China, People's Republic of: Shanxi Urban-Rural Water Source Protection and Environmental Demonstration

Project Name	Shanxi Urban-Rural Water Source Protection and Environmental Demonstration					
Project Number	48274-001					
Country	China, People's Republic of					
Project Status	Active					
Project Type / Modality of Assistance	Technical Assistance					
Source of Funding / Amount	TA 8856-PRC: Shanxi Urban-Rural Water Source Protection and Environmental Demonstration					
	Technical Assistance Special Fund US\$ 850,000.00					
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth					
Drivers of Change	Governance and capacity development Private sector development					
Sector / Subsector	Agriculture, natural resources and rural development - Forestry - Rural flood protection - Rural water supply services					
Gender Equity and Mainstreaming	Effective gender mainstreaming					
Description	The impact of the project will be an improved quality of life and environmental sustainability in Zuoquan County. The outcome of the project will be improved environmental and ecosystem management in Zuquan County. The project will have four outputs: Output 1: Water source protection of the Qingzhang headwaters. This output will include: (i) revegetation around the Shixia reservoir and planting a forest belt of 1.23 km2 along two headwaters, (ii) dredging of the reservoir to restore its designed capacity to remove about 600,000 m3 of sediment, (iii) improving spillway tunnel and spillway gates of the reservoir; (iv) rerouting Shiyang road (about 5.8 km) from the reservoir vicinity to prevent spill accidents endangering water source, (v) construction of 6 hydrological monitoring stations around the Shixia reservoir and one water supply configuration station; (v) improvement of reservoir operating procedures for efficient use of water resources; and (vii) training and capacity building program for alternative livelihood of affected households, including tree and vegetation care and maintenance. Output 2: Qingzhang River rehabilitation to stabilize river banks and reduce flood risk. This output will include: (i) ecological rehabilitation and construction of 37.7 km of embankment at selected sections along the Qingzhang riverbank with walkways, maintenance roads, and necessary connection bridges; (ii) dredging selected sections of the river and tributaries which are heavily silted to increase the capacity of flood protection to protect against 1/20 year flooding; (iii) designing and implementing non-structural flood risk management measures, including appropriate land use planning, early flood-warning systems and measures to improve climate resilience; and (iv) training and capacity building program for alternative livelihood of affected households, including tree and water for drinking, agricultural and other uses to about 55,000 rural population; (iii) mastewater collection trunk lines (about 14.6 km) along the Q					

Project Rationale and Linkage to Country/Regional Strategy Water pollution, soil erosion and recurrent flooding combine to undermine living standards and sustainable economic development in Zuoquan County of Shanxi Province, and pose a threat to water security of downstream users in Hai River Basin. Non-point pollution in the mid-section of the Qingzhang River has caused degradation of water quality to class IV, unsafe for human consumption. Moreover, the water supply system in Zuoquan County is inadequate, serving about 47% of the county population and leaving the rest, mostly rural, without access to tap water. Another challenge facing Zuoquan County is soil erosion, with over 50% of its land eroded to some degree. Sediment from soil erosion has caused siltation of rivers, streams, and reservoirs, which damages water quality and reduces the carrying capacity of the Qingzhang River. This combined with the lack of flood risk management infrastructure has led to frequent flooding and significant loss of lives and properties along the Qingzhang River. These issues are all inter-connected, requiring an integrated approach. The Shanxi Urban-Rural Water Source Protection and Environmental Demonstration Project will adopt an integrated ecosystem management approach to protecting source water, reducing water pollution and soil erosion, and managing flood risk. The approach will include management of the vegetation cover, the soils and land resources, and the waterways. Competing demands of economic growth and environmental protection are at the heart of the problem. The project will demonstrate a payment for ecosystem services (PES) scheme under the national eco-compensation framework to help ensure compatibility of farmers' livelihoods with policy goals for protecting water resources and ecosystems. Given its size and institutional setup, Zuoquan County provides a unique opportunity for demonstrating an integrated approach and applying economic incentives. Most of the Qingzhang River watershed is located in Zuoquan County, which facilitates inter-sector and inter-agency coordination and collaboration. Guided by the Central Committee Resolution Concerning Some Major Issues in Comprehensively Deepening Reform (the Resolution), the Zuoquan county government is committed to the construction of ecological civilization through prioritizing and integrating environmental and ecological protection goals in the county's overall development strategy. During 2012 2016, the county government plans to invest CNY 597 million on greening 23,000 hectares of degraded hills and slopes. To date, 11,000 hectares of greening have been completed. The government has also invested about CNY 400 million on rehabilitation of rivers.

Impact

Project Outcome

Description of Outcome	
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services	An international consulting firm will be engaged following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). A total of 11.0 pm of international and 38.5 pm of national consulting services will be required. The consulting firm will be selected by (i) inviting simplified technical proposals and (ii) using the quality- and cost-based selection method, with a quality_cost ratio of 90:10. The TA team will address the following aspects related to the project: i) assess the technical feasibility of the project; (ii) conduct due diligence on the economic and financial feasibility of the project; (iii) review the safeguard requirements; (iv) conduct social surveys and consultations; (v) develop the capacity of the Zuoquan County government for project management; and (vi) prepare project documents, including the ADB's draft report and recommendation of the President to the Board of Directors (RRP) and its key linked documents (e.g. sector assessment, economic and financial analyses, project administration manual, safeguard documents, etc.).
Procurement	Procurement of equipment will be conducted by the consulting firm to be engaged in line with ADB's Procurement Guidelines (2013 as amended from time to time) and such equipment will be turned over to the executing agency upon completion of TA activities.

Responsible Staff

Responsible ADB Officer	Zhou, Yaozhou
Responsible ADB Department	East Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, EARD
Executing Agencies	Zuoquan County Government Zuoquan COunty, Shanxi Province People's Republic of China

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	19 Dec 2014
Last Review Mission	-
Last PDS Update	29 Mar 2017

TA 8856-PRC

Milestones						
Approval	Signing Date	Effectivity Date	Closing			
			Original	Revised	Actual	
19 Dec 2014	12 Jan 2015	12 Jan 2015	31 Mar 2016	31 Mar 2017	-	

Financing Plan/TA Utilization							Cumulative Disbu	irsements	
ADB	Cofinancing	Count	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor		Others			
850,000.00	0.00	0.00	0.00		0.00	0.00	850,000.00	19 Dec 2014	714,105.62

Project Page	https://www.adb.org/projects/48274-001/main		
Request for Information	http://www.adb.org/forms/request-information-form?subject=48274-001		
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