

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB4404

Project Name	Ningbo New Countryside Development Project
Region	EAST ASIA AND PACIFIC
Sector	Sanitation (45%); Roads and highways (15%); Water supply (15%); Sewerage (15%); Sub-national government administration (10%)
Project ID	P106956
Borrower(s)	PEOPLES REPUBLIC OF CHINA
Implementing Agency	Ningbo Municipal Development Planning Commission Ningbo, China Office Phone: 86 574 8728 0409 Email: xx@nbdpc.gov.cn Fax: 86 574 8728 0430
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	December 9, 2008
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Estimated Date of Board Approval	December 17, 2009

1. Key development issues and rationale for Bank involvement

The increasing disparity between rural and urban areas is a major development challenge for China. China has about 900 million rural population, living in over 20,000 towns and 18,000 Xiang (town-level village cluster) which include 720,000 administrative villages and 3.2 million natural villages. The Chinese countryside is lagging far behind its urban counterpart in the following ways:

- **High and widening income inequality** (3.2:1 in 2005 compared to 2.5:1 in 1978)
- **Fewer economic opportunities** resulting from the large rural labor surplus and rural-urban population migration
- **Underdeveloped infrastructure** (poor road accessibility, sub-standard water supply, electricity services, waste management and sanitation)
- **Poor public services** (lack of education, health and social protection)
- **Low standards of living** (low incomes, unemployment, poor sanitation, etc.)

The lagging rural development and the high, and continuously increasing urban-rural disparity are main development challenges alarming the government.

Rationale for Bank Involvement

China's request for Bank assistance is predicated on the need to develop a successful model to implement the NCD program. The main justification for Bank involvement is the opportunity to

partner with China in its efforts to reduce urban-rural disparities in China, which is also a pillar of the Bank's Country Partnership Strategy for China. The Bank can use its global experience in urban and rural development, appropriate technologies for sanitation, community participatory and community-driven development, urban-rural integration, and poverty alleviation to formulate a project. The Bank's involvement would help develop a sustainable model for NCD Programs. For example, having implemented the UNDP/World Bank Rural Water and Sanitation Program, and its successor - the multi-donor supported Water Supply Program (WSP), the Bank is able to share experience of affordable and appropriate technology options that are easily maintainable by small towns and villages. These technologies have been highly successful in reducing waterborne diseases and infant mortality and morbidity in many Asian countries. The Bank would be able to demonstrate the importance, not only of physical infrastructure, but the need for extension work to improve hygiene, sustainability through communities participating in the capital and operating costs of services, and ultimately building ownership for managing the O&M of the services. The Bank's on-going work in the areas of ecological cities in economic cities (Eco2), Climate Resilient Cities, Low Carbon Economy, and Circular Economy Promotion can also provide value added in the preparation and implementation of the Ningbo NCD project. The Ningbo project can provide a good platform to put some of them into operation.

2. Proposed objective(s)

The project development objective is to support government efforts of new countryside development through demonstration projects which will enhance the sustainable development of a pilot rural town and improve rural wastewater treatment and sanitation in selected small towns and rural areas of Ningbo.

3. Preliminary description

Project components will be designed to demonstrate a feasible and sustainable model for new countryside development. The tentative design of the project is as follows.

Component 1: Fenghua Chunhu Small Town Development Demonstration. To be able to effectively demonstrate the project outcome, Chunhu Town (a rural town with a population of about 90,000 in Fenghua City) will be selected as a pilot town for testing the concepts and approaches of new countryside development, as well as to improve the town's basic infrastructure and services. This component will comprise: (a) an access road between Fenghua City and Chunhu Town; (b) wastewater collection and treatment in Chunhu Town; (c) a water supply pipeline that conveys drinking water from a Fenghua water treatment plant to Chunhu and neighboring areas; and (d) technical assistance (TA) for sustainable small town development. The TA aim would cover the vision and sustainable development strategy (including sectoral strategy for agriculture), township master plans (including township transport plan and regional transport demand analysis and planning in Fenghua City), village-level spatial and landscape planning, institutional reform (including e-government), capacity building for local stakeholders (including training and awareness raising), and project monitoring, evaluation and dissemination, and energy efficiency demo projects of rural housing and public buildings. The first three infrastructure investments have been proposed by Ningbo City and are under review of the Bank team. The team is still vigorously discussing the TA with the city and involving ESMAP for its

support to and co-financing of the preparation and implementation of the energy efficient rural houses and public buildings and regional transport development plan.

Component 2: Rural wastewater treatment demonstration in Ningbo Municipality. This component will comprise: (a) rural wastewater collection and treatment; and (b) technical assistance. It will provide wastewater drainage and treatment systems, using sustainable and appropriate technologies, with village communities participating in the selection of affordable and manageable options from a menu of alternatives, in about 200 villages in six counties throughout Ningbo Municipality. The priority will be given to villages located in water resource protection zones.

Component 3. Project Management and Capacity Building. This component will strengthen PMO and PIUs in project management through capacity building and training activities.

4. Safeguard policies that might apply

Environmental Assessment (OP/BP 4.01)

Involuntary Resettlement (OP/BP 4.12)

5. Tentative financing

Source:

Borrower

International Bank for Reconstruction and Development

(\$m.)

50

50

Total

100

6. Contact point

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