



China, People's Republic of: Xinjiang Regional Cooperation and Integration Promotion

Project Name	Xinjiang Regional Cooperation and Integration Promotion
Project Number	51243-001
Country	China, People's Republic of
Project Status	Proposed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	MFF Facility Concept: Xinjiang Regional Cooperation and Integration Promotion Ordinary capital resources US\$ 490.00 million
Strategic Agendas	Inclusive economic growth Regional integration
Drivers of Change	Private sector development
Sector / Subsector	Finance - Small and medium enterprise finance and leasing Health - Health system development Industry and trade - Industry and trade sector development Transport - Multimodal logistics - Rail transport (non-urban) - Road transport (non-urban)
Gender Equity and Mainstreaming	Some gender elements
Description	The proposed multitranches financing facility (MFF) for the Xinjiang Regional Cooperation and Integration Investment Program will help realize the full economic potential of the border areas of the Xinjiang Uygur Autonomous Region (Xinjiang) of the People's Republic of China (PRC) with Kazakhstan, Mongolia, and other Central Asian countries; and increase transport and trade efficiency along the Central Asia Regional Economic Cooperation (CAREC) transport corridors. The MFF will expand economic opportunities in the border areas between Xinjiang, Kazakhstan, and Mongolia. To achieve this outcome, the MFF will develop essential trade related facilities and services, support border transport connectivity, and provide support for small and medium-sized enterprises in the border economic zones in the three cities: Alashankou, Khorgos, Altay; and two counties: Jeminay and Qinghe of Xinjiang.
Project Rationale and Linkage to Country/Regional Strategy	<p>Xinjiang is a landlocked region located at the northwest border of the PRC. It borders Mongolia and Russia in the northeast; Kazakhstan, the Kyrgyz Republic, and Tajikistan in the west and north; and Afghanistan, Pakistan, and India in the south and southwest. Xinjiang has a population of 24 million people where 52% live in the rural areas. It has 17 major ethnic minority groups the Uygur, Kazakh, and Hui are the three largest groups. In addition to the challenges of being landlocked, Xinjiang confronts several other major development challenges. It faces regional disparities Xinjiang's per capita gross domestic product (GDP) is ranked 22 out of the 31 provinces and autonomous regions in the PRC. It also faces disparities between rural and urban areas within the autonomous region it has 27 poverty-stricken rural counties out of 91 counties in Xinjiang. Jeminay and Qinghe counties are two of these 27 poverty-stricken counties, with a poverty rate of 23% and 22%, respectively, well above the poverty rate of 15% for Xinjiang. Furthermore, Xinjiang's GDP growth rate faces a downward trajectory, decelerating continuously from 12% in 2012 to 7.6% in 2016.</p> <p>Drawing on Xinjiang's strategic location and resources advantages, and cultural diversity, the PRC government aims to develop Xinjiang into a core region for the Silk Road Economic Belt, strengthen regional economic cooperation with neighboring countries, and accelerate the opening-up of the autonomous region to overcome these development challenges. The Xinjiang provincial and local governments support this process by establishing border economic zones, developing border infrastructure, and promoting cross-border connectivity. While significant progress has been made, there are still significant challenges that the Xinjiang government needs to tackle to fully develop the BEZs, such as (i) incomplete trade-related facilities and services, (ii) incomplete transport connectivity within the BEZs and to the border, (iii) missing urban infrastructure and public services, and (iv) obstacles hindering the development of SMEs.</p> <p>Within this context, the PRC government requested the Asian Development Bank (ADB) to provide support through an MFF to help address these development challenges, particularly, in the border economic zones in the three cities and two counties of Xinjiang. These border areas are gateways linking Xinjiang with Central Asian countries, Mongolia, and beyond.</p>
Impact	The full economic potential of the border areas of Xinjiang PRC with Kazakhstan, Mongolia, and other Central Asian countries realized. Transport and trade efficiency along the CAREC transport corridors increased.

Outcome	Economic opportunities in the border areas between Xinjiang, Kazakhstan, and Mongolia expanded.
Outputs	Essential trade related facilities and services in the 3 cities and 2 counties developed Border transport connectivity in the 3 cities and 2 counties achieved Support for small and medium-sized enterprises in the 3 cities and 2 counties provided.
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects	Category B
Involuntary Resettlement	Category B
Indigenous Peoples	Category B

Stakeholder Communication, Participation, and Consultation

During Project Design	Regular meetings of ADB and consulting team with the Xinjiang Government.
During Project Implementation	Regular meetings of ADB and consulting team with the Xinjiang Government and PIU.

Responsible ADB Officer	McKenzie, Rosalind Y.
Responsible ADB Department	East Asia Department
Responsible ADB Division	Public Mgt, Financial Sector and Regional Coop Division, EARD
Executing Agencies	<i>Government of Xinjiang Uygur Autonomous Region Planning & Budget Div., Construction Bur. No. 462 Zhongshan Road, Urumqi Xinjiang Uygur Autonomous Region, PRC</i>

Timetable

Concept Clearance	20 Dec 2017
Fact Finding	14 Jan 2019 to 28 Jan 2019
MRM	02 Apr 2019
Approval	-
Last Review Mission	-
Last PDS Update	26 Sep 2018

Project Page	https://www.adb.org/projects/51243-001/main
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