

## Supporting Environmental Conservation and Human Resource Development

### --Fiscal 2006 ODA Loan Package for China--

---

1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) signed on March 30 seven loan agreements with the aggregate total of 62.33 billion yen with the Government of the People's Republic of China. They constitute the fiscal 2006 ODA loan package for China, focusing on environmental conservation.
2. All the projects supported by the fiscal 2006 ODA loan package for China are environmental conservation projects. They can be broken down into the following four categories.

[Conservation of Water Quality]

Water supply and sewerage systems will be developed in the Yunnan Kunming Water Environmental Improvement Project II, Ningxia Water Environmental Improvement Project, Sichuan Water Environmental Improvement Project and Anhui Water Environmental Improvement Project.

[Conservation of Air Quality]

Centralized heat supply systems will be introduced to replace the existing small coal-fired boilers that are a source of air pollution in the Inner Mongolia Huhhot Atmospheric Environmental Improvement Project II.

[Comprehensive Environmental Measures]

Water supply and sewerage systems as well as centralized heat supply facilities will be developed in the Xingjiang Environmental Improvement Project I

[Afforestation]

Soil erosion will be contained and flood damage will be mitigated through foresting activities in the Jilin Afforestation Project in order to address forest degradation and increasingly serious natural disasters such as floods caused by soil erosion.

3. As the ODA Charter approved in the cabinet decision of August 2003 calls for broader public participation in ODA activities, JBIC has been seeking increased civil society participation in these projects. JBIC collaborates with Japanese local governments and universities from the project formation stage to draw on Japanese experience and knowledge and thereby provides assistance with a distinctly Japanese profile in China. In these projects, Miyagi Prefecture, Shimane Prefecture, Okazaki City, Kyoto University, and Shimane University among others will share their knowledge and experiences as well as accept trainees based on friendship city agreements and other cooperation agreements.

(Click here for details.)

## Project Amount and Terms

Project Name	Amount (Mil.yen)	Interest Rate (% per annum)	Repayment/Grace Period(year)	Procurement
Yunnan Kunming Water Environmental Improvement Project II	10,400	0.75*	40/10	General Untied
Ningxia Water Environmental Improvement Project	8,432	1.5 (water supply) 0.75* (sewerage and training)	30/10 (water supply) 40/10 (sewerage and training)	General Untied
Xingjiang Environmental Improvement Project I	12,998	1.5 (water supply) 0.75* (sewerage,heat supply and training)	30/10 (water supply) 40/10 (sewerage,heat supply and training)	General Untied
Sichuan Water Environmental Improvement Project	6,300	1.5 (water supply) 0.75* (sewerage and training)	30/10 (water supply) 40/10 (sewerage and training)	General Untied
Anhui Water Environmental Improvement Project	8,400	1.5 (water supply) 0.75* (sewerage and training)	30/10 (water supply) 40/10 (sewerage and training)	General Untied
Jilin Afforestation Project	9,500	0.75*	40/10	General Untied
Inner Mongolia Huhhot Atmospheric Environmental Improvement Project II	6,300	0.75*	40/10	General Untied
Total	62,330			General Untied

Preferential terms are applied to environmental projects to support efforts by developing countries to address environmental issues.

## (1)Yunnan Kunming Water Environmental Improvement Project (II)

## (a)Background and Necessity of the Project

Kunming (population: 5 million; land area: 20,000km<sup>2</sup>) is the capital city of Yunnan Province located in southwestern China and the center of the Province's economic activity, transport network and trade. In the south of the city lies Dianchi Lake (surface area: 300km<sup>2</sup>), a freshwater lake in the Yangtze River system. Economic development in the Kunming area since the 1980s has increased untreated sewage flowing into the lake. Furthermore, in the 1990s, the quality of lake water deteriorated to a level unsuitable for agricultural use.

While the Kunming Municipal People's Government has made efforts to improve its water quality by constructing sewage treatment facilities, the total volume of sewage (688,000m<sup>3</sup>/day) in the city today far exceeds its sewage treatment capacity (464,000m<sup>3</sup>/day). As a result, untreated wastewater continues to flow into the lake. There are thus concerns over further deterioration in the quality of lake water.

## (b)Purpose and Description of the Project

The Project aims to reduce the volume of untreated sewage flowing into Dianchi Lake by expanding and improving the sewerage system in the urban area of Kunming, Yunnan Province. It will thereby help improve the living conditions of its population. Specifically, the Project consists of expansion and improvement of the sewage treatment plants and development of sewer pipe networks (beneficiary population: 1 million).

The Project addresses "environmental conservation and global issues," one of the priority areas designated in the Economic Cooperation Program for China prepared by the Government of Japan as well as in the Medium-Term Strategy for Overseas Economic Cooperation Operations of JBIC.

The proceeds of the loan will be applied to civil works and procurement of materials and equipment necessary for the construction and development of the above facilities.

Project executing agency:

Kunming Municipal People's Government

Address:Kunming Municipal Construction and Management Bureau for North Bank Water Environmental Comprehensive Treatment Project of Dianchi Lake No.44 Yunruixi Rd,Kunming City,Yunnan Province,The People's Republic of China P.O. CODE 650021  
Tel:86-871-3636871 Fax:86-871-3636891

## (2)Ningxia Water Environmental Improvement Project

## (a)Background and Necessity of the Project

Yinchuan City (population: 1.38 million; land area: around 9,170km<sup>2</sup>) and Shizuishan City (population: 0.73 million; land area: 4,454km<sup>2</sup>), the largest and second largest cities respectively in the Ningxia Hui Autonomous Region, are located in the upper reaches of the Yellow River in the Ningxia Plain. In these cities, industrialization and urbanization have increased the demand for water to the level beyond their water supply capacities. While private wells which are self-developed are currently filling in the gap, the random digging of private wells has raised concern about depletion of groundwater. Concerns have also been raised about the deteriorating quality of groundwater as inadequate sewage treatment capacities leave untreated sewage seeping through soil into groundwater. While private wells which are self-developed are currently filling in the gap, the random digging of private wells has raised concern about depletion of groundwater. Concerns have also been raised about the deteriorating quality of groundwater as inadequate sewage treatment capacities leave untreated sewage seeping through soil into groundwater.

## (b)Purpose and Description of the Project

The Project aims to ensure stable and safe supplies of water and reduce the discharge of polluted water in Yinchuan and Shizuishan Cities by constructing water supply facilities, sewerage systems and reclamation facilities.[1] It will thereby help to improve the living conditions of their populations.

Specifically, the Project consists of: construction of water purification plants and development of water pipe networks (beneficiary population: 1.36 million); construction of wastewater treatment plants and development of sewer pipe networks (beneficiary population: 1.28 million); construction of reclamation facilities and development of reclaimed wastewater pipe networks; and a training program for the staff of the executing agency and its relevant authorities for sustainable project effect. The training component will be conducted in partnership with Japanese local governments, and the staff of the project executing agency will receive training in Japan.

The Project addresses "environmental conservation and global issues," one of the priority areas designated in the Economic Cooperation Program for China prepared by the Government of Japan as well as in the Medium-Term Strategy for Overseas Economic Cooperation Operations of JBIC.

The proceeds of the loan will be applied to civil works for the construction and development of the above facilities, procurement of materials and equipment and the training program.

Project executing agency:

Ningxia Hui Autonomous Regional People's Government

Address: Finance Department of Ningxia Hui Autonomous Regional People's Government 416 Jiefang Xijie,Yinchuan City,Ningxia Hui Autonomous Region,The People's Republic of China  
Tel:86-951-5069404 Fax:86-951-5045930

### (3)Xingjiang Environmental Improvement Project (I)

#### (a)Background and Necessity of the Project

The Xingjiang Uygur Autonomous Region (population: 20.1 million (of which ethnic minority groups, including Uygur (46%), account for 60%); land area: 1.65 million km<sup>2</sup> (about 17% of the total land area of China)) is located in western China and borders eight countries, including Mongolia and Kazakhstan. Hami, Turpan, Wusu and Kuitun, four regional cities in Xingjiang where the Project is implemented, once prospered as bustling trading posts along the Silk Road. Today, these regional cities, relatively developed compared to other cities, have populations of 200,000 to 400,000 respectively, and hold a special position for the development of the Autonomous Region. In these urban areas, however, rapid industrialization and urbanization, as well as sizable population growth, have boosted the demand for water and heating. At the same time, environmental problems such as water and air pollution are getting increasingly serious. There is thus an urgent need to address these issues.

#### (b)Purpose and Description of the Project

The Project aims to increase sewage treatment and water supply capacities and reduce water and air pollutants by developing sewerage and water supply systems and installing centralized heat supply facilities in the four regional cities in the Xingjiang Uygur Autonomous Region. It will thereby help improve the environment of the cities as well as the living conditions of the populations

Specifically, the Project consists of: the construction and renovation of sewerage and water supply facilities, centralized heat supply facilities (beneficiary population: (sewerage facilities) 380,000; (water supply facilities) 350,000; (centralized heat supply facilities) 300,000)) and a training program for the staff of the project executing agency and its relevant authorities for sustainable project effects. The training component will be conducted in partnership with Japanese local governments, and the staff of the project executing agency will receive training in Japan.

The Project addresses "environmental conservation and global issues," one of the priority areas designated in the Economic Cooperation Program for China prepared by the Government of Japan as well in the Medium-Term Strategy for Overseas Economic Cooperation Operations of JBIC.

The proceeds of the loan will be applied to the procurement of materials and equipment necessary for constructing the above facilities and the training program in Japan for the staff of the project executing agency.

Project executing agency:

Xinjiang Uygur Autonomous Regional People's Government

Address: Finance Department of Ningxia Hui Autonomous Regional People's Government 416 Jiefang Xijie, Yinchuan City, Ningxia Hui Autonomous Region, The People's Republic of China

Tel:86-991-2817684 Fax:86-991-2818291

### (4) Sichuan Water Environmental Improvement Project

#### (a) Background and Necessity of the Project

Sichuan Province (population: 85 million, land area: 480,000km<sup>2</sup>) in southwest China is located in the upper stream of the Yangtze River, one of the country's seven largest rivers. In its cities, construction of sewage treatment facilities is lagging in the face of increasing volumes of sewage generated with economic development. Thus household sewage and industrial wastewater have been discharged untreated into the upper stream of the Yangtze River, causing a deterioration of water quality in some branch rivers to the point where the water cannot be used for agriculture.

As the Yangtze River serves as a major source of drinking water in the Province, there are cities whose existing water sources cannot be used for their water supply systems. Therefore these cities have to develop new sources of water.

#### (b) Purpose and Description of the Project

The Project aims to reduce the volume of sewage discharged into the upper stream of the Yangtze River that runs through five cities where water pollution is serious and to ensure stable supplies of safe drinking water to these cities by expanding and improving their water supply and sewerage systems. It will thereby help improve the living conditions of the populations.

Specifically, the Project consists of construction of sewage treatment plants; improvement of sewer pipe networks (beneficiary population: 960,000) and water supply pipe networks (beneficiary population: 200,000); and a training program for the staff of the project executing agency and its relevant authorities for sustainable project effects. The training component will be conducted in partnership with Japanese local governments, and the staff of the project executing agency will receive training in Japan.

The Project addresses "environmental conservation and global issues," one of the priority areas designated in the Economic Cooperation Program for China prepared by the Government of Japan as well as in the Medium-Term Strategy for Overseas Economic Cooperation Operations of JBIC.

The proceeds of the loan will be applied to civil works for constructing and improving water supply and sewer facilities, procurement of materials and equipment and the training program in Japan.

Project executing agency:

Sichuan Provincial People's Government

Address: Sichuan Province Water Environmental Improvement Project Leading Group Office For Central Cities in The Reaches Of Yangtze River 10th Floor, Nongzi Building, No. 10 East Jinli Road Qingyang District, Chengdu People's Republic China P.O. Coode 610041

Tel:86-28-86128880 Fax:86-28-86129043

### (5)Anhui Water Environmental Improvement Project

#### (a) Background and Necessity of the Project

In the Huai River basin where Bengbu City (population: 3.49 million, land area: 5.917km<sup>2</sup>), Anhui Province, is located, recent efforts to construct sewage treatment facilities are not catching up with increasing volumes of sewage generated as a result of rapid economic development. As a major industrial city, the inadequate development of its sewerage system is raising concerns over the serious deterioration of the water quality of the Huai River, which is an urgent challenge to deal with.

Furthermore, the proportion of households having access to water supply service is low in Bengbu City, and inferior quality groundwater is widely used. Given the prospect of growing demand for water in tandem with further economic development, it is crucial to develop water supply infrastructure whose water is sourced from the rivers which have a better quality of water.

#### (b) Purpose and Description of the Project

The Project aims to reduce polluted water discharged into the Huai River, and ensure a stable supply of safe drinking water to Bengbu City, Anhui Province, by developing its water supply and sewerage infrastructure. It will thereby help improve the living conditions of its population.

Specifically, the Project consists of expansion and improvement of sewage facilities (beneficiary population: 600,000); water supply facilities (beneficiary population: 200,000); and a training program for the staff of the project executing agency and its relevant authorities for sustainable project effects. The training component will be conducted in partnership with Japanese local governments, and the staff of the project executing agency will receive training in Japan.

The Project addresses "environmental conservation and global issues," one of the priority areas designated in the Economic Cooperation Program for China prepared by the Government of Japan as well as in the Medium-Term Strategy for Overseas Economic Cooperation Operations of JBIC.

The proceeds of the loan will be applied to procurement of materials and equipment and the training program in Japan.

Project executing agency:

Bengbu Municipal People's Government

Address: Administrative Office Center of Bengbu, Anhui, Development and Reform Commission, The People's Republic of China P.O. CODE: 233040

Tel:86-552-3115297 Fax:86-552-3115222

### (6)Jilin Afforestation Project

#### (a) Background and Necessity of the Project

Jilin Province (population: 27.16 million; land area: 1,874,000km<sup>2</sup>) in northeast China is located in the upper and middle stream of the Songhua River that flows into Japan Sea. In the hilly and mountainous area of central and eastern part of the Province, excessive logging of forestland and cultivation of grassland have taken place since the founding of the nation in 1949 to meet timber demands and expand cropland. This has led to forest degradation and seriously undermined the capacity to retain water and prevent soil erosion, with the ratio of the volume of trees to forestland decreasing to 0.918m<sup>3</sup>/km<sup>2</sup> from 1.585m<sup>3</sup>/km<sup>2</sup> at the founding of the nation. As a result, soil erosion amounts to 130 million tons per year and flood disasters are getting increasingly serious (annual flood damage: 1,320 million RMB; those affected by floods: 818,000 people) in Jilin Province. Thus there is

an urgent need for afforestation in degraded, barren land. In the plain area of western part of the Province, livestock overgrazing and other factors have caused desertification in 14,600km<sup>2</sup> of land (accounting for about 7.5% of the total area of the Province). Today, deserts are spreading by 420km<sup>2</sup>, advancing eastward at the rate of 1.1 kilometers per year. As a result, as many as 93 sand storms were recorded per year in Jilin Province. There is thus an urgent need for afforestation and vegetation cover to reverse desertification.

(b) Purpose and Description of the Project

The Project aims to increase forest cover and restore grasslands through afforestation and vegetation cover in Jilin Province. It will thereby help recover multiple functions of forests and reverse desertification.

Specifically, the Project consists of afforestation of 171,000 hectares; vegetation cover for 22,000 hectares (beneficiary population: 16.02 million; area covered: 80,000km<sup>2</sup>); procurement of necessary materials and equipment, including tractors; and a training program for the staff of the project executing agency and its relevant authorities for sustainable project effects. The training component will be conducted in partnership with Japanese local governments, and the staff of the project executing agency will receive training in Japan.

The Project addresses "environmental conservation and global issues," one of the priority areas designated in the Economic Cooperation Program for China prepared by the Government of Japan as well as in the Medium-Term Strategy for Overseas Economic Cooperation Operations of JBIC.

The proceeds of the loan will be applied to procurement of materials and equipment necessary for afforestation and vegetation cover and the training program in Japan.

Project executing agency:

Jilin Provincial People's Government

Address: Forestry Department 3698 Yatai Street, Changchun, Jilin, The People's Republic of China P.O.CODE 130022

Tel:86-431-8626899 Fax:86-431-8626886

(7) Inner Mongolia Hohhot Atmospheric Environmental Improvement Project (II)

(a) Background and Necessity of the Project

Hohhot, the capital city of the Inner Mongolia Autonomous Region, (population: 2.13 million; land area: 17,000km<sup>2</sup>) is located in the center of the Autonomous Region. Rapid industrialization and urbanization as well as population growth have sharply increased industrial emissions and smoke from households, exacerbating air pollution.

In its western district, small coal-burning boilers are used for heating in the winter. However, since these boilers have low energy-efficiency and do not have dust collectors or desulfurizers, air quality in the city fails to meet national standards for residential areas. Given ongoing urbanization, there are concerns over more extensive air pollution caused by the increasing use of small coal-burning boilers.

(b) Purpose and Description of the Project

The Project aims to decrease small pollution sources and reduce air pollution by constructing cleaner and energy-efficient centralized heat supply facilities in Hohhot. It will thereby help improve the living conditions of its population.

Specifically, the Project consists of construction of centralized heat supply facilities in the western district of Hohhot (beneficiary population: 400,000; area covered: 10 million km<sup>2</sup>) and a training program for the staff of the project executing agency and relevant authorities for sustainable project effects. The training component will be conducted in partnership with Japanese local governments, and the staff of the project executing agency will receive training in Japan.

The Project addresses "environmental conservation and global issues," one of the priority areas designated in the Economic Cooperation Program for China prepared by the Government of Japan as well as in the Medium-Term Strategy for Overseas Economic Cooperation Operations of JBIC.

The proceeds of the loan will be applied to procurement of materials and equipment necessary for constructing the above facilities and the training program in Japan.

Project executing agency:

Inner Mongolia Autonomous Region People's Government

Address: Finance Department of Foreign Affairs Division No.1 Xinhua Street, Hohhot, Inner Mongolia Autonomous Region, The People's Republic of China

Tel:86-471-6944398 Fax:86-471-6944502