



China, People's Republic of: Hunan Miluo River Disaster Risk Management and Comprehensive Environment Improvement

Project Name	Hunan Miluo River Disaster Risk Management and Comprehensive Environment Improvement
Project Number	53052-001
Country	China, People's Republic of
Project Status	Proposed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan: Hunan Miluo River Disaster Risk Management and Comprehensive Environment Improvement
	Ordinary capital resources US\$ 150.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Knowledge solutions Partnerships
Sector / Subsector	Agriculture, natural resources and rural development - Land-based natural resources management - Rural sanitation - Rural solid waste management - Rural water supply services - Water-based natural resources management
Gender Equity and Mainstreaming	Some gender elements
Description	<p>The project aims to demonstrate rural vitalization and environmental improvement in Pingjiang County, and contribute to the People Republic of China's (PRC) development goals of inclusive and sustainable growth consistent with (i) the PRC's Thirteenth Five-Year Plan, 2016- 2020, which aims to eradicate extreme poverty and balance development of rural and urban areas; (ii) the Yangtze River Economic Belt (YREB) development plan, 2016-2030 and the rural vitalization strategy, which promotes poverty reduction, rural development, and green and inclusive growth; and (iii) the Asian Development Bank's (ADB) Strategy 2030, and country partnership strategy for the PRC, 2016 2020; and 2021 2025, which both support the development of global and regional public goods and more inclusive development by managing climate change and the environment; building climate and disaster resilience, reducing poverty and inequalities; promoting rural development, improving institutional coordination and governance reform, and knowledge sharing with other developing member countries. This project is also a demonstration of support for the PRC's intended nationally determined contributions, e.g., increasing carbon sinks via wetland restoration, enhancing overall climate resilience. The project will be aligned with the following impact: rural vitalization in the YREB realized. The outputs listed below will result in the following outcome: rural living environment in Pingjiang County improved.</p> <p>Output 1: Water-related disaster risk management in Pingjiang County improved. This output includes measures to mitigate impacts of severe flooding and occurrence of landslides and natural hazards in Pingjiang County, including (i) construction of flood embankments and nature-based measures such as ecological wetlands and conservation parks and improvement of degraded areas to maintain bank stability, protect biodiversity, and regulate flooding events; and (ii) establishment of conservation forests and riparian vegetation zones to control water and soil loss and nonpoint source pollution in the Miluo River. These activities will generate employment opportunities for residents, including women.</p> <p>Output 2: Rural waste and sanitation management in Pingjiang County improved. This output will address environmental degradation through improvements in environmental infrastructure. The output includes improvement of access to and upgrade of solid waste management services and wastewater treatment facilities across 214 township schools, 33 township hospitals, and rural residents through improved county-wide inclusive sanitation which considers the most appropriate and innovative technology and service delivery method, including public private partnerships.</p> <p>Output 3: Integrated water resources management planning and decision support capacity enhanced. This output will strengthen the PCG's institutional coordination capacity for environmental and disaster risk management. The output will enhance integrated water resources management planning and decision support capacity across local government agencies through the development of a decision support system. Environmental management information systems will be incorporated in the decision support system to improve institutional coordination for integrated water resources and disaster risk management, asset management, and monitoring and evaluation mechanisms for forests and wetland conservation areas, river water quality and environmental flows (including water supply to downstream areas), and flood early warning.</p> <p>Output 4: Green procurement and ecological farming practices piloted. This output involves piloting of (i) green procurement programs in schools, hospitals, and tourism operators to support the development of green supply chains that will reduce environmentally damaging wastes, such as plastic wastes; and encourage recycling and reuse initiatives; (ii) community-based solid waste management training and awareness-raising programs in schools, hospitals, and tourism operators to support green consumption and circular economy principles; and (iii) demonstration farms to be established to showcase sustainable ecological farming best practices, such as adoption of organic fertilizers, integrated pest management, and improved farm waste management, to reduce nonpoint source pollution. Pathways for organic certification of local agribusinesses to support green industries will also be explored in conjunction with identification of downstream markets. Some jobs for residents, including women, will be created during the construction of relevant facilities.</p> <p>Innovative features will be included in the project design, covering (i) county-wide inclusive sanitation and solid waste collection facilities using best practices with consideration of public private partnership delivery, if appropriate; (ii) nature-based measures such as wetland parks and conservation forests to improve water quality and manage flood risks; and (iii) county-wide integrated water resources and disaster risk management. The experiences and knowledge gained through this project will be deployed in other poor rural areas in the PRC.</p> <p>The project design will incorporate lessons from international best practices and build on previous ADB-financed projects supporting rural vitalization, such as importance of (i) climate-smart agricultural and ecological farming practices; (ii) decentralized sanitation systems for rural villages; (iii) nature-based solutions to address flooding and other risks from natural hazards; (iv) development, participation, and empowerment of rural communities and rural enterprises; (v) effective institutional coordination and governance arrangements, including the river chief system; (vi) sustainable operation and maintenance; and (vii) monitoring and evaluation systems.</p>

Project Rationale and Linkage to Country/Regional Strategy	<p>As one of the three key economic growth engines in the PRC, the YREB and its nine provinces and two specially administered municipalities account for more than 40% of the population and freshwater resources, and 45% of the PRC'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 significantly lags in the coastal areas and face particular challenges from (i) weak institutional coordination; (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. ADB and the government have agreed to adopt a framework approach to support the plan, with a focus on (i) institutional strengthening and policy reform; (ii) ecosystem restoration and environmental protection; (iii) green industrial transformation; and (iv) construction of an integrated multimodal transport corridor. In many lesser-developed areas of the YREB, including Pingjiang County, the rural living environment continues to pose an obstacle to development due to high income inequality and incidence of poverty, with the majority of rural wastewater and solid wastes directly discharged to waterways. These development challenges will be exacerbated by climate change. Against this backdrop, the government formulated a rural vitalization strategy to promote poverty reduction, rural development, and green and inclusive growth. This strategy logically builds on the existing YREB development plan, 2016-2030; and is supportive of the PRC's intended nationally determined contributions under the Paris Climate Agreement, which was signed in 2015.</p> <p>Pingjiang County is in the northeastern region of Hunan Province; and about 115 kilometers (km) northeast of Changsha City, the provincial capital. It covers 24 townships, a provincial industrial park, and a national-level scenic area, with a total land area of 4,125 square kilometers. The total population of Pingjiang County was 1,120,000 in 2018, with urban and rural residents comprising 45% and 55%, respectively. Pingjiang County also attracts more than 15 million domestic visitors each year, which has significant potential impact on the local living environment. In 2018, the gross domestic product of Pingjiang County was CNY28.7 billion. The per capita disposable income of urban residents was CNY23,602, and of rural residents was CNY9,580. Although Pingjiang County was no longer declared as a national poverty county from March 2019, around 9,345 people are still classified as very poor and living below the poverty line. Around 6,372 urban and 22,526 rural residents are among the low-income families who continue to receive basic living allowances from the government. Women comprise an increasing proportion of residents in rural areas due to out-migration of men, and there are limited job opportunities for women.</p> <p>The Miluo River Basin covers 5,543 square kilometers, with its headwaters originating from two tributaries: one flows east from Xiushui County, Jiangxi Province; while the other flows west from Longzhang Mountain, northeast of Pingjiang County. The two tributaries converge in the western part of Pingjiang County to form the Miluo River with a total length of 253 km, of which 193 km flows through Pingjiang County from east to west after which it drains into the eastern bank of Dongting Lake, a flood basin for the middle reaches of the Yangtze River. As its confluence with Dongting Lake, the Miluo River forms an important wetland protection area; and the river also serves as the main source of drinking water for Pingjiang County as well as supplementary water supply for major downstream urban centers.</p> <p>Inadequate rural sanitation and waste management. The ecological environment of the Miluo River in Pingjiang County faces many challenges. About half of all rural villages do not have any household sewage or wastewater treatment facilities. Farming practices are also unsustainable with inadequate farm waste management systems. This, coupled with inadequate solid waste management incorporating appropriate recycling and re-use processes, significantly impacts the rural living environment, increases public health risks, and contributes to the declining water quality in the Miluo River.</p> <p>Weak disaster risk management capacity. Pingjiang County is critically impacted by seasonal flooding and landslides, exacerbated by climate change, degraded hilly landscapes, and inadequate institutional coordination and disaster risk management capacity. Between 2013 -2018, 86 townships in Pingjiang County were impacted by flooding, causing damage to 344 km of riverbanks and around 542,250 mu of cropping area; and resulting in an estimated CNY1,986 million in direct economic loss.</p> <p>Weak institutional coordination for integrated water resources and disaster risk management. Institutional coordination and strategic planning capacity by local government agencies responsible for integrated water resources and disaster risk management are fragmented. This is exacerbated by the challenges outlined above.</p> <p>The Pingjiang County Government (PCG) formulated its Thirteenth Five-Year Plan, 2016- 2020 consistent with the priority areas under the national and provincial Thirteenth Five-Year Plans, 2016- 2020. The implementation of these development plans is also consistent with the guidelines on the Yangtze River Basin Economic Development Plan issued by the PRC's State Council in 2014; and the YREB Development Plan, 2016 -2030. The proposed project is also aligned with key sector priority areas under ADB's country partnership strategy for the PRC (2016- 2020); and (2021- 2025).</p> <p>The PCG has prepared several long-term plans for pollution control and environmental management to address flooding and protect the water quality in the Miluo River, including planning for infrastructure and nature-based solutions such as wetland restoration and river rehabilitation measures. However, Pingjiang County still faces critical environmental challenges, including (i) inadequate wastewater treatment facilities; (ii) risks from flooding and landslides; and (iii) deteriorating river water quality from unsustainable agricultural and farming practices, coupled with urbanization and development in the watershed.</p> <p>ADB has been supporting projects on pollution control, water resources management, environmental improvement, and wastewater treatment in the PRC and other developing member countries. Lessons learned from those projects, including deploying innovative solutions and best practices for pollution control and environmental management, will be reflected in the project design and demonstrate ADB's value addition.</p>		
Impact	Rural vitalization in the Yangtze River Economic Belt realized		
Outcome	Rural living environment in Pingjiang County improved		
Outputs	Water-related disaster risk management in Pingjiang County improved Rural waste and sanitation management in Pingjiang County improved Integrated water resources management planning and decision support capacity enhanced Green procurement and ecological farming practices piloted		
Geographical Location	Nation-wide, Pingjiang		
Safeguard Categories			
Environment			B
Involuntary Resettlement			A
Indigenous Peoples			C
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	Au Shion Yee		
Responsible ADB Department	East Asia Department		
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, EARD		
Executing Agencies	Pingjiang County Government Room 412, Finance Bureau, East Xingwang Road, Pingjiang County, Hunan Province		
Timetable			

Concept Clearance	23 Oct 2019
Fact Finding	25 May 2020 to 29 May 2020
MRM	30 Sep 2020
Approval	-
Last Review Mission	-
Last PDS Update	30 Oct 2019

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