

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Guangxi Chongzuo Urban Water System Ecological Restoration Project
Country	The People's Republic of China
Type	Sovereign
Area of Operation	Water & Sanitation
Concept Approval Date	28 September 2018
Financing Approval Date	31 March 2019
Total Project Cost	USD 380 million
Initial Limit of NDB Financing	USD 300 million
Current Limit of NDB Financing	USD 187 million
Borrower	The People's Republic of China
Project Entities	The People's Government of Guangxi Zhuang Autonomous Region The People's Government of Chongzuo Municipality
Project Context	Chongzuo, a fast growing city located in Guangxi Zhuang Autonomous Region in southwestern China, has been facing challenges in ecological degradation and urban development. In the past few years when urbanization quickly took place in Chongzuo, large amounts of construction wastes were discharged into tributaries, canals, and lakes, which led to clogged water channels. Water quality in the city has been deteriorating due to the lack of hydraulic circulation and the degradation of natural purification system. Flood frequents the city and has been a threat to the city's residences, in addition to the challenge of ecological degradation. To address these environmental challenges, the Project is designed with an integrated approach to rehabilitating the water system in Chongzuo through enhancing water resources management and upgrading flood control facilities. The Project is well aligned with NDB's mandate of supporting sustainable infrastructure development.
Project Description	The Project is to improve urban water environment and enhance flood protection through removing urban wastes, connecting water bodies, rehabilitating river and lake embankments, creating vegetated buffer zones in water adjacent area, and constructing drainage pumping stations. The Project has two components: (i) restoration of lakes, rivers,

	<p>wetlands, channels and their adjacent areas; (ii) project management support and capacity building.</p> <p>The NDB loan through the modality of Sovereign Project Loan will be used by the People's Republic of China for on-lending to Guangxi Zhuang Autonomous Region.</p>
Project Objective	<p>The outcomes of the Project will be improved water ecological environment and flood control capacity in Chongzuo. Project outcomes will be assessed by using the following indicators: (i) restoration and expansion of urban water area; (ii) improvement of water quality; (iii) increase of urban green space; and (iv) enhancement of sewage treatment capacity.</p> <p>Project outputs will be achieved through successful delivery of Project Components. Project Outputs will include: (i) rehabilitated lakes, rivers, wetlands, channels and their adjacent area; and (ii) enhanced institutional capacity in project planning, design, implementation and evaluation.</p>
Implementation Arrangements	<p>The Project is estimated to be implemented over eight years. People's Government of Chongzuo Municipality will be the Project Implementation Agency. Contractors for the Project will be selected through a competitive and transparent bidding process.</p>
Environmental and Social Information	<p>The positive impacts of the Project include: (i) increased surface water supply in water-scarce areas; (ii) improved water quality and connectivity; (iii) increased wetland ecological function areas; (iv) enhanced urban flood protection capacities; (v) enhanced life safety for local residents; (vi) improved public health induced from better ecological environment and upgraded public facilities. The Project has been classified as Category "A" in line with the NDB Environmental and Social Framework (ESF) and China's environmental impact assessment regulations. Major project environmental and social impacts include dust, wastewater discharge, disposal of waste and sludge, erosion, change of modified habitats, land acquisition and compensation, occupational health and safety. These impacts are confined to project footprint and will be mitigated by adherence to requirements of E&S country system.</p>
Financing	<p>The total cost of the restructured Project is estimated to be USD 380 million. NDB will finance USD 187 million, accounting for 49% of the total cost. The remaining balance will be financed by government counterpart funds and bank loans.</p>

	Source of Fund		Amount (USD million)
	NDB		187
	Government Funds	Counterpart	91
	Domestic Banks		102
Contacts	NDB	Borrower	Project Entity
	Project Portfolio Management Department Diyun Wang	Ministry of Finance Lei Zhang mof_operation1@mof.gov.cn	The People's Government of Guangxi Zhuang Autonomous Region Dongying Huang gxcztgjc@sina.com The People's Government of Chongzuo Municipality Qingli Shao czwdb2019@163.com