China, People's Republic of: Qinghai Haidong Urban-Rural Eco Development Project

Project Name: Qinghai Haidong Urban-Rural Eco Development Project  
Project Number: 48102-002  
Country: People's Republic of China  
Project Status: Active  
Project Type / Modality of Assistance: Loan  
Source of Funding / Amount: Loan 3443-PRC: Qinghai Haidong Urban-Rural Eco Development Project  
Ordinary capital resources  
US$ 150.00 million

Strategic Agendas:  
- Environmentally sustainable growth  
- Inclusive economic growth

Drivers of Change:  
- Governance and capacity development

Sector / Subsector:  
- Agriculture, natural resources and rural development - Forestry - Land-based natural resources management - Rural flood protection - Rural solid waste management - Rural water supply services  
- Water and other urban infrastructure and services - Urban flood protection - Urban policy, institutional and capacity development - Urban solid waste management - Urban water supply

Gender Equity and Mainstreaming:  
- Effective gender mainstreaming

Description:  
Qinghai Province, situated mostly on the Qinghai-Tibetan plateau in northwestern PRC, has long been home to a number of ethnic groups due to its location along the old Silk Road. Ethnically diverse and featuring a beautiful and rugged landscape with mountains and pastures, Qinghai is the source of the Mekong, Yangtze, and Yellow rivers, making it a socially and environmentally significant province for the PRC. Given the fragile terrain, Qinghai is promoting urbanization within a northeastern corridor linking its capital, Xining, to Lanzhou, in Gansu Province. While protecting its natural resources, Qinghai also aims to protect urban areas from natural hazards such as flash flooding, which has increased in cities across the PRC as a result of impermeable paved surfaces, deforestation, poor waterway management, and an overall decrease in natural water collection areas.

Haidong, the second-largest city in Qinghai, is located within this corridor, immediately east of Xining. A city of 1.7 million residents (30.0% of Qinghai’s total population of 5.7 million), Haidong upgraded to a prefecture-level city in 2013, denoting its importance in regional development. Haidong has two districts Ping’an and Ledu and four counties. Both districts straddle the Huangshui River, an important tributary of the Yellow River. Strengthening the ecological function of the Huangshui River to protect these critical watersheds is an urgent priority. This involves managing flood risks, reducing soil erosion, improving water quality and availability, increasing climate change resilience, and limiting urban expansion.

Project Rationale and Linkage to Country/Regional Strategy:  
According to the Haidong master plan, the two districts are expected to add more than half a million residents by 2030. This will put pressure on an already fragile landscape; Haidong’s location in the river valley, surrounded by steep and barren mountains, makes it vulnerable to flash flooding. According to Haidong’s historical records, flood events of different levels have occurred every year since 1949, with large-scale floods every 6-7 years. While some flood infrastructure is in place, it is poorly maintained and unevenly distributed across urban and rural areas. Mountainside soil erosion exacerbates flooding risks, increasing the sediment loads and threatening agricultural land downstream. As Haidong continues to grow, public services in urban and rural areas remain inadequate; without upgrades, they will further fail to meet local water supply and solid waste disposal needs. The steep terrain surrounding Haidong has led to the development of small villages in the mountains, including minority villages, which will suffer socially and economically if public service investments remain unbalanced between rural and urban areas.

The proposed project is closely aligned with both the PRC government’s priorities and the country strategy and operations of the Asian Development Bank (ADB). The PRC’s Thirteenth Five-Year Plan, 2016 2020, the National New-type Urbanization Plan (2014), and ADB’s PRC country partnership strategy, 2016 2020, support strategic priorities, in the areas of urban and environmental management. Key thematic areas that coincide with the proposed project include (i) strengthening climate resilience; (ii) promoting sustainable use of land and natural resources; (iii) strengthening water security; and (iv) promoting integrated water resource management, wetland protection, and afforestation.

Impact:  
Environmental protection, ecological rehabilitation, and climate change adaptation enhanced.

Project Outcome:  
Environmental protection, ecological rehabilitation, and climate change adaptation enhanced.

Implementation Progress:  
Integrated flood plain management infrastructure for the Huangshui River provided.

Geographical Location:  
Qinghai
The four counties in Haidong are minority autonomous counties; the local population includes 18 ethnic minorities. In 2014, Haidong had a minority population of 618,500, accounting for 4.3% of official city residents; among these, a Hui population of 273,700 (19.0%), a Tibetan population of 132,400 (9.2%), and a Tu population of 115,000 (8.0%). Within the direct project areas, ethnic minorities comprise about 10.0% of the population. Of these, 10,054 Hui people (4.6% of direct beneficiaries) and 4,192 Tibetans (1.9%), together with Menggu and Tu, will benefit from better access to public services and enjoy the improved living environment. While most of the minority populations in the direct project area are scattered throughout Ledu and Ping'an districts, Shihuiyao Xiang County contains three Tibetan villages with a concentrated total minority population of 370 that will benefit from rural water supply.

One resettlement plan was prepared following ADB’s Safeguard Policy Statement. The project will need to acquire a total area of 1,461 mu; 987 households and 3,535 people will suffer land acquisition impacts, distributed across project components. The average annual income loss per household owing to land acquisition is estimated to be 16%, all households losing land opted for cash compensation, as farming is not the main source of income. Also, 744 mu of collective land will be leased for the Ping’an urban Riverside greenbelt component, affecting 736 households and 2,721 people. About 106.8 mu will be occupied temporarily, affecting 145 households with 423 people. Compensation rates for land acquisition and leasing are at replacement cost and are adequate for affected persons’ livelihood restoration. Meetings with district officials and related agencies revealed that about 80% of cultivated land to be leased is of poor quality and has low production value (less than CNY700 annually). Consultation results indicated that villagers prefer land leasing to acquisition because they can receive CNY1,040 in annual compensation while retaining land-use rights. Upon the expiration of the 5-year lease term, the lease will be renewed at an updated compensation rate based on the government’s published land values. The leasing agreements will be signed between affected villages and/or affected persons and the district forestry bureau. 32. The resettlement plan was disclosed to the affected people and posted on the ADB website in June 2016. During project implementation, HMG and the implementing agencies will establish a proper grievance redress mechanism, including resettlement staff, and coordinate with relevant government departments for land acquisition, leasing, and income restoration activities. HMG has committed to provide adequate and timely budget for land acquisition, leasing, and resettlement costs; all compensation amounts and resettlement benefits to affected persons will be distributed prior to dispossession of land or livelihood. HMG and the implementing agencies will conduct internal monitoring and reporting on land acquisition and resettlement activities in project progress reports. HMG and the implementing agencies will also engage an external monitor for semiannual monitoring and evaluation of resettlement plan implementation; these reports will be forwarded directly to the PMO and ADB.

Indigenous Peoples

The four counties in Haidong have a minority autonomous status; the local population includes 18 ethnic minorities. In 2014, Haidong had a minority population of 618,500, accounting for 4.3% of official city residents; among these, a Hui population of 273,700 (19.0%), a Tibetan population of 132,400 (9.2%), and a Tu population of 115,000 (8.0%). Within the direct project areas, ethnic minorities comprise about 10.0% of the population. Of these, 10,054 Hui people (4.6% of direct beneficiaries) and 4,192 Tibetans (1.9%), together with Menggu and Tu, will benefit from better access to public services and enjoy the improved living environment. While most of the minority populations in the direct project area are scattered throughout Ledu and Ping’an districts, Shihuiyao Xiang County contains three Tibetan villages with a concentrated total minority population of 370 that will benefit from rural water supply.

An ethnicity-specific resettlement plan (EMDP) was prepared and focuses on facilitating the inclusion of ethnic minorities in all project activities, and to ensure that their customs and beliefs are respected throughout project implementation. Two key targets for the EMDP are for 15% of jobs going to the poor and ethnic minorities, and 50% of those participating in the public awareness program are ethnic minorities. The EMDP was disclosed to ethnic minorities in the areas targeted by the project. EMDP implementation and monitoring is supported under output 4. Monitoring and reporting arrangements for the ethnic minority safeguard are included in the PAM and the project agreement.

Stakeholder Communication, Participation, and Consultation

During Project Design

The main stakeholders of the project include Haidong Development and Reform Commission, Water Resources Bureau, Finance Bureau, Environment Protection Bureau, Land Resources Bureau, Forestry Bureau, Ethnic and Religious Affairs Bureau, Women’s Federation, Planning and Construction Bureau and Protection Bureau, Forestry Bureau, Ethnic and Religious Affairs Bureau, Women’s Federation, Planning and Construction Bureau and Protection Bureau. The main stakeholders also include the beneficiaries and negatively impacted people from the project. They will participate in the project design through consultations and series of review and approval processes. Potentially affected urban as well as rural communities, will participate in public consultations during the domestic environment impact assessment preparation and will also have an opportunity to engage in project design improvement through potential public consultation meetings and other communication channels that will be set up during the project preparation stage as well as project implementation.

During Project Implementation

Stakeholder communication, participation, and consultation during implementation will be carried out in accordance with the project’s Gender and Social Development Action Plan.

Business Opportunities

Consulting Services

Project management consulting services and capacity development services will be recruited according to ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time). The PMO will be responsible for engaging consultants for relevant services. An estimated 234 person-months (37 international and 197 national) of consulting services are required for (i) project implementation and institutional strengthening support; (ii) external resettlement and social monitoring; (iii) initial project implementation support; (iv) climate-resilient water resources management planning support; (v) land acquisition and management (DMG) and solid waste management support; and (vi) wetland DMG and forest management support. The consulting firm will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality: cost ratio of 80:20 using full technical proposal procedure, consultant’s qualifications selection method (QCS), and individual consultant selection method (ICS) methods.

Procurement

A procurement plan indicating procurement or selection methods, estimated costs of contracts, thresholds and review procedures for goods, works, and consulting service contracts packages is prepared and summarized below. The procurement plan shall be executed in the manner in which it has been approved by ADB. The procurement plan shall be updated annually or as needed throughout the duration of the project. The contract packages are categorized into three categories including Goods, Works, and Consulting Services. The Works contracts are mainly in the areas of water supply, water reclamation, landfill, river rehabilitation, wetland and afforestation, which are common in China and in Qinghai Province. Some of the equipment and materials are included in the works contracts to reduce contract interfaces and minimize the contract management risks, based on the nature of the equipment and materials and their interaction with relevant works. Others equipment and materials that are independent of the civil works are listed as Goods contracts. Other equipment and materials that are independent of the civil works are listed as Goods contracts. Other equipment and materials that are independent of the civil works are listed as Goods contracts.
Fact Finding: 09 May 2016 to 19 May 2016
M RM: 17 Jun 2016
Approval: 19 Oct 2016
Last Review Mission: -
Last PDS Update: 26 Mar 2019

Loan 3443-PRC

### Milestones

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### Financing Plan

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### Loan Utilization

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