



Concept Paper

Project Number: 51243-001
December 2017

Proposed Multitranche Financing Facility People's Republic of China: Xinjiang Regional Cooperation and Integration Promotion Investment Program

CURRENCY EQUIVALENTS

(as of 14 December 2017)

Currency unit – yuan (CNY)

CNY1.00 = \$0.1513

\$1.00 = CNY6.6085

ABBREVIATIONS

ADB	–	Asian Development Bank
BEZ	–	border economic zone
CAREC	–	Central Asia Regional Economic Cooperation Program
GDP	–	gross domestic product
MFF	–	multitranches financing facility
PIE	–	project implementing entity
PRC	–	People's Republic of China
PLG	–	project leading group
RCI	–	regional cooperation and integration
SME	–	small and medium-sized enterprise
TRTA	–	transaction technical assistance
XPMO	–	Xinjiang project management office

NOTE

In this report, "\$" refers to US dollars.

Vice-President	Stephen Groff, Operations 2
Director General	Indu Bhushan, East Asia Department (EARD)
Director	Ying Qian, Public Management, Financial Sector, and Regional Cooperation Division, EARD
Team leader	Philip Chang, Principal Economist, EARD
Team members	Fiona Connell, Principal Counsel, Office of the General Counsel Giacomo Giannetto, Principal Financial Sector Specialist, EARD Christine Susan Lo, Senior Operations Assistant, EARD Edith Joan Nacpil, Economics Officer, EARD Longyun Peng, Senior Economics Officer, People's Republic of China Resident Mission (PRCM), EARD Stefan Rau, Senior Urban Development Specialist, EARD Gohar Tadevosyan, Social Development Specialist (Safeguards), EARD Kiyoshi Taniguchi, Senior Economist, Economic Research and Regional Cooperation Department Steven Workman-Lewis, Senior Transport Specialist, Sustainable Development and Climate Change Department Aihua Wu, Economics Officer, PRCM Wen Zhang, Senior Project Officer, PRCM Yun Zhou, Environment Specialist, EARD
Peer reviewers	Oleg Samukhin, Transport Specialist, Central and West Asia Department

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CONTENTS

	Page
INVESTMENT PROGRAM AT A GLANCE	
TRANCHE AT A GLANCE	
I. THE PROJECT	1
A. Rationale	1
B. Impacts, Outcome, and Outputs	3
C. Investment and Financing Plans	3
D. Indicative Implementation Arrangements	4
II. DUE DILIGENCE REQUIRED	4
III. PROCESSING PLAN	5
A. Risk Categorization	5
B. Resource Requirements	5
C. Processing Schedule	5
IV. KEY ISSUES	6
APPENDIXES	
1. DESIGN AND MONITORING FRAMEWORK	7
2. PROBLEM TREE	10
3. INITIAL POVERTY AND SOCIAL ANALYSIS	11
4. TECHNICAL ASSISTANCE FACILITY UTILIZATION UPDATE	14

INVESTMENT PROGRAM^a AT A GLANCE

1. Basic Data		Project Number: 51243-001		
Project Name	Xinjiang Regional Cooperation and Integration Promotion	Department /Division	EARD/EAPF	
Country Borrower	China, People's Republic of People's Republic of China	Executing Agency	Government of Xinjiang Uyghur Autonomous Region	
2. Sector	Subsector(s)	ADB Financing (\$ million)		
✓ Industry and trade	Industry and trade sector development		360.00	
Finance	Small and medium enterprise finance and leasing		25.00	
Health	Health system development		40.00	
Transport	Multimodal logistics		30.00	
	Rail transport (non-urban)		15.00	
	Road transport (non-urban)		20.00	
		Total	490.00	
3. Strategic Agenda	Subcomponents	Climate Change Information		
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	High	
Regional integration (RCI)	Pillar 1: Cross-border infrastructure Pillar 2: Trade and investment Pillar 4: Other regional public goods			
4. Drivers of Change	Components	Gender Equity and Mainstreaming		
Private sector development (PSD)	Public sector goods and services essential for private sector development	Some gender elements (SGE)	✓	
5. Poverty and SDG Targeting		Location Impact		
Geographic Targeting	Yes	Regional	High	
Household Targeting	No			
SDG Targeting	Yes			
SDG Goals	SDG3, SDG8			
6. Risk Categorization:	Low			
7. Safeguards Categorization [Tranche 1]	Environment: B Involuntary Resettlement: B Indigenous Peoples: B			
8. Financing				
Modality and Sources	Indicative Tranches (\$million)			Amount (\$million)
	I	II	III	
ADB				490.00
Sovereign MFF-Tranche (Regular Loan): Ordinary capital resources	150.00	170.00	170.00	490.00
Cofinancing				0.00
None	0.00	0.00	0.00	0.00
Counterpart				660.00
Government	200.00	230.00	230.00	660.00
Total	350.00	400.00	400.00	1,150.00
9. Country Operations Business Plan				
CPS	https://www.adb.org/sites/default/files/institutional-document/179558/cps-prc-2016-2020.pdf			
COBP	https://www.adb.org/sites/default/files/institutional-document/295836/cobp-prc-2017-2019.pdf			
10. Investment Program Summary				
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 Uyghur 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				

INVESTMENT PROGRAM^a AT A GLANCE

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.

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: (i) Essential trade related facilities and services in the 3 cities and 2 counties developed, (ii) Border transport connectivity in the 3 cities and 2 counties achieved, and (iii) Support for small and medium-sized enterprises in the 3 cities and 2 counties provided.

Implementation Arrangements: Government of Xinjiang Uygur Autonomous Region will be the executing agency.

Project Readiness: Project readiness is high. The implementing agencies have conducted detailed feasibility studies for most of the subprojects under the first tranche. Advance contracting may be requested for procurement of goods, works, and project management consulting services for early launch of project implementation.

11. Milestones		
Modality	Estimated Approval	Estimated Completion ^b
Multitranches financing facility	28 February 2019	26 February 2027
Tranche I	28 February 2019	
Tranche II	2 November 2020	
Tranche III	2 November 2021	
12. Project Data Sheet (PDS)		
PDS ^c	Not posted yet	

^a Multitranches Financing Facility (MFF).

^b For MFF, this refers to the end of the availability period; for tranches, this refers to the tranche closing date.

^c Safeguard documents can be viewed by clicking the Document's hyperlink in the Project Data Sheet (PDS) page.

TRANCHE AT A GLANCE

1. Basic Data		Project Number: 51243-002
Project Name	Xinjiang Regional Cooperation and Integration Promotion	Department/Division EARD/EAPF
Country Borrower	PRC People's Republic of China	Executing Agency Xinjiang Uygur Autonomous Region Government
2. Sector	Subsector(s)	ADB Financing (\$ million)
✓ Industry and trade	Industry and trade sector development	110.00
Finance	Small and medium enterprise finance and leasing	8.00
Health	Health system development	12.20
Transport	Multimodal logistics	9.20
	Rail transport (non-urban)	4.60
	Road transport (non-urban)	6.00
	Total	150.00
3. Strategic Agenda	Subcomponents	Climate Change Information
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project High
Regional integration (RCI)	Pillar 1: Cross-border infrastructure Pillar 2: Trade and investment Pillar 4: Other regional public goods	
4. Drivers of Change	Components	Gender Equity and Mainstreaming
Private sector development (PSD)	Public sector goods and services essential for private sector development	Some gender elements (SGE) ✓
5. Poverty and SDG Targeting		Location Impact
Geographic Targeting	Yes	Regional High
Household Targeting	No	
SDG Targeting	Yes	
SDG Goals	SDG3, SDG8	
6. Risk Categorization:	Low	
7. Safeguard Categorization	Environment: B Involuntary Resettlement: B Indigenous Peoples: B	
8. Financing		
Modality and Sources		Amount (\$ million)
ADB		150.00
Sovereign MFF-Tranche (Regular Loan): Ordinary capital resources		150.00
Cofinancing		0.00
None		0.00
Counterpart		200.00
Government		200.00
Total		350.00

I. THE PROJECT

A. Rationale

1. The proposed multitranche financing facility (MFF) for the Xinjiang Regional Cooperation and Integration Promotion 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)¹ transport corridors.² 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 (SMEs) in the border economic zones (BEZs) in the three cities: Alashankou, Khorgos, Altay; and two counties: Jeminay and Qinghe of Xinjiang.³ These border areas are gateways linking Xinjiang with Central Asian countries, Mongolia, and beyond.

2. **Development challenges and opportunities.** 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. It has a population of 24 million people, where 52% live in the rural areas. It has 13 major ethnic minority groups—the Uygur, Kazakh, and Hui are the three largest groups.⁴ Xinjiang confronts several major development challenges:

- (i) It faces the challenges of being landlocked, such as limited access to markets, high transportation costs, and limited opportunities to participate in regional and global value chains.
- (ii) It faces regional disparities—Xinjiang's gross domestic product (GDP) of CNY961.7 billion and its per capita disposable income of CNY18,355 in 2016, ranked 25th and 26th, respectively, among the 31 provinces and autonomous regions in the PRC.
- (iii) It faces disparities between rural and urban areas—it has 27 poverty-stricken rural counties (most of these rural counties in the border areas) out of 91 counties in Xinjiang. Jeminay and Qinghe counties are two of these 27 poverty-stricken counties, with a poverty rate of 26% and 22%, respectively.
- (iv) It faces the need to diversify its economy. Xinjiang's GDP growth rate faces a downward trajectory, decelerating continuously from 12% in 2012 to 7.6% in 2016 due to weak external demand, sharp decline in commodity prices, and the shift away from coal toward renewable energy in the PRC.

3. To overcome these development challenges, the PRC government draws on Xinjiang's strategic location and resources advantages, and cultural diversity 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 Xinjiang.⁵ The Xinjiang provincial and local governments support this process by establishing BEZs, developing border infrastructure,

¹ The PRC participates in the CAREC program through Xinjiang and Inner Mongolia Autonomous Region.

² ADB. 2017. *Country Operations Business Plan: People's Republic of China, 2017–2019*. Manila.

³ The BEZs include the Alashankou Integrated Free Trade Zone, PRC-Kazakhstan Khorgos Cross-Border Cooperation Center, Khorgos Special Economic Zone, and Altay Prefecture Transnational Cooperation Zone, which encompasses the Altay City Transnational Economic Cooperation Zone, Jeminay Border Economic Zone, and Qinghe Border Economic Zone (Qinghe County is awaiting the approval of the BEZ from the central government).

⁴ The Uygur, Han, Kazakh, Mongolian, Hui, Kyrgyz, Manchu, Xibo, Tajik, Daur, Uzbek, Tatar, and Russian.

⁵ As set out in the 13th Five-Year Plan for Economic and Social Development of the PRC, the 13th Five-Year Plan for Xinjiang, and the Action plan on the Belt and Road Initiative. These plans emphasize the opening-up of the border areas.

and promoting cross-border connectivity. A BEZ is a network of activities that seek to promote cross-border trade and investment and encourage economic and social development of an area along the border.⁶ This is one of main approaches that the PRC uses to address the development challenges of Xinjiang, and to realize the economic potential of the border areas. While significant progress has been made, there are still significant challenges that the Xinjiang government needs to tackle to fully develop and operationalize the BEZs, such as (i) incomplete trade-related facilities and services, (ii) incomplete transport connectivity within the BEZs and to the border, and (iii) obstacles hindering the development of SMEs.

4. 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 BEZs in the three cities and two counties of Xinjiang. The Xinjiang provincial and relevant local governments have long-term master plans to develop and operationalize the BEZs. These plans also include target indicators and guiding principles to foster a conducive environment to implement projects and/or programs to achieve the targets.⁷ These plans and other related documents will be reviewed and synthesized during the implementation of the transaction technical assistance (TRTA). A multisector road map, policy framework, and investment program will be produced from this synthesis.

5. The MFF is consistent with the strategic priorities of the country partnership strategy 2016–2020 for the PRC; the operational plan for Regional Cooperation and Integration, 2016–2020;⁸ and CAREC 2030⁹ in helping to build transport, trade, and energy links that encourage sustainable growth and connect the landlocked CAREC member countries to each other and to markets beyond.

6. The MFF is a suitable financing modality for the proposed investment program because it (i) can accommodate the financing of large multisector projects with longer implementation periods; (ii) provides a phased funding approach that matches project readiness and funding needs; (iii) allows ADB and Xinjiang to build a long-term partnership by strengthening Xinjiang's institutional capacity to implement RCI projects; (iv) provides a framework to promote internal coordination among the relevant agencies in the PRC to implement RCI projects as well as high-level dialogues among policy makers of the PRC, Kazakhstan, and Mongolia; and (v) allows flexibility to mobilize private sector investment in future tranches. A comparative analysis of the relevant lending modalities to justify the use of MFF will be prepared during the implementation of the TRTA.

⁶ Drawing on the PRC's rich and successful experience with the implementation of special economic zones, such as Shenzhen, Shantou, Zhuhai, Xiamen, and Hainan; the central government establishes BEZs as a vehicle to help open-up the border areas and address the transregional unbalanced economic development within the PRC. BEZs will help create new economic opportunities through increased cross-border trade and investment, which, in turn, will generate new job opportunities and raise the income levels of the local people living in the border areas of the PRC and adjacent countries. BEZs will also promote efficient resource allocation by exploiting regional complementarities in production.

⁷ The 13th Five-Year Plan for Xinjiang highlighted five core areas that need to be addressed to promote economic development in Xinjiang: transportation, trade and logistics, cultural and education, medical services, and financial sector. The master plans for three of these core areas have been issued, and two are being prepared. The local governments of the three cities and two counties have master plans for the development of the border economic zones.

⁸ ADB. 2016. *Operational Plan for Regional Cooperation and Integration, 2016–2020*. Manila.

⁹ CAREC 2030: Connecting the Region for Shared and Sustainable Development.

B. Impacts, Outcome, and Outputs

7. The impacts of the MFF will be realized full economic potential of the border areas of Xinjiang with Kazakhstan, Mongolia, and other Central Asian countries; and increased transport and trade efficiency along the CAREC transport corridors. The outcome of the MFF will be expanded economic opportunities in the border areas between Xinjiang, Kazakhstan, and Mongolia.

8. The MFF will produce three major outputs to address the four key constraints that impede the full operations of the BEZs in the three cities and two counties of Xinjiang.

9. **Output 1: Essential trade related facilities and services developed.** The MFF will (i) improve warehousing, logistics, and distribution facilities to accommodate increased goods trade; (ii) develop business incubation and demonstration facilities to support SMEs; (iii) improve customs and quarantine facilities to reduce transaction costs; (iv) develop border bazaars, e-commerce services, trading centers, and exhibition and convention facilities to bring buyers and sellers together; (v) information and communication technology facilities to facilitate trade-related activities and support smart city; and (vi) develop rehabilitation and health care center to support cross-border medical tourism. The MFF will also improve the coordination of cross-border policies and regulations, and institutions in BEZs to facilitate trade.¹⁰

10. **Output 2: Border transport connectivity improved.** The MFF will develop missing transport linkages within the BEZs and to the border, including construction and improvement of border access roads, border crossing points, and the construction of a dedicated railway line from the integrated free trade area to the PRC–Kazakhstan crossing point. This will improve transport efficiency and reduce transportation costs.

11. **Output 3: Support for small and medium-sized enterprises provided.** The MFF will support the establishment of an SME financing facility to improve access to finance for SMEs. It will also support business development services to SMEs, including business networking and outreach support, market information, and financial and human resource management. In addition, the MFF will support training programs to improve local workers' capacity and skills so that they can better support SME development and raise their own incomes.

C. Investment and Financing Plans

12. The overall investment program is estimated to be \$1,150.0 million, of which \$490.0 million will be financed by ADB through the MFF. The MFF comprises three tranches. Table 1 presents the tentative financing plan.

¹⁰ For example, development of mineral resources in Western Mongolia has increased significantly since the ADB-financed Western Regional Road Corridor Investment Program approved in November 2011, and construction began in 2012. Regional trade and traffic is increasing rapidly between Mongolia, Xinjiang, and Kazakhstan; hence, cross-border infrastructure, logistics, and customs facilities need to be improved to take advantage of the opportunities for additional trade and regional cooperation.

Table 1: Tentative Financing Plan

Source	Tranche 1 (\$ million)	Tranche 2 (\$ million)	Tranche 3 (\$ million)	MFF (\$ million)	Share of Total (%)
Asian Development Bank	150.0	170.0	170.0	490.0	43.0
OCR loan from country allocation	120.0	140.0	140.0	400.0	
OCR loan from regional set aside	30.0	30.0	30.0	90.0	
Government	200.0	230.0	230.0	660.0	57.0
Total	350.0	400.0	400.0	1150.0	100.0

MFF = multitranche financing facility, OCR = ordinary capital resources.

Source: Asian Development Bank estimates.

D. Indicative Implementation Arrangements

13. The Xinjiang government, through the Xinjiang Project Management Office (XPMO), will be the executing agency. The governments of Altay Prefecture, Khorgos City, and Alashankou City will each establish a project leading group (PLG), under the overall coordination and facilitation of XPMO, to oversee the preparation and implementation of projects and provide policy guidance in their respective jurisdiction.¹¹ Under each PLG, an implementing agency will be established to carry out day-to-day activities. XPMO will coordinate and guide each PLG and implementing agency on matters pertaining to project processing and implementation. Seven project implementing entities (PIEs) will be established in Alashankou City, Khorgos City, Altay City, Jeminay County, and Qinghe County.¹² Procurement (including consulting services) to be financed by the relevant local governments will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

II. DUE DILIGENCE REQUIRED

14. Due diligence will include the following:

- (i) **Technical.** Technical design of each project component, as applicable, will be reviewed to ensure that they are technically sound and meet all relevant technical standards and safeguard requirements.
- (ii) **Economic and financial.** Economic analysis of each project component, as applicable, will be conducted. Financial analysis of each project component and detailed assessment of financial management capacity and performance of the executing and implementing agencies will be conducted.¹³
- (iii) **Governance.** Capacities, institutional arrangements and/or mechanisms related to financial management, procurement, anticorruption, and other policy and legal issues will be assessed. Institutional strengthening and capacity development programs will be proposed to support project implementation.
- (iv) **Poverty and social.** The poverty and social analysis of the project will include (a) stakeholder analysis and consultations with affected people; and (b) assessment of the project impact and benefits for the poor and other vulnerable groups, including

¹¹ The PLG would comprise members of the relevant departments, such as local Development and Reform Commission, Finance Bureau, Housing and Urban-Rural Construction Bureau, Environmental Protection Administration, and Land and Resource Bureau.

¹² Three PIEs in Khorgos City, and one PIE in each of the other two cities and two counties.

¹³ Economic and financial analyses will be conducted in accordance with ADB guidelines. Financial due diligence of participating financial institutions in the proposed SME financing facility will be conducted in accordance with ADB guidelines.

ethnic minorities and women, in accordance with ADB requirements.¹⁴ A social development action plan and a gender action plan will be prepared.

- (v) **Safeguards.** Tranche 1 of the investment program is most likely to be categorized as Category B for environment, Category B for involuntary resettlement, and Category B for indigenous peoples.¹⁵ Related safeguards plans will be prepared for this tranche. An environmental assessment and review framework, a resettlement framework, and an indigenous peoples planning framework will be prepared for the MFF.¹⁶
- (vi) **Climate Change.** The preliminary climate risk screening indicates that the potential impacts of climate change to the project is high. During the due diligence stage, AWARE tool will be used to verify the preliminary climate risk screening. If the climate risk rating is medium or high, a climate risk vulnerability assessment will be conducted. Climate risks will be managed by incorporating climate resilient measures in the project design.

III. PROCESSING PLAN

E. Risk Categorization

15. The proposed MFF is categorized as complex, but with medium risk, based on the following features: (i) the loan amount exceeding \$200 million; (ii) safeguard categorization; (iii) a sound record of ADB's experience in trade facilitation and SME development, transport, and urban development sectors in the PRC; and (iv) proven capacity of the executing agency and implementing agencies in administering projects financed externally, including ADB.

F. Resource Requirements

16. A Transaction Technical Assistance Facility: *PRC: Preparing Regional Cooperation and Integration Projects* was approved on 12 September 2017 to support project preparatory activities under the MFF (Appendix 4).

G. Processing Schedule

17. The proposed processing schedule for the MFF is presented in Table 2.

Table 2: Proposed Processing Schedule

Milestones	Expected Completion Date
Concept Paper Approval	December 2017
Implementation Transaction TA	March 2018
Loan Fact Finding Mission	November 2018
Management Review Meeting	January 2019
Loan Negotiations	February 2019
Board Circulation	March 2019
Board Consideration	April 2019

TA = technical assistance

Source: Asian Development Bank estimates

¹⁴ ADB. 2007. *Handbook on Social Analysis*. Manila.

¹⁵ These categorizations had been confirmed by the Environment and Safeguards Division of the Sustainable Development and Climate Change Department.

¹⁶ An environmental and social management system will be prepared for the SME financing facility.

IV. KEY ISSUES

18. Effective coordination among the key stakeholders are vital to the successful formulation and implementation of the MFF. Thus, consultations with relevant officials and businesses in Kazakhstan and Mongolia will also be required. A regional knowledge and support TA may be needed to help improve the coordination of policies and regulations, and institutions between Xinjiang, Kazakhstan, and Mongolia to ensure effective operations of the BEZs. In addition, it is important for the Xinjiang government to have sufficient counterpart funding to meet its share of financing for the projects under the MFF.

DESIGN AND MONITORING FRAMEWORK

Impacts the MFF is aligned with			
Full economic potential of the border areas of Xinjiang PRC with Kazakhstan, Mongolia, and other Central Asian countries realized ^a			
Transport and trade efficiency along the CAREC transport corridors increased ^b			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome	By 2028:		
Economic opportunities in the border areas between Xinjiang, Kazakhstan, and Mongolia expanded	<p>a. Cross-border trade volume between Alashankou City, Khorgos City, and Jeminay County and adjacent border areas of Kazakhstan doubled (2016 baseline: TBD)</p> <p>b. Cross-border trade volume and the adjacent border areas of Mongolia doubled (2016 baseline: TBD)</p> <p>c. Time for border clearance in BEZs in Alashankou City and Khorgos City reduced by at least 75% (2016 baseline: Rail Outbound: 20 hours)</p> <p>d. Total SMEs operating in three cities and two counties doubled (2016 baseline: 7,135)</p>	a–d. Data from China Customs, and from local governments of the three cities and two counties	<p>Weak coordination on cross-border policies and slow implementation of these policies by the governments of the PRC, Kazakhstan, and Mongolia</p> <p>Accession of the PRC to TIR Convention, and ratification of SCO agreement on road transport may divert some trade away from Khorgos and Alashankou border crossing points</p> <p>Regional economic growth slowdown may reduce economic activities in the border areas between Xinjiang, Kazakhstan, and Mongolia</p>
Outputs	By 2027:		
1. Essential trade related facilities and services in the three cities and two counties developed	<p>1a. five warehouse, storage, and distribution facilities commissioned (2017 baseline: 0)</p> <p>1b. four customs inspection facilities commissioned (2017 baseline: 0)</p> <p>1c. 9 Trade, business and exhibition centers, and bazaars commissioned (in Jeminay and Qinghe) (2017 baseline: 0)</p>	<p>1a–e. Construction reports by the relevant cities/counties</p> <p>1a–e. Annual progress reports from PIEs</p> <p>1e–f. Health statistics from local government of Khorgos City</p>	PRC government shifts priority away from RCI

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	<p>1d. two incubation and development facilities commissioned (2017 baseline: 0)</p> <p>1e. One health care center constructed in Khorgos City (2017 baseline: 0)</p> <p>1f. At least 50% of the health workers in the health care center are female (2017 baseline: 0)</p>		
<p>2. Border transport connectivity in the three cities and two counties improved</p> <p>3. Support for small and medium-sized enterprises in the three cities and two counties provided</p>	<p>2a. 43 km border access roads and service roads constructed (2017 baseline: 0)</p> <p>2b. 6 km railway lines connecting to border cross points constructed (2017 baseline: 0)</p> <p>3a. X number of SMEs receiving financing from the SME financing facility (2017 baseline: 0)</p> <p>3b. At least X number of stakeholders, of which 30% are women, with increased knowledge on xx (2017 baseline: 0)</p>	<p>2a–b. Construction reports by the relevant cities/counties</p> <p>2a–b. Annual progress reports from PIEs</p> <p>3a–b. Annual progress reports from PIEs</p>	
<p>Key Activities with Milestones</p> <p>1. Output 1: Essential trade related facilities and services in the three cities and two counties developed</p> <p>1.1 Construction of warehousing, logistics and distribution facilities completed by December 2022</p> <p>1.2 Construction of business incubation and demonstration facilities completed by December 2025</p> <p>1.3 Construction of customs inspection facilities and cross-border business service center completed by December 2027</p> <p>1.4 Construction of regional rehabilitation health care center completed by December 2025</p> <p>2. Output 2: Border transport connectivity in the three cities and two counties improved</p> <p>2.1 Construction of railway connections within the BEZs and to the border completed by December 2022</p> <p>2.2 Construction of roads within the BEZs and to the border completed by December 2025</p> <p>3. Output 3: Support for small and medium-sized enterprises in the three cities and two counties provided</p> <p>3.1 Implementation of SME financing facility by December 2022</p>			

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
<p>3.2 Implementation of skills development and training programs by December 2022</p> <p>3.3 Implementation of business development services for SMEs by December 2025</p> <p>Program Management Activities</p> <p>Prepare and manage implementation and procurement plans (Q3 2019–2027)</p> <p>Prepare and update monitoring and evaluation system and ensure timely delivery of outputs (Q3 2019–2027)</p>			
<p>Inputs</p> <p>ADB: \$490,000,000 OCR loan</p> <p>Government: \$660,000,000</p>			
<p>Assumptions for Partner Financing</p> <p>Not Applicable.</p>			

ADB = Asian Development Bank, BEA = border economic area, BEZ = border economic zone, CAREC = Central Asia Regional Economic Cooperation, GDP = gross domestic product, MFF = multitranches financing facility, OCR = ordinary capital resources, PIEs = project implementing entities, PRC = People's Republic of China, Q = quarter, RCI = regional cooperation and integration, SCO = Shanghai Cooperation Organization, SME = small and medium-sized enterprise, TBD = to be determined, TIR = International Road Transports

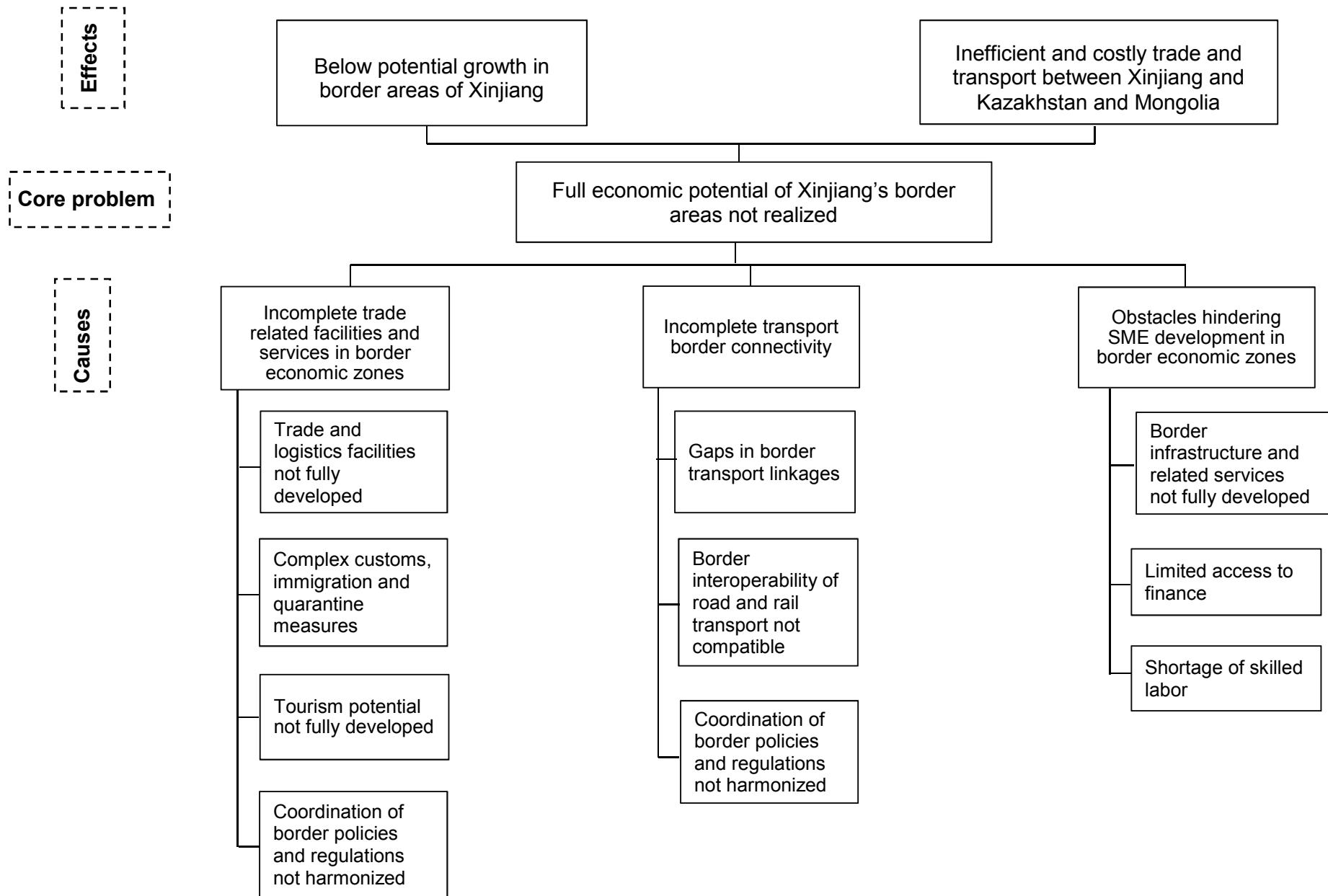
^a 13th Five-Year Plan for Economic and Social Development of the PRC, the 13th Five-Year Plan for Xinjiang Uygur Autonomous Region.

^b CAREC 2030: Connecting the Region for Shared and Sustainable Development.

^c Three cities: Alashankou, Khorgos, and Altay. Two counties: Jeminay and Qinghe.

Source: Asian Development Bank.

PROBLEM TREE



INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	People's Republic of China	Project Title:	Xinjiang Regional Cooperation and Integration Investment Program
Lending/Financing Modality:	Multitranche Financing Facility	Department/ Division:	EARD/EAPF

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The proposed Multitranche Financing Facility (MFF) for the Xinjiang Regional Cooperation and Integration Promotion 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 and 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.

The MFF is consistent with the 13th Five-Year Plan for Economic and Social Development of the PRC, and the 13th Five-Year Plan for Economic and Social Development for Xinjiang. It is also consistent with the country partnership strategy for the PRC, 2016–2020; the operational plan for Regional Cooperation and Integration, 2016–2020; and CAREC 2030.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The MFF will help realize the full economic potential of the border areas of Xinjiang by addressing the key constraints to fully develop the border economic zones (BEZs), namely, incomplete trade related facilities and services, incomplete border connectivity, and obstacles hindering the development of small and medium-sized enterprises (SMEs) in the three cities: Alashankou, Khorgos, and Altay; and two counties: Jeminay and Qinghe. This intervention will expand economic opportunities in the border areas between Xinjiang, Kazakhstan, and Mongolia, which will create new job opportunities and raise real incomes for the people living in these areas. The MFF will also target Sustainable Development Goals (SDGs) 3 (good health and well-being); and 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all).

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Xinjiang is a landlocked region located at the northwest border of the PRC. It has a population of 24 million people where 52% live in the rural areas. It has 13 major ethnic minority groups—the Uygur, Kazakh, and Hui are the three largest groups. Xinjiang also 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—it has 27 poverty-stricken, rural counties out of 91 counties in Xinjiang. Jeminay and Qinghe counties, with a poverty rate of 23% and 22%, respectively, are two of these 27 poverty-stricken counties. Furthermore, Xinjiang's GDP growth rate faces a downward trajectory, decelerating continuously from 12% in 2012 to 7.6% in 2016. The MFF will create new economic and employment opportunities in the border areas of Xinjiang, Kazakhstan, and Mongolia. This will not only benefit the different ethnic minorities living in border areas of Xinjiang, where the income levels are lower than the national and provincial levels, but also benefit the poor residents and businesses in the border areas in Kazakhstan and Mongolia.

2. Impact channels and expected systemic changes. The MFF will contribute to poverty reduction in various ways: (i) improving people's health and decreasing healthcare expenses; (ii) increasing job opportunities through better access to finance for local SMEs; (iii) promoting training programs to improve the capacity and skills of local workers so that they can better support SMEs, and raise their own incomes; and (iv) the project will benefit the border residents through improved trade-related facilities and services, and border transport connectivity.

3. Focus of (and resources allocated in) the transaction technical assistance (TRTA) or due diligence. Funds from the TRTA will be allocated for analyses of poverty- and social-related issues, including indigenous peoples' development, and protection of labor rights. A poverty and social analysis (PSA) will be carried out during the TRTA to analyze the impact of the project on the poor and identify pro-poor project design features. Issues to be investigated include (i) identification of effective mechanisms for community-based awareness activities and participation and participate in project monitoring activities; (ii) assessing types of employment opportunities, and suggesting effective measures to improve employment opportunities for local people, including the poor, women, and ethnic minorities; and (iii) assessing the potential for social risks, such as human and drug trafficking and development of relevant mitigation measures. Capacity building during the TRTA will strengthen the awareness of the executing and implementing agencies for pro-poor interventions and need for continuous monitoring of social issues. Qualified international and national specialists

with expertise in social development, poverty, gender, and indigenous peoples safeguard will be engaged as part of the TRTA team.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

The MFF will have a positive impact on women because it will expand business and employment opportunities for women traders in border areas of Xinjiang, Kazakhstan, and Mongolia. For example, many small traders, a large percentage of which are women, from Kazakhstan and other Central Asian countries would travel to the China-Kazakhstan Cooperation Center in Khorgos City to purchase goods at wholesale, and then resale them in their own local markets. This does not only raise their own incomes but also the welfare of local consumers in their own countries.

2. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women’s access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No Please explain. The MFF will help empower women by expanding economic opportunities in the border areas of Xinjiang, Kazakhstan, and Mongolia as well as improving their access to municipal and public services. This will raise their real incomes. The TRTA will explore the possibilities to increase women’s participation in decision making in the MFF design, implementation, and monitoring. The program will also help improve the capacity of all female staff in various entities related to the program (e.g., the executing and implementing agencies).

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No Please explain. The MFF will have positive social impacts on women and girls by providing new job opportunities, and improving their job skills through training so that they can secure higher-income jobs. Potential social risks, such as abuse of labor rights of women, human trafficking, and HIV/AIDS concerns, will need to be properly addressed during the design and implementation of the MFF. Gender analysis will be conducted as part of the PSA, and gender concerns and needs will be incorporated in the design and implementation of the project. A gender action plan (GAP) will be developed, which will incorporate strategies, mechanisms, and actions to address gender concerns. Opportunities will be explored to collaborate with All China Women’s Federation on women’s employment, training, public consultation, and awareness raising issues.

4. Indicate the intended gender mainstreaming category:

- GEN (gender equity) EGM (effective gender mainstreaming)
- SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders of the MFF are the provincial, and three city-level and two county-level governments of Xinjiang; border control agencies; and local SMEs, market vendors, laborers, and local people living in border areas of the three cities and two counties of Xinjiang. Some of these stakeholders may be affected due to the infrastructure development within and surrounding the BEZs. Stakeholder consultations will be conducted to help address their concerns.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

PSA and consultation meetings will be conducted during the TRTA to identify views and concerns of beneficiaries, especially vulnerable groups, to inform the MFF design and develop measures for effective implementation of the program. Mechanisms of local communities’ engagement and awareness campaigns will also be studied to improve water supply and sanitation, and district heating service delivery process. Accessibility and affordability of water supply and other municipal services will be assessed during the TRTA. The MFF will empower local SMEs by improving the business environment and access to finance to expand their operations. It will empower local workers by generating new job opportunities, raising their skills level through training, and creating higher-income jobs.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Opportunities for involving civil society organizations will be sought during project preparation and implementation.

- Information generation and sharing (M) Consultation (M) Collaboration Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No

The beneficiaries will be consulted during the TRTA implementation through social surveys, stakeholders’ workshops, focus group discussions, and key informant interviews. The MFF will help create new job opportunities for the poor, which will raise their income levels. Skills training programs will be provided to increase their capacity and skills to participate in the labor market. Documents prepared during the TRTA including the environmental management plan, gender action plan, resettlement plans, and social development action plan (SDAP) will outline the program for

consultation and participation of beneficiaries in the design and implementation of the MFF. Loan assurances will address implementation and monitoring of these plans.
IV. SOCIAL SAFEGUARDS
A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The MFF will develop physical infrastructure, such as railway lines, roads, warehousing, logistics, and distribution facilities. The potential negative impacts on displaced people needs to be assessed, and mitigation measures needs to be implemented.</p> <p>2. What action plan is required to address involuntary resettlement as part of the TRTA or due diligence process? <input checked="" type="checkbox"/> Resettlement plan (for Tranche 1) <input checked="" type="checkbox"/> Resettlement framework (for MFF) <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>There are 13 major ethnic communities in Xinjiang: the Uygur, Han, Kazakh, Mongolian, Hui, Kyrgyz, Manchu, Xibe, Tajik, Daur, Uzbek, Tatar, and Russian. The MFF will create new economic and employment opportunities in the border areas of Xinjiang, Kazakhstan, and Mongolia. The MFF will mainly have positive impacts on the beneficiaries by creating more income generating opportunities for local people, including ethnic minorities. There may also be some potential social risks related to border connectivity and cross-border trade facilitation, such as human and drug trafficking, and HIV/AIDS, which may also affect the minority groups.</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the TRTA or due diligence process? <input checked="" type="checkbox"/> Indigenous peoples plan (for Tranche 1) <input checked="" type="checkbox"/> Indigenous peoples planning framework (for MFF) <input type="checkbox"/> Social Impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design? <input checked="" type="checkbox"/> Creating decent jobs and employment (H) <input checked="" type="checkbox"/> Adhering to core labor standards (M) <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (M) <input checked="" type="checkbox"/> Increase in human trafficking (M) <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input checked="" type="checkbox"/> Creating internal social conflicts (M) <input checked="" type="checkbox"/> Others, please specify Increasing illegal trade</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? The Framework Financing Agreement will include covenants regarding adherence to core labor standards. There is a risk for human trafficking as the MFF is being implemented in the border counties. Therefore, relevant actions will be included in the SDAP. HIV/AIDS clauses will be included in the bidding documents, and awareness and prevention activities will be held during the program implementation and included in the loan assurances.</p>
VI. TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TRTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Funds from the TRTA will be allocated for analyses of these issues.</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis and participation plan during the TRTA or due diligence? A total of 1.5 person-months of international social development consultant, 3 person-months of social development specialist, and 2 person-months of national resettlement specialist are included in the TRTA to conduct PSA and preparation of GAP, SDAP, ethnic minority development, and land acquisition and resettlement plans. The project management office will engage qualified institutes to conduct survey for PSA, and land acquisition and resettlement. Resources will cover consultation, participation, quantitative, and qualitative surveys.</p>

TECHNICAL ASSISTANCE FACILITY UTILIZATION UPDATE

1. The transaction technical assistance (TRTA) facility for Preparing Regional Cooperation and Integration Projects in the People's Republic of China (PRC) was approved on 12 September 2017 in an amount of \$1 million. An additional \$1 million was approved for this TRTA facility from the Regional Cooperation and Integration Fund of the Regional Cooperation and Integration Financing Partnership Facility on 18 October 2017.¹ As of 13 December 2017, contract awards totaled \$295,186 and no disbursements.
2. The TRTA facility will deliver the following outputs specifically for the ensuing Multitranche Financing Facility for Xinjiang Regional Cooperation and Integration Investment Program.
3. The major outputs and activities are summarized in Table A4.1.

Table A4.1: Summary of Major Outputs and Activities

Outputs	Delivery Dates	Key Activities with Milestones
1. Sector and subsector analysis	December 2018	1.1 Review the relevant government development plans and documents. 1.2 Assess the rationale and justification of the MFF. 1.3 Provide recommendations to further strengthen the design and implementation arrangements.
2. Technical design review	December 2018	2.1 Review the technical design of each project component to ensure that they are technically sound and meet all relevant technical standards and safeguard requirements. 2.2 Based on the review, provide recommendations to improve the technical design of each project component as appropriate.
3. Economic analysis	December 2018	3.1 Conduct economic analysis for each subproject, as applicable, in line with ADB requirements under the 2017 Guidelines on the Economic Analysis of Projects.
4. Financial analysis	December 2018	4.1 Undertake financial review and analysis of each project component as well as detailed assessment of financial management capacity and performance of the executing agency and implementing agencies consistent with the relevant ADB guidelines.
5. Poverty and social assessment	December 2018	5.1 Engage a qualified survey institute to conduct household surveys and community consultations for poverty and social analysis in accordance with ADB requirements. 5.2 Based on this analysis, prepare a social action plan, and summary poverty reduction and social strategy consistent with the relevant ADB guidelines.
6. Social Development	December 2018	6.1 Work with the executing and implementing agencies to prepare an SDAP and GAP with the objective of

¹ Regional Cooperation and Integration Fund of the Regional Cooperation and Integration Financing Partnership Facility approved \$1,000,000 funding for TRTA 9373. The memo for the increase in TA financing is being processed to reflect the additional funding in the Technical Assistance Information System.

Action Plan (SDAP) and Gender Action Plan (GAP)		ensuring that the project maximizes benefits for the poor, vulnerable groups, and women; and meets effective gender mainstreaming categorization requirements.
7. Environmental assessment	December 2018	<p>7.1 Prepare the EARF, review domestic EIA prepared for each component of Tranche 1 and request the executing and implementing agencies to meet the requirements as specified in ADB's SPS (2009).</p> <p>7.2 Based on the review of the EIAs and other relevant project documents, prepare EIAs and/or IEE, including EMP for Tranche 1.</p>
8. Involuntary resettlement assessment	December 2018	<p>8.1 Prepare resettlement plans, resettlement framework, due diligence (for land previously acquired and existing facilities), ESMS.</p> <p>8.2 Assist the executing and implementing agencies to engage a qualified survey institute to conduct a survey and improve and finalize the social safeguard documents in accordance with ADB SPS (2009) requirements.</p>
9. Ethnic minority (indigenous peoples) assessment	December 2018	9.1 Conduct a thorough assessment of ethnic minority issues in the project area and prepare an EMDF, including provisions of screening, mitigation and enhancement measures in ESMS for the relevant cities in accordance with ADB SPS (2009) requirements.
10. Risk assessment and management plan	December 2018	<p>10.1 Assess the financial management system, accounting rules and practices, administrative procedures, internal control and audit, external audit, and procurement capacity, practices and risks of the existing project management office, and the executing and implementing agencies.</p> <p>10.2 Based on this assessment, work with stakeholders to prepare a draft governance risk assessment and management plan. Funds flow and disbursement arrangements will also be identified reflecting the governance assessment.</p>
11. Facility Administration Manual (FAM)	December 2018	11.1 Prepare a FAM.
12. Procurement plan and procurement documents	December 2018	<p>12.1 Undertake a comprehensive procurement capacity assessment of the executing and implementing agencies in accordance with ADB guidelines.</p> <p>12.2 Based on this assessment and technical requirements of each project, prepare a procurement plan.</p> <p>12.3 Prepare bid documents for the packages under different procurement modes, and terms of reference for project implementation consultants</p>
13. Institutional strengthening	December 2018	13.1 Prepare a comprehensive capacity development plan presenting specific actions for trainings and

<p>and capacity development plan</p>		<p>institutional strengthening measures to enhance the capacity of the executing and implementing agencies, and other concerned agencies to meet operational needs of project implementation and to ensure future managerial, technical, and financial sustainability of operations.</p> <p>13.2 Conduct training workshops on ADB guidelines and procedures for project processing and implementation.</p>
---	--	---

ADB = Asian Development Bank, EARF = environmental assessment review framework, EIA = environmental impact assessment, EMDF = ethnic minority development plan, EMP = environmental management plan, ESMS = environmental and social management system, FAM = Facility Administration Manual, GAP = Gender Action Plan, IEE = initial environmental examination, MFF = multitranche financing facility, SDAP = Social Development Action Plan, SPS = Safeguard Policy Statement
 Source: Asian Development Bank

4. **Resources under the TRTA facility.** The total amount of this TRTA facility is \$2 million (footnote 1), of which \$700,000 was allocated to the Multitranche Financing Facility for Xinjiang Regional Cooperation and Integration Promotion Investment Program; \$700,000 was allocated to the Multitranche Financing Facility for Inner Mongolia Regional Cooperation and Integration Promotion Investment Program; and \$600,000 was allocated to Yunnan Lincang Cross-border Economic Cooperation Zone Infrastructure Development Project.

5. The updated consultants’ input allocation from the TA facility is presented in Table A4.2. It is confirmed that the (i) TA facility has adequate resources, and (ii) existing terms of reference for consultants are sufficient to undertake the activities required to deliver the outputs for the ensuing Multitranche Financing Facility for Xinjiang Regional Cooperation and Integration Promotion Investment Program.

Table A4.2: Updated Consultants’ Input Allocation from the TRTA Facility for this MFF (person-month)

Item	Total TRTA Facility	Xinjiang MFF Complex
International		
Trade and Logistics Specialist	0.25	6.00
Civil Engineer/Procurement Specialist	4.00	2.00
SME Specialist	0.50	1.75
Finance Specialist	2.00	2.00
Economist	2.00	2.00
ICT (Smart City) Specialist	0.25	1.50
Customs and Single Window Specialist	0.25	1.00
Environmental Specialist	3.50	2.00
Social Development Specialist	3.50	1.50
National		
Trade and Logistics Specialist	3.00	6.00
Civil Engineer/Procurement Specialist		2.00
Health Facility Specialist	2.75	2.00

Item	Total TRTA Facility	Xinjiang MFF Complex
Institutional and Capacity Building Specialist	1.75	2.00
SME Specialist	0.75	2.00
Finance Specialist	1.50	2.00
Economist	2.75	2.00
Environmental Specialist	3.75	3.00
Resettlement Specialist	3.75	2.00
Social Development Specialist	3.25	3.00

ICT = information and communication technology, MFF = multitranches financing facility, SME = small and medium-sized enterprise, TRTA = transaction technical assistance

Source: Asian Development Bank

Table A4.3: Updated Budget Allocation from the TRTA Facility
(\$'000)

Item	Total TRTA Facility	Xinjiang MFF
Training, seminars, and conferences	5.0	10.0
Surveys	20.0	5.0
Others	25.0	12.5

MFF = multitranches financing facility, TRTA = transaction technical assistance

Source: Asian Development Bank.