

Project Summary for Public Disclosure

Project Overview	
Project Name	Zhejiang Green Urban Project - Shengzhou Urban and Rural Integrated Water Supply and Sanitation Project (Phase II)
Country	The People's Republic of China
Sector	Water and Sanitation
Approval Date (by the Board)	31 March 2019
Total Project Cost	RMB 1,868 million
Proposed Loan Amount	RMB 825 million
Borrower	The People's Republic of China
Implementation Agency	People's Government of Shengzhou Municipality

I. Introduction

Shengzhou, a municipality in Zhejiang Province in China, has been facing challenges in water supply and sanitation facilities. Till 2018, quality of drinking water falls below the national average. The challenge is more severe in its rural area, which is the main focus of the Project. In some rural villages of Shengzhou, infrastructure and facilities of water and sanitation are often found obsolete. Current capacity of water supply and sanitation facilities is not sufficient for the local people and is a constraint to the sustainable development of Shengzhou's economy. To address this challenge, the Project is designed with an integrated approach to enhancing the economic efficiency of water resources, improving water quality for local people, and enhancing the effectiveness of water management system in Shengzhou. The Project is well aligned with NDB's mandate of supporting sustainable infrastructure development.

II. Project Description

The objectives of the Project are to upgrade the urban and rural water supply and sewage facilities and to enhance the economic efficiency of water resources and the effectiveness of water management system in Shengzhou through financing the construction of four water supply plants, three sewage treatment plants, associated pipelines and a smart water management center, thereby fostering socio-economic development of Shengzhou

Municipality. The Project has four components: (i) construction of water supply plants and pipelines; (ii) construction of sewage treatment plants and pipelines; (iii) smart water management center; (iv) capacity building and project management.

The NDB loan through the modality of Sovereign Project Loan will be used by the People’s Republic of China for on-lending to the People’s Government of Shengzhou Municipality through the People’s Government of Zhejiang Province.

III. Environmental and Social Aspects

The positive impacts of the Project include: (i) improved water quality; (ii) increased water supply; (iii) increased sewage treatment capacity; (iv) enhanced effectiveness of water management system; (v) enhanced awareness of water preservation and environmental protection by the local residents. Successful completion of the Project will have a significant development impact on improving the quality of lives of local residents in Shengzhou.

The Project has been categorized as Category “B” in line with NDB Environmental and Social Framework (ESF) and China’s environmental impact assessment regulations. Main project environmental and social impacts include land acquisition and potential resettlement, wastewater discharge and sludge disposal. These impacts are confined to project footprint and will be mitigated by adherence to requirements of E&S country system.

IV. Financials

The total cost of the Project is estimated to be RMB 1,868 billion. NDB will finance RMB 825 billion, accounting for 44% of the total cost. The remaining balance will be financed by counterpart funds from Shengzhou Municipal Government and Shengzhou Water Group Co, and loans from domestic banks.

Financier	Amount (RMB million)
New Development Bank	825
Shengzhou Municipal Government	100
Shengzhou Water Group Co	273
Domestic Bank	670



V. Implementation

The Project is estimated to be implemented over five years. People's Government of Shengzhou Municipality will be the Project Implementation Agency. Contractors for the Project will be selected through a competitive and transparent bidding process.