China, People's Republic of: Gansu Baiyin Urban Development II Project

**Project Name:** Gansu Baiyin Urban Development II Project

**Project Number:** 46062-001

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

**Project Status:** Closed

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

**Source of Funding / Amount:**
- TA 8381-PRC: Gansu Baiyin Urban Development II Project
  - Technical Assistance Special Fund: US$ 600,000.00
  - TA 8381-PRC: Gansu Baiyin Urban Development II Project (Supplementary)
    - Multi-Donor Trust Fund under the Water Financing Partnership Facility: US$ 120,000.00

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

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

**Sector / Subsector:**
- Education - Technical and vocational education and training
- Transport - Transport policies and institutional development
- Water and other urban infrastructure and services - Other urban services - Urban policy, institutional and capacity development - Urban water supply

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

**Description:**
Baiyin is a medium-sized city in Gansu province (Gansu), one of the 12 less-developed provinces and autonomous regions targeted under the Western Development Strategy of the People’s Republic of China (PRC). The city was originally established as a national copper mining base in the 1950s but its socioeconomic development suffered major setbacks after continuous copper exploitation and depletion, and environmental degradation. Since the Eleventh Five-Year Plan 2006-2010, Baiyin received special support from the national and provincial governments to jumpstart its industrial transformation. The goal was to transform Baiyin from a resource-exhausted mining city into a new industrial center through technology upgrading and diversification of existing production chains, while achieving efficient use of resources and reducing adverse impacts on the environment. In 2008, the Gansu Baiyin Urban Development Project (Phase I project) was approved by ADB, providing timely assistance on urban road construction and district heating supply to support the initial stage of economic diversification in two urban centers Baiyin district and Pingchuan district.

The project will invest in key urban infrastructure and services to: (i) provide efficient water service for drinking and industrial processing; (ii) provide wastewater treatment to improve water management, environment, and locals’ quality of life; (iii) strengthen vocational education and training capacity; (iv) enhance road safety and traffic management in central urban district; and (v) enhance environmental management for industrial transformation. The main project area is located in the poverty-stricken Jingyuan county and includes one of the seven strategic industrial bases that comprise the Lanbai Core Economic Zone. The project will further scale up the outcome of the Phase I project by accelerating environmentally and human-centered industrial transformation in eastern Baiyin urban area.

The impact of the project will be inclusive and environmentally sustainable urban development in Baiyin. The expected outcome will be accelerated industrial transformation and economic diversification in Baiyin. Project outputs include: (i) basic urban infrastructures in the eastern Baiyin urban area comprising: (a) a new water supply facility with treatment capacity of 85,000 cubic meter per day, a 16-kilometer (km) water transmission pipeline, a 68.8-km water distribution pipeline network and other related facilities; (b) a new wastewater treatment facility with treatment capacity of 40,000 cubic meter per day, a 74.4-km wastewater collection pipelines network and related facilities; (c) leveling of 4-km2 land with 5 new roads totaling 8 km; (ii) industrial training facility and related services to strengthen capacity building for local skilled/non-skilled workers in Jingyuan county; (iii) ITS in the Baiyin district; and (iv) project management and institutional capacity building, including effective project management, environmental management of the industrial area, and the sustainable operation and maintenance of project facilities.

**Project Rationale and Linkage to Country/Regional Strategy:**
Baiyin’s industrial transformation aims to facilitate inclusive and environmentally sustainable urban development. Gansu provincial government under its Twelfth Five-Year Plan 2011-2015, designates the Lanbai Core Economic Zone to accelerate the development of the industrial economic corridor from the provincial capital of Lanzhou to Baiyin. Although the Phase I project supported Baiyin to kick start its economic diversification, the city faces emerging urban development challenges. The water supply and wastewater treatment facilities are inadequate and land development cannot keep pace with the industrial transformation. Uneven urban rural development broadens income disparities between two urban districts and three rural counties, thereby undermining inclusive socioeconomic growth. Limited opportunities for vocational capacity development also hinder the surplus labor force and laid-off workers to develop skills in support of the transition. Frequent traffic congestion and road hazards in the urban district adversely affect logistics and people’s quality of life. Located in water stressed region of the PRC, Baiyin needs innovative approaches to support its industrial transformation and meet its sustainable socioeconomic growth targets.

The project supports the PRC’s Twelfth Five-Year Plan 2011-2015, which targets to attain the overarching goal of stable and relatively fast economic development by promoting livelihood improvement, environmental protection, and balanced socioeconomic development. The project also aligns with ADB’s country partnership strategy for the PRC 2011-2015, and is consistent with ADB’s water and urban operational plans which focus on inclusive and environmentally sustainable growth, improved quality of life for developing livable city, and mainstreaming efficiencies in water use. The project design incorporates lessons learned from ADB’s five urban sector projects in Gansu. These are (i) keeping impacts of land acquisition and resettlement to a manageable level, and (ii) rigorously reviewing technical designs to avoid oversized infrastructures. Together with the Phase I project, the project will demonstrate a sustainable model of urban development through industrial transformation for other resource-exhausted cities in the PRC. Individual special features of the project include: (i) comprehensive support for skills training and vocational education for industrial transformation; (ii) enhanced environmental management in industrial areas; and (iii) installation of an intelligent transport system (ITS) to address bottlenecks on transportation management.

**Impact:**

**Project Outcome**
Summary of Environmental and Social Aspects

Environmental Aspects
- Involuntary Resettlement
- Indigenous Peoples
- Stakeholder Communication, Participation, and Consultation

During Project Design
During November 2013-May 2014, extensive consultations with representatives of affected villages, communities, laid-off workers, rural surplus labor, enterprises and government agencies were conducted during project design. In total, 433 people were surveyed, and 30 focus group discussions with 350 participants were held. In addition, a number of key informant interviews and stakeholders workshops were also held with the executing agency, implementing agencies, and various bureaus during preparation of the resettlement plan and environmental management plan.

During Project Implementation
TBD

Business Opportunities
Consulting Services
The PPTA will be implemented by engaging a firm for overall project preparation and two teams of individual consultants specializing in transport management and vocational education. Experts on industrial sector development, civil engineering, water and sanitation engineering, transport management, vocational education, economic and financial analysis, environment, and resettlement and social development will be engaged. The firm will be engaged on the basis of quality- and cost-based selection method using simplified technical proposal procedures, with a quality-cost ratio of 80:20, while consultants for the two separate teams will be engaged through individual consultant selection.

Responsible ADB Officer
Satoshi Ishii

Responsible ADB Department
East Asia Department

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Executing Agencies
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Timetable
- Concept Clearance
- Fact Finding
- MRM
- Approval: 17 Jun 2013
- Last Review Mission
- Last PDS Update: 24 Sep 2014

TA 8381-PRC

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Project Page
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