



China, People's Republic of: Strategy and Policy Study for Integrated and Balanced Development in the Northern Subregion of Anhui Province

Project Name	Strategy and Policy Study for Integrated and Balanced Development in the Northern Subregion of Anhui Province		
Project Number	47077-001		
Country / Economy	China, People's Republic of		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8459-PRC: Strategy and Policy Study for Integrated and Balanced Development in the Northern Sub-region of Anhui Province		
	Technical Assistance Special Fund		US\$ 400,000.00
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Knowledge solutions		
Sector / Subsector	Public sector management / Economic affairs management		
Gender			
Description	<p>Three decades of successful reforms have transformed the People's Republic of China (the PRC) into the world's second largest economy and facilitated a swift transition from a low-income to a middle-income country. However, the PRC still faces complex development challenges, including significant poverty, large income inequality, and widening regional disparities. Failure to decisively implement further reforms would jeopardize the PRC's long-term growth prospects.</p> <p>The above-mentioned challenges also exist in Anhui province (Anhui). The province is located in the PRC's central region, with a population of 68 million and a territory of 134,000 square kilometers. When market reforms started in the late 1970s Anhui piloted a rural household contract responsibility system, which catalyzed the success of the agrarian reform in the PRC. The province has pioneered other initiatives, including the abolition of agricultural taxes and other fiscal charges on farmers. However, compared to its coastal neighbor provinces, Anhui has a less developed economy, a weaker urban-rural integration, wider disparity among sub-regions, and a higher poverty incidence.</p> <p>Sub-regional disparity is of great concern of the provincial government. Anhui stretches across the Yangtze River. The province is divided into three sub-regions in the north, the south, and the middle of Anhui. The middle sub-region is an urban corridor along Yangtze River and the most prosperous and dynamic part of Anhui. The southern mountainous sub-region includes the Huangshan mountains, a world famous tourism site. For that reason, this sub-region has successfully implemented a development strategy concentrated on tourism.</p> <p>The northern sub-region of Anhui (NSRA), covering six cities and five counties, has lagged behind in terms of social and economic development. Compared to the two other sub-regions, NSRA faces more serious development constraints. Further, a consensus has yet to evolve among stakeholders on a suitable development strategy for the sub-region. The constraints include:</p> <p>Overpopulation and low productivity. NSRA's population density is well above the province's average. NSRA has 53 per cent of the province's population, but produces only 33 per cent of its GDP. Most of the residents are farmers with limited education and skills.</p> <p>Frequent floods. NSRA is located in the Huai River basin. Rather than being the driver of economic development as in other sub-regions, the river constraints development due to frequent water disasters.</p> <p>Less-developed transportation infrastructure. The water transportation along Huai River is under developed, as measured against its potential, the development goal of the national water transportation network, and market demand. NSRA also lacks railways to connect its economic centers. While there are expressways going through the sub-region, NSRA is short of connecting roads.</p> <p>Low urbanization. NSRA is a major grain producer in the province, but its per capita area of land is well below the provincial average, due to the high population density. Limited land constrains urbanization. NSRA urbanization rate is about 40 percent, much lower than the average of Anhui province.</p> <p>Lagged industrialization. NSRA is endowed with rich natural resources, particularly mineral resources. This is why the development of natural resources rather than industrial development was prioritized in the past.</p> <p>The expected impact will be reduced sub-regional disparity in Anhui province. The performance targets/indicators include that (i) the urbanization rate increases one percentage point annually by 2019 and (ii) investments in public infrastructure increase by 20 percent annually by 2019.</p> <p>The expected outcome will be an improved enabling policy and legal environment for integrated development in NSRA. As a performance target/indicator, policy recommendations under the TA will be incorporated into the province's new policy and planning documents issued during 2014-2017.</p> <p>The expected output will be a comprehensive report on promoting social and economic development in NSRA. The report will comprise an overview report and six sub-reports on migrant farmers, flood management, transportation, rural land transfer, industrialization, and urbanization. In addition, short policy notes, summarizing findings and recommendations, and knowledge products will be prepared during TA implementation. Review workshops and dissemination seminars involving stakeholders concerned will be organized at different stages of the TA.</p>		
Project Rationale and Linkage to Country/Regional Strategy	<p>The strategic goals of ADB's PRC country partnership strategy (CPS) 2011-2015 are aligned with the priorities of the 12th Five-Year Plan (2011-2015). The core pillars of the CPS are inclusive growth, environmentally sustainable growth, and regional cooperation and integration. A critical feature of the 12th Five-Year Plan is to change PRC's growth away from the previous emphasis on industrial production, capital investment and exports toward a more services and domestic consumption-driven model. This is necessary to address social, environmental, and external imbalances, and put growth and development on a sustainable path. To achieve this objective, the plan foresees balancing economic and social development, urban and rural development, economic growth and environmental sustainability, and development of coastal and interior regions.</p> <p>During the 2012 country programming mission, the government requested ADB to provide TA to support Anhui in formulating a development strategy for its northern sub-region. The proposed TA is consistent with the CPS and the 12th Five-Year Plan. It will address issues related to regional disparity, poverty alleviation, urban-rural integration, green urbanization, and rural development in Anhui. These issues are relevant for other parts of the PRC and the country as a whole, and will thus remain top priorities for the government throughout the implementation of the 12th Five-Year Plan.</p> <p>Drawing on experiences and lessons learned from similar TA projects, the proposed TA will use SWOT analysis, combine international and national expertise, seek guidance from senior local government officials, and set up an independent expert review panel to ensure the quality of the TA outputs. Furthermore, considering that NSRA covers various cities and counties, it will be proposed to the provincial government to establish a collaboration mechanism for cross-administration coordination during the TA implementation.</p>		
Impact	Improved socioeconomic development in the NSRA		

Project Outcome	
Description of Outcome	Improved enabling policy, legal, and regulatory environment for balanced and sustainable development in the NSRA
Progress Toward Outcome	Project outcome will be evaluated after the project is completed.
Implementation Progress	
Description of Project Outputs	1. Report on promoting social and economic development in the NSRA, including an overview report and five subreports on (i) integrated road-, rail- and water-based transport systems; (ii) development of banking and financial services; (iii) development of resource-efficient industries and sustainable urban development; (iv) water resources management, watershed management, and flood risk management; and (v) social development related to migrant workers and land management 2. Policy notes
Status of Implementation Progress (Outputs, Activities, and Issues)	As of 23 January 2015, implementation of the project has progressed well. 5 consultants has commenced consulting service in May 2014. Inception workshop was held on 5 June 2014. Mid-term review workshop was held on 16 January 2015. The revised midterm draft report was approved by the EA and ADB. The consulting team is working on the draft final report. Equipment procurement is ongoing. The TA completion date was extended to 31 December 2015. The TA was physically completed on 31 December 2015. The final report will be disclosed shortly.
Geographical Location	Anhui Sheng

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	In close consultation with key stakeholders.
During Project Implementation	In close consultation with key stakeholders.

Business Opportunities	
Consulting Services	A total of 40.5 person-months of consulting services (2.5 person-month international and 38 person-month national) will be required. A consulting firm will be selected and engaged by ADB using quality- and cost-based selection and an 80/20 quality/cost ratio. A simplified technical proposal will be required. The consulting firm will be selected and engaged in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time).
Procurement	All procurement financed by ADB will be done in accordance with ADB's Procurement Guidelines (2010). Equipment procurement includes computers, printers, fax machines, scanners, copy machines, and other office consumables.

Responsible ADB Officer	Peng, Long Yun
Responsible ADB Department	East Asia Department
Responsible ADB Division	PRC Resident Mission
Executing Agencies	Anhui Provincial Development Research Center North Building of Anhui Provincial Government, No. 221 Changjiangzhonglu, Hefei, Anhui Province, China, 230001

Timetable	
Concept Clearance	13 Jun 2013
Fact Finding	07 Jul 2013 to 12 Jul 2013
MRM	-
Approval	25 Sep 2013
Last Review Mission	-
Last PDS Update	31 Mar 2016

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
25 Sep 2013	21 Oct 2013	21 Oct 2013	30 Jun 2015	31 Dec 2015	21 Mar 2016

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
400,000.00	0.00	0.00	0.00	0.00	0.00	400,000.00	17 Jun 2022	287,495.66

Request for Information

<http://www.adb.org/forms/request-information-form?subject=47077-001>

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