



China, People's Republic of: Gansu Environmentally Sustainable Rural Vitalization and Development Project

Project Name	Gansu Environmentally Sustainable Rural Vitalization and Development Project		
Project Number	53077-001		
Country / Economy	China, People's Republic of		
Project Status	Approved		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount	Loan 4227-PRC: Gansu Environmentally Sustainable Rural Vitalization and Development		
	Ordinary capital resources		US\$ 150.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions		
Sector / Subsector	Agriculture, natural resources and rural development / Agricultural policy, institutional and capacity development - Agricultural production - Forestry - Land-based natural resources management - Rural market infrastructure		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Description	The project aims to demonstrate innovative, low-carbon, and environmentally sustainable rural development models in Gansu Province by supporting the use of renewable energy, sustainable agriculture practices, and high-level technology. The project will explore a carbon credit scheme and new practices to sustain and propagate the low-carbon interventions, strengthen governments' institutional capacity for green governance and private sector engagement, and diversify employment opportunities beyond agriculture.		
Project Rationale and Linkage to Country/Regional Strategy	<p>Gansu Province is located in the northwest People's Republic of China (PRC). The project area is part of the Yellow River Ecological Corridor (YREC), which comprises the PRC's second largest river basin. 70% of the population lives in underdeveloped rural areas with rural incomes around one-third of those for urban households. The urban-rural gap has resulted from several factors, such as the semi-arid climate and mountainous terrain, increasing climate change impact, and little engagement with private sector. Constrained future economic growth is causing out-migration of young people.</p> <p>The Government of the PRC (the government) designated rural vitalization as a national priority in the National Strategic Plan for Rural Revitalization (2018-2022). ADB supports it under the Memorandum of Understanding agreed with the government in 2018. The government has also committed to carbon dioxide (CO2) emissions peaking before 2030 under the Paris Agreement, and recently announced targeting carbon neutrality by 2060. The expected key government priorities under the 14th Five-Year Plan include reducing carbon intensity and formulating an action plan for carbon emissions to peak before 2030. The project will contribute to achieving these two key government priorities of rural vitalization and carbon peaking/neutrality.</p> <p>The YREC program prioritizes ecological protection and promote high-quality green development over the Yellow River basin. The proposed project is part of the YREC program and supports the approach through (i) institutional strengthening to enhance green governance, (ii) demonstration of innovative approaches and technologies to achieve low-carbon rural vitalization in semi-arid environments, and (iii) development and sharing of knowledge.</p> <p>About 44,000 farmers and other rural residents, including about 16,000 women, in the project demonstration areas are expected to benefit directly from the project. There will be a much larger number of indirect beneficiaries as the sustainable rural vitalization initiatives are replicated in other areas of the province. Development results include environmental restoration such as reforestation integrated into economic activities, and sustainable agricultural practice leading to improved living conditions of rural households, including women, through the creation of new employment opportunities, strengthened resilience to climate and disaster risks, reduced water and soil pollution, and increased capacity of rural residents to engage with the private sector and use emerging business models and high-level technology. ADB's involvement will add value to the project in a number of ways. It will maximize the role of green and low-carbon development in the rural vitalization program in Gansu province, and will ensure that a prominent role is given to institutional strengthening, which will contribute to sustainability.</p> <p>The project incorporates innovative aspects such as the use of carbon credits for rural development to support sustainable agriculture and fostering entrepreneurship and building the capacity of farmers to transition to green market-oriented business practices.</p>		
Impact	Low-carbon transition, carbon sequestration, and sustainable rural development in rural areas promoted, and rural ecosystems protected and restored		
Project Outcome			
Description of Outcome	Climate-resilient and sustainable rural economic diversification and mitigation of climate change demonstrated in Gansu Province		
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs	Institutional capacity for green governance and private sector engagement enhanced Sustainable and climate-resilient agricultural development measures and practices enhanced Sustainable low-carbon rural development measures and facilities installed Environmentally degraded areas protected and restored		
Status of Implementation Progress (Outputs, Activities, and Issues)			

Geographical Location	Gansu
Safeguard Categories	
Environment	B
Involuntary Resettlement	B
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	Sakai, Atsumasa
Responsible ADB Department	East Asia Department
Responsible ADB Division	EASI
Executing Agencies	<u>Gansu Provincial Government</u>
Timetable	
Concept Clearance	12 Aug 2021
Fact Finding	18 Apr 2022 to 23 May 2022
MRM	05 Aug 2022
Approval	10 Oct 2022
Last Review Mission	-
Last PDS Update	10 Oct 2022

Loan 4227-PRC

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	319.29	Cumulative Contract Awards			
ADB	150.00	-	0.00	0.00	%
Counterpart	169.29	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/53077-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53077-001
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