



China, People's Republic of: Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement Project

Project Name	Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement Project				
Project Number	53049-001				
Country / Economy	China, People's Republic of				
Project Status	Active				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"><tr><td>Loan 4136-PRC: Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement Project</td><td></td></tr><tr><td>Ordinary capital resources</td><td>US\$ 200.00 million</td></tr></table>	Loan 4136-PRC: Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement Project		Ordinary capital resources	US\$ 200.00 million
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Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability OP5: Promoting rural development and food security OP6: Strengthening governance and institutional capacity OP7: Fostering regional cooperation and integration				
Sector / Subsector	Agriculture, natural resources and rural development / Land-based natural resources management - Rural flood protection - Rural sanitation - Rural solid waste management - Water-based natural resources management				
Gender	Effective gender mainstreaming				
Description	<p>The Yangtze River Economic Belt (YREB) is one of the three key economic growth engines in the People's Republic of China (PRC). Its nine provinces and two specially administered municipalities account for over 40% of the population, 40% of freshwater resources, and about 45% of the country's economic output. While the YREB has benefited from extensive development since the 1980s, economic growth in the middle and upper reaches of the Yangtze River Basin lags that of the coastal areas. These parts of the YREB still face significant challenges as a result of (i) weak institutional coordination for strategic planning; (ii) increasing pollution and pressure on natural resources; (iii) slow transformation into green development; and (iv) limited integration of waterways, ports, and intermodal logistics. To manage these challenges, the Government of the PRC formulated the YREB development plan 20162030. The Asian Development Bank (ADB) and the government have agreed to adopt a framework approach. Priority is given to: (i) institutional strengthening and policy reform; (ii) ecosystem restoration, environmental protection, and management of water resources; (iii) inclusive green industrial transformation; and (iv) construction of an integrated multimodal transport corridor.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>Rural livelihoods in YREB have lagged industrial production and urban livelihoods. As a result, income inequality and poverty are still persistent in rural areas of lesser-developed middle and upper reaches of the Yangtze River Basin. Majority of rural wastewater and wastes directly discharge to the water system without treatment and disposal. As the rural economy expands, more regulatory, administrative and environmental management challenges will require stronger institutional capacity. Against this background, the Government of the PRC formulated the rural vitalization strategy to promote poverty reduction, rural development, and green and inclusive growth. The rural vitalization strategy focuses on governance reform, wastewater and waste management, rural-urban integration, ecosystem protection, and other rural development. The strategy prioritizes managing climate change and the environment to support the government's priorities in realizing an ecological civilization and rural vitalization.</p> <p>Ganzhou Municipality (Ganzhou) lies in the middle reaches of the Yangtze River and the project is part of the YREB. Ganzhou has been selected as it is deemed poor, relatively rural, has weak institutional capacity on environmental management, and is strategically located in the vicinity of the Gan river. Ganzhou is a large agricultural prefecture-level municipality in Jiangxi Province, which is a national ecological pilot zone. It has an estimated population of 9.7 million in 2017 and land area of 39,380 square kilometers. There has been increased environmental and ecological degradation in the rural areas of Gan River. The water quality of Gan River in Ganzhou is classified as Class III. During the past decade, Ganzhou has suffered from heavy rains and floods. There is a pressing need to provide improved livability, health, and livelihood outcomes for the local communities and address losses from flood and soil erosion impacting an estimated 2 million rural residents in Ganzhou.</p> <p>Weak institutional capacity for ecological and environmental management. Regulatory, institutional and technical capacities for environmental management and flood protection, both at the municipal and district and county levels, are insufficient. Specifically, the existing environmental and ecological monitoring and enforcement systems, environmental information management system, river water quality monitoring systems, and flood control and early warning systems are outdated and/or impaired and require urgent upgrading. There are only a few automatic water quality monitoring stations in the Gan River, and testing equipment is insufficient. There is no effective collaboration mechanism on water resource and pollution management systems for information dissemination in the Gan River among the districts and counties. There is also no advocacy and public participation platform for environmental and health issues.</p> <p>Lack of a viable green development mechanism. Ganzhou is considered a poor municipality. There is no sustainable financing mechanism for investments in water pollution control and improved livelihoods in rural areas. Eco-compensation mechanisms are lacking at present to limit point and non-point pollution for green development. Private sector investment is not leveraged to accelerate green development, through village-based eco-friendly business development (e.g., eco-tourism), and integrated urban-rural economic development. Sustainable green financing has not yet been established.</p> <p>Inadequate rural environmental infrastructure. The rural environmental infrastructure and management in Ganzhou's towns and villages are inadequate. Point source pollution (urban and rural sewage) contribute significantly to the decline of water quality in the Gan River. While progress has been made on urban wastewater treatment, rural sanitation coverage is still very limited with 80% of rural sewage remaining untreated and discharged directly to rivers. Public toilet coverage and access in towns and rural areas are inadequate. Dumping of solid waste into water bodies is widespread. These have brought increasing pressure on waterways and the local environment. Existing sewage treatment facilities and solid waste management systems are also unable to meet the water quality and environmental requirements of the growing tourism services. Operation and maintenance (O&M) of the facilities is a concern due to lack of local government funding and community engagement.</p> <p>Degraded ecosystem. Flood infrastructure and management systems are inadequate in the Gan River, with gaps in the upgrading of flood control standards in rural townships and villages, resulting in the local government's inability to respond effectively to floods. River protection infrastructure is weak due to the lack of embankments and non-structural protection methods. The riverine ecosystem's resilience is also impacted by weak forest management, undermining the forests' capacity to control and attenuate erosion. Some wetland areas were found to have no productive use. The Ganzhou Municipal Government (GMG) is carrying out tests to determine the most effective types of vegetation and reforestation for water conservation and prevention of soil erosion.</p> <p>The GMG is committed to create improved rural living environment and address the ecological and environmental issues resulting from economic development and population growth pressures in Ganzhou. It intends to apply a water resource management, consistent with international best practice. In 2017, GMG established the Ganzhou Ecological Protection Center to strengthen its capacity. Following the National Strategic Plan for Rural Vitalization, 20182022, the Jiangxi Provincial Government issued local implementation guidelines.</p>				
Impact	Rural vitalization in the Yangtze River Economic Belt realized.				

Project Outcome	
Description of Outcome	Living environment of rural areas along upper reaches of Gan River improved.
Progress Toward Outcome	none
Implementation Progress	
Description of Project Outputs	Institutional capacity and knowledge for environmental management enhanced Green development and financing mechanisms piloted Rural waste and sanitation management improved Water and soil conservation practices improved
Status of Implementation Progress (Outputs, Activities, and Issues)	Start-up consultants are in place, supporting initial implementation of the project. Procurement of multiple consulting and non-consulting services, and one goods package started. FI loan activities started with first 3 sub-loans cleared.
Geographical Location	Nation-wide
Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	B
Summary of Environmental and Social Aspects	
Environmental Aspects	The initial environmental examination led to an environmental management plan (EMP), an ESMS (for the FIL component under output 2), and a project-specific grievance redress mechanism, and all were disclosed on ADB's website. They were based on approved domestic feasibility studies, environmental assessment reports, site visits, and stakeholder consultations. The consultations included affected people and local government agencies, and the outcomes were integrated in the project. The GMG, through the PMO, will be responsible for the implementation of the EMP. ABC, guided by the PMO, will implement the ESMS. The PMO and the implementing agencies will recruit qualified full-time environment officers and provide training as described in the EMP. The project is expected to improve the environmental conditions because it (i) reduces wastewater discharge in rural areas; (ii) builds capacity for solid waste management, flood resistance, and soil erosion control; (iii) strengthens forest management; (iv) minimizes the use of chemical fertilizers; (v) pilots a framework for green development through the ESMS; and (vi) contributes to better river water quality in the project areas. Environmental risks include temporary construction noise, dust, uncontrolled wastewater and solid waste disposal, impacts on aquatic habitats, and pollution from wastewater, solid waste, and use of agricultural chemicals. Mitigating measures are included in the EMP, while the ESMS defines the environmental management requirements for the FIL component. The FIL component will only support subprojects categorized B and C for environment.
Involuntary Resettlement	The project will occupy 61,379.04 mu of land by using state-owned land (54,656.50 mu) as well as collectively owned land (6,253.01 mu) through voluntary agreements or land leases, and permanently acquiring collective land (469.53 mu). It will temporarily occupy 369.38 mu of land during construction. The land acquisition will impact 292 households (1,141 individuals) in 34 villages of 29 towns in one project district and five counties. Of these, 51 households (191 individuals) will be significantly affected. No household will be physically displaced. The due diligence for state-owned land and associated facilities confirmed that no outstanding or legacy issues of land acquisition and resettlement exist. A resettlement plan was drawn up in accordance with ADB's Safeguard Policy Statement and the laws and regulations of the PRC. It includes adequate measures of compensation, resettlement, and rehabilitation for affected people. Surveys and consultations with affected people took place in preparation of the plan. Affected people will be further consulted during implementation. A grievance redress mechanism was incorporated into the resettlement plan. The plan also includes capacity building for the executing and implementing agencies. The project will engage an external agency to monitor the implementation. The FIL component will only support subprojects categorized C for involuntary resettlement. Measures to avoid impacts are in the ESMS.
Indigenous Peoples	The project will involve six villages with a concentration of ethnic minorities, mostly She people. These villages will benefit from the project through training and capacity building, jobs, sanitation services, ecotourism, and improved environmental and living conditions. The project preparation team carried out an assessment of the potential project impacts on ethnic minorities and prepared an ethnic minority development plan. The executing and implementing agencies will implement this plan and will submit monitoring reports to ADB. For the FIL component will only support subprojects categorized B and C for indigenous peoples. Measures to safeguard ethnic minorities are included in the ESMS.
Stakeholder Communication, Participation, and Consultation	
During Project Design	As stated in Summary of Environmental and Social Aspects.
During Project Implementation	
Business Opportunities	
Consulting Services	Consultant recruitment will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).
Procurement	Procurement to be financed under this project will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).
Responsible ADB Officer	Yang, Xiaoyan
Responsible ADB Department	East Asia Department
Responsible ADB Division	PRC Resident Mission (PRCM)
Executing Agencies	Ganzhou Municipal Government
Timetable	
Concept Clearance	23 Oct 2019
Fact Finding	19 Apr 2021 to 28 Apr 2021
MRM	19 Aug 2021
Approval	29 Oct 2021
Last Review Mission	-
Last PDS Update	27 Sep 2023

Loan 4136-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 Oct 2021	01 Dec 2021	28 Feb 2022	31 Dec 2028	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	252.11	Cumulative Contract Awards			
ADB	200.00	18 Oct 2023	1.20	0.00	1%
Counterpart	52.11	Cumulative Disbursements			
Cofinancing	0.00	18 Oct 2023	32.50	0.00	24%

Project Page <https://www.adb.org/projects/53049-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=53049-001>

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