China, People's Republic of: Yangtze River Green Ecological Corridor Comprehensive Agriculture Development Project

Project Name: Yangtze River Green Ecological Corridor Comprehensive Agriculture Development Project

Project Number: 51116-002

Country: China, People's Republic of

Project Status: Approved

Project Type / Modality of Assistance: Loan

Source of Funding / Amount: Loan 3740-PRC: Yangtze River Green Ecological Corridor Comprehensive Agriculture Development

Ordinary capital resources

US$ 300.00 million

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change:
- Governance and capacity development
- Knowledge solutions

Sector / Subsector:
- Agriculture, natural resources and rural development
- Agricultural policy, institutional and capacity development
- Agricultural production
- Land-based natural resources management
- Water-based natural resources management

Gender Equity and Mainstreaming: Effective gender mainstreaming

Description:
The proposed project will strengthen rural livelihoods, especially the rural poor who rely most on natural resources as the basis for their primary source of income, to modernize their agriculture production systems and minimize environmental degradation and nonpoint source (NPS) pollution. The proposed project will be implemented in five provinces and one municipality in the upper and middle reaches of the Yangtze River Basin, notably Yunnan, Sichuan, Guizhou, Chongqing, Hunan, and Hubei. The project area consists of 48 counties, which are characterized by the prevalence of low and medium agriculture productivity; high risk and occurrence of soil erosion; high levels of agriculture NPS pollution; lack of irrigation systems; limited farm access roads; and are in need for modernization and were selected for inclusion in the project based on geographical, financial, environmental and social criteria. The project will have three outputs: (i) Modern farming systems applied; (ii) agriculture nonpoint source pollution reduced; and (iii) institutional capacity and coordination strengthened. These outputs will result in the following outcome: sustainable and modern agriculture production systems established in the participating project provinces. The project will be aligned with the following impact: improved environmental protection, rehabilitation, and management of the Yangtze River.

Impact:
Environmental rehabilitation, protection, and management of the Yangtze River improved

Project Rationale and Linkage to Country/Regional Strategy:
The Yangtze River Economic Belt (YREB) has been earmarked as one of the three key growth engines to ensure the future economic development of the People's Republic of China (PRC). The Yangtze River is the third longest river in the world flowing through the eastern, central, and western part of the PRC covering more than 2 million square kilometers and accounting for one-fifth of the country geographically. Nine provinces and two specially-administered cities make up the YREB. Within the PRC, the YREB accounts for over 40% of the entire population and 40% of the freshwater resource; serves as the drinking water resources for 400 million people; provides 60% of total fisheries production; and has 20% of the total wetland area and already contributes about 45% of the country's economic output.

The YREB has experienced extensive development over the last 30 years, yet the current economic growth in the middle and upper reaches of the Yangtze River Basin is still considered below its potential capacity. Three key drivers that are considered crucial to promote further economic growth include: (i) strengthening of sustainable agriculture practices and ecological protection; (ii) transformation and greening of the key production sectors; and (iii) expanded development of inland waterways. These drivers are still constrained due to: (i) limited overall institutional coordination for strategic planning for the YREB; (ii) significant regional disparity between the highly developed eastern reaches of the YREB and the subregions of the central and western reaches; and (iii) increasing environmental pollution and pressure on natural resources.

Agricultural production systems, considered as a key for ensuring economic growth and providing livelihood income for a large part of the rural population in the YREB, are still not sustainable. Improper use of land and water resources, land conversion, inadequate agricultural extension services, excessive fertilizer and pesticide use, rapid expansion of intensive livestock production, and improper waste management and disposal practices all result in increasing concerns about nonpoint source (NPS) pollution. Impacts include excessive levels of nitrogen, phosphorus, and pesticide entering into water bodies and soils through agricultural chemical runoff, soil erosion, floods, landslides, reduced water quality, reduced land productivity, desertification, and loss of biodiversity. Agriculture accounts for 92% of the nitrogen discharged into the Yangtze River and large levels of sedimentation. Agricultural NPS pollution has a negative impact on farm productivity, human health, quality of natural resources, and sustainable economic development of the YREB.

The national and local governments are proactively trying to address pollution concerns and establish modern farming production systems. Most of the focus has been on reducing pollution identified from single localized sources (point source pollution) such as manufacturing and industry; however, new emphasis has been placed on developing measures to reduce all sources of pollution including agricultural NPS pollution. With heightened understanding about the impact of environmental degradation and emphasis on the ‘new normal’ to promote economic development with environmental protection and rehabilitation, the State Council in April 2014 issued guidelines to stimulate economic development of the Yangtze River Basin in parallel with promoting sustainable natural resource use and protection and applying stricter control over pollution along the river. The National Development and Reform Commission subsequently prepared the YREB Development Plan 2016-2030, to promote environmental protection, rehabilitation, and management of water resources and strengthen green development. Modernizing the agriculture sector and reducing agriculture-related NPS pollution are key features of these key development strategies.

Description of Outcome:
Sustainable and modern agriculture production systems in participating project provinces established

Impact:
Environmental rehabilitation, protection, and management of the Yangtze River improved

Progress Toward Outcome:

Implementation Progress

Ordinary capital resources

US$ 300.00 million
Description of Project Outputs
Modern farming systems applied
Agriculture nonpoint source pollution reduced
Institutional capacity and coordination strengthened

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

Geographical Location
Chongqing, Guizhou, Hubei, Hunan, Sichuan, Yunnan

Safeguard Categories

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<th>Environment</th>
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<tr>
<td>Involuntary Resettlement</td>
<td>C</td>
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<tr>
<td>Indigenous Peoples</td>
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Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer
Robertson, Suzanne Kay

Responsible ADB Department
East Asia Department

Responsible ADB Division
Environment, Natural Resources & Agriculture Division, EARD

Executing Agencies
Farmland Construction and Management Department, Ministry of Agriculture and Rural Affairs
No.11 Nongzhanguan Nanli, Chaoyang District, Beijing, PRC

Timetable

Concept Clearance 31 May 2017
Fact Finding 13 Nov 2017 to 17 Nov 2017
MRM 26 Jan 2018
Approval 16 Nov 2018
Last Review Mission -
Last PDS Update 27 Mar 2019

Loan 3740-PRC

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Financing Plan

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