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, Transport
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, 660,000 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.

Project Rationale and Linkage to Country/Regional Strategy: The proposed project is consistent with ADB Country Partnership Strategy for the PRC (2008-2010) and the PRC's national and specific regional strategies for growth which has identified the urban development as the main focus in improving infrastructure. It also emphasizes environmental sustainability for improving the residents' standard of living as one of its key themes. Further, the project is consistent with ADB's urban development policy and will assist PRC to achieve Millennium Development Goal (MDG) 7, target 10. The project preparatory TA (PPTA) is necessary to define the scope of the proposed project and scope of ADB financing in the three cities, to optimize the development potential of the three cities based on prioritization of required investments in basic urban infrastructure and services. The Project is supportive of promoting ASEAN and Greater Mekong Subregion (GMS) initiatives. The experience gained from similar investment projects in medium and small urban centers in provinces, especially from the ongoing Guangxi Border Cities Development Project and the knowledge generated from various policy oriented studies have been incorporated in the design of the TA.

Impact: The impact of the project is improved urban services and efficient urban and related municipal infrastructure linking dormitory and industrial areas in the cities of Beihai, Qinzhou, and Fangchenggang; and provides pilot wastewater treatment in Mauling 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 effect.
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

| Environment | A |
| Resettlement | A |
| Indigenous Peoples | B |

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 Officers

Satoshi Ishii

Responsible ADB Department

East Asia Department

Responsible ADB Division

Urban and Social Sectors Division, EARD

Executing Agencies

Guangxi Zhuang Autonomous Region Govt (GZARG)

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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

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