China, People's Republic of: Jilin Urban Development Project

Project Name: Jilin Urban Development Project
Project Number: 46048-002
Country: China, People's Republic of
Project Status: Active
Project Type / Modality of Assistance: Loan

Source of Funding / Amount: Loan 3211-PRC: Jilin Urban Development Project

Ordinary capital resources
US$ 150.00 million

Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

Drivers of Change
- Governance and capacity development
- Knowledge solutions
- Partnerships
- Private sector development

Sector / Subsector
Transport - Urban roads and traffic management
Water and other urban infrastructure and services - Other urban services - Urban solid waste management - Urban water supply

Gender Equity and Mainstreaming: Effective gender mainstreaming

Description: The project will address urgent infrastructure needs, introduce best practices, and pilot innovative municipal services solutions to develop Baishan and Baicheng cities in Jilin Province (in the northeast region of the People's Republic of China [PRC]) as livable and resource-efficient medium-sized cities. It will make provision for (i) urban roads and municipal services in Baicheng that promote people-centered urban transport; (ii) the introduction of integrated solid waste management (ISWM) in both cities, based on the reduce, reuse, recycle (3R) principle that includes composting solutions; and (iii) improvement of water supply services in Baishan, emphasizing water conservation, water supply safety, and energy efficiency.

Project Rationale and Linkage to Country/Regional Strategy:
The PRC's National New Urbanization Plan, 2014 -2020 aims to increase the urbanization rate from the current 54% to 60% by 2020 (representing about 100 million new urban residents), and to 70% by 2030 (equal to about 300 million new urban residents). Urbanization is perceived as a means to sustain economic growth through domestic consumption, and to achieve more balanced development by directing the future urban population away from large cities. The strategy focuses on the development of medium-sized cities (in which more than one-third of the urban population lives) as an important means of absorbing future urban residents in a sustainable, inclusive, and efficient manner. These cities have the potential to generate sufficient economies of scale to cluster local economic activities, while their proximity to the rural population supports rural and urban integration, and balances the development of industry and job markets nationally and in each province. Although they benefit from some advantages, they suffer from a deficit of infrastructure and municipal services, resulting in environmental pollution and constrained economic development. The capacity of medium-sized cities to pilot, implement, and replicate efficient urban infrastructure and municipal service delivery best practices will play an essential role in the quality and livability of the country's urban development.

Development in Jilin Province is centered in the cities of Changchun and Jilin, and improvements barely reach the remote, less-developed prefectures in the southeast and northwest, where Baishan (480,000 residents) and Baicheng (330,000 residents) cities, respectively, are located. The Jilin provincial government (JPG) has formulated a strategy that prioritizes development of the two cities, seeking to increase economic activity, decrease the poverty rates in their respective areas, and balance development within the province. Critical infrastructure gaps that prevent sustainable development of Baichang and Baishan cities have been identified. Residential areas in western Baicheng and the Baicheng Economic Development Zone (BEDZ) have grown without proper access to central municipal services. An estimated 25,000 residents are not yet connected to the central wastewater treatment plant, and discharge wastewater into the surrounding environment or into unimproved septic tanks. A rational road network is absent within the BEDZ to provide adequate urban services to the existing population, properly connects the area to the rest of Baicheng, and facilitate the development of mixed-function areas to accommodate future residents and economic activities. The city's current road design allows little room for promoting public and nonmotorized transport. The current daily generation of municipal solid waste (MSW) is 420 wet tons per day (t/d) in Baicheng and 330 wet t/d in Baishan. In Baicheng, a new sanitary landfill is under construction. In Baishan, the existing landfill is being rehabilitated and will reach its maximum capacity in 3 years. In the two cities, solid waste management relies on truck and dump operations, with little consideration for 3R principles, and limited disposal options. This results in pollution and inefficient use of waste resources.

Baishan’s water supply has reached its full capacity and cannot ensure 24-hour water services. Currently, 30% of the population (144,000 people) lacks full-time access to water. The recent decline in the quality and quantity of the main water source (Dayangcha River) in Jiangyuan district combined with the growing population of Hunjiang district are putting Baishan’s water supply safety at significant risk. Previously inadequate technical standards, aging pipes, and poor water supply dispatching efficiency have resulted in nonrevenue water (NRW) in Baishan reaching 65%; this in turn has caused inefficient water use, loss of income, and excessive energy consumption.

Impact: Improved economic growth, resource efficiency, and quality of life in Baicheng and Baishan cities.

Description of Outcome: Improved delivery and efficiency of municipal services in Baicheng and Baishan cities.
An inception mission was fielded on 6-10 February 2015. The loan was signed on 27 February and became effective on 8 May 2015. All consultants were hired by Q2 2015. A special project administration mission was fielded on 13-16 October 2015, and a review mission was fielded on 25-29 July 2016. Two minor changes to the project have been approved: (i) updating the procurement plan following ADB’s Procurement Reform 10-Point Action Plan (5 November 2015), and (ii) changing the PIF for the Baishan water supply subproject to Baishan Hengda Drainage Engineering Co., Ltd. (27 November 2015). The first advance of $2 million for the advance fund was disbursed in Q4 2015. Counterpart funds have been confirmed for 2018. Procurement activities are ongoing and are at various stages of completion. There have been delays for the improved water supply management component for Baishan, but procurement activities are expected to intensify after completion of the geo-survey and finalization of the detailed designs.

The midterm review mission was held on 14-25 August 2017. A review mission was fielded on 21-25 May 2018 to discuss utilization of loan savings and possible loan extension. A second midterm review mission on 13-21 August 2018 assessed progress and determined the appropriateness of a proposed loan extension for 3 years, for which a minor change in scope will be processed. On 4 December 2018, the loan closing date was extended for 3 years to 30 June 2022, and baseline projections were revised accordingly. A review mission on 10-14 December 2018 worked with the EA to develop a comprehensive scope change incorporating additional feasible project components that will utilize current and expected loan savings and allow for increased ADB financing percentage for remaining components. Further change of scope will be processed, and 100% contract awards are expected by Q3 2020.

### Implementation Progress

#### Description of Project Outputs
1. Improved urban infrastructure in Baicheng
2. Integrated solid waste management system in Baicheng
3. Integrated solid waste management system in Baishan
4. Improved water supply management in Baishan
5. Improved capacity and institutional arrangements

#### Status of Implementation Progress (Outputs, Activities, and Issues)
1. Baicheng urban infrastructure. Contracts for EBCC1, EBCC3, EBCC5 Lot 2, CBE12, CBB1, CBBC1, CBBC4, CBBC5, CBBC6, CBCC7, CBCC8, CBCC10, CBCC12, CBCC15, CBCC16, and CBCC17 have been awarded. The BECs for CBCC9 and CBCC9 have been prepared. Construction has commenced for some packages. CBCC8 is expected to be completed by August 2019, CBCC5 by November 2019, CBCC10 by December 2019, CBCC4, CBCC15 by September 2020, CBCC1, CBCC2, CBCC6, CBCC7 by October 2020. It is expected to start construction for CBCC1, CBCC12, CBCC16, and CBCC17 in 2019.
2. Baicheng integrated solid waste management. Contracts for ECBBE2, EBCBEC, EBCBEC, EBCBEC, EBCBE, EBCBE, EBCBE, and EBCBE11 and CBCC6 have been awarded. Goods under EBCBE were delivered in September 2017. Delivery period for EBCBE was extended until 31 August 2019.
3. Baishan integrated solid waste management. Contracts for CBBSW1, CBBSW1, and CBBSW2 have been awarded. The construction for CBBSW1 MSW transfer station has been completed on 20 September 2017 and operation has started. All the goods under EBSW1 and EBSW2 have been delivered. Contracts for CBBSW2 MSW sorting and composting center civil works, CBBSW3 Sanitary landfill, and CBBSW3 MSW sorting and composting center equipment have been cancelled.
4. Baishan water supply management. CBSSW1 and CBSSW2 are under construction, and goods have been supplied under EBSW2. The detailed geotechnical survey for the water treatment plant was completed in December 2017. Forest land acquisition was approved in February 2019. Detailed design for the water distribution network under CBSSW6 and CBSSW5 completed in July 2019. Detailed design for the water distribution network under CBSSW6 and CBSSW5 completed in July 2019.

### Geographical Location

#### Safeguard Categories

- **Environment**: B
- **Involuntary Resettlement**: A
- **Indigenous Peoples**: C

### Summary of Environmental and Social Aspects

#### Environmental Aspects
The environmental safeguard category is “B”. Environmental impacts will be assessed in detail during the project preparation and a project initial environmental examination, including environmental management plan, will be prepared and disclosed on ADB’s website in accordance with ADB’s Safeguard Policy Statement (2009).

#### Involuntary Resettlement
The involuntary resettlement safeguard category is “A”. It is expected that land acquisition will have minimal impacts on land-based livelihoods. Draft resettlement plans will be prepared for those components involving land acquisition and house demolition. The resettlement plans will be finalized and disclosed before the management review meeting in accordance with the Safeguard Policy Statement (2009). The total affected persons from involuntary resettlement are preliminary estimated to be 250.

#### Indigenous Peoples
The indigenous peoples safeguard category is “C.”

### Stakeholder Communication, Participation, and Consultation

#### During Project Design
The project was designed in close consultation with (i) the national government, (ii) Jilin provincial government and two city’ municipal governments, (iii) the project partners, (iv) the state environmental protection bureau, and (v) other local authorities. The project was designed in close consultation with (i) the national government, (ii) Jilin provincial government and two city’ municipal governments, (iii) the project partners, (iv) the state environmental protection bureau, and (v) other local authorities.

#### During Project Implementation
Project information will be communicated through public consultation, information disclosure mechanism in ADB’s website, meetings, interviews, focus group discussions, and community consultation meetings, in accordance with ADB’s Public Communications Policy.

### Business Opportunities

Consulting Services
In accordance with ADB’s Guidelines on the Use of Consultants (2013), as amended from time to time, a consulting firm was engaged using the quality- and cost-based selection method with a ratio of 90:10 using the simplified technical proposal procedure. An external resettlement monitoring agency was engaged using consultants’ qualifications selection.
All procurement of goods and works will be undertaken in accordance with ADB’s Procurement Guidelines (2015, as amended from time to time).

**Responsible ADB Officer**
Andrew McIntyre

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East Asia Department

**Responsible ADB Division**
Urban and Social Sectors Division, EARD

**Executing Agencies**
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LUWEUS@YAHOO.COM  
Changchun City  
Jilin

### Timetable

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<td>Concept Clearance</td>
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<td>Fact Finding</td>
<td>15 Jan 2014 to 28 Jan 2014</td>
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<td>MRM</td>
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<td>Last Review Mission</td>
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### Loan 3211-PRC

#### Milestones

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#### Financing Plan

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#### Status of Covenants

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**Project Page**
https://www.adb.org/projects/46048-002/main

**Request for Information**
http://www.adb.org/forms/request-information-form?subject=46048-002

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