



China, People's Republic of: Heilongjiang Energy Efficient District Heating Project

Project Name	Heilongjiang Energy Efficient District Heating Project		
Project Number	44011-012		
Country / Economy	China, People's Republic of		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 7730-PRC: Heilongjiang Energy Efficient District Heating Project		
	Technical Assistance Special Fund		US\$ 550,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming		
Sector / Subsector	Energy / Energy utility services		
Gender	Some gender elements		
Description	The proposed Heilongjiang Energy Efficient District Heating Project will upgrade the district heating systems, thereby, improving the energy efficiency of district heating systems and reducing emission of greenhouse gases and other air pollutants in seven urban cities in Heilongjiang Province. The components of the project include upgrading the district heating source, heating pipelines, heat exchangers, and computer monitoring and control systems. A project preparatory technical assistance (TA) will be undertaken for the due diligence of the proposed project.		
Project Rationale and Linkage to Country/Regional Strategy	<p>Heilongjiang is a province in the People's Republic of China (PRC) located in the northern most part of the country where winter temperature drops to as low as -40C, and sub-zero temperatures typically last for 6 months in a year. Heating services is an absolute requirement for sustaining the life of people. District heating in Heilongjiang Province depends primarily on coal. Many of the existing heating system in urban areas are old and inefficient and without any emission control equipment. Environment impacts from current heating methods have a disproportionately high effect on the poor. Inadequate coverage of district heating in low-income urban areas drives residents to use indoor coal stoves for heating, a major cause of respiratory diseases. Urban pollution from small boilers also worsens outdoor air pollution and causes significant cumulative harm to public health. Heilongjiang government recognized the importance of improving energy efficiency in district heating as well as demonstrating renewable energy-based biomass district heating system where such resources are available, as a priority toward achieving the target for improving energy intensity. Large energy efficiency and emission reduction gains can be attained from the district heating subsector through (i) eliminating inefficient small inner city boilers and replacing it with centralized cleaner district heating systems; (ii) improving insulation in transmission and distribution systems; (iii) installation of demand control district heating systems (i.e., variable flow drive and computer monitoring and control system, heat metering system at building level, horizontal distribution with a two-pipe system, and thermostatic valves radiators); and (iv) implementation on tariff and building code reform for demand-side energy conservation measures. Households connected to the modern district heating network will enjoy a cleaner and greener living environment in addition to a comfortable heating service.</p> <p>The proposed project is in line with PRC's (i) country partnership strategy, 2008-2010; (ii) Eleventh Five-Year Plan, 2006-2010 and emerging Twelfth Five-Year Plan, 2011-2015 priorities; (iii) Energy Conservation Law; (iv) Energy Conservation Ordinance for Civil Construction, in terms of energy efficiency improvement and emissions reduction of greenhouse gases and air pollutants; and (v) Asian Development Bank's (ADB's) Energy Policy 2009.</p>		
Impact	Improved energy efficiency and environment in Heilongjiang Province		
Project Outcome			
Description of Outcome	Improved air quality in urban areas in Heilongjiang Province		
Progress Toward Outcome	An ensuing loan (Loan 2898-PRC) was approved on 25 September 2012 and was signed in 26 February 2013. The outcome of the loan project will be improved air quality and reduced greenhouse gas emissions in eight urban areas in Heilongjiang Province		
Implementation Progress			
Description of Project Outputs	Improved district heating systems in project cities and towns		
Status of Implementation Progress (Outputs, Activities, and Issues)	Project implementation ongoing. Consulting team mobilized on 20 June 2011. The project outcome provided analysis on the district heating sector in both the PRC and Heilongjiang Province. The project also includes the results of due diligence, which covers technical analysis, alternative analysis, procurement capacity assessment and procurement plan, financial analysis, economic analysis, poverty and social impact analysis including resettlement impact assessment, environment impact assessment, and risk assessment. The relevant details are provided in consultant's final report which describes the implementation plan of the project. A project performance indicators was also introduced for comprehensive monitoring platform		
Geographical Location			
Summary of Environmental and Social Aspects			
Environmental Aspects			
Involuntary Resettlement			
Indigenous Peoples			
Stakeholder Communication, Participation, and Consultation			
During Project Design	Potential stakeholders are officials from Heilongjiang Provincial Development and Reform Commission, Heilongjiang Provincial Finance Bureau, Heilongjiang Energy Conservation Office, various municipal governments, implementing agencies, and communities from project cities and towns.		
During Project Implementation	Consultation through workshops will be undertaken during the implementation of project preparatory TA and project processing stages.		

Business Opportunities

Consulting Services The TA will take a unique approach (two stages of consulting services) to use efficiently the limited loan processing time. Part 1 (data gathering and preliminary assessment) will require a total of 6 person-months of three individual national consultants while Part 2 (detailed assessment) will require a total of 9.5 person-months of international and 24 person-months of national consulting services through a consulting firm. Part 1 will be implemented while the selection of consulting services of Part 2 is underway. Hiring a small number of individual consultants is more appropriate for the quick mobilization of consulting service and cost-effective than firms to perform the assignment of Part 1. The information collected by the consultants of Part 1 will be carried over to the consultants of Part 2. The expected benefit of this approach may advance the loan processing schedule. The required positions and person-months are indicated in Table A5.3. As for Part 1, the three individual national consultants will be engaged by ADB in accordance with the Guidelines on the Use of Consultants (2010, as amended from time to time). As for Part 2, a consulting firm will be recruited by ADB in accordance with ADB's Guidelines on the Use of Consultants through quality- and cost-based selection method (with a quality-cost ratio of 80:20) using simplified technical proposal. The procurement of equipment by consultants, under the TA, will follow ADB's Procurement Guidelines (2010, as amended from time to time). The proceeds of the TA will be disbursed in line with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). The equipment procured under the TA will be turnover to the executing agency upon TA completion.

Responsible ADB Officer	Oi, Teruhisa
Responsible ADB Department	East Asia Department
Responsible ADB Division	Energy Division, EARD
Executing Agencies	Heilongjiang Provincial Government Wang Xiquan, Director xqwang3@163.com People's Republic of China

Timetable

Concept Clearance	15 Dec 2010
Fact Finding	26 Oct 2010 to 28 Oct 2010
MRM	-
Approval	15 Dec 2010
Last Review Mission	-
PDS Creation Date	21 Oct 2010
Last PDS Update	26 Mar 2013

TA 7730-PRC

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2010	12 Jan 2011	12 Jan 2011	30 Apr 2012	30 Apr 2013	30 Apr 2013

Financing Plan/TA Utilization

ADB	Cofinancing	Counterpart				Total	Cumulative Disbursements	
		Gov	Beneficiaries	Project Sponsor	Others		Date	Amount
550,000.00	0.00	100,000.00	0.00	0.00	0.00	650,000.00	17 Jun 2022	531,461.84

Project Page	https://www.adb.org/projects/44011-012/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=44011-012
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