China, People's Republic of: Chongqing Urban-Rural Infrastructure Development Demonstration II Project

**Project Name**: Chongqing Urban-Rural Infrastructure Development Demonstration II Project

**Project Number**: 45509-002

**Country**: China, People's Republic of

**Project Status**: Active

**Project Type / Modality of Assistance**: Loan

**Source of Funding / Amount**: Loan 3022-PRC: Chongqing Urban-Rural Infrastructure Development Demonstration II Project

**Strategic Agendas**: Environmentally sustainable growth, Inclusive economic growth

**Drivers of Change**

**Sector / Subsector**: Transport - Road transport (non-urban), Water and other urban infrastructure and services - Urban flood protection, Urban policy, institutional and capacity development - Urban water supply

**Gender Equity and Mainstreaming**: Effective gender mainstreaming

**Description**: Chongqing is one of four centrally-administered municipalities of the People's Republic of China (PRC). Located in the upper middle reaches of the Yangtze River, Chongqing is a part of the less-developed western region which is targeted by the PRC's national preferential policies under the National Strategy for Development of the West (NSDW). Although the NSDW has contributed to double Chongqing's gross domestic product (GDP) in the past five years, economic benefits have been unevenly distributed due to Chongqing's topographical characteristics of vast hinterlands and predominantly hilly and mountainous terrain. In Chongqing, a few rapidly developing central districts co-exist with poverty-stricken peripheral counties, and widening development gaps among districts and counties. Within districts and counties, imbalanced socioeconomic development is also increasingly evident where urban expansion meets rural areas. The urban-rural average income gap increased to 3.4 times in 2010 and 1.45 million people live below the designated poverty line of CNY1,400 per annum. In accordance with the national and municipal strategic priorities, Chongqing has shifted its focus from traditional centralized urban development to balanced urban-rural development. However, many rural villages, small towns and cities still struggle with poor basic infrastructures. In addition to insufficient rural road access and limited water supply provision, frequent flooding in second and third-tier cities becomes a clear development hindrance.

**Project Rationale and Linkage to Country/Regional Strategy**: The Chongqing Municipal Government (CMG) is focusing on improving basic urban infrastructures and closing inter- and intra-district and county development gaps. The rationale for the project is to support CMG's efforts to (i) reduce flooding risks to enhance urban safety, improve local environment and support the development of small towns and cities; (ii) provide safe drinking water to improve local health conditions in peri-urban areas; (iii) expand all-weather roads, thereby improving accessibility to basic social services and economic activities in rural areas; (iv) improve investment climate of project districts and counties; and (v) develop capacity to achieve balanced urban and rural development and management. The project will support the PRC's Twelfth Five-Year Plan 2011-2015, which targets rising inequality, environmental protection, and a focal shift towards inland and rural area development to attain the overarching goal of stable and relatively fast economic development. The project will also contribute to the PRC's achievement and improvement of indicators for Millennium Development Goal 7, Target 10. The project aligns with the ADB’s PRC country partnership strategy (CPS). Further, the project is consistent with ADB’s urban sector strategy, which focuses on urban environmental management and poverty reduction.

**Impact**: Improved living standards and quality of life through more balanced urban-rural development in the project districts and counties

**Project Outcome**: Improved access to safe drinking water and all-weather roads, and resilience to flood risk in project districts and counties

**Progress Toward Outcome**: Two civil works packages (TN-C01 and TN-C02) were awarded in June 2019.

**Implementation Progress**

**Description of Project Outputs**: Flood dike, enhanced landscaping, and slope protection works are operating for the Rongfeng river in Rongchang district. South bank flood dike including road on top of dike is operating in the Wujiang river in Wulong district. Chengkou urban-rural road and tunnel are opened to traffic. Fuling urban-rural road and bridges are opened to traffic. Shizhu urban-rural roads and bridges are opened to traffic. Yangjiu water supply facilities, sludge treatment facilities, pumps, and associated facilities are operating in Wanzhou district. Project management and capacity building provided to the executing and implementing agencies. A new grade IV highway and bridge between Taihe village and Yunwu village are opened to traffic in Fengjie county. A new grade I highway and bridges between Tongnan Industrial Park South Zone in Tianjia Town in Tongnan district are opened to traffic. 

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The above text is a description of the project, its rationale, and the expected outcomes. It emphasizes the need for balanced urban-rural development, improved access to basic services, and the importance of reducing flooding risks and enhancing urban safety. The project aligns with national and municipal strategic plans and contributes to broader development goals, focusing on environmental sustainability and inclusive economic growth.
Two out of seven districts/counties are ethnic minority counties (mainly Miao and Tujia) with their proportion varying among 69-94%. In these counties, the proportion of ethnic minorities as the principle beneficiaries. Preliminary investigation indicated that the ethnic minorities are socially and economically integrated with the majority Han Chinese. They are likely affected by land acquisition and house demolition and will equally benefit from the project.

The project will support water supply facilities (treatment and distribution), urban-rural road construction and rehabilitation, and river rehabilitation and flood control in the seven less developed districts and counties of Chongqing Municipality. The environment categorization was mainly triggered by (i) earthwork and soil erosion related to construction of roads in mountainous terrain; (ii) potential impacts on physical cultural resources in Youyang and Shizhu counties, and municipal level nature reserves in Fuling district and Shizhu county; (iii) the operational safety of the Yangliu WTP in Wanzhou district; and (iv) impacts of the river enhancement and flood management components in Rongchang, Wulong, and Youyang counties on river ecology and downstream areas. The subprojects’ scope, project sites, road alignments, and the design of flood control works were adjusted at feasibility stage to minimize land acquisition and earthwork, and avoid impacts on sensitive areas. An environmental impact assessment (EIA) was prepared and posted on the ADB website on 15 August 2012. The EIA complies with ADB’s Safeguard Policy Statement (2009). The EIA concludes that anticipated environmental impacts and risks can be mitigated through the implementation of the environmental management plan (EMP), which defines mitigation measures, monitoring requirements, institutional responsibilities, and training and institutional strengthening plans to ensure proper environmental management throughout project construction and operation. The EMP includes specific safeguards plans addressing the major anticipated impacts, including: (i) soil erosion protection plans for each subproject, (ii) a physical cultural resources risk management plan, and (iii) a WSP for the Wanzhou Yangliu water supply plant subproject. Environmental management is supported by loan covenants and capacity development and institutional strengthening activities under the project. The project district and county governments disclosed relevant environment information to potentially affected people, and the results and findings of the consultation process were used to modify project design and the EIA. Consultation and public participation will continue throughout project implementation and any environmental complaints or disputes will be handled in accordance with the grievance redress mechanism defined for the project.

The external environment monitor and resettlement and social monitor was mobilized in February 2015 and has been performing satisfactorily.

Involuntary Resettlement

Seven resettlement plans prepared in line with ADB’s Safeguard Policy Statement (2009) were approved by ADB in March 2013. Overall, the project will permanently acquire 2,117 mu of collective and state-owned land, affecting 2,935 persons. Temporary acquisition of 370 mu of land will affect 757 persons. A total of 321 persons will be relocated and about 14,520 square meters (m2) of residential and nonresidential buildings will be demolished. Implementation of resettlement is supported by capacity development and institutional strengthening activities under the project. The implementation of the resettlement plans will be monitored and evaluated internally and externally. The project district and county governments, and PIUs, which have at least two full-time staff responsible for land acquisition and resettlement, will report implementation progress regularly to CMG. The CMG will then summarize the progress in the quarterly progress report to ADB. The external monitor will review the progress and general welfare of affected persons to assess whether they have fully regained their standard of living. Monitoring and evaluation reports will be prepared semiannually during implementation and annually for two years after resettlement completion, and submitted and published on ADB’s website. The project has also established a transparent grievance channel that will provide a meaningful consultation mechanism, and trigger remedial action by CMG and the project district and county governments.

The involuntary resettlement impacts of the projects are being analyzed and assessed compliance with ADB Safeguard Policy Statement (2009). The external environment monitor was mobilized in February 2015 and has been performing satisfactorily.

Indigenous Peoples

Two out of seven districts/counties are ethnic minority counties (mainly Miao and Tujia) with their proportion varying among 69-94%. In these counties, the ethnic minorities are the principle beneficiaries. Preliminary investigation indicated that the ethnic minorities are socially and economically integrated with the majority Han Chinese. They are likely affected by land acquisition and house demolition and will equally benefit from the project. Ethnic Minority Development Plan for each county will be prepared and endorsed by the government and the ADB. The PPTA ensures overall project design includes prioritization of ethnic minorities for construction jobs and operation and maintenance activities and use of local language in communication and outreach of involuntary resettlement consultations and materials other project information. The PPTA is identifying actions such as including a target for ethnic minority employment, and participation in environmental awareness, flood risk management, water conservation and road safety programs.

The external social monitor was mobilized in February 2015 and has been performing satisfactorily.

Summary of Environmental and Social Aspects

Environmental Aspects

The project will support water supply facilities (treatment and distribution), urban-rural road construction and rehabilitation, and river rehabilitation and flood control in the seven less developed districts and counties of Chongqing Municipality. The environment categorization was mainly triggered by (i) earthwork and soil erosion related to construction of roads in mountainous terrain; (ii) potential impacts on physical cultural resources in Youyang and Shizhu counties, and municipal level nature reserves in Fuling district and Shizhu county; (iii) the operational safety of the Yangliu WTP in Wanzhou district; and (iv) impacts of the river enhancement and flood management components in Rongchang, Wulong, and Youyang counties on river ecology and downstream areas. The subprojects’ scope, project sites, road alignments, and the design of flood control works were adjusted at feasibility stage to minimize land acquisition and earthwork, and avoid impacts on sensitive areas. An environmental impact assessment (EIA) was prepared and posted on the ADB website on 15 August 2012. The EIA complies with ADB’s Safeguard Policy Statement (2009). The EIA concludes that anticipated environmental impacts and risks can be mitigated through the implementation of the environmental management plan (EMP), which defines mitigation measures, monitoring requirements, institutional responsibilities, and training and institutional strengthening plans to ensure proper environmental management throughout project construction and operation. The EMP includes specific safeguards plans addressing the major anticipated impacts, including: (i) soil erosion protection plans for each subproject, (ii) a physical cultural resources risk management plan, and (iii) a WSP for the Wanzhou Yangliu water supply plant subproject. Environmental management is supported by loan covenants and capacity development and institutional strengthening activities under the project. The project district and county governments disclosed relevant environment information to potentially affected people, and the results and findings of the consultation process were used to modify project design and the EIA. Consultation and public participation will continue throughout project implementation and any environmental complaints or disputes will be handled in accordance with the grievance redress mechanism defined for the project.

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Stakeholder Communication, Participation, and Consultation

During Project Design

During the PPTA, the county/district governments and project implementing units (PIUs) are undertaking public consultations and ensure participatory approach to design project components, GAP, SAP, EMDP, and resettlement plans. Consultation includes: (i) socioeconomic baseline survey of selected components to establish socioeconomic profile and needs assessment of potential beneficiaries; (ii) focus group discussions of both women and men, ethnic minorities and non-minority counties; and (iii) district/community level and village level key informant interviews of various local government agencies, women’s federations, clinic and school representatives, and village leaders on their knowledge of local issues and opinion on project design and impacts. Where appropriate, local development planning, pedestrian road design and flood protection and river rehabilitation component designs are incorporating the local people’s opinion through appropriate consultation process.
During the project implementation, main stakeholder participation and consultation activities to be undertaken include: (i) publication and dissemination of resettlement plans and EMDP to local villagers, in standard Chinese and local languages, summarizing the policies, entitlements, compensation standards and rates, grievance procedures and resettlement and land acquisition program, and livelihood improvement measures; and (ii) public notices and formal village meetings dealing with all aspects of the project, such as notification of employment and training opportunities, land acquisition details, EMDP actions and general information and feedback sessions. A research institution or university will be engaged to carry out independent monitoring on resettlement plans, EMDP, SAP and GAP implementation ensuring C&P during project implementation.

Business Opportunities

Consulting Services

In accordance with ADB’s Guidelines on the Use of Consultants (2010, as amended from time to time), a consulting firm will be engaged using the quality- and cost-based selection method with a quality:cost ratio of 90:10 using the simplified technical proposal procedure. The terms of reference for the consultant team is subdivided to technical, financial and economic, safeguards and social, and governance teams. The project will engage a total of 13.5 person-months of international position, while a total of 33 person-months for national position.

Responsible ADB Officer

Andrew McIntyre

Responsible ADB Department

East Asia Department

Responsible ADB Division

Urban and Social Sectors Division, EARD

Executing Agencies

Chongqing Municipal Government

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Yubei District, Chongqing, PRC 401121

Timetable

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Loan 3022-PRC

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Project Page

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