China, People's Republic of: Xinjiang Hetian Comprehensive Urban Development and Environmental Improvement Project

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Xinjiang Hetian Comprehensive Urban Development and Environmental Improvement Project</th>
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<tr>
<td>Project Number</td>
<td>49307-002</td>
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<tr>
<td>Country</td>
<td>China, People's Republic of</td>
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<tr>
<td>Project Status</td>
<td>Proposed</td>
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<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
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<tr>
<td>Source of Funding / Amount</td>
<td>Loan: Xinjiang Hetian Comprehensive Urban Development and Environmental Improvement. Ordinary capital resources US$ 100.00 million</td>
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Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

Drivers of Change
- Governance and capacity development
- Knowledge solutions
- Partnerships

Sector / Subsector
- Agriculture, natural resources and rural development - Water-based natural resources management
- Transport - Urban public transport - Urban roads and traffic management
- Water and other urban infrastructure and services - Renovation and protection of cultural heritage - Urban policy, institutional and capacity development - Urban sewerage - Urban water supply
- Water-based natural resources management

Gender Equity and Mainstreaming
- Effective gender mainstreaming

Description
Xinjiang Uygur Autonomous Region (XUAR) is one of the most remote and least developed regions in the PRC. Hetian, a desert oasis city in XUAR, is a nationally-known poverty stricken area with more than 90% of its population comprised of ethnic Uygurs. The project will help improve essential urban infrastructure and municipal services, thereby enhancing the urban environment, raising livability standards for city residents, and ensuring that the city is able to prepare for and take advantage of future public and private sector investment opportunities as a regional logistics hub.

The project is aligned with the following impact: a well-off and harmonious society in Hetian with environment, society, and economy sustainably developed. The project will have the following outcomes: (i) water sector services improved and use of reclaimed water introduced, (ii) urban road system upgraded, (iii) public transport services improved, (iv) Tiancheng urban upgrading program strengthened and implemented, and (v) planning and project management capacity strengthened.

Impact
A well-off and harmonious society in Hetian with environment, society, and economy sustainably developed
1. Water sector services improved and use of reclaimed water introduced
2. Urban road system upgraded
3. Public transport services improved
4. Tuancheng urban upgrading program strengthened and implemented
5. Planning and project management capacity strengthened

Geographical Location: Hotan Airport

Safeguard Categories

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<tr>
<th>Category</th>
<th>Rating</th>
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<tbody>
<tr>
<td>Environment</td>
<td>B</td>
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<tr>
<td>Involuntary Resettlement</td>
<td>A</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>B</td>
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Summary of Environmental and Social Aspects

Environmental Aspects
The project is expected to achieve significant environmental benefits by (i) using reclaimed water to partially replace groundwater extraction, (ii) improving traffic flow to save fuel and reduce emissions and air pollution, and (iii) improving public transport access and device quality. Impacts on the environment or environmentally sensitive habitat will be minimal, as most project activities are within built-up areas. An initial environmental examination, conducted following ADB’s Safeguard Policy Statement (2009), includes an environmental management plan with safeguards measures to mitigate identified impacts and monitor their implementation. Construction impacts (e.g., noise, dust, erosion, runoff, and traffic) will be temporary and are expected to be appropriately managed. Operational impacts have been carefully considered and are addressed in the initial environmental examination, together with measures in the environmental management plan, to ensure environmental compliance and operational safety. The plan lists design, site management, and mitigation measures for each impact for the attention and action of contractors and the Hetian project management office. Adaptation measures recommended by the climate risk vulnerability assessment have been incorporated in the preliminary design considerations and will be adopted during detailed design.

Involuntary Resettlement
Most of the infrastructure and facilities under the project will be built within existing rights-of-way. The Tuancheng urban upgrading program is the only output that will acquire state-owned land and involve house demolition to widen narrow lanes and improve urban infrastructure and service provision. Of the 401 Uygur households in the project area, 201 households with 773 persons (including 41 home-based small shops) will be affected. Total house demolition area is 12,000 square meters (m²), comprising 10,180 m² of residential houses and 1,822 m² of home-commercial structures (for 41 households whose affected persons are included in the total of 773). All affected houses will need partial demolition to allow space to build public infrastructure. Though the remaining land of 28 households will become unlivable, they are considered totally affected and will need to be relocated in the Tuancheng area. Some 39 poor affected households will require special support and assistance. The project team undertook meaningful consultations with the affected people and prepared a resettlement plan consistent with PRC regulations and ADB’s Safeguard Policy Statement (2009). The project will adopt replacement cost compensation principles, culturally appropriate mitigation measures, and special support and assistance to the poor and vulnerable households such as access to adequate housing and income sources. Key information in the resettlement plan was disclosed to the affected households. Resettlement information booklets (in Uygur and Han languages) were distributed to the affected persons on 13-17 November 2017. Upon completion of the final design, the resettlement plan will be updated and submitted to ADB for review and concurrence before house demolition activities.

Indigenous Peoples
Hetian is comprised of 89.3% Uyghurs, 10.3% Hans, and the remainder of other mixed ethnicities. The project will not adversely affect the Uygur population, except the 201 Tuancheng area households (773 persons) who are subject to involuntary resettlement impacts. All project area households will benefit from the new and improved infrastructure, which the poverty and social analysis has confirmed is well received by the Uygur ethnic community. The social and ethnic minority development plan has identified two potential risks: (i) affordability constraints limit voluntary urban upgrading by poor Uygur households, and (ii) project contractors’ lack of awareness of local culture and norms. Relevant mitigation measures have been discussed and agreed with HCG, which will provide individual financial support to ensure that poor families can more easily opt to participate in the program, and all contracts will have provisions ensuring compliance with local ethnic culture and norms. Project supervision and safeguards monitoring mechanisms, developed and agreed by Hetian project management office and project implementation units, are in the PAM and social and ethnic minority development plan.

Stakeholder Communication, Participation, and Consultation

During Project Design
The project team undertook extensive consultations with project beneficiaries and stakeholders during the poverty and social analysis and in the preparation of the social and ethnic minority development plan and resettlement plan. The team surveyed 601 households, interviewed 23 key informants, conducted 21 focus group discussions and 18 stakeholder workshops. The consultants discussed relevant issues with the executing and implementing agencies, design institutes, project implementation units, and local government institutions (e.g., women’s federation, Ethnic and Religious Bureau).

During Project Implementation

Business Opportunities

Consulting Services
For the loan will require the following:
(i) fixed-budget selection - 138 person-months
(ii) consultants’ qualifications selection - 24 person-months
(iii) individual consultants selection - 10 person-months

Procurement
Open competitive bidding/Advertized internationally - 6 contracts
Open competitive bidding/Advertized nationally - 22 contracts

Responsible ADB Officer
McIntyre, Andrew J.

Responsible ADB Department
East Asia Department

Responsible ADB Division
Urban and Social Sectors Division, EARD

Executing Agencies
Xinjiang Uygur Autonomous Region Government
XUAR Housing & Urban-Rural Dev’t Bureau
No. 462 Zhongshan Road, Urumqi, Xinjiang, PRC

Timetable

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<td>Concept Clearance</td>
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<td>Fact Finding</td>
<td>16 Oct 2017 to 27 Oct 2017</td>
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<td>MRM</td>
<td>15 Dec 2017</td>
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