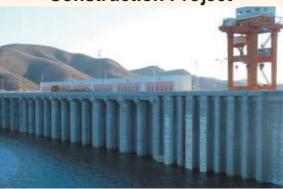
6 China

Liaoning Baishi Reservoir Construction Project



The Baishi Multipurpose Reservoir constructed by this project

Outline of Loan Agreement

Loan Amount / Disbursed Amount	8,000 million yen / 7,997 million yen
Loan Agreement	December 1996
Terms & Conditions	Interest rate 2.3% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	August 2002

Project Outline

Construction of the multi-purpose reservoir principally aimed at flood control and agricultural water supply, on the Daling River at Shangyuan, Beipiao in Liaoning Province, attempts to achieve increase in food production on arable land downstream and municipal water supply, power generation, and fishery in the reservoir.

Results and Evaluation

Through this project, a multi-purpose reservoir (maximum storage capacity: 1,645 million m³) and ancillary facilities were constructed. Since the completion of the reservoir, water collection has failed to progress due to exceptionally little rainfall, and the actual volume of annual water inflow was 424 million m3 in 2001 and 220 million m3 in 2002, in comparison with the planned volume of 1,297 million m³ per year. For this reason, the realized effects of this project were extremely limited. Up to now, there has been no potential flood damage from which the construction of the reservoir could have contributed to preventing, and agricultural, living and industrial water have been hardly supplied by the reservoir. Moreover, the water levels of the reservoir were so low that the actual performance of power generation was low. Even in terms of fishery, fishing volume was low because of the lower water levels and the smaller area in reservoir than planned.

The conditions in operational management of both the Baishi reservoir and ancillary facilities are sound, and no significant malfunction has been observed. In future, once rainfall returns to average volume and the reservoir level increases, and if the conveyance pipe development project in 2005 is completed in 2005 as planned, it is anticipated that the effects of this project will be realized.