Project Name: Xinjiang Urban Transport and Environmental Improvement Project (formerly Xinjiang Urban Transport Infrastructure Development)

Project Number: 40643-013

Country: China, People’s Republic of

Project Status: Closed

Project Type / Modality of Assistance: Loan

Source of Funding / Amount: Loan 2526-PRC: Xinjiang Urban Transport and Environmental Improvement Project (formerly Xinjiang Urban Transport Infrastructure Development) Ordinary capital resources US$ 100.00 million

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change:
- Governance and capacity development

Sector / Subsector:
- Transport - Urban roads and traffic management
- Water and other urban infrastructure and services - Urban policy, institutional and capacity development - Urban solid waste management

Gender Equity and Mainstreaming: Some gender elements

Description:
The project will invest in urban infrastructure as well as efforts to strengthen urban governance, diversify investment funding options, and promote the financial sustainability of local governments with the aim of developing productive, environmentally-sustainable and well-managed cities in Xinjiang.

Project Rationale and Linkage to Country/Regional Strategy:
Xinjiang Uygur Autonomous Region (XUAR) is located in the northwestern part of the PRC, the hinterland of the Eurasian continent, and shares borders with eight countries: Afghanistan, India, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Russian Federation, and Tajikistan. The region covers 1,665 million square kilometers (km2), about one-sixth of the total area of the PRC. In 2006, its population was 20.5 million (about 1.5% of the population of the PRC), comprising 40% Han Chinese and 60% ethnic groups, the largest of which is Uygur. XUAR is rich in natural resources and serves as a gateway between the PRC and the Central Asian republics. Despite the abundance of natural resources, the region has lagged behind the coastal regions in terms of economic growth and reforms, and remains one of the poorest parts of the country. Of the 22 cities and 68 counties in XUAR, 27 are categorized as national poverty counties. In 2006, the per capita disposable income of urban households of XUAR was CNY8,871 ($1,267), which was the lowest among all of PRC’s regions/provinces, 24.5% below the national average, and 57.1% below that of Shanghai. Environmental degradation remains a concern in the western region, particularly in the ecologically sensitive tourist attractions.

In 1999, to foster economic growth and increase the population’s living standards, the Government launched the Western Region Development Strategy. The main pillars of the strategy are investments in urban infrastructure, preservation of the environment, and attraction of private sector investments in the region’s economy. The ADB has been actively supporting the strategy through providing technical assistance with focus on accelerating infrastructure development and supporting trade facilitation thereby setting a foundation for inclusive economic growth. The Project will complement the ADB-financed projects aimed to improve infrastructure and environment in the region. ADB is also providing TA support trade facilitation in XUAR.

As a consequence of the ongoing Western Region development, XUAR is experiencing rapid urbanization. In 2006, the urban population in XUAR accounted for 38% of the total population. It is expected to increase to 42% by 2010 and 47% by 2015. The increasing urban population, industrialization, and economic development would continue to increase the demand for infrastructure services such as roads, solid waste management, wastewater collection and treatment, water supply, and heat supply.

Urban areas face environmental threats from polluted surface and subsurface waters from untreated wastewater and solid waste. Considerable investments are needed to expand wastewater from untreated wastewater and solid waste. Considerable investments are needed to expand wastewater collection and treatment, and construct environmental sanitation facilities such as public toilets. In XUAR in 2006, 2.78 millions of tons of municipal solid waste were collected and disposed of, only 51% of which was disposed of at sanitary landfill sites; and 655 million tons of wastewater was discharged, 69% from municipal sources and 31% from industrial sources. For the municipal wastewater, only about 60% was collected and treated in the cities/towns in 2006.

The Project is consistent with ADB's Urban Sector Strategy (1999), which supports investments in the urban sector, as a dynamic engine of economic growth and employment creation, innovation, and entrepreneurship, and supports ADB's Country Partnership Strategy for PRC to strengthen inclusive growth, improve environment, catalyze investments, and improve governance. The Project complements the ADB-financed Xinjiang Municipal Infrastructure and Environmental Improvement Project, which aims to improve road infrastructure and utility services in Alashankou land port, Kanas scenic region, and Yining City of Xuar.

Impact:
Sustainable socioeconomic growth and improved living standards in five cities of Xinjiang Uygur Autonomous Region (Xinjiang)

Project Outcome
Description of Outcome: Improved urban road infrastructure, traffic management, and environmental sanitation in the cities of Altay, Changji, Hami, Kuytun, and Turpan

Progress Toward Outcome: Until December 31 2014, with 100% of the project implementation period already finished, the overall project weighted progress is 100%.
**Description of Project Outputs**

Component 1: Altay Roads and Environmental Improvement
1.1 Construct 2 new roads, upgraded 16 existing roads, and constructed 6 new bridges.
1.2 Build and procure new environmental sanitation facilities and equipment
Component 2: Changji Roads and Environmental Improvement
2.1 Construct 8 new roads and 1 new bridge
2.2 Build and procure new environmental sanitation facilities and equipment
Component 3: Hami Roads and Environmental Improvement
3.1 Upgrade 2 municipal roads
3.2 Build and procure new environmental sanitation facilities and equipment
Component 4: Kuytun Roads and Environmental Improvement
4.1 Upgrade 13 existing roads and construct 2 new bridges
4.2 Build and procure new environmental sanitation facilities and equipment
Component 5: Turpan Roads and Environmental Improvement
5.1 Construct/upgrade 12 municipal roads
5.2 Build and procure new environmental sanitation facilities and equipment
For all 5 components: Improve institutional management capacity

**Status of Implementation Progress (Outputs, Activities, and Issues)**

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<thead>
<tr>
<th>Geographical Location</th>
<th>Altay, Kumul, Kuytun, Turfan, Yan'an Beilu</th>
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**Safeguard Categories**

- **Environment**: A
- **Involuntary Resettlement**: A
- **Indigenous Peoples**: A

**Summary of Environmental and Social Aspects**

**Environmental Aspects**: The Project is classified as Environment Cat. A. A summary environmental impact assessment (SEIA) has been prepared based on the domestic environmental impact assessment (EIAs). The Project will improve the living and working environment of residents in the project cities. Construction of sanitation facilities will have environmental and public health benefits. The construction of public toilets, garbage bins, and garbage storage and transfer stations are important subcomponents to achieve these benefits.

**Involuntary Resettlement**: Altay, Changji, Hami and Turpan components will necessitate large amounts of land acquisition and resettlement while the Kuytun component will only involve land acquisition. Land acquisition and resettlement will directly affect 3,921 persons. Detailed programs of restoration and relocation have been arranged in each of the cities’ resettlement plans.

**Indigenous Peoples**: The Project is classified as Cat A for Indigenous People. To ensure that the Project will benefit indigenous people, an ethnic minority development plan (EMDP) has been developed for each project city.

**Stakeholder Communication, Participation, and Consultation**

**During Project Design**: Three rounds of public consultations on the project social and environmental impacts and the DMF have been undertaken during project preparation. The consultations were held with all the concerned government departments and agencies and affected people (residents, merchants, shopkeepers, religious clerics and representatives of the Islamic Association, representatives of the All China Women’s Federation, and independent experts) in the project cities and areas. A socioeconomic survey at the household level covered 806 households and collected and analyzed information relating to 2,874 people. Thirty focus groups discussions involving an average of 18 person per group or a total of 540 people were also held. For the resettlement plans, separate socioeconomic surveys, community meetings, opinion surveys, and specific impact studies of 3,439 affected persons (APs) were involved. Development of the environmental impact assessments (EIAs) involved two rounds of public consultations. Ethnic minority development plans have been prepared collaboratively and discussed with communities.

**During Project Implementation**: Key features of the consultation and participation include:

1. Public disclosure of all project documents at the Xinjiang PMO and on the ADB websites including the project information document, DMF, EMDPs, RPs, summary EIA (SEIA), Report and Recommendation of the President, project administration memorandum, and social and environmental monitoring reports.
2. A project information document will be prepared for each project component in English, Chinese and the locally applicable ethnic minority languages and will contain a map or diagram of the affected areas; a description of the overall Project; a timetable of the project activities; expected social, economic, and environmental impacts; environmental and social safeguards; the compensation policy and entitlements; and outline of livelihood restoration measures; asset valuation; details of the work of the compensation and grievance redress committees; and outline of further consultation and participation that will be undertaken during the Project; and the project communications strategy.

**Business Opportunities**

**Consulting Services**: The Project will provide funding for 17 person-months of international consulting services and 35 person-months of national consulting services to support the PMOs and IAs in project implementation and management and institutional capacity building. Consulting firms will be recruited in accordance with ADB’s Guidelines on the Use of Consultants using the quality-and cost-based selection method.

**Procurement**: Goods, works, and services financed under the loan will be procured in accordance with ADB’s Procurement Guidelines. Preliminary contract packages have been formulated in consultation with the IAs, and a procurement capacity assessment of the EA, PMOs, and IAs has been undertaken. Contracts for goods estimated to cost $1.0 million or more and contracts for works estimated to cost $10.0 million or more shall be procured using international competitive bidding (ICB) procedures. Contracts for goods and works estimated to cost less than the above ICB thresholds but more than $100,000 shall be procured on the basis of national competitive bidding (NCB) procedures in accordance with the PRC Tendering and Bidding Law, subject to modifications agreed with ADB. Contracts for goods and works estimated to cost $100,000 or less shall be procured using shopping procedures. Prior review will be applied for all ICB contracts, the first NCB contract for works and goods, and post-review for other procurement modes. XJUARG has requested for advance contracting and retroactive financing to expedite project implementation.
**Responsible ADB Officer**  
Bai, Jie  
**Responsible ADB Department**  
East Asia Department  
**Responsible ADB Division**  
PRC Resident Mission  
**Executing Agencies**  
Government of Xinjiang Uygur Autonomous Region  
Li Jianxin  
462 Zhongshan Road, Urumqi, People

<table>
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| Concept Clearance      | 22 Aug 2008  
| Fact Finding           | 25 Aug 2008 to 09 Sep 2008  
| MRM                    | 10 Nov 2008  
| Approval               | 29 Jun 2009  
| Last Review Mission    | -  
| PDS Creation Date      | 02 Apr 2009  
| Last PDS Update        | 24 Mar 2015  

**Loan 2526-PRC**

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<th>Milestones</th>
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| Approval            | 29 Jun 2009  
| Signing Date        | 26 Aug 2009  
| Effectivity Date    | 27 Nov 2009  
| Closing Date        | 31 Dec 2014  
| Original            | -  
| Revised             | -  
| Actual              | 26 Jun 2015  

**Financing Plan**

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<th>Others</th>
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<td>Project Cost</td>
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| ADB                           | 100.00 | 29 Jun 2009 | | 96.36 | 99%  
| Counterpart                   | 81.70 | | | 97.80 | 100%  
| Cofinancing                   | 0.00 | 29 Jun 2009 | | 0.00 | |  

**Status of Covenants**

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**Project Page**  
https://www.adb.org/projects/40643-013/main  
**Request for Information**  
http://www.adb.org/forms/request-information-form?subject=40643-013  
**Date Generated**  
01 June 2019  

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