



China, People's Republic of: Western Counties Water and Wastewater Management Project

Project Name	Western Counties Water and Wastewater Management Project		
Project Number	49066-001		
Borrower/Company	Beijing Capital Co., Ltd. BEIJING CAPITAL CO. LTD.		
Country	China, People's Republic of		
Location			
Approval Number			
Type or Modality of Assistance	Loan	US\$ 150.00 million	Proposed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Partnerships Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development - Rural sanitation Water and other urban infrastructure and services - Urban sewerage - Urban water supply		
Gender Equity and Mainstreaming	No gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Infrastructure Finance Division 2		
Responsible ADB Officer	Kimura, Hisaka		
Project Sponsor(s)			
Description	The proposed project will support build and operate water, wastewater and solid waste associated facilities to optimize the cities environmental infrastructure in the PRC. There is significant synergy in water, wastewater, and waste management nexus. The treatment volume of tap water influences the design capacity of wastewater treatment plants. The proposed project is expected to improve efficiency in design, construction, and resource management throughout the value chain.		
Objectives and Scope	The project is designed to optimize water and wastewater infrastructure portfolio in the western counties and townships in the PRC. The project involves the construction or acquisition, upgrade and/or expansion of water and wastewater infrastructure and associated facilities during 2016 2018, and operation and maintenance thereafter on a concession basis. Unit costs of delivering small-scale environmental infrastructure are significantly higher than large-scale urban infrastructure. The project aims to minimize overall costs by adopting (i) a comprehensive multisector approach, and (ii) cost-competitive technologies.		
Linkage to Country/Regional Strategy	The project is consistent with ADB's Midterm Review of Strategy 2020, which identifies infrastructure and environment as two of four strategic priorities. On infrastructure, the project is in line with the strategy's focus on water supply and sanitation, as well as with its emphasis on PPP. On the environment, the project mitigates water pollution and health threats, and promotes environmentally sustainable growth. By supporting inclusive growth and environmental sustainability, the project addresses two of the three development goals of ADB's country partnership strategy for the PRC and aligns with its sector focus on environment protection, water management, and pollution control. It strongly complements ADB's ongoing initiatives in wastewater treatment and water pollution control in urban areas, past policy advisory support for tariff reform, and ADB's recent advisory work on the sanitation needs of smaller cities and towns.		

Safeguard Categories

Environment

B

Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	<p>The project is classified as category B for environment. The potential environmental and social impacts of the project have been identified and effective measures to avoid, minimize, mitigate, and compensate for the adverse impacts are incorporated in the safeguard reports and plans. The updated ESMS will ensure the Borrower's capacity to conduct future subprojects in line with ADBs Safeguard Policy Statement and include detailed subproject selection procedure and criteria.</p> <p>The potential environmental impacts will be reversible and are not unprecedented. The impacts associated with the construction of sewage and water supply network are mainly noise and vibration during excavation works. Traffic congestions and nuisance to communities from road works are manageable as the subprojects are located in small towns. Potential impacts during operation for wastewater treatment include effluent quality, sludge management, noise, odor, and possible generation of toxic gases. Potential impacts during operation for water supply facility include over extraction of water resources, delivery of unsafe water caused by raw water pollution, and adverse impacts associated with the use of chlorine and other chemicals. Subprojects with impacts associated with raw water supply and sludge management will be avoided in the subproject selection process. Other impacts can be mitigated through the adoption of good engineering practices.</p> <p>Subprojects will be screened and categorized according to ADBs Safeguard Policy Statement. The updated ESMS will include detailed screening procedures and criteria. ADB will not finance any category A subprojects. Initial environmental examinations including environment management plans will be prepared for ADB-funded category B subprojects. The ESMS will cover other activities such as the manufacturing and installation of decentralized wastewater treatment modules for communities.</p>
Involuntary Resettlement	<p>The project is classified as category B for involuntary resettlement. The audit finds that land acquisition is expected to be in the vicinity of urban and nonresidential areas, which will avoid any physical displacement in the buffer zone around water and wastewater treatment plants. Land acquisition, compensation, resettlement, and rehabilitation are not expected to be significant and, if needed, are normally carried out by local government agencies. The updated ESMS will include resettlement principles and procedures to ensure that ADB-funded subprojects are rigorously examined with regard to land acquisition and resettlement impacts. Should subprojects have involuntary resettlement impacts entailing physical and economic displacement, resettlement plans will be prepared and implemented by local governments prior to any construction activities in accordance with PRC laws and regulations and ADB's Safeguard Policy Statement.</p>
Indigenous Peoples	<p>The project is classified as category C for indigenous peoples. The corporate audit finds that the project is not expected to have any impacts on ethnic minorities. The ESMS will include social safeguard screening procedures to ensure there are no adverse impacts on ethnic minorities.</p>
Stakeholder Communication, Participation, and Consultation	

Timetable for assistance design, processing and implementation

Concept Clearance	02 Mar 2015
Due Diligence	26 Mar 2015
Credit Committee Meeting	17 Aug 2015
Approval	08 Oct 2015
Last PDS Update	23 Sep 2015

Project Page	https://www.adb.org/projects/49066-001/main
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