China, People's Republic of: Hubei Enshi Qing River Upstream Environment Rehabilitation Project

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Hubei Enshi Qing River Upstream Environment Rehabilitation Project</th>
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<tbody>
<tr>
<td>Project Number</td>
<td>47048-002</td>
</tr>
<tr>
<td>Country</td>
<td>China, People's Republic of</td>
</tr>
<tr>
<td>Project Status</td>
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<td>Loan 3277-PRC: Hubei Enshi Qing River Upstream Environment Rehabilitation Project</td>
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<td>Ordinary capital resources</td>
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<td></td>
<td>Inclusive economic growth</td>
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<td>Drivers of Change</td>
<td>Governance and capacity development</td>
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<td>Sector / Subsector</td>
<td>Agriculture, natural resources and rural development - Rural sanitation - Water-based natural resources management</td>
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<tr>
<td></td>
<td>Water and other urban infrastructure and services - Urban flood protection - Urban sewerage</td>
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<tr>
<td>Gender Equity and Mainstreaming</td>
<td>Effective gender mainstreaming</td>
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<tr>
<td>Description</td>
<td>The project will address inadequate wastewater collection and treatment, extensive nonpoint source pollution, and recurrent flooding that affect living standards and sustainable economic development in the Enshi Tujia and Miao Autonomous Prefecture (ETMAP) of Hubei province. The impact will be the improved environmental ecological sustainability in the upper Qing River basin. The outcome will be the improved river health and water resource management in the upper Qing River basin. The project's expected outputs are: (i) wastewater management improved; (ii) flood management enhanced; (iii) water and environmental management integrated; and (iv) inclusive capacity development strengthened.</td>
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Project Rationale and Linkage to Country/Regional Strategy

Located in the upper Qing River basin (a major tributary of the Yangtze River), the ETMAP has an ethnically diverse population of 4.01 million. Because of its mountainous terrain and lack of connectivity, ETMAP’s per capita income in 2012 was only CNY10,327, which was about half of the provincial level; the poverty incidence is 40% in rural areas. The ETMAP includes two cities at district level Enshi and Lichuan and six counties, which are all designated as national poverty areas. In addition to poverty, water quality deterioration, riverbank erosion, and recurrent flooding are key factors undermining living standards and sustainable economic development in the ETMAP. The Qing River is the primary water supply for Enshi and Lichuan and their surrounding rural populations. Since the 1990s, the water quality of the Qing River and its tributaries has deteriorated. Monitoring data show that water quality in 45% of all cross sections is class IV, V, or below, meaning it is unfit for human consumption. Water pollution is most serious in Enshi and Lichuan, resulting in odor and eutrophication. Continuing deterioration in terms of water quality poses a public health threat for local residents, who rely on the river for their water intake. In addition, the degraded water environment threatens Qing River riparian and aquatic ecosystems, and limits opportunities for ecological diversity and tourism-related recreation.

The major sources of pollution are untreated domestic wastewater, unregulated runoff, and inadequately treated industrial effluent. As a result of prolonged underinvestment, wastewater collection and treatment facilities in Enshi and Lichuan are seriously deficient. Less than 60% of wastewater from Enshi and Lichuan is collected and treated because of the lack of treatment capacity, aging pipelines, and incomplete coverage of wastewater collection systems. This problem will become increasingly serious with economic development and rapid urbanization, as projected in the master plans for Enshi and Lichuan. Further, there are no facilities for collection and treatment of domestic wastewater and solid waste in rural areas along the Qing River and its tributaries. Upstream of Enshi and Lichuan, the Qing River watershed is mountainous with high seasonal rainfall and rapid runoff. This, combined with inadequate flood management facilities, results in regular flooding. Following national flood management standards, flood management facilities in Enshi and Lichuan should provide protection against 20-year floods in the short term and 50-year floods in the long term. The existing facilities only provide protection against a maximum of 4-year floods. There are some revetments along the banks within Enshi and a mid-sized multipurpose reservoir on the upper Qing River. However, there are virtually no revetments or other flood control measures along the Qing River and its tributaries flowing through Lichuan. Since the 1990s, at least nine major floods have occurred, resulting in significant loss of lives and property. There has also been severe riverbank erosion as a result of high-intensity rainfall, loss of vegetation, and lack of revetment works. This has caused heavy siltation of the river and blockage in urban sections of the Qing River and its tributaries, which further exacerbates flood risk and water pollution.

Lack of integrated water resource management in the Qing River basin hinders a coordinated and effective response by planning, pollution control, and flood management authorities to improve water quality and reduce flooding. Weak interagency coordination and lack of monitoring and enforcement capacity have resulted in ineffective management of nonpoint source pollution from rural and urban sources. Important rural sources include discharges of domestic waste from unsewered rural households, agricultural runoff, animal waste discharges, and erosion of riverbanks during high-flow conditions. In urban areas, unregulated runoff along the riverbanks also contributes to nonpoint pollution, including garbage dumped along the riverbanks and inflow of wastewater due to leaks, clogging, and misalignment of wastewater pipes. While the river embankment is a critical flood management facility, proper maintenance of the banks would also help reduce nonpoint pollution.

Guided by both the national western region development strategy and the Huibet provincial 12th Five-Year Plan (2011-2015), the Enshi Tujia and Miao Autonomous Prefecture Government (ETMAPG) is committed to reducing poverty, improving the water quality of Qing River, and advancing the ecological rehabilitation of the river and lakes. The ETMAP is covered under the Water Pollution Control Plan for the Three Gorges Reservoir Area and the Upper Reaches, which is one of the national priorities for water pollution control. The provincial government has formulated and implemented the Qing River Basin Pollution Prevention and Control Master Plan (2010-2020), and the ETMAPG has prepared the Qing River Near-Term Flood Control Master Plan (2013-2015), which was approved in 2012 by the Ministry of Water Resources. To implement and complement components of these plans, the ETMAPG requested that the Asian Development Bank (ADB) provide financial and technical support for water quality improvement and flood management in Enshi and Lichuan.

With support from the central and provincial governments, the ETMAPG has taken the following steps to implement the master plans: (i) incorporate water quality improvement goals in performance evaluation of local governments; and (ii) implement more than 30 projects with a total investment of CNY8 billion for sewage network improvement, solid-waste management, nonpoint source pollution reduction, river rehabilitation, and soil erosion control in 2014. The project is consistent with the priorities of ADB’s country partnership strategy, 2011-2015 for the PRC; the comprehensive reform agenda announced at the Third Plenary Session of the 18th Communist Party of China Central Committee; the strategic priorities of ADB’s Midterm Review of Strategy 2020, and the Water Operational Plan. Environmental sustainability is one of the three strategic pillars of the country partnership strategy, 2011-2015, which guides the entire reform agenda and provides a framework for a comprehensive reform agenda that will not only transform fiscal and institutional arrangements but also improve environmental infrastructure and the strengthening of institutional development and environmental services at the local level.

Impact

Environmental ecological sustainability in the upstream Qing river basin improved (Qing River Basin Pollution Prevention and Control Master Plan, 2010-2020)

Project Outcome

Description of Outcome

River health and flood management in the upper Qing river basin improved

Progress Toward Outcome

As of August 2020, cumulative contract awards reached $84.4 million, cumulative disbursements reached $33.6 million.

Implementation Progress

Description of Project Outputs

Flood management enhanced
Wastewater management improved
Water and environmental management integrated
Project management support and inclusive capacity development strengthened

Status of Implementation Progress (Outputs, Activities, and Issues)

Goods under EE03 delivered. Packages of EE05 and LE03: GIS systems for Enshi City and Lichuan City will be procured with the BERs under preparation and review. The contracts are expected to be awarded in Q4 2020. The consulting firms for Project Implementation and Institutional Strengthening Support and Strengthening non-structural measures on Qing River Integrated Management have been recruited and provide trainings as needed. ADB suggested that a proper water quality monitoring system or station be established at the outlet of the pilot non-point source pollution reduction participatory program in Xinjie Village. Since water quality of the existing reservoir is contributed by large catchment area and coverage of the pilot program area is small, it will be difficult to evaluate impacts of the pilot program based on water quality of the reservoir alone. Package EE04: contract awarded, delivering goods. Package LC02: flood forecast and warning system for Lichuan City has been procured by using domestic fund. The package EE03 for fertilizer and pesticides has been awarded on 18 Feb 2019. Fertilizer and pesticides under EE03 for has been delivered. Strengthening Support and Strengthening non-structural measures on Qing River Integrated Management have been recruited and will provide training as needed. The consulting firm for resettlement and social monitoring has submitted 8 issues of External Monitoring Report on RPs, SAP, GAP and EMOD. The consulting firm for Project Implementation and Institutional Strengthening Support will provide training. LC04, LC05, LC06 and LC07 are all under construction. EC01: Contract awarded in Q3 2019; EC02: About 100% completed; EC05: Evaluating bids; EC07: contract signed and construction commenced; EE01: Contract awarded in Q3 2019. LC03 and LC10 are under construction; LE01: About 80% of the goods delivered.

Geographical Location

Nation-wide

Safeguard Categories

Environment

A

Involuntary Resettlement

A

Indigenous Peoples

B

Summary of Environmental and Social Aspects
Environmental Aspects

The project is classified as category A for environment and an environmental impact assessment (EIA) and environmental management plan (EMP) have been prepared following ADB’s Safeguard Policy Statement (SPS, 2009). The EIA and EMP were disclosed on 26 November 2014. The project is expected to achieve environmental benefits including improved water quality of Qing River in the project area, reduced flood risk, increased wastewater treatment capacity, improved sewage coverage for about 40,000 households and improved water resources management capacity of ETMAPG. Potential environmental impacts are from the planned dredging and embankment, and construction- and operation- related disturbances. During EIA preparation, consultations were conducted with key stakeholders and the outcomes have been integrated into the project design. The ETMAPG, through the project management office (PMO), will be responsible for overall implementation and compliance with the EMP. The PMO and implementing agencies will be responsible for site-based implementation of the EMP. The PMO will have final responsibility for the implementation of the grievance redress mechanism to handle any disputes. The EIA concludes that the anticipated environmental impacts and risks can be mitigated through the implementation of the EMP.

Involuntary Resettlement

The project is categorized as A for involuntary resettlement under ADB’s SPS (2009). It will permanently acquire a total of 73.15 hectares of land; additional 145.28 hectares will be occupied temporarily. The project will demolish 12,778 square meters of housing. It will economically displace 5,431 people, with 1,645 to lose more than 10% of their agricultural productive assets and 143 to be physically displaced. The ETMAPG prepared two resettlement plans for Enshi and Lichuan, in line with ADB’s SPS (2009), and related laws and regulations of Enshi and Lichuan, Hubei Province, and the PRC. The ETMAPG will fully finance CNY132.6 million of land acquisition and resettlement costs. The ADB loan will finance the costs for semiannual external resettlement monitoring and evaluation. The ETMAPG has experience in conducting land acquisition and resettlement for foreign-funded projects and has the capacity to implement the resettlement plans for this project. Implementation will be closely monitored by the PMO and PIUs.

Indigenous Peoples

The project is categorized as B for indigenous peoples under ADB’s SPS. ETMAP has an ethnically diverse population of 4.01 million; 45% Han, 46% Tujia, 6.5% Miao, and 2.5% other ethnic groups; the project area has similar levels of ethnic diversity. The ethnic minorities have socio-economic and livelihood systems similar to the mainstream population in terms of income, economic activities, education, and no language or other cultural barriers were identified. They will benefit equally from the project activities. To ensure the benefits are accrued by the ethnic minorities, an ethnic minority development plan was prepared and endorsed by ETMAPG.

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services

All consulting services will be engaged in accordance with ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time).

Procurement

All ADB-financed procurement for the project will be conducted in accordance with ADB’s Procurement Guidelines (2013, as amended from time to time). A procurement agency will be hired to conduct procurement on behalf of the implementing agencies.

Responsible ADB Officer
Liu, Xinjian

Responsible ADB Department
East Asia Department

Responsible ADB Division
PRC Resident Mission

Executing Agencies
The People’s Government of Enshi Tujia and Miao Autonomous Prefecture
No. 223, Wu Yang Da Dao, Enshi City, Hubei Province, 445000

Timetable

Concept Clearance 09 Aug 2013
Fact Finding 17 Nov 2014 to 26 Nov 2014
MRM 12 Feb 2015
Approval 11 Sep 2015
Last Review Mission -
Last PDS Update 15 Sep 2020

Loan 3277-PRC

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<td>06 Jan 2016</td>
<td>31 Jan 2021</td>
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Project Page https://www.adb.org/projects/47048-002/main
Request for Information http://www.adb.org/forms/request-information-form?subject=47048-002
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