

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. Under the 2014 project classification system of the Asian Development Bank (ADB), urban and social sector development is classified under the sectors of education, energy, transport, and water and other urban infrastructure and services.<sup>1</sup> In the People's Republic of China (PRC), the urban and social sector especially requires a wide range of interventions to develop water supply and wastewater treatment systems, waste management facilities, urban roads and bridges, educational facilities, and urban river course and wetland rehabilitation. As of November 2014, ADB had approved 56 loans totaling \$6.5 billion for projects in the urban and education sectors in the PRC.

2. As of November 2014, Gansu province in the northwest of the PRC, had signed agreements for more than 160 projects and borrowed overseas development assistance loans amounting to \$3.8 billion from ADB, the World Bank, the International Fund for Agricultural Development, and foreign governments. These projects cover various areas including conservation of cultural heritage, education, expressways, forestry, health, hydro power, and urban infrastructure.<sup>2</sup> ADB has been one of the most active development partners in Gansu. Since the approval of the Gansu Clean Energy Development Project in 2003, ADB has provided 12 loans to support urban development, expressways and railways, clean energy, and forestry and agriculture.<sup>3</sup> Upon approval, the Gansu Integrated Urban Development Project will be ADB's 13th loan to Gansu and the total approved amount will increase to \$1.7 billion.

3. Gansu's major urban and social sector development partners are ADB and the World Bank. As of November 2014, ADB had approved five urban sector projects with an approved amount of \$530.0 million. The total assistance from the World Bank is \$308.9 million.

#### Major Development Partners for the Urban Sector

Development Partner	Project Name	Year	Amount (\$ million)
World Bank	Gansu Provincial Development Project	1987	170.5
World Bank	Gansu Cultural and Natural Heritage Protection and Development	2008	38.4
ADB	Gansu Baiyin Urban Development	2008	80.0
ADB	Lanzhou Sustainable Urban Transport	2009	150.0
ADB	Gansu Tianshui Urban Infrastructure Development	2011	100.0
World Bank	Gansu Qingyang Urban Infrastructure Improvement	2012	100.0
ADB	Gansu Urban Infrastructure Development and Wetland Protection	2012	100.0
ADB	Gansu Jiuquan Integrated Urban Environment Improvement	2013	100.0
World Bank	Gansu Rural–Urban Integration Infrastructure	Programmed	150.0
ADB	Gansu Baiyin Integrated Urban Development	Programmed	100.0
<b>Total</b>			<b>1,088.9</b>

ADB = Asian Development Bank.  
Source: Asian Development Bank.

<sup>1</sup> Asian Development Bank. 2014. *The Project Classification System Toward Strategy 2020 A User Guide*. Manila.

<sup>2</sup> Since 1998, the World Bank has financed 19 projects in Gansu province, covering 10 sectors including transport, energy, agriculture, education, and public finance.

<sup>3</sup> ADB. 2003. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the People's Republic of China for the Gansu Clean Energy Development Project*. Manila. The total loan amount includes \$300 million for the Lanzhou–Chongqing Railway Development Project, covering Chongqing municipality, Gansu province, Shaanxi province, and Sichuan province.

## **B. Institutional Arrangements and Processes for Development Coordination**

4. ADB is committed to sharing sector information and experience with its developing member countries and other international development agencies. In support of the 2005 Paris Declaration and the 2008 Accra Agenda for Action, ADB has been harmonizing its policies, procedures, and practices with key development partners through parallel implementation structures, technical working groups, and joint missions. In addition, ADB has been supporting global and regional efforts to enhance aid effectiveness.

5. The central government, through the Ministry of Finance and the National Development and Reform Commission, is the principal development coordinator in the PRC. Development partners are requested to align their operations to support the implementation of national social and economic development strategy set out in the PRC's Twelfth Five-Year Plan, 2011–2015. ADB's resident mission in the PRC plays a central role in identifying lessons in project processing and implementation and in sharing knowledge and experience with other development partners.

6. In Gansu, the Gansu Finance Department and Gansu Development and Reform Commission are responsible for development coordination. They receive requests for development assistance from two autonomous prefectures and 12 municipalities under their jurisdiction, match needs to the priorities and programs of the different development partners, and make requests to the central government for projects to be included in the relevant support program. Six urban sector projects funded by ADB and the World Bank are ongoing in the province, and separate project management offices have been established in the relevant autonomous prefectures and municipalities. Through the Gansu Development and Reform Commission and Gansu Finance Department, these project management offices maintain close coordination and share their experiences with one another.

## **C. Achievements and Issues**

7. Since 1992, coordination among development partners such as the World Bank and bilateral development agencies to support the PRC's 5-year plans has improved. This has been especially true in the areas of public awareness and education, financial and institutional strengthening, and the achievement of the Millennium Development Goals in the urban sector. ADB project teams communicate regularly with other development partners to share project processing and implementation experience.

## **D. Summary and Recommendations**

8. ADB will continue to strengthen its close coordination with development partners, especially in sharing lessons and innovative approaches in project processing and implementation. Strengthening development coordination in the PRC is expected to minimize transaction costs, maximize responsiveness, address policy issues more systematically, provide greater support for reforms and capacity building, and promote increased accountability to achieve better development impact.