### Project Name
Heilongjiang Green Urban and Economic Revitalization Project

### Project Number
49021-002

### Country
China, People’s Republic of

### Project Status
Active

### Project Type / Modality of Assistance
Loan
Technical Assistance

### Source of Funding / Amount
<table>
<thead>
<tr>
<th>Source of Funding / Assistance</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Loan: Heilongjiang Green Urban and Economic Revitalization Project</td>
<td>US$ 310.00 million</td>
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<td>European Investment Bank</td>
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<td>Loan 3613-PRC: Heilongjiang Green Urban and Economic Revitalization Project</td>
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<tr>
<td>TA 9436-PRC: Heilongjiang Business Development Services Support to Strengthen Financial Intermediation Component Implementation</td>
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### Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth

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

### Sector / Subsector
- Agriculture, natural resources and rural development - Land-based natural resources management
- Energy - Energy efficiency and conservation
- Finance - Small and medium enterprise finance and leasing
- Industry and trade - Small and medium enterprise development
- Transport - Urban public transport - Urban roads and traffic management
- Water and other urban infrastructure and services - Urban flood protection - Urban sewerage - Urban water supply

### Gender Equity and Mainstreaming
Effective gender mainstreaming

### Project Rationale
The project aims to support the transformation of Heilongjiang into a non-coal, sustainable, inclusive, and competitive region. The strategic goals are to:
- Support the development of non-coal industries and projects in the cities of Hegang, Jixi, Qitaite, and Shuangyashan.
- Enhance urban infrastructure and services in the project cities.
- Develop capacities in project cities.
- Improve enabling environment for non-coal economic and industrial transformation.

### Project Linkage to Country/Regional Strategy
The project aligns with various national and regional strategies including:
- PRC’s National New-Type Urbanization Plan (2014-2020)
- PRC’s Strategic Agendas
- PRC’s Linkage to Project Rationale and Description

### Description
The project will support the transformation of Heilongjiang into a non-coal, sustainable, inclusive, and competitive region. It aims to:
- Support the development of non-coal industries and projects in the cities of Hegang, Jixi, Qitaite, and Shuangyashan.
- Enhance urban infrastructure and services in the project cities.
- Develop capacities in project cities.
- Improve enabling environment for non-coal economic and industrial transformation.

### Key Outputs
- Key indicators and performance measures for monitoring progress.
- Indicators for project outcomes and impacts.

### Project Impacts
- Revitalized economy of East Heilongjiang subregion
- Improved living environment, safety, and public health in the cities of Hegang, Jixi, Qitaite, and Shuangyashan
- Improved East Heilongjiang smart city cluster cooperation
- Enhanced economic competitiveness and social inclusion

### Key Risk Areas
- Environmental safety and living conditions will worsen, and chances for improvements and investments will dwindle.
- Mining impacts include (i) geohazard risk of subsidence from below-grade mining; (ii) waste rock dumpsites that wash out toxic heavy metals into soil, and ground and surface water; and (iii) carcinogenic dust particles that pollute the air.
- Substance funding for monitoring of contamination levels and various physical remediation measures is needed.
- There is an urgent need to revitalize and transform the economy towards a sustainable non-coal future through (i) strategic planning for non-coal industries and key investments that facilitate private investments in non-coal jobs; (ii) environmental cleanup and remediation of impacts from mining (not supporting mining itself); (iii) urban infrastructure, services, and environmental improvement that help attract and retain modern companies and qualified workers; and (iv) capacity development to plan and implement a strengthened subregion as smart, inclusive, competitive, and green East Heilongjiang Smart City Cluster with educated and skilled workers. Without the project, the economy will continue to decline, and serious risks to human safety and health.

### Monitoring and Evaluation
- Regular monitoring and evaluation to track progress against targets.
- Periodic reviews to assess project performance.
- External audits to ensure project implementation.

### Implementation
- Implementation timeline for project activities.
- Project management system and setup.
- Project personnel and key stakeholders involved.

### Technical Assistance
- Technical Assistance Special Fund
- Financial Sector Development Partnership Special Fund

### Project Partners
- ADB
- European Investment Bank
- China, People’s Republic of
Impact

- Economy revitalized and diversified, and non-coal industries in the cities of Hegang, Jixi, Qitaihe, and Shuangyashan developed
- Living environment, safety, and public health in cities of Hegang, Jixi, Qitaihe, and Shuangyashan improved

Project Outcome

Description of Outcome
Non-coal economic activities and urban livability in project cities increased

Progress Toward Outcome
Project start up consultants have been contributing to implementation activities including review and commenting on engineering design as prepared by local design institutes, detailed environmental management plan preparation, updating of resettlement plans, and training on SME capacity development, training to SMEs, screening of candidate companies for the financial intermediation component, and others. Hegang (HG2) and Shuangyashan (SY-RC-W9) contracts were signed and equipment has been fully installed and works are about 50% completed. Project inception mission was fielded in 6-9 November 2018. Initial advance to the advance account amounting to $20 million was disbursed in December 2018, and retroactive financing facilitated by government. CS1, and CS2 consultants are now recruited.

Implementation Progress

Description of Project Outputs
- Capacity in BDS and integrated project planning and management developed
- Sustainable SME investment and access to finance in project cities improved
- Key infrastructure and SME facilities in non-coal industrial parks in project cities constructed
- Remediation and environmental cleanup from mining impacts in project cities improved
- Integrated urban infrastructure and services in project cities improved

Status of Implementation Progress (Outputs, Activities, and Issues)
Some contracts for works and goods were awarded and are being implemented, preliminary and detailed engineering design and procurement activities for subcomponents in all four cities are ongoing; implementation of the FIs and BDS components have commenced. Additional Financing in the amount of $150 million equivalent was approved on 26 September 2019 to finance a gap that emerged when EIB cofinancing did not materialize.

Geographical Location
Hegang, Jixi, Qitaihe Shi, Shuangyashan

Safeguard Categories

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

Summary of Environmental and Social Aspects

Environmental Aspects
Environment safeguard is category A due to potential adverse impacts on natural habitats, river morphology, sediment transport, downstream areas, and cultural resources. However, the project overall will generate positive impacts on the environment from (i) its overall objective of diversification away from coal mining and related industries, (ii) from mining remediation and environmental cleanup pilot projects, (iii) from river rehabilitation, ecological approach to flood risk management and river embankment design, and (iv) from wastewater and drainage systems improvements.

Involuntary Resettlement
Involuntary resettlement safeguard is category A due to potential impacts on land acquisition and house demolition of flood risk management and road construction components.

Indigenous Peoples
Indigenous peoples safeguard is category C and has been confirmed during PPTA implementation.

Stakeholder Communication, Participation, and Consultation

During Project Design
The beneficiaries were consulted during the PPTA implementation through social surveys, stakeholders’ workshops, focus group discussions, and key informant interviews. Documents prepared during PPTA, include the Environmental Impact Assessment, Environmental Management Plan, Social and Gender Action Plan, Resettlement Plans outline the program for consultation and participation of beneficiaries during the design and implementation period of the project. Loan assurances address implementation and monitoring of these plans. As the poor are the most vulnerable, they should benefit more from project improvement and design elements and project activities include social inclusive elements.

During Project Implementation
After project approval consultations with beneficiaries, communities, stakeholders and affected persons will be carried out and SMEs and SME associations will be consulted and strengthened. Inclusive business and gender balanced business has been included as a principle in the project design of the financial intermediation component and the business development services and training to women-owned and managed businesses and to inclusive businesses will be provided during implementation.

Responsible ADB Officer
Rau, Stefan

Responsible ADB Department
East Asia Department

Responsible ADB Division
Urban and Social Sectors Division, EARD

Executing Agencies
Heilongjiang Provincial Government
People’s Republic of China

Timetable

- Concept Clearance: 16 Nov 2015
- Fact Finding: 24 Mar 2017 to 07 Apr 2017
- MRM: 25 May 2017
- Approval: 05 Dec 2017
- Last Review Mission: -
- Last PDS Update: 27 Sep 2019

Loan 3613-PRC

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### TA 9436-PRC

#### Milestones

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#### Financing Plan / TA Utilization

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**Project Page**

**Request for Information**

**Date Generated**
01 February 2020

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