supply, approved on 1 July 1999
PPTA Amount	\$1,000,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	1999/2000/2001
Start Design Phase	2002/2003
Approval Year According to CSP	2004
Proposed Executing Agency	Mudanjiang Municipal Government / Mudanjiang Linhai General Water Supply Company
Contact Person in Proposed Executing Agency	Wang Xuanqui, General Manager
<b>B. Description</b>	
Brief Rationale of Project	The project will supply good quality raw water to the residents of the urban areas of Mudanjiang and Hailin cities in Heilongjiang Province through 2015. The project components include (i) domestic water supply, (ii) hydroelectric power, (iii) irrigation, and (iv) flood control. The project will improve public health in the cities, and allow the existing water supply capacity to be devoted only to industry, encouraging industrial development and the creation of jobs. The project will also contribute to poverty reduction through employment generation during its implementation and operation. With the supply of incremental irrigation water from the project, rice yields and crop production will increase significantly, thereby reducing poverty of rural families.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The PPTA indicated that inadequacies in water services will increasingly become a constraint in developing the economy and in improving the level of public health in Mudanjiang City. The environmental impact assessment concluded that the Project will have substantial positive environmental benefits. It will supply sufficient potable water to meet projected demands of domestic and commercial consumers.
Comparative Advantage of ADB in Proposed Project	ADB has successfully implemented the Dalian Water Supply Project and is implementing the Zhejiang Shanxi Water Supply Project and the Fuzhou Water Supply and Wastewater Project. Also, ADB has undertaken detailed studies of the PRC water sector through the TA on strategic options in the water sector. In addition, the two ADB water tariff study TAs have made significant contributions to tariff reforms in the PRC water sector.
Rationale and Scope of attached ADTA	None

(continuation)

Development Objective (thematic priority)	Human Development
Environmental Classification	Category A –summary initial environmental examination circulated to the Board in August 2000
Social Issues	Careful targeting of poor villages is needed to ensure that the project has maximum poverty reduction benefits.

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEWU = Water Supply, Urban Development and Housing Division East; CSP = country strategy and program; DMC = developing member country; ESW = economic and sector work; PE1 = Programs Division 1 East; PPTA = project/program preparatory technical assistance; PRC = People's Republic of China.

**Table A6.28: Project Selection Brief for Fujian Fuzhou Wastewater Treatment II**

<b>A. Data</b>	
Project Number	35340
Country	PRC
Sector	Social Infrastructure
Subsector	Water Supply and Sanitation
Project Division	AEWU
Contact Person in Projects Division	Amy Leung, Urban Development Specialist Nancy Convard, Urban Environment Specialist
Programs Division	PRCM, PE1
Tentative Loan Amount According to CSP	\$80 million
Proposed Lending Modality	Project Loan
PPTA	Fujian Fuzhou Wastewater Treatment II (2002)
Proposed PPTA Amount	\$600,000
Attached ADTA	None
Proposed ADTA Amount	None
Start Predesign Phase	2002
Start Design Phase	2003
Approval Year According to CSP	2004
Proposed Executing Agency	TBD
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	The Fuzhou Water Supply and Wastewater Treatment Project (Loan 1636-PRC) is aimed at improving the quality of water supply to the residents of Fuzhou City. The project is being successfully implemented and upon completion will provide clean drinking water and better sanitation facilities for the population. The Government has requested a second wastewater treatment project to improve the living and health conditions.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	Preparatory work will be done in 2002 through a PPTA.
Comparative Advantage of ADB in Proposed Project	ADB is implementing three similar projects in the PRC (Anhui, Fuzhou, and Zhejiang); all of which are progressing satisfactorily. The experience gained in project design of previous projects, which have all involved stakeholder participation, will benefit the preparation of the proposed project. Through the preparation and implementation of the Fuzhou Water Supply and Wastewater project, ADB has become familiar with the needs of the local utility agencies and government departments and is now more capable to address their needs in the proposed project.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Environmental Management (Poverty Intervention)
Environmental Classification	TBD
Social Issues	TBD

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEWU = Water Supply, Urban Development and Housing Division East; CSP = country strategy and program; DMC = developing member country; ESW = economic and sector work; PE1 = Programs Division 1 East; PPTA = project/program preparatory technical assistance; PRC = People's Republic of China; PRCM = People's Republic of China Resident Mission; TBD = to be determined.

**Table A6.29: Project Selection Brief for Bohai Bay or Haihe Water Pollution Treatment**

<b>A. Data</b>	
Project Number	35342
Country	PRC
Sector	Social Infrastructure
Subsector	Water Supply and Sanitation
Project Division	AEWU
Contact Person in Projects Division	TBD
Programs Division	PE1
Tentative Loan Amount According to CSP	\$150 million
Proposed Lending Modality	Project Loan
PPTA	Bohai Bay or Haihe Water Pollution Treatment (2003)
Proposed PPTA Amount	\$600, 000
Attached ADTA	None
Proposed ADTA Amount	None
Start Pre-design Phase	TBD
Start Design Phase	TBD
Approval Year According to CSP	2004
Proposed Executing Agency	TBD
Contact Person in Proposed Executing Agency	TBD
<b>B. Description</b>	
Brief Rationale of Project	The Haihe Basin linked to Bohai Bay is a large drainage area of 318,000 square kilometers in the northern PRC, covering Beijing and Tianjin municipalities; most of Hebei Province; parts of Henan, Shandong, Shanxi, Liaoning provinces; and Inner Mongolia Autonomous Region. The high population densities in the Haihe Basin and around Bohai Bay intensively use water for living and productive purposes. Coupled with inadequate management of environmental resources, the area has resulted in serious environmental and wastewater disposal problems. The project will tackle part of the hard-core leftover of the Haihe River Basin and Bohai Bay in terms of water pollution and management problems.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	The Government has recognized the need for environmental improvement and under the Trans Century Green Plan, has identified the Haihe Basin as one of the priorities to improve pollution control. The Government drafted the Haihe River Pollution Prevention and Control Plan as an action program under the Trans Century Green Plan. The Government is about to complete a National Program for Bohai Bay in October 2001. ADB has had activities in this area in the past.
Comparative Advantage of ADB in Proposed Project	ADB has carried out some projects in Haihe River Basin linked with Bohai Bay area, such as TA 1835-PRC: Haihe Basin Environmental Management and Planning Study (1992), TA 2210-PRC: Capacity Building of the Beijing Municipal Environmental Study (1994), Loan No. 1270-PRC: Tangshan and Chengde Environmental Improvement Project (1994), and TA 3095-PRC: Hai River Basin Wastewater Management and Pollution Control Project.
Rationale and Scope of Attached ADTA	None
Development Objective (thematic priority)	Primary – Environmental Protection Secondary – Human Development
Environmental Classification	TBD
Social Issues	TBD

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEWU = Water Supply, Urban Development and Housing Division East; CSP = country strategy and program; DMC = developing member country; ESW = economic and sector work; PE1 = Programs Division 1 East; PPTA = project/program preparatory technical assistance; PRC = People's Republic of China; TBD = to be determined.

**Table A6.30: TA Concept Paper for  
Strategic Study on the Carrying Capacity of the PRC's Water Resources**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	AED/AEFN
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	TBD
Country/Region (as applicable)	PRC
Sector/Subsector	Agriculture and Natural Resources/Support Services
Poverty Classification and Thematic Priorities	Others/Environmental Protection
Program Year	2002
Expected Approval Date (month/year)	TBD
Estimated Completion Date	TBD
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The PRC has severe water shortages, and its water resources are not uniformly allocated. Economic growth, social development, and population growth increased the conflicts between supply and demand. The Tenth Five-Year Plan points out the sustainable use of water resources by (i) establishing a water-saving society through focus on increasing water use efficiency, highlighting water saving, and improving water use; (ii) enhancing a unified planning and management; (iii) optimizing the allocation on a whole-basin basis; and (iv) coordinating water use for industrial, domestic, and ecological purposes. There is a need for a study on the affordability of the PRC's water resources.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	The TA will provide a full-scale survey of the affordability of the PRC's water resources so that affordability can be determined and a series of scientific, effective, and feasible measures for water resources development can be proposed to achieve the sustainable use of water resources.
3. Scope (specific major components, e.g., capacity building)	The study will cover the entire PRC, with Hai and Pearl river basins as a pilot study. And will include  (i) carrying capacity (ii) ecological water demand (iii) WR planning and management capacity building.
4. Expected Outcome and Monitorable Indicators	(i) Work out a complete set of carrying capacity computing approaches and modeling systems. (ii) Calculate the usable amount of water in the PRC's main rivers, identify the reasonable water demand that is ecologically sustainable from rivers and the upper limit of exploitable amount for human use (iii) Strengthen capacity building, evaluating, and planning water resources.
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) a. Name, Amount, Status b. Assessment of Outcome	None
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs, as applicable)	Executing Agency: Ministry of Water Resources Implementing Agency: Water Resources and Hydropower Planning and Design General Institute

(continuation)

7. Cost and Financing Plan a. ADB Financing (JSF,TASF) b. (Sources Other than JSF/TASF)	\$600,000
8. Country, RETA IPF for Relevant Year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, AED = Agriculture and Social Sectors Department (East), AEFN = Forestry and Natural Resources Division East, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund, TBD = to be determined.

Table A6.31: TA Concept Paper for Xinjiang Energy Sector Review

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	IED/IEEN
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	\$400,000
Country/Region (as applicable)	PRC
Sector/Subsector	Energy/Others
Poverty Classification and Thematic Priorities	Others/Good Governance
Program Year	2002
Expected Approval Date (month/year)	March 2002
Estimated Completion Date	March 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The objective of the ADB TA is to assist the Xinjiang Uygur Autonomous Region Government in preparing a long-term (10-15 years) plan to develop the energy resources in Xinjiang, the Xinjiang Energy Development Plan (XEDP). The XEDP will be underpinned by a comprehensive strategy built around the provincial government's development priorities and other factors such as the optimal pace of development depending on the demand for its energy resources, the time required for development, availability of human and financial resources, policy and institutional structure, etc.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	The XEDP will be consistent with the current development theme of the PRC, the structural adjustment of power generation in the PRC, and ADB's overarching lending objective in poverty reduction and sustainable development.
3. Scope (specific major components, e.g., capacity building)	The XEDP will cover: (i) optimal combination of energy sources including renewable energy, natural gas, and hydropower; (ii) timetable for developing each resource, along with the capacities to be developed over the 10-15 years time frame; (iii) detailed cost-effective programs for developing each resource; (iv) requirements of human skills and funds for the energy sector development; (v) the viability of private sector participation in energy sector development; and (vi) funding options for the development programs.
4. Expected Outcome and Monitorable Indicators	The Energy Development Plan will help the provincial government (i) identify key areas of investment; and (ii) determine the implementation arrangements, resource requirements, priorities, and sequence of activities and projects, and a time frame for achievement.
5. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) a. Name, Amount, Status b. Outcome Assessment	None
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs, as applicable)	Xinjiang Uygur Autonomous Region Government
7. Cost And Financing Plan a. ADB Financing (JSF, TASF) b. Sources Other than JSF/TASF	\$400,000
8. Country/RETA IPF for Relevant Year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, IED = Infrastructure, Energy and Financial Sectors Department (East), IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund, TBD = to be determined.

Table A6.32: TA Concept Paper for Power Sector Restructuring II

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	IED/IEEN
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Energy/Electric Power
Poverty Classification and Thematic Priorities	Others/Good Governance
Program Year	2002
Expected Approval Date (month/year)	March 2002
Estimated Completion Date	March 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The earlier TA for power sector restructuring proposed an evolutionary development of organizational structures, governance, and reporting relationships that will promote competitive wholesale and retail electricity markets; and examined the policy and legal changes required to give effect to the competitive environment. The TA would formulate the details of the changes required in the current power sector regulations including setting up the independent regulator to implement the regulatory policy objectives. The TA will also provide guidance on implementation of the reform agenda including the overall project management framework for the sector-restructuring plan.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	
3. Scope (specific major components, e.g., capacity building)	The TA would help implement the Government's power sector restructuring policy. The two prime areas of focus are (i) developing a single regulatory agency and associated principles and guidelines, and (b) establishing a project management office to implement the overall power sector restructuring including strategies for private sector participation.
4. Expected Outcome and Monitorable Indicators	(i) A clear blueprint of the power sector restructuring process with detailed resource requirements and implementation timetable (ii) An enabling law for establishing the regulator that will implement the regulations supporting Government's reform objectives.
5. Previous TA(s) on the Same Theme, in the Sector, Country, Or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	TA 2917-PRC: Power Sector Restructuring approved in November 1997 for \$804,700. The final report of the TA has been submitted. The recommendations of the TA have been well received by the State Power Corporation and the State Council at the highest levels.
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs as applicable)	State Power Corporation
7. Cost and Financing Plan (i) ADB Financing (JSF,TASF) (ii) Sources other than JSF/TASF	\$500,000
8. Country/RETA IPF for Relevant Year	

ADB = Asian Development Bank, ADTA = advisory technical assistance, IED = Infrastructure, Energy and Financial Sectors Department (East), IEEN = Energy Division East, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.33: TA Concept Paper for Corporate Governance

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	IED/IEFI
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Finance/Privatization
Poverty Classification and Thematic Priorities	Others/Good Governance
Program Year	2002
Expected Approval Date (month/year)	March 2002
Estimated Completion Date	March 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The PRC has substantially moved forward in recognizing and standardizing certain corporate forms, but for many state-owned financial institutions, the state ownership and inadequate corporate governance structure inherited from the central planning era constrain their development as modern financial institutions. Most of them suffer a lot from a weak financial position due to the weak corporate governance standards, lack of proper business strategies, low standards of accounting and auditing, and lack of risk management. The PRC financial sector needs to work toward adopting sound corporate governance standards in harmony with international best practices.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	The TA would upgrade corporate governance standards of financial institutions, thus reducing overall systemic risk; and establish the principle for instituting financial sector corporate governance best practices in the PRC, which will build upon experience of other countries with advanced financial sectors.
2. Scope (specific major components, e.g., capacity building)	(i) Analyze corporate governance practice of different types of financial institutions. (ii) Establish the primary philosophy for upgrading corporate governance for the PRC financial sector. (iii) Identify key driving factors in developing corporate governance standards in the PRC and other countries with advanced financial sector, and develop an action plan aimed at overall upgrading of corporate governance standards. (iv) Work with financial industry associations to push as much as possible financial industries to adopt sound corporate governance standards.
3. Expected Outcome and Monitorable Indicators	Contribute to the guidelines for best practice for corporate governance of the financial sector, TA report, workshop and dissemination activities.
4. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	None
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs as applicable)	TBD
7. Cost and Financing Plan a. ADB Financing (JSF,TASF) b. Sources Other than JSF/TASF	\$800,000 \$200,000 financed by the PRC Government
9. Country/RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, IED = Infrastructure, Energy and Financial Sectors Department (East), IEFI = Financial Sector and Industry Division East, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund, TBD = to be determined.

Table A6.34: TA Concept Paper for Banking Law and Regulations

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	IED/IEFI
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Finance/Development Finance Institution
Poverty Classification and Thematic Priorities	Others/Good Governance
Program Year	2002
Expected Approval Date (month/year)	March 2002
Estimated Completion Date	March 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The PRC's financial sector is now governed by the Central Bank Law, Commercial Bank Law, Negotiable Instrument Law, Insurance Law, and the Securities Law, and several regulations, decrees, and opinions issued by different agencies. Given the rapid development of the PRC financial sector and its integration into the global financial market, there is an urgent need to review the existing legislative and regulatory framework, remove certain items that are clearly in conflict with developing the financial sector, amend certain items that need to be consistent with the World Trade Organization (WTO) framework, and draft new ones to tackle challenging issues facing the financial sector.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	To help the People's Bank of China (PBC) strengthen the legal and regulatory framework for the banking sector, the project would improve the legal and regulatory environment for the PRC financial sector, facilitate its integration into the global financial market, and enable it to play an important role in the PRC's transition to a market economy.
3. Scope (specific major components, e.g., capacity building)	(i) Help PBC draft particular laws and regulations that require urgent attention, including bankruptcy codes for financial institutions, laws governing electronic financial transactions, legislation governing financial conglomerates, and laws against financial crimes such as money laundering, etc., and use the opportunity as real case studies to demonstrate and train PBC legal staff on how to identify legal and regulatory issues and be consistent with the overall legislative framework of the financial sector.  (ii) Examine inconsistencies of existing financial sector laws and regulations against the PRC's WTO commitments, and identify areas that need immediate action, recommend means for proper legal and regulatory treatments both for the phaseout period of three to five years and for the final commitment.
4. Expected Outcome and Monitorable Indicators	TBD
5. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	None

(continuation)

6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs as applicable)	TBD
7. Cost and Financing Plan a. ADB Financing (JSF,TASF) b. Sources other than JSF/TASF	\$400,000
8. Country/RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADBA = advisory technical assistance, IED = Infrastructure, Energy and Financial Sectors Department (East), IEFI = Financial Sector and Industry Division East, JSF = Japan Special Fund, PBC = People's Bank of China, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund, TBD = to be determined, WTO = World Trade Organization.

**Table A6.35: TA Concept Paper for  
Evaluation Methods and Standards for Efficient Corporate Management**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	IED/IEFI
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	
Country/Region (as applicable)	PRC
Sector/Subsector	Finance/DFI
Poverty Classification and Thematic Priorities	Others/Good Governance
Program Year	2002
Expected Approval Date (month/year)	
Estimated Completion Date	
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	PRC corporate management practices need enhancing. The TA will study how to implement corporate efficiency evaluation (CEE) practices in the PRC context. CEE can also help to enforce supervision on state capital's management and to initiate a mechanism of incentives and constraints for corporate managers.
2. Relation to Strategic Objectives (how the TA addresses the following) <ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	The TA is aiming to establish and improve the CEE management system and related means and standards for state enterprises to meet the requirements of the market economy.
3. Scope (specific major components, e.g., capacity building)	<ul style="list-style-type: none"> <li>• Research on CEE system</li> <li>• Research on new fields to which CEE can be applied</li> <li>• Design of CEE software</li> <li>• CEE personnel training</li> </ul>
4. Expected Outcome and Monitorable Indicators	Research reports, national and international seminars, and training courses.
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> <li>• name, amount, status</li> <li>• assessment of Outcome</li> </ul>	
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	TBD
7. Cost and Financing Plan <ul style="list-style-type: none"> <li>(i) ADB Financing (JSF,TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	\$500,000
8. Country/RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.36: TA Concept Paper for Socioeconomic Assessment  
of Transport Project**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	IED/IETC
Type of TA:	ADTA
Name of Loan Project to follow:	None
Country/Region (as applicable)	PRC
Sector/Subsector	Transport/Roads and Road Transport
Poverty Classification and Thematic Priorities	Others/Good Governance
Program Year	2002
Expected Approval Date	30 June 2002
Estimated Completion Date	31 December 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The TA will build on the findings of RETA 5947: Assessing the Impact of Transport and Energy Infrastructure on Poverty Reduction and highlight the PRC-specific recommendations for future ADB operations in the transport sector. With ADB's overarching goal of poverty reduction, it is necessary to have a better understanding in (i) how these projects contribute to poverty reduction, and (ii) how to identify and design such projects with a greater poverty focus.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	The impact of transport projects on growth and poverty reduction depends on the country-specific context. The TA will therefore take into account the PRC's context (macroeconomic, social policies, and sector policy issues) to address gaps in knowledge about how transport projects in the PRC help reduce poverty. A better understanding will enable ADB to direct its support to areas with the greatest potential to reduce poverty.
3. Scope (specific major components, e.g., capacity building)	The TA will identify the most important socioeconomic impacts of completed or ongoing infrastructure projects (mainly expressways and railways) in the PRC. It will then identify the elements (policy issues, socioeconomic context, and project design characteristics) that have facilitated or hampered a broad-based distribution of the project's benefits focusing on low-income beneficiaries. The TA will then recommend (i) areas of intervention in the transport sector, and (ii) characteristics of transport projects, which will enhance the poverty reduction impact of future ADB transport project in the PRC.
4. Expected Outcome and Monitorable Indicators	(i) Analysis of socioeconomic indicators showing how completed and ongoing transport projects have affected poor people (ii) Recommendations for (a) areas of intervention in the transport sector (geographical, sectoral, policy-related) (b) characteristics of transport projects (inclusion of local roads, employment of local poor laborers in road construction, transport services) to enhance the poverty impact of future ADB transport projects in the PRC
5. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	(i) Chongqing-Guizhou Expressway (ii) Guangxi Highway Development (iii) Southern Sichuan Roads Development (iv) Western Yunnan Roads Development (v) Regional Road Sector Study (vi) Corporatization, Leasing, and Securitization in the Road Sector

(continuation)

<p>5. Previous TAs on the Same Theme, in the Sector, Country, or Region (last five years) (cont.)</p> <p>a. Name, Amount, Status</p> <p>b. Assessment of Outcome</p>	<p>(vii) Capacity Building in Traffic Safety, Planning, and Management</p> <p>(viii) Guizhou-Shuibai Railway Project,</p> <p>(ix) Hefei-Xi'an Railway Project</p> <p>(x) Ganzhou-Longyan Railway Project</p> <p>The PPTAs were useful in preparing the projects to meet ADB's policies and requirements, particularly in environment, resettlement, and poverty reduction. ADTAs were helpful in supporting the policy dialogues with the Government on corporatization, nongovernment financing, and road safety.</p>
<p>6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs, as applicable)</p>	<p>Institute of Comprehensive Transportation (provisional)</p>
<p>7. Cost and Financing Plan</p> <p>a. ADB Financing (JSF, TASF)</p> <p>b. Sources Other than JSF/TASF</p>	<p>\$500,000</p> <p>\$150,000 (Government)</p> <p>JSF financing will be sought in 2002</p>
<p>8. Country, RETA IPF for relevant year</p>	<p>\$12 million</p>

ADB = Asian Development Bank, ADTA = advisory technical assistance, IED = Infrastructure, Energy and Financial Sectors Department (East), IEEN = Energy Division East, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.37: TA Concept Paper for Western Rural Road Development Strategy

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	IED/IETC
Type of TA:	ADTA
Name of Loan Project to follow:	None
Country/Region (as applicable)	PRC
Sector/Subsector	Transport/Roads and Road Transport
Poverty Classification and Thematic Priorities	Others/Economic Growth
Program Year	2002
Expected Approval Date	31 March 2002
Estimated Completion Date	31 March 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	Transport infrastructure in the rural areas of the PRC, particularly in the western region, is inadequate. The rural poor have limited mobility beyond their immediate communities because of geographical isolation and the high cost of motorized transport. Access by reliable transport to input and output markets stimulates higher production in cash-crop farming and more stable incomes, and hence leads to poverty reduction. There is a need to formulate a strategy to develop a rural road network in the western region to improve access for poor remote areas to market, employment opportunities, and social services. This will support the Government's Western Development Strategy.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction b. Economic Growth	Poverty is predominantly a rural phenomenon in the PRC primarily due to lack of adequate access for rural residents. Formulating a rural road development strategy is a first step to improve the access for the rural poor to market, employment opportunities, and social services.
3. Scope (specific major components, e.g., capacity building)	The TA will (i) review current constraints of rural roads (county and township roads) in the western region, including organization, financing, maintenance, physical conditions; and (ii) prepare a strategy and guidelines for the western region to improve the rural road network to provide better access and thereby facilitate economic growth and poverty reduction. Based on the above, the TA will explore possibilities for ADB to provide assistance for rural roads.
4. Expected Outcome and Monitorable Indicators	The TA will produce an overall strategy and guideline to develop rural roads for the western region. Performance indicators will include road density, rural road budget, level of access to employment, markets, and to social services.
5. Previous TAs on the Same Theme, in the Sector, Country, or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	(i) Hebei Roads Development (ii) Chengdu-Nanchong Expressway (iii) Changchun-Harbin Expressway (iv) Yunnan Road Environment and Social Analysis (v) Chongqing-Guizhou Expressway (vi) Guangxi Highway Development (vii) Southern Sichuan Roads Development (viii) Western Yunnan Roads Development (ix) Regional Road Sector Study (x) Corporatization, Leasing, and Securitization in the Road Sector (xi) Capacity Building in Traffic Safety, Planning, and Management

(continuation)

5. Previous TAs on the Same Theme, in the Sector, Country, or Region (last five years) (cont.) a. Name, Amount, Status b. Assessment of Outcome	The PPTAs were useful in preparing the projects to meet ADB's policies and requirements, particularly in the areas of environment, resettlement, and poverty reduction. ADTAs were helpful in supporting the policy dialogues with the Government in corporatization, nongovernment financing, and road safety.
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs, as applicable)	Ministry of Communications
7. Cost and Financing Plan a. ADB Financing (JSF, TASF) b. Sources other than JSF/TASF	\$500,000 \$150,000 (Government) JSF financing will be sought in 2002
8. Country, RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, IED = Infrastructure, Energy and Financial Sectors Department (East), IEEN = Energy Division East, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.38: TA Concept Paper for Study on Control and Management for Nonpoint Pollution Sources**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	AED/AEFN
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Agriculture/Agricultural Support Services
Poverty Classification and Thematic Priorities	Poverty Intervention/Environment Protection
Program Year	2002
Expected Approval Date (month/year)	TBD
Estimated Completion Date	TBD
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	Nonpoint pollution is one of the important kinds of pollution sources and it is becoming more important along with the increased capacity of control of point polluting resource. For example, after the large-scale of waste pollution control in watersheds of three lakes (Dian Chi, Taihu, and Chao ), by 2005, total nitrogen, total phosphorus, chemical oxygen demand (chromate method) discharged by nonpoint sources will contribute 60-70 percent, 50-60 percent and 30-40 percent, respectively, to the total pollutants. It is thus very urgent to strengthen the control and management of rural nonpoint sources.
2. Relation to Strategic Objectives (how the TA addresses the following) <ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	Find out the characteristic of rural nonpoint source pollution in the PRC through the case study on typical watersheds (Taihu Lake and reservoir area in Three Gorges) and provide the countermeasures and scientific bases of policy-making for related departments.
3. Scope (specific major components, e.g., capacity building)	<ul style="list-style-type: none"> <li>(i) Investigate and assess of the pollution conditions of rural nonpoint sources in typical watersheds.</li> <li>(ii) Study the pollution characteristics of rural nonpoint sources.</li> <li>(iii) Analyze foreign experience on the pollution control of rural nonpoint sources.</li> <li>(iv) Study the countermeasure of pollution control for rural nonpoint source</li> <li>(v) Study demonstration farmlands for control of nonpoint source pollution in rural areas through sustainable agricultural production.</li> </ul>
4. Expected Outcome and Monitorable Indicators	<ul style="list-style-type: none"> <li>1. Characteristic distribution chart of rural nonpoint source in a typical watershed</li> <li>2. Study reports, including overall and subreports</li> <li>3. Establishing the demonstration area of pollution control for rural nonpoint source.</li> </ul>
5. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) <ul style="list-style-type: none"> <li>a. Name, Amount, Status</li> <li>b. Assessment of Outcome</li> </ul>	None
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs, as applicable)	State Environment Protection Administration
7. Cost and Financing Plan <ul style="list-style-type: none"> <li>a. ADB Financing (JSF, TASF)</li> <li>b. Sources Other Than JSF/TASF</li> </ul>	\$600,000
8. Country, RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, AED = Agriculture and Social Sectors Department (East), AEFN = Forestry and Natural Resources Division East, CSP = country strategy and program, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund, TBD = to be determined.

Table A6.39: TA Concept Paper for Hebei Province Development Strategy

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	PRCM
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Others
Poverty Classification and Thematic Priorities	Poverty Intervention/Environment Protection
Program Year	2002
Expected Approval Date (month/year)	TBD
Estimated Completion Date	Oct. 2001 to Dec. 2002
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	(i) Poverty Reduction (ii) Serious Degradation of Ecological Environment (iii) Environmental Pollution (iv) Low Level of Private Sector Development (v) Slow Progress of Small Town Construction.
2. Relation to Strategic Objectives (how the TA addresses the following) <ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	(i) Conduct research on establishing a new mechanism of economic sustainability. (ii) Make use of the advantages of central cities. (iv) Develop afforestation, water saving, and high-efficiency agriculture. (v) Speed up small town construction and improve employment of surplus rural labors. (vi) Develop tertiary industry and promote poverty reduction consistent with the PRC's national strategy of economic growth, environment protection, poverty relief, and private sector development.
3. Scope (specific major components, e.g., capacity building)	(i) Comprehensive Investigation (ii) Subject Discussion (iii) Training (iv) Report Design (v) Implementation Of Subprojects (vi) Report Compilation (vii) General Evaluation
4. Expected Outcome and Monitorable Indicators	Regional economic development strategy study report Oct-Nov 2001 – foreign consultants selection Dec-Mar2002 – investigation, data analysis, three seminars Apr-Jun 2002 – report design, four training courses May-July 2002 – completion of subprojects Aug -Nov. 2002 – completion of final report Dec. 2002 – project evaluation
5. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) <ul style="list-style-type: none"> <li>a. Name, Amount, Status</li> <li>b. Assessment of Outcome</li> </ul>	None
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Hebei Provincial Government
7. Cost and Financing Plan <ul style="list-style-type: none"> <li>a. ADB Financing (JSF,TASF)</li> <li>b. Sources Other than JSF/TASF</li> </ul>	\$600,000 RMB3.9 million from Hebei Provincial Government
8. Country, RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, PRCM = People's Republic of China Resident Mission, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.40: TA Concept Paper for Western Area Human Resource Development (Phase II)**

<b>A. Profile</b>	
Department/Division Concerned	PED/PE1
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Others
Poverty Classification and Thematic Priorities	Others/Human Development
Program Year	2002
Expected Approval Date (month/year)	March 2002
Estimated Completion Date	December 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The PRC's exceptionally rapid economic growth during the last two decades has not equally benefited all regions. There are growing disparities in regional living standards: per capita income in the western PRC is about two thirds of the national average and only one third of that in the coastal region. The March 2001 session of the National People's Congress endorsed the "go west" <sup>1</sup> policy, a proactive strategy to promote economic growth and social development of the western region and to narrow the gap between the western and eastern areas of the country. The "western region" covers 12 autonomous regions and provinces—covering 70 percent of the PRC's total area—consists about 28.5 percent of the country's population of mostly ethnic minorities. For its development, the western region is faced with grave challenges in building institutional capacity and developing human resources as weak institutional and human capacity hinder the social and economic development in the region. ADB has committed two thirds of its assistance to the central and western provinces where economic development is slow and poverty is widespread. However, the success in accelerating the development of the western region largely depends on its absorptive capacity, which needs to be developed through institutional and human resource development.
2. Relation to Strategic Objectives (how the TA addresses the following) <ul style="list-style-type: none"> <li>a. Poverty Reduction/Thematic Priorities</li> <li>b. Country Strategy (where applicable)</li> <li>c. Regional Cooperation</li> </ul>	ADB supports the "go-west" policy of the Government. ADB can help the PRC address socioeconomic development of the most disadvantaged region, where absolute poverty incidence is four times the national average. Providing assistance to the western region is in line with ADB's strategy in building the PRC's institutional capacities to implement the "go-west" policy, and opens possibilities for regional cooperation. The proposed TA will significantly strengthen the knowledge base of key line agencies on human resource development and related functionalities.
d. Scope (specific major components, e.g., capacity building)	Given that key concerns for the western region are its particular weaknesses in effective development, planning, and management of development activities, the TA would focus on capacity building and human resource development in the fields of development planning and financial management of project activities. In these two

<sup>1</sup> The Western Region of PRC consists of Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Tibet Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region, Inner Mongolia Autonomous Region and Guangxi Zhuang Autonomous Region and prefecture each in Hunan, Hubei, and Jilin Provinces.



Table A6.41: TA Concept Paper for Clean Development Mechanism

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	OESD/ENVD
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Others
Poverty Classification and Thematic Priorities	Environmental Protection
Program Year	2002
Expected Approval Date (month/year)	April 2002
Estimated Completion Date	April 2004
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	Although the PRC is one of the most likely participants in clean development mechanism (CDM) projects, the PRC is less familiar with aspects of CDM. The TA will help the PRC enhance its capacity building in overcoming specific problems and issues that the CDM implementation, such as (i) studying and assessing the CDM methodological issues, especially baseline determination methods; (ii) learning CDM project design to better understand application of standardized baseline methodologies under the PRC circumstances; and (iii) getting familiar with eligibility criteria for CDM projects, technology options, project design, approval procedures, financing and operation management, rules, and procedures for monitoring, etc.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (Where Applicable) c. Regional Cooperation	The TA will assist the PRC in implementing a CDM project that will improve energy efficiency and the environment; help the PRC in enhancing the capacity building in dealing with CDM (such as to identify the appropriate technological options for CDM projects); and help promote CDM project cooperation between developed and developing countries.
3. Scope (specific major components, e.g., capacity building)	(i) Studying and assessing baseline standardization methods (ii) Studying CDM pilot project case (iii) Implement CDM training courses and information exchange
4. Expected Outcome and Monitorable Indicators	(i) Report on the methodology and guideline for standardizing baseline CDM data (ii) Appropriate software tools for standardizing CDM project baseline data (iii) Case study report on CDM pilot projects (iv) CDM training
5. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	None
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs, as applicable)	Ministry of Science and Technology/Global Climate Change Institute, Tsinghua University cooperation with other institutions
7. Cost and Financing Plan a. ADB Financing (JSF, TASF) b. Sources other than JSF/TASF	\$500,000 (CDM Fund contributed by Canada)
8. Country, RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, CDM = Clean Development Mechanism, ENVD = Environment Division, IPF = indicative planning figure, JSF = Japan Special Fund, OESD = Office of Environment and Social Development, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.42: TA Concept Paper for Budget Law

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	PRCM
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Others
Poverty Classification and Thematic Priorities	Others/Good Governance
Program Year	2002
Expected Approval Date (month/year)	January 2002
Estimated Completion Date	December 2003
<b>B. Concept and Design</b>	
Rationale (specific problem/issues to be addressed in TA)	The existing Budget Law was adopted in 1995. Many fiscal reform/changes have happened since then, e.g., budget compiling procedure reform, budget classification reform, treasury system reform, etc. It is necessary to entirely revise the Budget Law to better suit the reformed situation and remove constrains for further reforms.
1. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	<b>Poverty reduction.</b> (i) Increase transfer payments from higher levels of government to poor areas by strengthening and standardizing intergovernmental transfer payment system. (ii) Increase expenditures on social welfare and social security by identifying social safety net as one of the most important government functions in market economy.
2. Scope (specific major components, e.g., capacity building)	(i) Review the old version of the Budget Law and identify its deficiencies. (ii) Assess fiscal reform progress and the planned targets. (iii) Make suggestions on how to revise Budget Law.
3. Expected Outcome and Monitorable Indicators	(i) Identify deficiencies not suitable to market economy; (ii) Make suggestions on how to revise Budget Law.
4. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) a. Name, Amount, Status b. Assessment of Outcome	None
5. Executing Agency, Implementing Agency, Counterpart Agency (for RETAsm as applicable)	Ministry of Finance
6. Cost and Financing Plan a. ADB Financing (JSF,TASF) b. Sources Other than JSF/TASF	\$200,000
7. Country, RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, PRCM = People's Republic of China Resident Mission, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.43: TA Concept Paper for Strengthening MIS and Project Administration of MOF

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	PRCM
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Others
Poverty Classification and Thematic Priorities	Others/Good Governance
Program Year	2002
Expected Approval Date (month/year)	July 2002
Estimated Completion Date	July 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	As a result of the reorganization of the PRC Government in 1998, ADB operations and lending have been shifted from the People's Bank of China (PBC) to the Ministry of Finance (MOF), which is responsible for budget and expenditure management, tax policy, foreign capital, and debt management. The International Department of MOF is in charge of lending operations including World Bank, ADB, Japan Bank for International Cooperation, etc. Establishing a comprehensive loan management information system will help improve project processing and monitoring through shared information and better communication. It will contribute to institutional capacity building.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	The TA objectives are consistent with ADB's efforts in strengthening the institutional capacity of the PRC government agencies, and in promoting good governance for public sector management.
3. Scope (specific major components, e.g., capacity building)	The proposed management information system (MIS) will facilitate decision making, monitor project processing and administration, and help manage disbursement operations. The TA would establish (i) a foreign debt information system that would assist in monitoring external lending levels both on national and provincial levels; (ii) an ADB lending management information system including database on ADB; related PRC policies, regulations and administrative procedures; and information on ADB financed projects; (iii) an ADB loan disbursement management system; and (iv) training in the use of the systems and purchase of necessary equipment.
4. Expected Outcome and Monitorable Indicators	Develop, install, test, and commission a computer-based management information system that will cover the above scope and serve the stated objectives.
5. Previous TA(S) on the Same Theme, in the Sector, Country, or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	None
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs as applicable)	Ministry of Finance
7. Cost and Financing Plan a. ADB Financing (JSF,TASF) b. Sources Other than JSF/TASF	\$500,000
8. Country, RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, PRCM = People's Republic of China Resident Mission, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.44: TA Concept Paper for Poverty Reduction Strategy

<b>A. Profile</b>	
Department/Division/RM/Officer Concerned	PRCM
Type of TA :	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region :	PRC
Sector/subsector:	Others
Poverty Classification and Thematic Priorities	Poverty Intervention/Good Governance
Program Year	2002
Expected Approval Date (month/year)	October 2002
Estimated Completion Date	October 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	In the past, the issues of partnership arrangements and poverty lines were tackled at a regional level in the PRC and ADB. As the PRC has vast regional differences, it is prudent to tailor poverty intervention at a local level. The TA will help formulate a partnership arrangement with a poor rural province and a poor city for future ADB cooperation. It will also determine the best way to define rural poverty in different locations.
2. Rationale (specific problem/issues to be addressed in TA)	The TA will facilitate ADB cooperation in poverty reduction at local rural and urban levels and strengthen local capacity to prepare and implement poverty reduction projects.
3. Scope (specific major components, e.g., capacity building)	The TA will examine the major poverty reduction issues in one province and one city and identify appropriate areas for cooperation in addition to needs for strategy formulation and training. The TA will identify appropriate provincial, and rural poverty lines.
4. Expected outcome and monitorable indicators	Two partnership agreements (one with poor province, one with a poor city) for a five-year time frame. The agreements will identify targets to be monitored.
5. Previous TA(s) on the Same Theme, in the Sector, Country, Or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	(i) TA 3150-PRC: Study on Ways to support Rural Poverty Reduction Projects (\$715,000) (ii) TA 3610-PRC: Preparing a Methodology for Development Planning in Poverty Blocks under the New Poverty Strategy (\$150,000) (iii) RETA 5894 has a component for the PRC Voices of the Poor where NGOs will be invited to participatory approach workshops in August 2001 (\$20,000)
6. Executing agency/implementing agency/ counterpart agency	A province with both a poor rural population and a poor city will be selected and relevant statistical bureaus.
7. Cost and Financing Plan a. ADB Financing (JSF,TASF) b. Sources Other than JSF/TASF	\$500,000
8. Country, RETA IPF for relevant year	\$12 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, PRCM = People's Republic of China Resident Mission, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.45: TA Concept Paper for NGO Partnerships for Poverty Reduction**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned	PRCM
Type of TA (ADTA, PPTA, RETA)	ADTA
Name of Loan Project to follow (if PPTA)	None
Country/Region (as applicable)	PRC
Sector/Subsector	Others
Poverty Classification and Thematic Priorities	Poverty Intervention/Good Governance
Program Year	2002
Expected Approval Date (month/year)	April 2002
Estimated Completion Date	April 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	The TA will examine how the Ministry of Civil Affairs (MCA) can help local NGOs strengthen their capacity and procedures to deliver poverty reduction activities consistent with international NGO practices.
2. Relation to Strategic Objectives (how the TA addresses the following) a. Poverty Reduction/Thematic Priorities b. Country Strategy (where applicable) c. Regional Cooperation	The TA addresses how NGOs can effectively promote poverty reduction.
3. Scope (specific major components, e.g., capacity building)	(i) Training of trainers program for MCA to facilitate future work with NGOs (ii) Capacity building for local NGOs with high potential for formulating and delivering poverty programs and projects (iii) In-country training to be presented by international NGOs
4. Expected Outcome and Monitorable Indicators	(i) A group of trainers in MCA will work with local NGOs in the future. (ii) Local NGOs adopt appropriate international practices to deliver poverty programs and projects.
5. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) a. Name, Amount, Status b. Assessment of Outcome	TA 3150-PRC: Study on Ways to support Rural Poverty Reduction Projects (\$715,000). Supplemental funding (\$270,000) was approved to convene an international conference on NGO Poverty Reduction Policy in October 2001 (\$160,000). RETA 5894: Facilitating Capacity Building and Participatory Activities II has a component for the PRC Voices of the Poor where NGOs will be invited to participatory approach workshops in August 2001 (\$20,000)
6. Executing Agency, Implementing Agency, Counterpart Agency (for RETAs, as applicable)	Ministry of Civil Affairs Individual activities to be implemented by local NGOs.
7. Cost and Financing Plan a. ADB Financing (JSF, TASF) b. Sources Other than JSF/TASF	\$300,000 TASF
8. Country, RETA IPF for relevant year	\$12 Million

ADB = Asian Development Bank, ADTA = advisory technical assistance, IPF = indicative planning figure, JSF = Japan Special Fund, MCA = Ministry of Civil Affairs, NGO = nongovernment organization, PPTA = project/program preparatory technical assistance, PRC = People's Republic of China, PRCM = People's Republic of China Resident Mission, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.