China, People's Republic of: Preparing Yangtze River Economic Belt Projects

Project Name: Preparing Yangtze River Economic Belt Projects
Project Number: 50343-001
Country: China, People's Republic of
Project Status: Active
Project Type / Modality of Assistance: Technical Assistance
Source of Funding / Amount:
- TA 9311-PRC: Preparing Yangtze River Economic Belt Projects
  - Technical Assistance Special Fund: US$ 1.50 million
  - Climate Change Fund: US$ 600,000.00
  - Multi-Donor Trust Fund under the Water Financing Partnership Facility: US$ 300,000.00
- TA 9311-PRC: Preparing Yangtze River Economic Belt Projects (Supplementary)
  - Climate Change Fund: US$ 158,300.00
- TA 9311-PRC: Preparing Yangtze River Economic Belt Projects (2nd Supplementary)
  - Technical Assistance Special Fund: US$ 1.50 million
- TA 9311-PRC: Preparing Yangtze River Economic Belt Projects (Supplementary)
  - Multi-Donor Trust Fund under the Water Financing Partnership Facility: US$ 300,000.00

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change:
- Governance and capacity development

Partnerships:
- Agriculture, natural resources and rural development
  - Agricultural production
  - Land-based natural resources management
  - Water-based natural resources management
- Water and other urban infrastructure and services
  - Urban flood protection
  - Urban sewerage
  - Urban solid waste management

Gender Equity and Mainstreaming:
- Some gender elements

Description:
The transaction TA facility will help prepare the program of interrelated projects and TA under the Yangtze River Economic Belt (YREB) strategic framework. The TA facility is suitable to ensure a consistent approach to the YREB strategic framework by addressing cross-sectoral themes, developing local capacity for improved project implementation, enhancing project readiness, and strengthening the overall coordination and cooperation for sustainable green development and environmental protection of the Yangtze River.

Project Rationale and Linkage to Country/Regional Strategy:
The Yangtze River is the People's Republic of China's (PRC's) longest river, covers more than 2 million square kilometers, one-fifth of the country geographically, and accounts for over 40% of PRC's total population and about 45% of the gross domestic product. The Yangtze River, one of the busiest inland rivers for freight traffic worldwide, is home to the largest hydropower plant in the world and is the source of water for the South North water transfer project. Nine provinces and two specially-administered cities make up the Yangtze River Economic Belt (YREB) subregion, which includes three major urban agglomeration areas: (i) the Yangtze River Delta Global Mega Agglomeration focused on Shanghai, (ii) the Middle Yangtze City Cluster focused on Wuhan, and (iii) the Yangtze Upper Reaches focused on Chongqing. Due to its geographical and demographical advantages, the PRC Government has identified the YREB as one of the three key growth engines to ensure PRC's future economic development.

However, environmental concerns are increasing. Pollution of the Yangtze River has reached its highest levels which has severely reduced drinking water quality, posed health risks, caused loss of biodiversity, hazardous chemical accumulation in organisms in the food chain, and increased eutrophication. Pollutants range from suspended substances, oxidizing organic and inorganic compounds, and ammonia nitrogen which result from discharge from industrial solid and chemical waste, domestic solid waste and sewage, shipping discharges, and agricultural runoff. The impact of this pollution is exacerbated in smaller lakes and tributaries off the main Yangtze River stem where shallow and slower flowing water leads to worse eutrophication and high concentrations of the pollutants. In addition, possible riverbank collapses and landslides as a result of damming, flooding, changes in land use, and deforestation add even more stress to the water quality of the Yangtze River.

In line with lessons learned from past ADB projects, the government emphasized the need for ADB support through a strategic framework approach that would coordinate and create synergy between investment projects and technical assistance (TA) to strengthen the impact of proposed assistance. ADB's scope of support to the strategic framework for the YREB focuses on green development emphasizing ecological conservation through environmental protection and rehabilitation for the Yangtze River basin to achieve (i) enhanced ecological environment to improve water quality, climate-resilient water resource use and ecosystem function; (ii) integration of upper-, middle- and low-reaches of the YREB for integrated and coordinated green development; and (iii) an integrated management mechanism for the Yangtze River that is coordinated, unified, and highly efficient for systematic protection and management.

Impact:

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A new batch of three investment projects have been included as firm processing in ADB’s lending pipeline for 2020, with a budget allocation of $1.500 million to be financed on a grant basis by the TASF-other sources. These are: (i) Henan Dengzhou Ecological Protection and Integrated Rehabilitation Project; (ii) Yunnan Sayu River Basin Eco-compensation Demonstration Project; and (iii) Anhui Huangshan Xin’anjiang River Ecological Protection and Green Development Project.

As of September 2017, two consulting firms and four individual consultants have been recruited and mobilized to provide consulting services for two subprojects. Firms (or a consortium of firms) and/or individual consultants will be recruited based on the requirements of each TA subproject. Consulting firms will be engaged following either the quality- and cost-based selection method, with a quality-cost ratio of 90:10 using full, simplified, or bio-data technical proposal procedures; or consultant’s qualification selection, as appropriate. Individual consultants will be selected using the individual consultant’s selection method and will be engaged to provide specialized technical and administrative inputs to fulfill ADB due diligence requirements and enhance project readiness. Recruitment of all consultants under the TA will be carried out in accordance with ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time).

**TA 9311-PRC**

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<th>Financing Plan/TA Utilization</th>
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