China, People's Republic of: Guangxi Beibu Gulf Cities Development Project

**Project Name**: Guangxi Beibu Gulf Cities Development Project

**Project Number**: 43023-012

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

**Project Status**: Closed

**Project Type / Modality of Assistance**: Technical Assistance

**Source of Funding / Amount**: TA 7360-PRC: Guangxi Beibu Gulf Cities Development Project

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

**Drivers of Change**: Governance and capacity development

**Sector / Subsector**: Industry and trade - Trade and services

**Gender Equity and Mainstreaming**: Effective gender mainstreaming

**Description**: The People’s Republic of China’s (PRC) State Council approved the Development Scheme of Guangxi Beibu Gulf Economic Zone in early 2008. The Zone includes the cities of Nanning, Beihai, Qinzhou, and Fangchenggang, covering an area of 42,500 square kilometers (km²) and population of 12.55 million. The proposed Guangxi Beibu Gulf Cities Development Project is key to implementing the Guangxi Beibu Gulf Economic Zone Development Plan (GBGEZDP), by improving the urban investment climate and promoting international trade and commerce and sustainable economic development with appropriate environmental management. The project covers the three cities of Beihai, Qinzhou, and Fangchenggang, with total land area of 20,300 km² and with 6 million people. The city areas of Beihai, Qinzhou, and Fangchenggang are 3,337 km², 10,800 km² and 6,181 km², respectively. Their total populations in 2008 were 1.58, 3.65, and 0.84 million people, respectively of which about 25% were urban dwellers with hukou. The annual per capita GDP of the three cities in 2007 was $2,400, $1,811, and $2,600, respectively. In 2008, the citizens classified as poor were 90,000 in Beihai, 160,000 in Qinzhou and 120,000 in Fangchenggang. The average annual incomes in 2008 for urban and rural communities in the three cities were about CNY13,800 ($2,029) and CNY4,550 ($669), respectively. Owing to their history and inherent weak economy, they have poor urban infrastructure, low living standards, and inadequate environment management. Employment in the specific subproject areas is currently subsistence agriculture and fish farming aquaculture based on non-fertile or formerly inter-tidal lands. Adjacent hilly areas are barren and non-productive. This has obviously slowed down their economic growth, hindered social development, and limited the potential of Guangxi to be the southwestern doorway of the PRC with the Association of Southeast Asian Nations (ASEAN) for regional economic integration and PRC-ASEAN sub-regional cooperation.

In accordance with the GBGEZDP, the Guangxi Development and Reform Commission (GDRC) and Guangxi Finance Bureau have proposed to utilize ADB loan of $200 million to implement the project with a total investment of about $400 million for the three cities of Beihai, Qinzhou, and Fangchenggang. The development masterplans of the three cities support significant urbanization and industrialization, based on regional initiatives and international trade strategies. This Project will support planned industrial growth, encourage private sector investment and facilitate linkages between residential and industrial employment zones through increase in efficiency in port clearance, improve linkages between residential and industrial areas, improve conditions for infrastructure and public amenity in the townships, support increased tourism facilities and related services, increase employment and reduce the incidence of poverty. The Project components comprise (i) road construction: the total length of roads to be constructed is about 70.4 kilometers (km) of varying widths and capacities and will include lighting, signage, traffic controls, drainage and utility services; (ii) bridge; one bridge 960 meters long; (iii) wastewater treatment: one new wastewater treatment plant with a capacity of 80,000 cubic meters per day (m³/day) and a trunk sewer 27.3 km long; (iv) water treatment works with an output capacity of 30,000 m³/day. The project costs will be shared between GZAR and ADB on a 50/50 basis with ADB providing a loan of $200 million and GZAR providing the counterpart funding of CNY13,600 million. This Project will be the fourth ADB-financed municipal development and environmental improvement project in GZAR.

**Impact**: The impact of the project is improved urban efficiencies and efficient urban and rural related municipal infrastructure linking dormitory and industrial areas in the cities of Beihai, Qinzhou, and Fangchenggang; and provides pilot wastewater treatment in Mailing Town and Funcheng County.

**Project Outcome**

**Description of Outcome**: The outcome of the TA will be a project design agreed to by the PRC and ADB, and completed FSRs. Project design will include a demonstration and capacity development effort.

**Progress Toward Outcome**: The TA completion date was extended to 31 October 2011 and all TA work was completed on 31 October 2011. The TA is financially closed shortly.

**Implementation Progress**
**Description of Project Outputs**

1. Summary report on the analysis of 11th Five-Year Program; project cities’ master plans, sector plans, policies, financing requirements, and institutional capacities.
2. Technical, environmental, economic, financial, and social appraisal of the urban roads and utility infrastructure services.
3. RPs, poverty and social assessment reports, EMDPs
4. SEIA and EMP

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

The TA was completed on 31 October 2011.

**Geographical Location**

**Safeguard Categories**

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<tr>
<td>Involuntary Resettlement</td>
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<tr>
<td>Indigenous Peoples</td>
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**Summary of Environmental and Social Aspects**

- **Environmental Aspects**
- **Involuntary Resettlement**
- **Indigenous Peoples**

**Stakeholder Communication, Participation, and Consultation**

During Project Design

The TA was completed on 31 October 2011.

During Project Implementation

The TA was completed on 31 October 2011.

**Business Opportunities**

Consulting Services

Consulting services yet to be determined.

- **Responsible ADB Officer** Ishii, Satoshi
- **Responsible ADB Department** East Asia Department
- **Responsible ADB Division** Urban and Social Sectors Division, EARD
- **Executing Agencies** Guangxi Zhuang Autonomous Region Govt (GZARG) Ms. Yuan Liya wzc@gxi.gov.cn
  Foreign Capital Utilization Division, Development Reform Commission

**Timetable**

- **Concept Clearance** -
- **Fact Finding** 30 Jun 2009 to 10 Jul 2009
- **MRM** -
- **Approval** 01 Oct 2009
- **Last Review Mission** -
- **PDS Creation Date** 14 Jul 2009
- **Last PDS Update** 04 Apr 2012

**TA 7360-PRC**

**Milestones**

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<th>Signing Date</th>
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**Financing Plan/TA Utilization**

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**Date Generated** 18 April 2019
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