China, People’s Republic of: Inner Mongolia Regional Cooperation and Integration Promotion Investment Program

**Project Name**
Inner Mongolia Regional Cooperation and Integration Promotion Investment Program

**Project Number**
51192-001

**Country**
China, People’s Republic of

**Project Status**
Proposed

**Project Type / Modality of Assistance**
Loan

**Source of Funding / Amount**
MFF Facility Concept: Inner Mongolia Regional Cooperation and Integration Promotion Investment Program

Ordinary capital resources

US$ 420.00 million

**Strategic Agendas**
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

**Drivers of Change**
- Partnerships
- Private sector development

**Sector / Subsector**
- Industry and trade - Trade and services
- Trade and services - Water and other urban infrastructure and services - Other urban services

**Gender Equity and Mainstreaming**
Effective gender mainstreaming

**Description**
The Investment Program will support trade facilitation and improve living conditions of five key border cross points (BCPs) and border areas of Inner Mongolia Autonomous Region (IMAR) of the People’s Republic of China (PRC) and Mongolia. It will (i) improve key infrastructure and service needed for trade facilitation; (ii) enhance ecological conditions and trade in services such health service and waste management of border areas; (iii) provide access to credits for small and medium sized enterprises (SMEs) in trade business, with a particular focus on women-led SMEs; (iv) establish inclusive and sustainable agricultural value chain to help alleviate poverty and increase income of farmers; and (v) facilitate policy dialogues and capacity building for both IMAR and Mongolia.

**Project Rationale and Linkage to Country/Regional Strategy**
IMAR is located in the northern PRC and borders Mongolia to the north along a 3,200 km border. Regional cooperation and integration (RCI) especially with Mongolia played an important role in IMAR’s growth and development. Over the past decade, trade between IMAR and Mongolia has grown rapidly, from CNY8.42 billion in 2009 to CNY32.79 billion in 2018 with consistent and significant surplus for Mongolia. Given fundamental resource complementarities, where PRC mainly imports minerals, coal, animal husbandry products, and exports machinery, construction materials, and consumer products, the trade volume is expected to continue to grow. Cooperation has also expanded beyond trade to trade in services including tourism, health and education, and to environmental protection, and other transboundary issues following the all-round strategic partnership established in 2011 between PRC and Mongolia. BCPs and border areas play a key role in IMAR’s RCI with Mongolia as trade across land borders account for a significant share of the total trade volume and resident trade markets in border towns became important venues for culture, people, and goods exchanges. Among major BCPs in IMAR, Erenhot and Ganqimaodu are the largest two ports in terms of IMAR’s total trade with Mongolia with rapid increases. Strategically located, Erenhot serves as a key hub and interchange for the Eurasian Land Bridge as well as for Transport Corridor 4 of the Central Asia Regional Economic Cooperation (CAREC) Program. Mandula has gained growing importance as an export/import hub, and Arxan is fast becoming a key base for cross-border tourism and a hub in the prospective eastern cross-border corridor, while Uliji port is to develop into a multi-functional port, and interchange on the shortest route to markets in Mongolia, Russian Federation (Russia) and Europe. BCPs and border areas provide essential business and other services to port operation and maintenance, helping create jobs and improve livelihood for people on both sides of the border.

**Impact**
Sustainable economic development and shared prosperity for Central Asia Regional Economic Cooperation (CAREC) region achieved.

**Outcome**
Economic competitiveness, trade and living conditions along IMAR border areas including areas of CAREC improved.

**Outputs**
- Key infrastructure and services for cross-border connectivity improved
- Ecological environment and public health and sanitation services in key border towns improved
- SMEs base in cross border businesses expanded
- Inclusive and resilient sheep value chain developed
- Regional cooperation mechanism, technical, project management and institutional capacity strengthened

**Geographical Location**
Inner Mongolia

**Summary of Environmental and Social Aspects**

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**Stakeholder Communication, Participation, and Consultation**

During Project Design
Consultations with stakeholders will be conducted during project processing.

During Project Implementation
Consultations with stakeholders will be conducted during project implementation.
Responsible ADB Officer: Seung Min Lee
Responsible ADB Department: East Asia Department
Responsible ADB Division: Public Mgt, Financial Sector and Regional Coop Division, EARD

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Inner Mongolia Autonomous Region Finance Department (Former Inner Mongolia Autonomous Region)
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Hohhot City, Inner Mongolia Autonomous Region People's Republic of China

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<td>Concept Clearance</td>
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Project Page: https://www.adb.org/projects/51192-001/main
Request for Information: http://www.adb.org/forms/request-information-form?subject=51192-001
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