

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: **PRCM**

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| TA No. and Name TA4335-PRC: Town-Based Urbanization Strategy Study | | | Amount Approved: \$750,000 | | |
| | | | Revised Amount: \$750,000 | | |
| Executing Agency: National Development and Reform Commission (NDRC) | Source of Funding: Government of Spain - \$500,000; TASF- \$250,000 | | TA Amount Undisbursed \$5,924 | TA Amount Utilized \$744,076 | |
| Approval | Signing | Date Fielding of Consultants | Original 31 Dec 2004 | Completion Date Actual 15 Oct 2005 | |
| 6 May 2004 | 26 July 2004 | 9 September 2004 | Original 31 Mar 2005 | Closing Date Actual 26 Apr 2006 | |
| Description | | | | | |
| <p>Over the past 20 years, the People's Republic of China (PRC) has experienced rapid economic development, industrialization, and urbanization, and the PRC's 22,000 towns have made a significant contribution to this growth. Towns, with an average population of 49,000 permanent and migrant residents in 2002, serve as links between rural and urban areas and provide jobs for millions of rural-urban migrants and seasonal workers. However, towns face a number of challenges. Key infrastructure in many towns is lacking, property markets constrain investment, and provision of social services such as health care and education is limited by financial challenges related to the PRC's fiscal transfer system. The PRC Government has encouraged the development of towns as a way to reduce rural-urban inequalities and to sustain the country's transition to a market economy, but it must address these and other challenges if towns are to reach their full development potential. This advisory technical assistance (TA) was aimed at assisting the Government in reviewing the PRC's town development strategies in order to achieve pro-poor economic growth.</p> | | | | | |
| Objectives and Scope | | | | | |
| <p>The purpose of the TA was to assist the Government in strengthening its urbanization strategies, with a focus on establishing sound town development approaches. The goal was to achieve patterns of urban settlement that contribute to efficient growth, poverty reduction, and improved urban environmental quality. The TA outputs included (i) development of case studies in two provinces (Liaoning Province in the northeast and Shanxi Province in the north central region), in order to formulate town development strategies for use by the provincial governments and serve as models for other parts of the country; (ii) analysis of problems in applying national and provincial town development policies, culminating in identification of policy barriers; and (iii) recommendations for change that are based on international and domestic best practices, process guidelines for town planning, and approaches to attracting investment. The consultant was organized into working groups that focused on (i) urban management, institutional structure, and planning; (ii) economic development and employment; (iii) transportation; (iv) environmental infrastructure; (v) finance; and (vi) social security. The TA was well designed and supported the needs of the national and provincial governments, in particular the two case study provinces, in identifying the most appropriate approaches to sustainably and equitably develop towns.</p> | | | | | |
| Evaluation of Inputs | | | | | |
| <p>Actual consultant inputs was 17.67 person-months (pm) of international and 36.88 pm of domestic services compared with 16.00 pm of international and 37.00 pm of domestic consulting services that were anticipated. The increase was required to allow for more extensive consultation in the case study provinces and translation of documents. The consultants' terms of reference (TOR) were clear, including detailed inputs and outputs that were regularly reviewed and confirmed with NDRC, the executing agency (EA), through meetings in Beijing. The consultants delivered their services in accordance with the TOR and their performance was satisfactory. The consultants collected surveys of 30 towns in each province to assess the development conditions and trends of towns in the provinces, and spent about two months each in the field, analyzing the data collected in 14 demonstration towns selected in the two provinces. Three workshops were held in Beijing—inception, interim and final—at which the consultants presented the TA findings. Two one-day training workshops were held in each of the two provinces. The final workshop was attended by concerned national, provincial and local governments and development agencies, including the World Bank. Constructive feedback was obtained which provided the consultants with a better understanding of the expectations of the stakeholders. Closing of the TA was extended to September 2005 due to rescheduling of the study tour, which the EA preferred to carry out prior to the final workshop.</p> | | | | | |
| <p>ADB provided extensive support to the TA, including three review missions and regular communications between the task manager who is based in PRCM with the EA and the consultants. Administration of the TA in the PRCM allows ADB staff to provide regular and timely guidance and clarification in resolving issues. NDRC and the two provincial governments provided staff for administration and to support consultants in the field.</p> | | | | | |

Evaluation of Outputs

The TA outputs comprised the inception report, interim report, three national workshops, a study tour and report, draft final report, final report, brochure with main findings and recommendations, and a training manual on town planning, all of which were satisfactorily completed. The final report consisted of four volumes: a main report with national and provincial policy recommendations; guidelines for promoting participatory town development; international best practices in various aspects of town development; and development proposals, including outline structure plans, for six demonstration towns (three in each province). In addition to the three workshops, the consultants also conducted training workshops on market analysis and demand assessment in both case study provinces and produced training modules on urban planning and participation in sector loan projects. The training workshops and the consultants' recommendations on policy changes, approaches to town development and management and mechanisms to raise financial resources and improve social protection were well received by NDRC, the two case study provinces and concerned government ministries and agencies. The quality of output benefited from the workshops, comments from ADB and the Government counterparts on the interim report and draft final report, ADB review missions and tripartite meetings. Staff of NDRC and in particular concerned officials in the two case study provinces gained extensive knowledge in town development. Policy deliberations and discussions of best practices were supplemented by a two-week study tour to France, Germany and Austria in which NDRC and provincial officials witnessed first-hand successful examples of town management and development. NDRC and the two case study provinces were satisfied with the TA outputs. Liaoning and Shanxi both indicated they would use the recommendations to prepare or update their town development strategies and to implement some of the measures, in particular the planning and financial aspects, proposed in the final report.

Overall Assessment and Rating

The TA fully achieved its purpose and is rated highly successful. The timing of the TA was in line with the Government's schedule to assess the urbanization strategy in the final year of the 10th Five-Year Plan (FYP, 2001-2005) and to propose appropriate guidelines to influence the pattern and scope of urbanization in the 11th FYP. The TA consultants performed well in addressing the needs of the national and local governments in formulating practical strategies and measures to support development of towns that have potential to become economic centers that could create employment for absorbing the surplus rural workforce. The workshops were well organized and useful in obtaining constructive feedback from concerned parties at all levels of Government and international development agencies for refining the recommendations. The consultants fully accomplished the envisaged outputs and TOR.

Major Lessons Learned

Not all the towns have the key ingredients to become successful and it is important for the provincial authorities to work closely with local governments to adopt an integrated approach to town development that focuses on a limited number of towns with high growth potential and seeks to develop the physical and economic linkages between towns and cities. The EA, the two provincial governments and the selected local governments were committed and cooperative, and contributed significantly to the successful implementation of the TA. The TA reconfirmed the importance of having strong ownership from the EA and case study governments, committed counterpart staff, competent and resourceful consultant who can apply international experience and knowledge to make recommendations and proposals that are suitable for local conditions, and close involvement and supervision by ADB staff. Coordination among all stakeholders was more effective with the task manager based in the PRCM. This arrangement was highly appreciated by the Government.

Recommendations and Follow-Up Actions

The recommendations in the TA were substantiated by international best practices and included policy instruments, guidelines for town planning and development management, and mechanisms to raise public revenue and attract private investors to meet the investment needs of town development. NDRC is considering adopting some of the policy recommendations in the preparation of the 11th FYP and will distribute the TA findings to concerned national ministries and local government agencies. The provincial governments of Liaoning and Shanxi are working with the municipal and county governments to execute the recommended town development strategies and action plans on selected towns. Implementation of the TA recommendations, particularly those related to institutional and financial reforms, requires further training of government officials and stakeholders to ensure achievement and sustainability of the expected outcomes. In this regard, ADB has assisted NDRC in preparing an application to the Cities Alliance for funding to undertake a comprehensive training and capacity building program as a follow-on to the TA. NDRC has also requested for a follow-on TA on "Sustainable Urbanization in Metropolitan Areas" which will be implemented in 2006. The outputs of this TA and the follow-on TA will be used to develop ADB's urban sector strategies in the PRC.