China, People's Republic of: Gansu Baiyin Integrated Urban Development Project

**Project Name**
Gansu Baiyin Integrated Urban Development Project

**Project Number**
46062-002

**Country**
China, People's Republic of

**Project Status**
Active

**Project Type / Modality of Assistance**
Loan

**Source of Funding / Amount**

| Loan 3202-PRC: Gansu Baiyin Integrated Urban Development Project | Ordinary capital resources | US$ 100.00 million |

**Strategic Agendas**
Environmentally sustainable growth
Inclusive economic growth

**Drivers of Change**
Governance and capacity development
Knowledge solutions
Private sector development

**Sector / Subsector**
**Education** - Technical and vocational education and training
**Transport** - Urban public transport - Urban roads and traffic management
**Water and other urban infrastructure and services** - Urban sewerage - Urban water supply

**Gender Equity and Mainstreaming**
Effective gender mainstreaming

**Description**
Baiyin is a medium-sized city in Gansu province (Gansu), one of the 12 less-developed provinces and autonomous regions targeted under the Western Development Strategy of the People's Republic of China (PRC). The city was originally established as a national copper mining base in the 1950s but its socioeconomic development suffered major setbacks after continuous copper exploitation and depletion, and environmental degradation. Since the Eleventh Five-Year Plan 2006–2010, Baiyin received special support from the national and provincial governments to jumpstart its industrial transformation. The goal was to transform Baiyin from a resource-exhausted mining city into a new industrial center through technology upgrading and diversification of existing production chains, while achieving efficient use of resources and reducing adverse impacts on the environment. In 2008, the Gansu Baiyin Urban Development Project (Phase I project) was approved by ADB, providing timely assistance on urban road construction and district heating supply to support the initial stage of economic diversification in two urban centers, Baiyin district and Pingchuan district.

The project will invest in key urban infrastructure and services to: (i) provide efficient water service for drinking and industrial processing; (ii) provide wastewater treatment to improve water management, environment, and locals’ quality of life; (iii) strengthen vocational education and training capacity; (iv) enhance road safety and traffic management in central urban district; and (v) enhance environmental management for industrial transformation. The main project area is located in the poverty-stricken Jingyuan county and includes one of the seven strategic industrial bases that comprise the Lanbai Core Economic Zone. The project will further scale up the outcome of the Phase I project by accelerating environment-friendly and human-centered industrial transformation in eastern Baiyin urban area.

The impact of the project will be inclusive and environmentally sustainable urban development in Baiyin. The expected outcome will be accelerated industrial transformation and economic diversification in Baiyin. Project outputs include: (i) basic urban infrastructures in the eastern Baiyin urban area comprising: (a) a new water supply facility with treatment capacity of 85,000 cubic meter per day, a 16-kilometer (km) water transmission pipeline, a 68.8-km water distribution pipeline network and other related facilities; (b) a new wastewater treatment facility with treatment capacity of 40,000 cubic meter per day, a 74.4-km wastewater collection pipelines network and related facilities; (c) leveling of 4-km² land with 5 new roads totaling 8 km; (ii) industrial training facility and related services to strengthen capacity building for local skilled/non-skilled workers in Jingyuan county; (iii) ITS in the Baiyin district; and (iv) project management and institutional capacity building, including effective project management, environmental management of the industrial area, and the sustainable operation and maintenance of project facilities.
Baiyin's industrial transformation aims to facilitate inclusive and environmentally sustainable urban development. Gansu provincial government under its Twelfth Five-Year Plan 2011–2015, designates the Lanbai Core Economic Zone to accelerate the development of the industrial economic corridor from the provincial capital of Lanzhou to Baiyin. Although the Phase I project supported Baiyin to kick start its economic diversification, the city faces emerging urban development challenges. The water supply and wastewater treatment facilities are inadequate and land development cannot keep pace with the industrial transformation. Uneven urban development broadens income disparities between two urban districts and three rural counties, thereby undermining inclusive socioeconomic growth. Limited opportunities for vocational capacity development also hinder the surplus labor force and laid-off workers to develop skills in support of the transition. Frequent traffic congestion and road hazards in the urban district adversely affect logistics and people's quality of life. Located in water stressed region of the PRC, Baiyin needs innovative approaches to support its industrial transformation and meet its sustainable socioeconomic growth targets.

The project supports the PRC's Twelfth Five-Year Plan 2011–2015, which targets to attain the overarching goal of stable and relatively fast economic development by promoting livelihood improvement, environmental protection, and balanced socioeconomic development. The project also aligns with ADB's country partnership strategy for the PRC 2011–2015, and is consistent with ADB's water and urban operational plans which focus on inclusive and environmentally sustainable growth, improved quality of life for developing livable city, and mainstreaming efficiencies in water use.

The project design incorporates lessons learned from ADB's five urban sector projects in Gansu. These are (i) keeping impacts of land acquisition and resettlement to a manageable level, and (ii) rigorously reviewing technical designs to avoid oversized infrastructures. Together with the Phase I project, the project will demonstrate a sustainable model of urban development through industrial transformation for other resource-exhausted cities in the PRC. Individual special features of the project include: (i) comprehensive support for skills training and vocational education for industrial transformation; (ii) enhanced environmental management in industrial areas; and (iii) installation of an intelligent transport system (ITS) to address bottlenecks on transportation management.

Impact
Inclusive and environmentally sustainable development in Baiyin

Project Outcome

Description of Outcome
Accelerated industrial transformation and economic diversification of Baiyin

Progress Toward Outcome
A loan inception mission was fielded on 8-9 July 2015. The loan handover mission was fielded on 8-11 August 2016. The project implementation is satisfactory. BPMO demonstrates familiarity with the ADB-financed project and its necessary procedures, and is strongly committed to project implementation. The project's objectives, impact, and outcomes remain unchanged since there are no substantial changes proposed from the original scope, outputs, project management, and implementation arrangement.

Implementation Progress

Description of Project Outputs
1. Liuchuan Industrial Park infrastructure developed and operational
2. TVET enhanced and labor market database developed and operational
3. Baiyin district intelligent transport system installed and operational
4. Environmental management enhanced and institutional capacity of the executing and implementing agencies strengthened

Status of Implementation Progress (Outputs, Activities, and Issues)
As of 10 March 2017, the total contract awards has reached $28.3 million and disbursement has reached $13.1 million.

Geographical Location

Safeguard Categories

<table>
<thead>
<tr>
<th>Environment</th>
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<tbody>
<tr>
<td>Involuntary Resettlement</td>
<td>A</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>C</td>
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Summary of Environmental and Social Aspects
The project is environment category B. An initial environmental examination (IEE), including environmental management plan (EMP), was prepared based on three domestic environmental impact assessments prepared for the infrastructure components, and a planning environment impact assessment prepared for the LIP. The IEE complies with ADB’s Safeguard Policy Statement (2009) and was disclosed on the ADB website. It confirms that construction-phase impacts will be localized, short-term, and can be effectively mitigated through application of good construction practices and implementation of health and safety risk management plans defined in the EMP. Significant earthwork, which will disturb surface soils and could affect surface water in the project area, can be mitigated by adherence to the measures defined in the water and soil conservation plan. Dust and noise control will address the concerns of nearby residents during project implementation and operational phases. The sustainability of water extraction from regional water resources was confirmed through regional water balance analysis of the Yellow River and its water allocation plan. The effluent from the wastewater treatment plant will be reused for landscape irrigation and industrial process, contributing to increased resilience to climate variability and future climate change. The ISO 14001 certified EMS will ensure environmental management and emergency response capacity of LIP and minimize environmental risks within LIP during operational phase. BMG will be responsible for the overall implementation and compliance with the EMP; including inspection, monitoring, reporting, and corrective actions or measures. Environmental management is supported by loan assurances and capacity development and institutional strengthening activities under the project. BMG conducted meaningful consultation with potentially affected people and project beneficiaries. Environmental complaints will be handled in accordance with the grievance redress mechanism developed for the project. The outstanding environmental feature of the project is the development of the EMS for the LIP, attached to the IEE. It will ensure sustainable environmental path for LIP development.

Involuntary Resettlement
The project is classified category A for involuntary resettlement. The project will occupy 1,158.3 mu of state-owned land, acquire 397.7 mu of collectively-owned land, and demolish houses of 35 households with 156 persons. Total of 67 rural households and 337 persons will be significantly affected due to the land acquisition and house relocation. Temporary land occupation of 155 mu will affect 46 rural households and 243 persons. A resettlement plan was prepared in line with ADB's Safeguard Policy Statement (2009), approved by ADB, disclosed to the affected persons, and uploaded to the ADB website on 16 June 2014. The resettlement plan will be finalized in line with detailed engineering design and detailed measurement survey, disclosed to affected persons, and submitted to ADB for approval. Compensation for lost assets and resettlement allowances will be paid to affected persons, and livelihood rehabilitation will be arranged in accordance with the resettlement plan. A due diligence report, prepared as an appendix of the resettlement plan, reviewed the collective land acquisition for the project completed in August 2012 and November 2013. The implementation of the resettlement plan will be monitored and evaluated internally and externally. Reflecting the first ADB project experience, BMG will have and cause LMC to have fulltime staff members responsible for land acquisition and resettlement who will ensure compliance of ADB safeguards requirement and regularly report implementation progress through periodic progress reports to ADB. The external monitor will review the progress and general welfare of affected persons to assess whether they have fully regained their standard of living. Monitoring and evaluation reports will be prepared semiannually during implementation and annually for 2 years after resettlement has been completed. They will be submitted to ADB and publicly disclosed. The project has also established a transparent grievance redress mechanism that will provide meaningful consultation and trigger remedial action.

Indigenous Peoples
The project is indigenous peoples category C. The project has no negative effect to the ethnic minority. There is no concentrated area of ethnic minorities in the project area. Ethnic minorities are scattered in all residential quarters and 1.8% of the total municipal population is ethnic minorities and is primarily Hui minority. They will enjoy the benefits created by the project the same way as the Han people.

Stakeholder Communication, Participation, and Consultation

During Project Design
Extensive consultations with representatives of affected villages, communities, laid-off workers, rural surplus labors, enterprises, and government agencies were conducted during project design. In total, 433 people were surveyed, and 30 focus group discussions (FGD) were held, of which 350 people participated. Key informant interviews and stakeholders workshops were held with the executing agency, implementing agencies, and other stakeholders during preparation of the resettlement plan and environmental management plan.

During Project Implementation
Baiyin Municipality and Jingyuan County Women's Federations will coordinate with Baiyin Municipal project management office (Baiyin PMO) and LIP Management Committee to assist in organizing several advocacy, consultative, and training activities for the project's subcomponents. Key informant interviews and workshops conducted with Women’s Federations in Baiyin and Jingyuan during project design will continue during project implementation. A suitable budget, monitoring and evaluation, and capacity building activities were designed to support their participation.

Business Opportunities
Consulting Services
All consultants financed by ADB will be recruited according to ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time). An estimated 151 person-months (14 international and 137 national) of consulting services are required to (i) facilitate project management and implementation, (ii) provide capacity building and institutional strengthening, (iii) conduct external monitoring, (iv) provide support for implementation of technical and vocational education and training (TVET) component, and (v) design and install environmental management system.
All procurement of goods and works will be undertaken in accordance with ADB’s Procurement Guidelines (2013, as amended from time to time). International competitive bidding (ICB) will be used for civil works contracts estimated to cost $10 million and above. National competitive bidding (NCB) will be used for civil works contracts estimated to cost over $100,000 equivalent up to below $10 million. For goods and equipment, ICB will be used for values exceeding $1 million, while NCB will be used for goods and equipment from over $100,000 to below $1 million equivalent. For NCB, the first draft English language of the procurement documents (bidding documents, and draft contract) should be submitted for ADB approval regardless of the estimated contract amount. Subsequent procurements are subject to post review. All ICB contracts are subject to prior review. Prior review and approval of ADB of the procurement documents (prequalification, bidding, contract) is required.

Responsible Staff

Responsible ADB Officer: Wang, Lan
Responsible ADB Department: East Asia Department
Responsible ADB Division: PRC Resident Mission

Executing Agencies
Baiyin Municipal Government
ZHJH 6759@163.COM
Baiyin Development & Reform Commission
Municipal Government Building
Baiyin City, Gansu Province, PRC

Timetable

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Loan 3202-PRC

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Project Page: https://www.adb.org/projects/46062-002/main
Request for Information: http://www.adb.org/forms/request-information-form?subject=46062-002
Date Generated: 06 July 2017

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