

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

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
Type	Sovereign
Area of Operation	Water & Sanitation
Concept Approval Date	12 January 2019
Financing Approval Date	31 March 2019
Total Project Cost	RMB 1,868 million
Initial Limit of NDB Financing	RMB 825 million
Current Limit of NDB Financing	RMB 825 million
Borrower	The People's Republic of China
Project Entity(ies)	The People's Government of Zhejiang Province The People's Government of Shengzhou Municipality
Project Context	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.
Project Description	The Project finances 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.

Project Objective	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.		
Implementation Arrangements	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.		
Environmental and Social Information	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.		
Financing	The total cost of the Project is estimated to be RMB 1,868 million. NDB will finance RMB 825 million, 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.		
	Source of Fund		Amount (RMB million)
	NDB		825
	Shengzhou Municipal Government		100
	Shengzhou Water Group Co		273
	Domestic Bank		670
Contacts	NDB	Borrower	Project Entity

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