



## China, People's Republic of: Anhui Huainan Urban Water Systems Integrated Rehabilitation Project

Project Name	Anhui Huainan Urban Water Systems Integrated Rehabilitation Project								
Project Number	46078-002								
Country	China, People's Republic of								
Project Status	Active								
Project Type / Modality of Assistance	Loan Technical Assistance								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2"><b>Loan 3054-PRC: Anhui Huainan Urban Water Systems Integrated Rehabilitation Project</b></td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 150.00 million</td> </tr> <tr> <td colspan="2"><b>TA 8491-PRC: Strengthening Urban Flood Management in Huainan Municipality</b></td> </tr> <tr> <td>Multi-Donor Trust Fund under the Water Financing Partnership Facility</td> <td>US\$ 500,000.00</td> </tr> </table>	<b>Loan 3054-PRC: Anhui Huainan Urban Water Systems Integrated Rehabilitation Project</b>		Ordinary capital resources	US\$ 150.00 million	<b>TA 8491-PRC: Strengthening Urban Flood Management in Huainan Municipality</b>		Multi-Donor Trust Fund under the Water Financing Partnership Facility	US\$ 500,000.00
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<b>TA 8491-PRC: Strengthening Urban Flood Management in Huainan Municipality</b>									
Multi-Donor Trust Fund under the Water Financing Partnership Facility	US\$ 500,000.00								
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change									
Sector / Subsector	<b>Agriculture, natural resources and rural development</b> - Water-based natural resources management <b>Water and other urban infrastructure and services</b> - Urban flood protection - Urban sewerage								
Gender Equity and Mainstreaming	Effective gender mainstreaming								
Description	<p>The impact of the project will be improved urban water environment, public health, and quality of life for urban residents in the Huainan municipality. The outcome of the project will be improved management of surface water resources in the Huainan municipality. The project will have the following components which are all linked to each other:</p> <p>Component 1: Improvement of wastewater collection and transmission systems. This component will include installation of 115.2-kilometer (km) new main wastewater collection and transmission pipes in the eastern area of the Huainan municipality, and installation of 63.7-km new main wastewater collection and transmission pipes and construction of three new pump stations for wastewater transmission in the western area.</p> <p>Component 2: Improvement of urban water channels. This component will include improvement of existing 7.6-km Bagongshang water channel, 8.7-km Xiejiaji water channel, 13.8-km Donghua water channel, 0.5-km Old Longwang water channel, and 3.5-km Longwang water channel; and construction of a new 8.1-km Longwang flood diversion water channel. Activities under this component will include (i) sludge removal from the five existing urban water channels; (ii) improvement or construction of the water channels to improve the urban water environment and increase flood flow capacity to meet 1/20 year-level storm water; (iii) installation of new wastewater collection and transmission pipes along the channels to intercept wastewater inflow into the channels; and (iv) promotion of international best practices of nonstructural measures, such as reduction of garbage dumping along the channels and their tributaries; setting and securing of environmental flow in the channels; sustainable maintenance of the channels; monitoring of water quality and ecosystem; and capacity and institutional strengthening.</p> <p>Component 3: Improvement of lakes and wetlands. This component will include two subcomponents. Subcomponent 3.1: Increase of flood control capacities will include construction of 13-km embankments and four pump stations along Gaotang Lake, improvement of the Dajiangou and Long Lake pump stations, and reconstruction of the Caozhuizi and Shijian Lake pump stations to increase flood control capacities to meet 1/20 year-level storm water. Subcomponent 3.2: Improvement of water environment will include improvement of water environment in Gaotang Lake, Dajiangou wetland, Long Lake, Caoling Lake, and Shijian Lake. Activities to improve water environment may include, but are not limited to, (i) sludge removal (footnote 3); (ii) plantation for water self-purification; and (iii) promotion of international best practices of nonstructural measures, such as monitoring of water quality and ecosystem; species recovery; public awareness raising and education; and capacity and institutional strengthening.</p> <p>Component 4: Project management support and capacity development. Activities under this component will include (i) consultants' support for project management; (ii) institutional and capacity strengthening for project management, and operation and maintenance of the infrastructure; and (iii) provision of equipment for project management.</p>								

Project Rationale and Linkage to Country/Regional Strategy	<p>The Huainan municipality of Anhui province located at the midstream of Huai River is a main coal base of the People's Republic of China (PRC) and also an important industrial area of Anhui province. It has an area of 2,596 square kilometers (km<sup>2</sup>), of which urban area is 1,566.4 km<sup>2</sup>; and a population of 2.46 million. Through the implementation of two key development strategies—the Hefei Economic Circle and the Urban Integration of Hefei and Huainan, the economic development of the Huainan municipality has been making great progress. However, rapid economic development has resulted in heavy pollution load, particularly wastewater, to existing urban water systems in the Huainan municipality, including urban water channels and lakes, which have been clogged with sludge and severely polluted. The urban water systems also do not have sufficient capacity for flood control, and the Huainan municipality suffers flood damage once in 2 years on average. The Huainan municipal government (HMG) has been implementing various activities to improve the urban water systems, including improvement of wastewater treatment systems, annual dredging of urban water channels and lakes, public awareness raising to reduce garbage dumping, partial improvement of urban water channels and drains to increase flood flow capacity associated with road improvements, preparedness for and emergency response to floods, and post flood recovery. Although much improvement has been made, the Huainan municipality still has fundamental problems, including (i) insufficient wastewater treatment systems; (ii) wastewater inflow into urban water channels and lakes, sludge sediment, and water quality deterioration; and (iii) insufficient flood control capacities of urban water channels and other flood control facilities.</p> <p>To facilitate the development of the Huainan municipality, the Huainan Municipality Master Plan for 2010_2020 was prepared by the HMG and approved by the provincial and central governments. The master plan sets targets for 2020 for wastewater treatment (treatment rate of more than 90%), water environment (water quality in the urban water systems improved to class IV or above of the PRC water quality standards), and flood management (flood frequency in the urban area reduced from 1/2 years to 1/20 years). To implement components of the master plan related to the urban water systems, the HMG made a request to the Asian Development Bank (ADB) for investment and assistance for the Anhui Huainan Urban Water Systems Integrated Rehabilitation Project. The proposed project was included in ADB's country operations business plan 2012_2014 and the 2013 lending pipeline for the PRC.</p> <p>The PRC's 12th Five-Year Plan (2011_2015) supports the long-term goal of building a harmonious and moderately prosperous (xiaokang) society through livelihood improvement, and regionally balanced and environmentally sustainable growth. ADB's country partnership strategy for the PRC for 2011_2015 supports the government's overarching strategic goal of building a xiaokang society by focusing on three strategic pillars: inclusive growth, environmentally sustainable growth, and regional cooperation and integration. The proposed project is fully consistent with the PRC's 12th Five-Year Plan and ADB's country partnership strategy by improving urban water environment, public health, and quality of life.</p> <p>ADB has been conducting projects for wastewater treatment, urban development, and flood and water resources management in the PRC and other countries, and lessons learned from those projects will be reflected in the project design adding values to the project. A main value to be added to the project by ADB will be promotion of international best practices of nonstructural measures for water environmental improvement.</p>
Impact	Improved urban water environment, public health, and quality of life for urban residents in Huainan

## Project Outcome

Description of Outcome	Improved management of surface water resources in Huainan
Progress Toward Outcome	The overall implementation progress is behind the schedule. As the change of local municipal development, the EA is proposing adjustment of project scope.

## Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> <li>1. Improvement of wastewater collection</li> <li>2. Improvement of urban water environment and flood management</li> <li>3. Improvement of urban lake environment</li> <li>4. Project management and capacity development</li> </ol>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>two works contracts were approved for improvement of wastewater collection, four works contracts were approved for improvement of urban water environment and flood management and construction is ongoing.</p> <p>two goods contract was approved for improvement of wastewater collection, three goods contracts were approved for improvement of urban water environment and flood management, one goods contract was approved for project management</p> <p>An external resettlement monitor has been engaged by the PMO in Sept 2015.</p> <p>A consulting firm for the associated technical assistance was recruited and the consultant team was fielded on 11 March 2015. The consulting service has been terminated and the TA will be closed in April 2017.</p>

Geographical Location

## Safeguard Categories

Environment	A
Involuntary Resettlement	A

## Summary of Environmental and Social Aspects

Environmental Aspects	The environmental impact assessment report prepared for the project is based on the domestic environmental impact assessment report, as well as the consultant's report on the project preparatory technical assistance; and complies with the environmental policy of the People's Republic of China and Asian Development Bank's (ADB's) Safeguard Policy Statement. It concludes that the project will have substantial positive environmental and socioeconomic benefits resulting from (i) improved urban water channels, lakes, and Huai River; (ii) improved management of water and ecology in the lakes; and (iii) improved flood management. Environmental concerns of the project include construction impacts on air, noise, and water quality; solid waste; and disturbance to some water birds. These will be prevented or minimized to acceptable levels through the implementation of an environmental management plan with adequate mitigation and monitoring arrangements. The plan includes a detailed training program to ensure the Huainan municipal government has adequate capacity to manage and monitor environmental impacts and risks. The environmental impact assessment report was disclosed on ADB website on 28 May 2013.
Involuntary Resettlement	The project will acquire a total of 126 hectares of land; 248 hectares will be occupied temporarily. The project will demolish 17,257 square meters of housing and 780 square meters of small business shops. It will affect 2,075 people, 1,451 of these will lose more than 10% of their productive assets and/or be physically displaced. The Huainan municipal government (HMG), with the assistance of consultants engaged under the project preparatory technical assistance, prepared a resettlement plan in line with Asian Development Bank's (ADB's) Safeguard Policy Statement (2009) and related laws and regulations of Huainan Municipality, Anhui Province, and the People's Republic of China. The HMG has endorsed the resettlement plan and disclosed the relevant information to affected people. The resettlement plan was also disclosed on ADB website. The HMG will fully finance CNY292.1 million of land acquisition and resettlement costs. The ADB loan will finance the costs for semiannual external resettlement monitoring and evaluation. The HMG has experience in conducting land acquisition and resettlement for foreign-funded projects and has the capacity to implement the resettlement plan for this project.
Indigenous Peoples	Indigenous peoples will not be affected or benefit from the project.

### Stakeholder Communication, Participation, and Consultation

During Project Design	Public consultation was carried out by the executing agency during the preparation of project design documents. Further consultation through workshops and a stakeholder analysis were also carried out during the implementation of the project preparatory technical assistance.
During Project Implementation	Consultation during design of the project and participation during implementation with activities, such as a public-hearing process for adjusting wastewater collection fees, will involve more than 600 households. The project management office (PMO) and a pilot community will develop a community participation manual. These processes are reflected in the consultation and participation (C&P) plan, gender action plan (GAP), social action plan (SAP), loan assurances, design and monitoring framework, and project administration manual (PAM), with appropriate budget for consulting services under the project and an associated technical assistance. A community environmental supervision and flood management team (CESFMT), comprising three community members including at least one female member, will be established in each of the eight pilot communities. CESFMTs will increase the environmental awareness of community residents to eliminate improper disposal of solid waste and waste dumping into urban water channels, and make community residents aware of the flood warning system and flood response plan. During detailed design and implementation of each project output, the C&P plan will be implemented, including the participation of stakeholders in detailed design and disclosure of relevant information, consultation on resettlement programs with affected persons and disclosure of the resettlement plan, disclosure of the environmental impact assessment plan, disclosure of wastewater and solid waste treatment plants and their structure, disclosure of construction programs and relevant information, increase of public environmental awareness and public health knowledge, holding of a hearing for water and wastewater tariff increases, development and disclosure of community participation manual, and participation in and disclosure of the flood warning and management program.

## Business Opportunities

Consulting Services	Consultants will be required for the promotion of international best practices of nonstructural measures to improve water environment, and project management support and capacity development. All consultants will be hired following ADB's Guidelines on the Use of Consultants (2010, as amended from time to time).
Procurement	All ADB-financed procurement will be conducted following ADB's Procurement Guidelines (2010, as amended from time to time). A procurement agency will be hired to conduct procurement on behalf of the implementing agencies.

## Responsible Staff

Responsible ADB Officer	Zheng, Baochang
Responsible ADB Department	East Asia Department

Responsible ADB Division

PRC Resident Mission

Executing Agencies

Anhui Provincial Finance Department  
 No. 238, Funanxi Road, Hefei, Anhui  
 230061 People's Republic of China  
 Huainan Municipal Government  
 AHHNCXH@126.COM  
 Municipal Government Building,  
 Huainan Municipality, Anhui Province  
 232001 People's Republic of China

**Timetable**

Concept Clearance	25 Jun 2012
Fact Finding	03 May 2013 to 13 May 2013
MRM	04 Jul 2013
Approval	25 Oct 2013
Last Review Mission	-
Last PDS Update	23 Mar 2017

**Loan 3054-PRC**

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
25 Oct 2013	17 Dec 2013	24 Feb 2014	31 Mar 2020	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	343.30	Cumulative Contract Awards			
ADB	150.00	25 Oct 2013	36.12	0.00	24%
Counterpart	193.30	Cumulative Disbursements			
Cofinancing	0.00	25 Oct 2013	18.39	0.00	12%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	-	-	Satisfactory	-	-

**TA 8491-PRC**

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
25 Oct 2013	19 Nov 2013	19 Nov 2013	07 Aug 2015	13 Jun 2016	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	500,000.00	125,000.00	0.00	0.00	0.00	625,000.00	25 Oct 2013	141,010.25

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	-	-	Satisfactory	-	-

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Project Page	<a href="https://www.adb.org/projects/46078-002/main">https://www.adb.org/projects/46078-002/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=46078-002">http://www.adb.org/forms/request-information-form?subject=46078-002</a>
Date Generated	06 July 2017

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