## China, People's Republic of: Shanxi Changzhi Industrial Transformation and Economic Upgrading Demonstration Project

**Project Name**: Shanxi Changzhi Industrial Transformation and Economic Upgrading Demonstration Project

**Project Number**: 51381-001

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

**Project Status**: Proposed

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

### Source of Funding / Amount

<table>
<thead>
<tr>
<th>Loan: Shanxi Changzhi Industrial Transformation and Economic Upgrading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ordinary capital resources</strong></td>
</tr>
<tr>
<td><strong>US$ 300.00 million</strong></td>
</tr>
</tbody>
</table>

### Strategic Agendas

| Environmentally sustainable growth |
| Inclusive economic growth |

### Drivers of Change

| Governance and capacity development |
| Knowledge solutions |

### Sector / Subsector

- Agriculture, natural resources and rural development
- Land-based natural resources management
- Education - Technical and vocational education and training
- Industry and trade - Small and medium enterprise development
- Transport - Road transport (non-urban)
- Urban public transport
- Urban roads and traffic management
- Water and other urban infrastructure and services - Other urban services - Urban sewerage - Urban water supply

### Gender Equity and Mainstreaming

| Effective gender mainstreaming |

### Description

Changzhi City is a regional center city located in Southeast of Shanxi Province in the central region of the People’s Republic of China (PRC). Changzhi is bordered by the southern section of Taihang Mountain to the east, and to the west by the Taiyue Mountain. Changzhi’s total population is 3.4 million people with 800,000 living in the core urban area, and the total land area is 13,955 square kilometers of which 53% is forest covered. Changzhi, like most of Shanxi province, is lagging behind the PRC’s development, and it urgently needs a profound change towards a modern and diverse urban and rural-urban economy supported by improved education and urban livability, as it suffers from decline due to its dependency on coal-mining and traditional industries.

### Project Rationale and Linkage to Country/Regional Strategy

Strategic fit. The project will demonstrate how the urban and rural-urban economy can be modernized, poverty can be reduced, employment created, environment rehabilitated, and broader public goods be provided through comprehensive support to economic and urban development and contributing to rural vitalization in Changzhi. It is aligned with (i) Thirteenth Five-Year Plans of Shanxi Province and Changzhi City (2016 2020), (ii) PRC’s National New-Type Urbanization Plan (2014 2020), (iii) PRC’s Pilot City Program for Industrial Transformation and Upgrading (2017), (iv) PRC’s Rural Vitalization Strategy (Draft), and (v) Changzhi City master plan (2011 2030). The proposed project is included in the country operations business plan (2018-2020) of the Asian Development Bank (ADB) for the PRC and is aligned with (i) country partnership strategy for the PRC, 2016 2020, supporting socially inclusive, environmentally sustainable, and economically competitive development; and (ii) urban, water, and environment operational plans/strategies. The project is also fully aligned with operational priorities of ADB’s Strategy 2030 and adheres to its principles of supporting upper middle-income countries particularly by (a) developing a demonstration project for economic diversification, (b) enhancing resilience to economic and climate change shocks, (c) contributing to the creation of quality jobs, education and training, (d) integrated solutions for livable cities, (e) rural development and value chain linkages, (f) institutional strengthening and capacity building, and south-south sharing of experiences, best practices and innovation.

### Impact

Economically competitive industrial transformation, and socially inclusive and environmentally sustainable urban and rural-urban development in Changzhi City achieved (Pilot City Program for Industrial Transformation and Upgrading, and National New-type Urbanization Plan)

### Outcome

Economic diversity, qualification of local workforce, urban and rural urban livability improved

### Outputs

- Higher education and technical vocational education and training facilities and institutional capacity improved
- Industrial park infrastructure and economic development capacity developed
- Sustainable rural urban economic revitalization and inclusive tourism developed
- Degraded environment and wetland rehabilitated
- Inclusive capacity in economic and urban development and landscape ecology developed

### Geographical Location

Changzhi
### Safeguard Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Risk Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>B</td>
</tr>
<tr>
<td>Involuntary Resettlement</td>
<td>A</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>B</td>
</tr>
</tbody>
</table>

### Summary of Environmental and Social Aspects

#### Environmental Aspects

- Involuntary Resettlement
- Indigenous Peoples

#### Stakeholder Communication, Participation, and Consultation

- During Project Design
- During Project Implementation

### Business Opportunities

**Consulting Services**

An estimated total of 20 individual specialists (5 international and 16 national) for a total of 45 person-months (12 international and 35 national) will be engaged from August 2018 to June 2019 on an intermittent basis to carry out regional economy and urban development assessment and investment prioritization, as well as climate risk and vulnerability assessment. The consultants will be engaged in accordance with ADB Procurement Policy (2017, as amended from time to time) and the associated Project Administration Instructions and TA staff instructions.

### Responsible ADB Officer

Stefan Rau

### Responsible ADB Department

East Asia Department

### Responsible ADB Division

Urban and Social Sectors Division, EARD

### Executing Agencies

Changzhi City Government,
No. 70 South Changxing Road Changzhi City,
Shanxi Province

### Timetable

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Clearance</td>
<td>30 Oct 2018</td>
</tr>
<tr>
<td>Fact Finding</td>
<td>02 Mar 2020 to 20 Mar 2020</td>
</tr>
<tr>
<td>MRM</td>
<td>30 Apr 2020</td>
</tr>
<tr>
<td>Approval</td>
<td>-</td>
</tr>
<tr>
<td>Last Review Mission</td>
<td>-</td>
</tr>
<tr>
<td>Last PDS Update</td>
<td>27 Sep 2019</td>
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</tbody>
</table>

### Project Page

https://www.adb.org/projects/51381-001/main

### Request for Information

http://www.adb.org/forms/request-information-form?subject=51381-001

### Date Generated

01 February 2020

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