China, People's Republic of: Xinjiang Akesu Integrated Urban Development and Environment Improvement Project

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<tr>
<th>Project Name</th>
<th>Xinjiang Akesu Integrated Urban Development and Environment Improvement Project</th>
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<tr>
<td>Project Number</td>
<td>46049-001</td>
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<tr>
<td>Country</td>
<td>China, People's Republic of</td>
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<td>Project Status</td>
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<tr>
<td>Project Type / Modality of Assistance</td>
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<td>TA 8303-PRC: Xinjiang Akesu Integrated Urban Development and Environment Improvement Project (Supplementary)</td>
<td>USD 250,000.00</td>
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<td>Multi-Donor Trust Fund under the Water Financing Partnership Facility</td>
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Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change
- Governance and capacity development

Sector / Subsector
- Agriculture, natural resources and rural development - Water-based natural resources management
- Transport - Urban public transport
- Water and other urban infrastructure and services - Other urban services - Urban policy, institutional and capacity development - Urban solid waste management - Urban water supply

Gender Equity and Mainstreaming
- Effective gender mainstreaming

Description
The proposed project aims to improve the urban environment and promote the economic development of Akesu City, Xinjiang Uygur Autonomous Region (Xinjiang), the People's Republic of China (PRC). It is a multisectoral and integrated urban upgrading project that will address urgent environmental and infrastructure needs, including the (i) rehabilitation of the Duolang Wetlands; (ii) upgrading of peri-urban areas through the construction of urban road and extension of urban services networks; and (iii) strengthening the institutional capacity for sustainable urban development, planning, and management of Akesu Municipal Government (AMG).
Xinjiang, located in the northwest of the PRC, is a border area linking PRC to Central Asia. It covers almost one-sixth of the total area of the country. In 2011, its population was approximately 22.1 million (about 1.5% of the population of the PRC), 60% of which comprises 36 ethnic minority groups, the largest portion of these being Uygar. In 2011, Xinjiang's gross domestic product (GDP) was CNY657 billion (about 1.3% of the total GDP of the PRC). Xinjiang's GDP per capita was CNY30, 000, below PRC average of CNY35, 000.

Economic reforms have been slow to reach Xinjiang. It remains one of the less-developed western regions targeted by the PRC's national preferential policies under the National Strategy for Development of the West. The capital, Urumqi, and the populated urban centers in the northern part of the region are the main industrial hubs. They are also focal points of infrastructural investments from the government and private sector activities. On the other hand, investments in the southern part of Xinjiang, mainly constituted of mountains and desert areas, lag behind. The development of an arc-shaped urban and transport corridor between the southern piedmont of Tianshan Mountain and the northern rim of Taklamakan Desert presents an opportunity to achieve a more balanced level of development across the region.

The south corridor is structured around the national railway and highway A314, and stretches from Korla City, in the center of the region, to Kashgar (Kashi) City in the southwest. It crosses urban centers located on a series of alluvial plains, forming oases and separated by large desertic areas. These oases' water resources provide conditions for the development of agriculture and for populating the land. Human pressure on these agricultural lands increased, same with the lack of employment opportunity outside agricultural sector caused by constrained local development. This resulted to significant migration from these areas to ur mqi that took place over the last two decades in search of jobs and education opportunities. The oases' main cities represent the only urban centers that are capable of clustering economic activities in the southern part of the region. Intensifying the strategic infrastructure investment in oases' urban centers will enhance their economic development conditions and support employment diversification from agriculture in the secondary and tertiary sectors.

Akesu City is a medium-sized city and capital of Akesu prefecture; home to approximately 620,000 of the prefecture's 2.2 million inhabitants. Located in the mid-section of the south corridor, the city plays a strategic role in facilitating the socioeconomic development in southern Xinjiang. In 2011, its GDP was CNY9.8 billion and the per capita GDP was CNY15,950. Adding to the city's significant growth from agricultural development, Akesu is also undergoing industrial expansion from the following: (i) exploration and processing of natural resources, such as oil, natural gas, and non-ferrous resources; (ii) regional and intercity transport improvements, such as the 2007 opening of a 424 kilometer (km)-long north-south highway connecting Akesu City to Korla City; and (iii) construction of an industrial park for natural resources and agricultural products processing.

Though the city benefits from a good economic outlook, the combination of lack of investment in urban infrastructure and demographic pressure are restraining the city's potential for growth. Currently, the city is not equipped to fully develop the economic opportunities and facilitate an efficient employment shift from agriculture to the secondary and tertiary sectors. Furthermore, this causes poor living conditions and a high level of environmental degradation. Among the challenges that limit the socioeconomic development of Akesu City, two priority areas to unlock the economy and improve living conditions are (i) infrastructure upgrading and connection to urban services of current settlements areas located around the center city; and (ii) improvement of the urban and environment functions of the Duolang wetlands. These two priorities will be targeted by the proposed project, located in the same area facilitating an integrated approach.

The Duolang wetlands are located upstream of Akesu City, adjacent to the northwestern boundary of future urban expansion, at the confluence of the Kunmalike and Tuoshigan Rivers, both located upstream of Duolang River. It is a natural area which allows the water to infiltrate into the aquifer, recharge the groundwater which the city relies upon for water supply and also acts as flood storage to mitigate flood events. Over the last 10 years, there were 15 flood disasters, six of which were severe. Finally, the wetland is home to a variety of plant (40 species) and animal (30 species) species, including a number of nationally protected fauna and flora.

While the original wetland area is estimated to have been more than 30,000 mu (2,000 ha), the current wetland area is only 500 mu (33 ha). This is due to the combined actions of (i) human pressure, especially the conversion of wetland into farmland, (ii) the over-exploitation of ground water, and (iii) the dry climate which has drained the wetland causing a severe reduction in size. The remaining wetland area does not provide enough water infiltration or adequately recharge the underground water reservoir which is the primary source for the urban water supply. Despite the measures taken to prevent the use of groundwater for individual or irrigation use, the current groundwater level is critically low, threatening the available water resources which support the current urban population and the city's sustainable growth.

Akesu's existing central urban area is densely populated and cannot accommodate the growing urban population and economic activities. The rapid increase in the number of public and private vehicles has strained the existing urban road network. Areas around the city center are also affected by the population pressure. Originally semi-urban areas, they are in the process of densification and slowly becoming an extension of the center town. However, they still rely on rural level infrastructure. Most of the peri-urban settlements do not benefit from urban services, such as water supply, sewerage, heating supply networks, waste collection systems, or improved road condition. This situation does not only lead to poor connection with the rest of the city; it also presents an irrational and inefficient pattern of city development. Furthermore, it creates a high level of environmental degradation due to poor collection of waste and wastewater.

The proposed project will combine integrated interventions in the same area to (i) rehabilitate the Duolang wetlands by enhancing their functionalities as a natural water reservoir for flood prevention and water storage; and (ii) develop a road network and associated urban services in the peri-urban areas to support the city growth. This will include the construction of four bridges over the Duolang River to improve the transportation and communication between the east and west banks for residents and economic activities. The road network will be combined with associated services, extending the basic urban services coverage and alleviate the environmental degradation in the targeted area.

Impact

Project Outcome

Description of Outcome

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

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

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

The main stakeholders include Xinjiang regional government agencies; AMG's development and reform commission; real estate administration, finance and housing and construction, water resources, land resources, and environmental protection, planning, transportation, public utilities, municipal management, public health, civil affairs, poverty alleviation bureaus; private companies providing work forces; design institutes; project affected people, and project beneficiaries including service customers, residents near the river and neighborhoods, as well as ethnic minorities in the old city and in peri-urban areas, as well as new migrants to the city. Local people will be consulted during PPTA implementation and preliminary design through consultations, EMKD, and GAP. PPTA will conduct poverty and social analysis and address social safeguards. Socioeconomic survey, stakeholder workshops, focus group discussions and informant interviews will be conducted during PPTA. This will be complemented by survey and consultations under the resettlement and environment safeguards. The proposed participation strategy during PPTA will focus on identifying key stakeholders and communicating how they may be affected by the proposed project. Additionally, information will be collected to indentify ethically and religiously appropriate ways of community-based sanitation efforts.

During Project Implementation

Key documents such as the social action plan (SAP), gender action plan (GAP), resettlement plans, ethnic minority development plan (EMDP) and environmental management plan (EMP) will outline consultation and participation for implementation. Loan assurances will address implementation and monitoring of the plans.

Business Opportunities
Consulting Services
An international consulting firm with a total consulting inputs of 43.5 person-months (17 international and 26.5 national) will be engaged on the basis of the quality- and cost-based selection method, with a quality-cost ratio of 90:10, in accordance with ADB’s Guidelines on the Use of Consultants (2010, as amended from time to time).

Responsible ADB Officer Kristina Noel Katich
Responsible ADB Department East Asia Department
Responsible ADB Division Urban and Social Sectors Division, EARD
Executing Agencies Government of Xinjiang Uygur Autonomous Region
Li Xiangqun, - jstjhcw@sina.com
Planning & Budget Div., Construction Bur. No. 462 Zhongshan Road, Urumqi Xinjiang Uygur Autonomous Region, PRC

Timetable
Concept Clearance -
Fact Finding -
MRM -
Approval 18 Dec 2012
Last Review Mission -
Last PDS Update 31 Mar 2015

TA 8303-PRC

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Project Page https://www.adb.org/projects/46049-001/main
Request for Information http://www.adb.org/forms/request-information-form?subject=46049-001
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