**DEYANG, CHINA**

**WATER ENVIRONMENT IMPROVEMENT PROJECT**

- **Identified Investment(s):** <<RMB 12 Billion/USD 1.85 Billion>>
  - Urban riverside regeneration
  - Waste water treatment plant
  - Water environmental comprehensive management
  - Flood control facility
  - Underground pipelines for waste water and runoff
  - Water ecological recovery

- **How Will These Investments be Financed:**
  - Private capital though PPP – 35%
  - Green Bond linked to waste water treatment plant revenues (user pay based) - 30%
  - Government funds - 25% (Central, Provincial, Municipal)
  - World Bank, MDBs. - 10%

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- **Tuojiang River** is about 712 KM with around 37 million population. Deyang is located at its upper reaches, with an area of 3,400 Square KM and a length of 460KM with 2 Million population. Due to its low quality water environment, the river has been listed on the National & Provincial Key Projects for Water Pollution Prevention and Recovery.

- **‘River Chief’ Mechanism:** The central government has created a new senior (mayor level) role at the local level with direct responsibility for each river – to improve water-safety and protect/revive the water eco-system.

- **Resources of Projects Revenue:**
  1. Waste water treatment fee from consumers;
  2. Land value capture/ PPP for a part of the riverfront – Resilient infrastructure investment (e.g., water environment improvement) to promote land value, leading to increased value for developers;
  3. Regional fiscal transfers - Existing mechanism whereby upper reaches receive transfers from lower reaches if they pro-actively address river pollution. Deyang will be eligible by implementing it’s planned scheme;
  4. Local government (city and county) budget allocation for water environment improvement;
  5. Central Government Special Funds can be accessed for river improvement works (up to 80% of project cost) for well-developed projects.
Identified Investment(s): <<RMB 22Billion/USD 0.34 Billion>>

- Multi-lane elevated road project in the 5 lakes area
- Separate lanes for:
  - Cycling;
  - Walking/running; and
  - Electric vehicles
- Ecological recovery project (forestation and lake expansion)

How Will These Investments be Financed?

- Private capital though PPP – 40%
- Tourist fees and rent from shops – 30%
- World Bank, MDBs – 25%
- Government funds (Central, Provincial, Municipal) – 5%

**Location:** East of the Deyang central district, 80 km², 50km from Chengdu (capital city of Sichuan)

**Vision:** To create a green and wellbeing hub, offering improved quality of life for residents of Deyang as well as Chengdu (population 7m+), and attract low carbon shops and businesses;

**Project:** Elevated road project of 29 km² to connect 5 lakes with existing public transportation

Main revenue sources:
1. Land value capture/ PPP for a part of the riverfront – Resilient infrastructure investment (e.g., forestation and lake expansion) to promote land value, leading to increased value for developers;
2. Tourist fees and user fees linked to the multi-lane road, e.g., marathons/events
3. Fiscal revenue from municipal government.

Map showing the 5 lakes (left) and the proposed road (right)