



China, People's Republic of: Asia Cube Wastewater Treatment Upgrade Project

Project Name	Asia Cube Wastewater Treatment Upgrade Project		
Project Number	54401-001		
Borrower/Company	China Cube Water Limited		
Country	China, People's Republic of		
Location	Guangdong, Heilongjiang, Henan, Shaanxi		
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	CNY 230.00 million	Proposed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Partnerships Private sector development		
Sector / Subsector	Water and other urban infrastructure and services - Other urban services		
Gender Equity and Mainstreaming	Some gender elements		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Bhattacharya, Aditi		
Project Sponsor(s)	Asia Cube Water Limited		
Description			
Objectives and Scope	The project will support expansion of WWT capacity and upgrade of treatment and discharge standards at operating WWT plants with a focus on the Yellow river and Huai river basins in the PRC. The project is designed to support private sector participation in the water environmental protection sector in the PRC. Further, the project will bundle projects typically too small and expensive for international banks to finance on a stand-alone basis. As such, the project is designed to be a least-cost solution to financing smaller-scale WWT upgrade and expansion projects in the PRC.		
Linkage to Country/Regional Strategy	The project is aligned with operational priority 4 (making cities more livable) by reducing pollution through expansion of wastewater treatment capacity and by supporting water quality improvements through higher discharge standards of treated wastewater. The project is also consistent with operational priority 2 (accelerating progress in gender equality) with measures designed to promote gender-sensitive solutions and gender-responsive infrastructure assets. Furthermore, the project contributes to operational priority 1 (addressing remaining poverty and reducing inequalities) by providing employment during the projects construction and operation phases. The project supports the strategic priorities of ADBs country partnership strategy for the PRC, 2021-2025 to strengthen climate resilience, address environmental degradation and achieve high-quality, green development.		

Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	<p>ADB has categorized the proposed investment in compliance with ADBs Safeguard Policy Statement (2009) as Category B for environment. ADB engaged external consultants for the audit of the corporate- and subproject-level environmental and social management systems (ESMS) and the environmental and social performance of the subprojects. The E&S audit did not find any potential significant adverse, irreversible, diverse, or unprecedented E&S impacts that may be caused by the upgrade, expansion, and operation of the nine subprojects. Auxiliary facilities such as pipelines and sludge treatment stations are built, operated, and maintained by local governments and will not be financed by the ADB loan. The subprojects are not located in or adjacent to any legally protected areas, critical habitats, or areas of cultural, historical, or religious significance. Each local government determines the location of subprojects based on local land use planning. There were no outstanding non-compliances or complaints, and no significant incidents or accidents reported during the conduct of the E&S audit. Treated wastewater from each subproject is discharged to water bodies designated by the government and is strictly monitored against the applicable effluent discharge standards by the local regulatory agency through a real-time wastewater online monitoring system. CCW has existing environment, health, and safety (EHS) policies and procedures which are cascaded from the corporate level to the subproject levels.</p> <p>The audit recommended corrective actions to ensure that relevant EHS procedures are adequate and compliant with applicable national and local laws and regulations, good international industry practices, and ADB's SPS requirements: (i) application of ADB's prohibited investment activities list, (ii) establishing and maintaining an appropriate ESMS at the corporate level satisfactory to ADB before disbursement, (iii) developing and implementing formal ESMSs at the subproject level, (iv) establishing coordinated corporate- and subproject level EHS management mechanisms, (v) developing and implementing an EHS training program, and (vi) implementing corrective actions for each subproject-specific issue identified during the audit. ADB will require CCW to report on the progress of the implementation of the ESMS, the corrective actions and the E&S performance of the nine subprojects.</p>
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Involuntary Resettlement	ADB has categorized the proposed investment in compliance with ADB's Safeguard Policy Statement (2009) as Category B for involuntary resettlement. The audit found that each of CCW's subprojects required land acquisition at some point in the past, and most before CCW acquired the physical asset. Four subprojects were found to have administrative deficiencies in the land use right permits shown during the audit, which CCW has agreed to rectify as part of corrective actions. The audit found through discussions with CCW staff that it is likely that the Xianyang subproject may require additional land beyond its current fence line should conceptual expansion plans be realized in the future.
Indigenous Peoples	ADB has categorized the proposed investment in compliance with ADB's Safeguard Policy Statement (2009) as Category C indigenous peoples. The audit confirmed that none of the subprojects are in areas where distinct and vulnerable ethnic minority groups reside.
Stakeholder Communication, Participation, and Consultation	ADB appraisal found that CCW's subproject related information disclosure, consultation and participation are based on the requirements of national environmental impact assessment, completion check, and acceptance processes. Corrective actions at the corporate and subproject levels include development and implementation of a stakeholder engagement plan and grievance redress mechanism.

Timetable for assistance design, processing and implementation	
Concept Clearance	25 Nov 2020
Due Diligence	
Credit Committee Meeting	-
Approval	10 May 2021
Last PDS Update	05 Apr 2021

Project Page	https://www.adb.org/projects/54401-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54401-001
Date Generated	06 April 2021

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