



# China, People's Republic of: Integrated Wastewater Management Project

Project Name	Integrated Wastewater Management Project		
Project Number	50164-002		
Borrower/Company	China Water Environment Group Investment Limited Xinkai Water Environment Investment Limited		
Country	China, People's Republic of		
Location	Chongqing, Gansu, Guangxi, Guizhou, Henan, Hubei, Hunan, Ningxia, Qinghai, Shanxi, Sichuan, Xinjiang, Yunnan		
Approval Number	7491/79		
Type of ADB Assistance / Amount	79	Other	USD 125.00 million Approved
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Private sector development		
Sector / Subsector	Water and other urban infrastructure and services - Water and other urban infrastructure and services		
Gender Equity and Mainstreaming	No gender elements		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Bhattacharya, Aditi		
Project Sponsor(s)			
Description			
Objectives and Scope	The project will contribute to mitigation of water pollution in rivers and lakes in the PRC, which will be accomplished through expanded wastewater management services under integrated concessions in selected central and western provinces. CWE will select subprojects located in urban sections of key rivers and lakes designated as government priority areas for environmental protection. For each subproject, CWE will develop and operate facilities as PPPs governed under concession agreements signed with city or county governments.		
Linkage to Country/Regional Strategy	By supporting a new form of PPP, environment management, and inclusive growth, the project addresses three of the five strategic priorities of ADB's country partnership strategy for the PRC: managing climate change and the environment, supporting inclusive economic growth, and supporting institutional and governance reform. In particular, the project aligns with this strategy's sector focus on environmental protection, and strongly complements ADB's initiatives in the management of water-based natural resources, including flood management, wetland conservation, water resources development, and the protection of biodiversity and ecosystems The project aligns with ADB's water policy aims to reverse the degradation of water resources caused by agricultural, industrial, and municipal effluents. ADB's Water Operational Plan, 2011-2020 also identifies wastewater management as a key operational focus in rapidly industrializing countries like the PRC. The project is an example of the type of intervention envisaged by the plan, which promotes water as a core investment area and raises ADB's water investment target to \$2.0 billion-\$2.5 billion each year by 2020, with an additional \$500 million per year targeted in private sector lending.		
<b>Safeguard Categories</b>			
Environment			B
Involuntary Resettlement			B
Indigenous Peoples			C
<b>Summary of Environmental and Social Aspects</b>			
Environmental Aspects	The company enhanced its Environmental and Social Management System (ESMS) in accordance with ADB SPS requirements and has been adopted in May 2018. There are two projects funded under ADB A-loan facility which are composed of several wastewater treatment plants, interceptors and pipelines, and monitoring stations, strategically located in various areas within Guiyang City in Guizhou Province and Dali City in Yunnan Province to improve the water quality of Nanming Watershed and Dali Erhai Lake, respectively. Initial environmental examination (IEE) reports, including environmental audit of subproject components under construction, were prepared in accordance with the company's ESMS and ADB SPS. The status of corrective actions to address the environmental audit findings were reported to ADB. The annual environmental monitoring report and annual review mission confirmed that operations of the wastewater treatment plants are compliant with the national environmental standards. The Company has established a sludge management policy to regulate its practices on sludge handling; the wastes are transported by a qualified waste management company. There were no grievances recorded for the two projects. Based on the findings of the annual review mission, CWE will need to strengthen the water quality monitoring for the wastewater interceptors and pipelines, and noise levels in households near the booster pump houses; and conduct additional environmental assessment for the wetlands considered as associated facilities of the project. The Company will ensure that succeeding projects under the B-loan will be aligned with ESMS and ADB SPS requirements.		
Involuntary Resettlement	The audit of company operations undertaken during loan appraisal found that land required for existing projects had been acquired in accordance with local laws and to a standard consistent with ADB's SPS. New facilities construction financed under the ADB A-loan are in sparsely populated peri-urban areas classified as development zones or on reserved land. Where reserved state-owned land has been insufficient for subprojects, collective land has been acquired by the government in accordance with related concession agreements. Underground pipelines have been laid along roads and rivers, which induce temporary land occupation impacts only. CWE will continue to work with government agencies to ensure that subprojects avoid or minimize causing impacts on residential or arable land, but, where displacement impacts are unavoidable, CWE will put in place action plans commensurate with impacts, in accordance with its ESMS and ADB's SPS requirements. Following the recommendation from the annual review mission, CWE will also improve its reporting to ADB on its land take processes.		

Indigenous Peoples No subproject impacts on distinct and vulnerable ethnic minority groups were detected in past subprojects, and none are expected from future subprojects that would be financed through ADB's facility or the B-loan.

Stakeholder Communication, Participation, and Consultation Information disclosure and consultation with affected people will be conducted in accordance with ADB requirements.

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Timetable for assistance design, processing and implementation

Concept Clearance	26 May 2016
Due Diligence	
Credit Committee Meeting	10 Oct 2016 to 10 Oct 2016
Approval	02 Dec 2019
Last PDS Update	29 Jan 2020

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Project Page	<a href="https://www.adb.org/projects/50164-002/main">https://www.adb.org/projects/50164-002/main</a>
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Date Generated	21 February 2020

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