



China, People's Republic of: Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement

Project Name	Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement				
Project Number	53049-001				
Country	China, People's Republic of				
Project Status	Proposed				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"><tr><td>Loan: Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement</td><td></td></tr><tr><td>Ordinary capital resources</td><td>US\$ 200.00 million</td></tr></table>	Loan: Jiangxi Ganzhou Rural Vitalization and Comprehensive Environment Improvement		Ordinary capital resources	US\$ 200.00 million
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Ordinary capital resources	US\$ 200.00 million				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration				
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 - Rural flood protection - Rural sanitation - Rural solid waste management - Water-based natural resources management				
Gender Equity and Mainstreaming	Some gender elements				
Description	<p>The Yangtze River Economic Belt (YREB) is one of the three key economic growth engines in the People's Republic of China (PRC). Its nine provinces and two specially administered municipalities account for over 40% of the population, 40% of freshwater resources, and about 45% of the country's economic output. While the YREB has benefited from extensive development since the 1980s, economic growth in the middle and upper reaches of the Yangtze River Basin lags that of the coastal areas. These parts of the YREB still face significant challenges as a result of (i) weak institutional coordination for strategic planning; (ii) increasing pollution and pressure on natural resources; (iii) slow transformation into green development; and (iv) limited integration of waterways, ports, and intermodal logistics. To manage these challenges, the Government of the PRC formulated the YREB development plan 2016 2030. The Asian Development Bank (ADB) and the government have agreed to adopt a framework approach. Priority is given to: (i) institutional strengthening and policy reform; (ii) ecosystem restoration, environmental protection, and management of water resources; (iii) inclusive green industrial transformation; and (iv) construction of an integrated multimodal transport corridor.</p>				

Project Rationale and Linkage to Country/Regional Strategy

Rural livelihoods in YREB have lagged industrial production and urban livelihoods. As a result, income inequality and poverty are still persistent in rural areas of lesser-developed middle and upper reaches of the Yangtze River Basin. Majority of rural wastewater and wastes directly discharge to the water system without treatment and disposal. As the rural economy expands, more regulatory, administrative and environmental management challenges will require stronger institutional capacity. Against this background, the Government of the PRC formulated the rural vitalization strategy to promote poverty reduction, rural development, and green and inclusive growth. The rural vitalization strategy focuses on governance reform, wastewater and waste management, rural-urban integration, ecosystem protection, and other rural development. The strategy prioritizes managing climate change and the environment to support the government's priorities in realizing an ecological civilization and rural vitalization.

Ganzhou Municipality (Ganzhou) lies in the middle reaches of the Yangtze River and the project is part of the YREB. Ganzhou has been selected as it is deemed poor, relatively rural, has weak institutional capacity on environmental management, and is strategically located in the vicinity of the Gan river. Ganzhou is a large agricultural prefecture-level municipality in Jiangxi Province, which is a national ecological pilot zone. It has an estimated population of 9.7 million in 2017 and land area of 39,380 square kilometers. There has been increased environmental and ecological degradation in the rural areas of Gan River. The water quality of Gan River in Ganzhou is classified as Class III. During the past decade, Ganzhou has suffered from heavy rains and floods. There is a pressing need to provide improved livability, health, and livelihood outcomes for the local communities and address losses from flood and soil erosion impacting an estimated 2 million rural residents in Ganzhou.

Weak institutional capacity for ecological and environmental management. Regulatory, institutional and technical capacities for environmental management and flood protection, both at the municipal and district and county levels, are insufficient. Specifically, the existing environmental and ecological monitoring and enforcement systems, environmental information management system, river water quality monitoring systems, and flood control and early warning systems are outdated and/or impaired and require urgent upgrading. There are only a few automatic water quality monitoring stations in the Gan River, and testing equipment is insufficient. There is no effective collaboration mechanism on water resource and pollution management systems for information dissemination in the Gan River among the districts and counties. There is also no advocacy and public participation platform for environmental and health issues.

Lack of a viable green development mechanism. Ganzhou is considered a poor municipality. There is no sustainable financing mechanism for investments in water pollution control and improved livelihoods in rural areas. Eco-compensation mechanisms are lacking at present to limit point and non-point pollution for green development. Private sector investment is not leveraged to accelerate green development, through village-based eco-friendly business development (e.g., eco-tourism), and integrated urban-rural economic development. Sustainable green financing has not yet been established.

Inadequate rural environmental infrastructure. The rural environmental infrastructure and management in Ganzhou's towns and villages are inadequate. Point source pollution (urban and rural sewage) contribute significantly to the decline of water quality in the Gan River. While progress has been made on urban wastewater treatment, rural sanitation coverage is still very limited with 80% of rural sewage remaining untreated and discharged directly to rivers. Public toilet coverage and access in towns and rural areas are inadequate. Dumping of solid waste into water bodies is widespread. These have brought increasing pressure on waterways and the local environment. Existing sewage treatment facilities and solid waste management systems are also unable to meet the water quality and environmental requirements of the growing tourism services. Operation and maintenance (O&M) of the facilities is a concern due to lack of local government funding and community engagement.

Degraded ecosystem. Flood infrastructure and management systems are inadequate in the Gan River, with gaps in the upgrading of flood control standards in rural townships and villages, resulting in the local government's inability to respond effectively to floods. River protection infrastructure is weak due to the lack of embankments and non-structural protection methods. The riverine ecosystem's resilience is also impacted by weak forest management, undermining the forests' capacity to control and attenuate erosion. Some wetland areas were found to have no productive use. The Ganzhou Municipal Government (GMG) is carrying out tests to determine the most effective types of vegetation and reforestation for water conservation and prevention of soil erosion.

The GMG is committed to create improved rural living environment and address the ecological and environmental issues resulting from economic development and population growth pressures in Ganzhou. It intends to apply a water resource management, consistent with international best practice. In 2017, GMG established the Ganzhou Ecological Protection Center to strengthen its capacity. Following the National Strategic Plan for Rural Vitalization, 2018-2022, the Jiangxi Provincial Government issued local implementation guidelines.

Impact	
Outcome	
Outputs	
Geographical Location	
Safeguard Categories	
Environment	B
Involuntary Resettlement	A
Indigenous Peoples	B
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	Consultant recruitment will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).
Procurement	Procurement to be financed under this project will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).
Responsible ADB Officer	Mingyuan Fan
Responsible ADB Department	East Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, EARD
Executing Agencies	Ganzhou Municipal Government 8 Changzheng Blvd., Ganzhou, Jiangxi Province, PRC
Timetable	
Concept Clearance	26 Jul 2019
Fact Finding	28 Apr 2020 to 01 May 2020

MRM	31 Aug 2020
Approval	-
Last Review Mission	-
Last PDS Update	19 Sep 2019

Project Page	https://www.adb.org/projects/53049-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53049-001
Date Generated	24 September 2019

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