Reviving the City on the Water: Localized Approaches in Urban Renewal and Heritage Preservation in Shaoxing

Executive Summary

The city of Shaoxing implemented the Shaoxing Historic City Center Conservation Component, one of seven components of the World Bank-supported Zhejiang Urban Environment Project, from 2004 to 2011. While the Zhejiang Urban Environment Project aimed to improve sanitation and the urban environment in the booming seaboard cities of Zhejiang Province, the Shaoxing Historic City Center Conservation Component focused on preserving historic neighborhoods of Shaoxing city and improving the living conditions of local residents. This case study records how Shaoxing established a conservation model that integrated local economic development and increased resident participation in the project, thereby ensuring project success. After a period of discussion, the project adopted an integrated "site-line-area" conservation model for the city’s historic center that identified individual historic sites in the Yunhe Community that fell within several historic areas, ultimately establishing the "Shaoxing Model" for balancing urban development with historic conservation following a participatory approach. This Model highlighted the Project Management Office’s close consultation with the local residents as well as the provision of a range of funding options, resettlement policies and incentive mechanisms to meet the residents’ needs.

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Introduction

Mr. Hongyuan Li, 66, lives in Shaoxing’s historic precinct. His house, recently renovated with a study room and an interior courtyard, was built during the reign of Qing Dynasty emperor Jiaqing, making it nearly 200 years old. But while the home has considerable historic and cultural value, the building also lacked modern conveniences like a flush toilet, making life very difficult. Over time, Li said, cracks started to form in the walls, the roof leaks were a regular occurrence, and the building was in urgent need of repair.

As part of the Shaoxing Historic Center Sub-Component of the World Bank-supported Zhejiang Urban Environment Project, workers contracted by the Shaoxing Historic Precinct Conservation Management Office successfully carried out repairs to Mr. Li’s home. He now lives comfortably and enjoys modern conveniences in his refurbished historic home. The improvements in Mr. Li’s living conditions are typical of those made for 26,000 residents in five of Shaoxing’s historic neighborhoods, as part of a larger project of urban development, preservation, and restoration that has significantly enhanced Shaoxing’s traditional cultural heritage.

This case study describes the implementation of the Shaoxing Historic Center Sub-Component and how Shaoxing carried out historic conservation, while also improving living conditions for local residents.

Development Challenge: Cultural Heritage Preservation During Urbanization

Shaoxing is located in the eastern part of China’s Zhejiang Province. The city was established in 494 B.C., and, unusually for China’s ancient cities, its location has not changed for 2,500 years. The city has a rich heritage, with 3,601 historic sites, and intangible cultural heritage like calligraphy, painting, opera, yellow wine, and porcelain.

Like many cities in China, Shaoxing has experienced rapid urbanization and growth since the 1980s. The city government has taken steps to facilitate and harness this trend. For example, in 1993 Shaoxing participated in a World Bank project that focused on urban development in a number of cities in Zhejiang, creating a 2.07 square kilometer “new district” for industrial and commercial development.

Unlike the “new district,” the city’s historic city center faced the challenge of preserving its important historic and cultural heritage, while enabling urban development to improve the general environment and living conditions for urban residents. One aspect of this challenge was that many traditional dwellings in historic areas were not effectively maintained, and aging infrastructure could not support the large number of people that had moved into historic areas. Residents erected temporary structures that seriously damaged the original appearance of buildings. Over 95 percent of the structures in the historic precincts were in disrepair. Concrete utility poles lined the streets, the power lines between them were tangled, and objects were scattered everywhere. Fire rescue vehicles could not get through these streets, which created a major fire hazard. The lack of municipal infrastructure also meant that wastewater ran directly into nearby rivers and canals. It was clear that a variety of initiatives would be needed to improve the lives of people living in the historic urban areas, but that it would also be a challenge to accomplish this while preserving and even restoring the historic character of old Shaoxing. The Zhejiang Urban Environment Project was intended to improve sanitation and the urban environment in several of the booming cities on the province’s eastern seaboard. The Shaoxing Historic Center Sub-Component would take on these problems while also carrying out historic and cultural preservation work in several of Shaoxing’s oldest neighborhoods.

Delivery Challenges: Tailoring a Conservation Model to the Local Context: Community Participation

In order to meet the development challenge of preserving cultural heritage during urban modernization, the Shaoxing Municipal Government (SMG) sought support from the World Bank, and implemented the Shaoxing Historic City Center Conservation Component of the World Bank Zhejiang Urban Environment Project in November 2004.

Establishing a Conservation Model Tailored to Local Context. The first delivery challenge of the SMG was developing a model for conservation of the historic city center during the design phase of this project. Shaoxing’s government lacked an immediately accessible conservation model that would suit the needs of Shaoxing—a mid-sized city with a historic core and a dynamic population in need of upgraded services. The SMG faced limitations, specifically that many parts of the old city center had suffered from irreversible damage, and that funding
resources for conservation were limited. The Shaoxing Municipal Government had to compare existing domestic and international conservation models, and formulate a conservation strategy that would not only meet the dual goals of preserving cultural heritage of the city but also improve the living conditions of residents (Boehm 1993).

Community Participation. Establishing a mechanism for community participation in the renovation and conservation activities during the implementation phase was another delivery challenge. The construction and refurbishment necessary for effective conservation would inevitably entail some disruption to the lives of residents while these activities were taking place. Furthermore, local residents were going about their daily lives in these historic neighborhoods; therefore securing their support and cooperation was a key challenge for the SMG.

Tracing the Implementation Process

To ensure the smooth implementation of the project, the SMG established the Shaoxing Urban Environment Project Leading Group (PLG) to coordinate the multitude of government agencies that would be involved in the project. The group was chaired by the deputy mayor and included representatives from City Hall, the Municipal Development, and the Reform Commission, as well as a variety of municipal bureaus, including the Finance Bureau, the Construction Bureau, the Auditing Bureau, the Environmental Protection Bureau, the Bureau of Land Resources, the Water Works Group, the Bureau of Cultural Relics, and the Planning Bureau. The SMG also established the Shaoxing Urban Environment Project Management Office (PMO), which was responsible for on-the-ground implementation. The PMO included departments for general management, finance, engineering, and project preparation. It invited experts from other agencies to create targeted leading groups (e.g., a lead group for resettlement). The Zhejiang Urban Environment Project’s Shaoxing Historic City Center Conservation Sub-Component lasted for seven years and officially ended in December 2011. Shaoxing hosted the Seventh National Arts Festival in 2004, however, which encouraged the city government to speed up the implementation of preservation plans and works even prior to the formal start of the component. Consequently these contracts were financed using the Shaoxing Municipal Government’s own fund, rather than the World Bank loan. This led to loan savings and project restructuring, and allowed many aspects of the component to complete ahead of schedule.

Choosing a Conservation Model Suitable for Shaoxing

The first challenge in the design phase was selecting a conservation model that suited the specific needs of Shaoxing’s historic city center. This process included two phases.

Phase One: Comparative Research

The SMG began searching for conservation models as early as the 1990s, inviting domestic experts to carry out extensive comparative research on how best to preserve the city’s historic center. A team headed by famous architects Liangyong Wu and Yisan Ruan proposed that Shaoxing adopt a model used by most European cities: complete preservation. This emphasized not only the structures located in the city center, but also their physical and cultural context, allowing historic structures to serve their original purpose while also allowing for a reasonable amount of development. Models used for conserving historic areas since the 1990s have used this concept, and has been deployed in small towns in China, such as Zhouzhuang and Tongli, which have adopted policies combining tourism with cultural preservation. These historic towns had small populations and administrative areas, in addition to well-preserved historic buildings and cultural elements. However, complete preservation of physical and cultural heritage would have been difficult to carry out in Shaoxing (Zhejiang Province Urban Development Project Office 1999). First, the urban fabric of the old city had already changed in the course of rapid urbanization. At least 20 of the 31 protected structures in the old city have been occupied or have seen varying degrees of damage, and many century-old historic buildings and traditional dwellings had been demolished.1 Multi-story buildings had also been built along main thoroughfares like Shengli Road, Renmin Road, Jiefang Road, and Zhongxing Road, which run through the old city. Shaoxing is a mid-sized city, rather than a small town; the area of the old city that

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Within this framework, “sites” referred to 61 protected cultural units and 83 protected cultural sites including Lu Xun’s Former Residence, Wang Xizhi’s Former Mansion, and Baizi Bridge (Moes 2003). These locations, which were at the heart of Shaoxing, were spread out among developed and undeveloped areas of the city’s old quarter. With an eye toward maintaining the authenticity and integrity of the buildings, as well as maintaining architectural harmony with the surrounding environment, the SMG did not propose rebuilding “cultural relics” that had been destroyed. Instead, it adopted a principle of preservation that allowed original buildings to remain at their original location.

“Lines” referred to the city’s unique urban water transport system composed of rivers, canals, and lakes connecting different districts and neighborhoods. Through the restoration of natural waterways and canals, as well as the roads along them, the cultural sites scattered in the historic city center would be connected, helping to recreate Shaoxing’s historic character as a “Water Town.”

“Areas” referred to areas with historic and cultural value such as the Yuezicheng neighborhood, Bazi Bridge, Lu Xun Road, and Xixiao River that covered a total area of around two million m² (see Annex 3). Residents of these areas could choose to remain or relocate. Regardless of the decision residents made, the SMG carried out renovations of old dwellings by updating basic infrastructure and giving a traditional look to new structures along main roadways. This was in an effort to maintain the overall architectural feel of historic areas, while at the same time ensuring the practicality and sustainability of historic resources.

Focusing on the conservation of selected “sites,” “lines,” and “areas,” the Shaoxing Municipal Government was able to balance urban development and cultural heritage preservation, while improving residents’ living conditions. First, the scope of historic city conservation was limited to designated areas that best exemplified the key cultural features and atmosphere that the project sought to conserve. This was a compromise given the limited funding and conditions of the historic center, which had already sustained a certain degree of irreparable damage. Residents were able to preserve their lifestyles and stay in the same neighborhoods where their families had lived for generations with minimal interruptions. Furthermore, through neighborhood restoration and infrastructure upgrades, the residents living in the historic precincts now enjoyed improved public services and housing...
conditions. As the architectural styles and features of the historic neighborhoods were carefully preserved and enhanced, the local residents benefited from the booming tourism industry, which brought increased income to the households and further improved their livelihoods.

One key example is the Yuezicheng Historic Precinct, a historic precinct in the City Center of Shaoxing. The main street, Cangqiao Street, runs along the Huanshan River, which stretches across the Precinct, and incorporates bridges of various architectural styles. Dwellings along the river are mostly traditional in design with two single roads on the two sides of the River, typical of historic Shaoxing. Most of the houses dated from the late Qing Dynasty and were coherent in style, with 43 ceremonial doorways of various types that reflected the architectural and historic uniqueness of the area. Cangqiao Street covers a total area of 6.4 hectares, with a building area of over 50,000m² that provided housing for 858 households. After the Project, these residents continued to live in the historic precinct during a time when a new wastewater collection and treatment system was installed, the roads along the river were repaired, and all the residential buildings in the area were renovated with modern facilities. This classic historic street now integrates residential, commercial, and tourism elements based on local traditions. After restoration, the Cangqiao Street Historic Area received the UNESCO Asia-Pacific Award for Cultural Heritage Conservation in 2003.

Increasing Resident Participation

After establishing a model for balancing urban development and conservation of the old city, Shaoxing officials began implementing the Zhejiang Urban Environment Project in November 2004. The high population concentration in the historic city center meant that changes would affect a large number of individuals and businesses, meaning that the support and participation of local residents became a singular challenge. Surveys carried out in the initial stages of the project showed that in the short-term the project would affect 8,485 households (26,480 people). See Table 1 for details.

During the initial phase of implementation in 2005, local residents did not respond positively to government proposals for renovation and improvement, which halted implementation and delayed overall progress. In order to accurately and comprehensively assess the demands of local residents, the PMO carried out door-to-door surveys and community meetings. This resulted in the following findings:

- **Residents lacked awareness of the goals of the project.** Most of the residents in historic areas believed that the Shaoxing Historic City Conservation Project was similar to previous “superficial restoration” projects that repaired and beautified external walls to give areas a simple “facelift.” Some residents of these areas were simply not aware that the community in which they had lived for years was in fact a “protected” area. They were simply waiting for redevelopment plans to be implemented, so that they could claim resettlement compensation payments and move to a newer “better” neighborhood. For example, in 2001, some residents along Hongqi Road in the Yuezicheng Historic Area signed a joint petition with planning authorities to be included in redevelopment plans so that their old homes could be demolished.

- **Low income households were unable to afford repairs.** Most residents in historic areas had low incomes, were unemployed, or retired. Their financial situations meant that many were unable to undertake

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Table 1: Residents and Businesses Affected Historic City Preservation Efforts

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Affected Area</th>
<th>Directly Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition Residents</td>
<td>157 (households)</td>
<td>8,588.7 m²</td>
<td>368 people</td>
</tr>
<tr>
<td>Businesses</td>
<td>15</td>
<td>114,546.59 m²</td>
<td>2,092 people</td>
</tr>
<tr>
<td>Public Service Buildings</td>
<td>5</td>
<td>9,268.09 m²</td>
<td></td>
</tr>
<tr>
<td>Shops</td>
<td>5</td>
<td>248 m²</td>
<td>21 people</td>
</tr>
<tr>
<td>Dwelling Restoration/Temporary Relocation</td>
<td>8,485 (households)</td>
<td>454,045 m²</td>
<td>26,480 people</td>
</tr>
</tbody>
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2 Yuezicheng formed the city center of the capital of the Yue Kingdom, a state in southeastern China during the Xia, Shang, and Zhou periods that existed from 2023–110 B.C. In 490 B.C., the Yue King Goujian established his capital at Shaoxing.
repairs to their aging homes. Mr. Ehai Shao is a retired soldier living in the Yuezicheng Historic Area. When PMO staff visited his home to collect information and create a restoration plan for his home, they found that he and his wife live in a small space that was mostly taken up by two beds. The house was dark and damp with a strong smell of mildew. The roof showed signs of serious leaks. And the couple had built plywood frames over their beds to keep water from falling on them when it rained. When developing a restoration plan for Mr. Shao’s home in 2009, PMO staff member Jun Bian recalled: “When we asked Mr. Shao why he didn’t fix his roof, he said that he was too old. He couldn’t do it himself and couldn’t afford to hire someone to do it.”

- Residents had varying demands for repairs, relocation and temporary resettlement. Some residents demanded that they be moved to new apartment buildings, while some wanted to remain in the same home but asked for more space. Some were concerned with the amount they would have to pay to improve the interior of their homes, while still others had specific requirements for temporary resettlement during repairs. For example, Mr. Guorong Xu, a resident of the Shusheng Guli Historic Area, said:

> The home where my family of five lives was handed down from our ancestors and is 500 years old. We are very attached to this house and don’t want to move. We’re very glad that the government has offered to repair it. I have a small shop and make about RMB 2,000 a month and my wife, who’s unemployed, only makes around RMB 300 a month. Our child is currently enrolled in a foreign-language school. I hope that in addition to paying for repairs, the government can also compensate me for the income I will lose when I have to close my shop.3

Mr. Baofu Li, another resident of Shusheng Guli, had a different take, saying: “I would like to leave my current home. It’s too small. The four of us only have 12 square meters. When summer comes it’s like a sauna and isn’t fit to live in. We pay RMB 200 a month to rent a nearby house so we have a place to live.”4

The Shaoxing PMO adopted a series of specific measures that included ensuring residents’ participation, building model homes to demonstrate improved living conditions, enacting policies to support disadvantaged households, and developing tourism in Old Shaoxing. Together, these policies helped to clear the way for successful preservation of historic buildings in the area.

- Ensuring resident participation. The Shaoxing PMO invited residents of historic areas and local neighborhoods to participate in meetings to gather more information about the needs of residents at the different stages of the project. The PMO implemented a series of measures to ensure resident participation throughout the four phases of the project.
  1. During the initial phase of the project, the PMO drafted detailed work plans that were provided to residents so they were informed about the need for the project and how it would affect them. The PMO also actively communicated with local community offices to strengthen interaction with residents, using local media reports on the development of tourism in the old city to emphasize the benefit to residents.
  2. During the resettlement phase, efforts were made to provide residents with high-quality housing options that ensured they were treated fairly. The PMO worked with housing and resettlement authorities to convene discussions on the initial results of surveys. The PMO presented resettlement policies, establishing project procedures for building homes. The PMO also made sure to respond quickly to reasonable demands, answering requests that came in through phone calls, letters, and personal visits by residents.
  3. During preparation for construction, PMO staff visited each household to create a personalized restoration plan based on their specific needs. Small requests, like changing doors and windows, were incorporated into technical schematics if residents were willing to pay for these options themselves. This personalization, communication, and attention to needs and preferences gradually increased the level of trust residents had in the project.
  4. During the construction phase of the project, PMO technicians were on-site to supervise the entire process. Residents were very interested in the progress and status of the repairs being made to their homes, often coming in person to watch and “supervise.” This made it easy for PMO technicians

4 Baofu Li, interview by Jianjun Yin of Hehai University, 2004.
to communicate with residents, listen to their demands, and meet these demands when policy allowed. PMO technician Jun Bian said: “After the project was over, I remained friends with many of the residents and would talk with them if we met on the street.” In the case of residents that were more difficult to communicate with, the PMOs worked closely with grassroots organizations that had gained the trust of residents over the course of long-term work in these communities. Through these organizations, the PMO staff were able to improve their relationship with the affected residents, gain their trust, and eventually convince them to support the project.

- **Building model homes to demonstrate improved living conditions.** In order to show residents “the real thing” and build confidence in the benefits of the project, the Shaoxing PMO implemented a demonstration pilot in just one neighborhood. This program focused on historic homes, installing bathroom fixtures, replacing old toilets, and ensuring that each household had their own water and electricity meters. Water pipes, along with wiring for electricity, telecommunications, cable television, and streetlights were moved underground, and drainage networks were also integrated into a city-wide system. The project also added stone-paved roadways, cleaned waterways, and used unique architectural styles to maintain the historic feel of neighborhoods. This use of this “model home” strategy effectively showcased improved living conditions, demonstrating that traditional homes did not have to be dark and damp, and that residents of these homes could still enjoy modern conveniences. This changed the minds of people who had previously simply wanted to relocate, and older people that had lived in these areas for years found these improved conditions very comfortable.

- **Policies supporting economically disadvantaged households.** The Shaoxing Project Leading Group led the development of a series of policies to raise capital and incentive systems that included the following:
  1. Financing and cost-sharing: The PMO used different fund raising methods for restoration depending on the function and purpose of historic buildings. Residents and the government shared costs relating to improvements and internal drainage systems in private homes with the government paying for 55 percent and residents paying 45 percent of related costs. For costs paid by residents who owned the property, restoration costs were estimated at RMB 80/m², but were ultimately calculated based on actual cost. For public housing, housing authorities paid the 45 percent share that would have been paid by residents. As housing agencies own these homes and rent to the residents, they in turn could increase rent prices and encourage residents to purchase public housing units. Improvements to commercial properties along roadways were paid for by owners and were collected at a rate of RMB 280/m², but the city government compensated businesses for lost revenue based on the size of the space and length of time the business was not operating.
  2. Population Redistribution: The PMO used different redistribution methods for different groups of people in order to reduce population density in the historic neighborhoods and improve living conditions. For impoverished households with less than eight m² per person, the government allotted a certain amount of subsidized housing for low-cost rental or purchase, while at the same time purchasing the family’s original home. For other households, the project used incentivized monetized resettlement, through which the government purchased homes at a high price—RMB 1,400 plus valuation per m² (building area) for private homes and RMB 1,560/m² (gross floor area) for public housing. This policy encouraged relocation of 20 percent of the population in the project area.
  3. Vacating Homes: During the process of improving and restoring historic areas, condemned and structurally unsound buildings had to be reinforced. In addition termite prevention and the laying of pipelines also had to be carried out. This not only required electricity and water services to be temporarily suspended, but it also created a number of dangerous conditions. In order to encourage residents to vacate temporarily, the project implemented a policy that covered residents’ moving fees for two moves, a temporary housing allowance, monthly phone and television subsidies, and the cost of water and electricity for the period in question. Effective promotion and communication by the government and clear implementation of housing policies resulted in around 98 percent of residents vacating their homes before preservation work began.

- **Promoting and Developing the Tourism Industry.** The local government strengthened efforts to promote
and develop tourism within the old city to attract more tourists to the area. This provided residents in the historic center with more job opportunities and helped to build up the tourism industry. One successful example is the Lu Xun's Historic Area, which linked the ancestral home of Lu Xun (considered the father of modern Chinese literature), his former residence, and the Sanwei Study (the late Qing Dynasty school where Lu Xun studied) to create a thematically coherent area showcasing the life of Lu Xun that could be billed as Shaoxing’s top tourist attraction. Statistics showed that over three million people visited Lu Xun's hometown between June 1, 2008 and May 20, 2010, averaging over 5,000 visitors per day. The wide appeal of Lu Xun's cultural cachet, and its influence on the surrounding area, brought more tourists to surrounding sites. Today, hundreds of thousands of students travel to Shaoxing to participate in field trips that follow the life of Lu Xun. The Lu Xun Historic Area provided an opportunity for study and for civic, historical, and cultural education, as well as experiencing a typical Jiangnan-style town. This was the ultimate purpose of historic conservation efforts.

Results

In 2011, after the completion of the Shaoxing Historic Conservation Project, the total area of restored and renovated historic structures totaled nearly 1.2 million m² and around 57,000 m² of historic structures that had been rebuilt. The project restored and unified the traditional appearance of the historic center, improved public services, and improved the quality of life for residents that directly benefitted over 6,000 households. Within the historic city center, 18 kilometers of drainage pipelines and an additional 34 kilometers of water pipelines had been installed. Comprehensive cleaning and restoration had been carried out in 17 rivers within the city and 24,000 m² of roadways have been built or expanded. Additionally, 10,000 m² of newly constructed park space has been added.

Moreover, the renovations and improvements made by the project successfully presented the lifestyle and historic uniqueness of Shaoxing and became a new tourist destination in Shaoxing in its own right. This provided new opportunities for employment and entrepreneurship with a range of tourist services providing considerable economic and social benefits for local residents.

The SMG also gained valuable experience from the conservation project. In June 2006, the Second International Conference on Heritage Conservation and Sustainable Development, organized by UNESCO, the World Bank, and the Chinese Ministries of Culture and Construction, was held in Shaoxing. The Conference released the Shaoxing Declaration, which proposed the “Shaoxing Model” of conservation that promoted protection of cultural heritage in conjunction with sustainable development. While protecting historic architectural heritage, the project improved municipal services and sparked a rebirth of Shaoxing’s reputation as a city steeped in culture and history. Moreover, it also served as a model for the preservation of cultural heritage and historic cities in other parts of China (Yan 2011).

While many of the cultural and historic benefits of the project are seen as difficult to quantify, ultimately the improved quality of life of people living in Shaoxing’s historic neighborhoods, the benefits for people visiting the historic city for cultural tourism, and the opportunities and revenue that this provides for Shaoxing’s residents are all important benefits.

Lessons Learned

Conservation of historic city centers is a systematic process. In the case of Shaoxing, conservation efforts were based on practical considerations that provided new concepts and experiences in conservation. The “Shaoxing Model” was developed based on perceived needs specific to Shaoxing, in order to allow the city government to balance urban development and historic preservation, while improving the lives of urban residents and increasing cultural tourism.

Building on Good Practices and Making Tailored Modification Well-Suited to Local Context

Conservation of historic city centers began with existing cultural and historic resources. In addition to

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5 Lu Xun, a native of Shaoxing, is considered to be the father of modern Chinese literature and was an important figure in the New Culture Movement. He is known throughout East Asia and the World. Lu Xun's former residence is located at 2 Lu Xun Road in Shaoxing (originally 19 Dongchangfangkou) and was finished in the late 19th century. Lu Xun's works describe events of his home life and the surrounding community during his childhood, providing a window into social and cultural traditions in Shaoxing at that time.

6 That is, typical of the area that includes the southern Yangtze Delta.
comprehensive planning for overall urban development, conservation efforts for its historic center, and targeted plans for conservation of particularly historic areas, Shaoxing also invited experts to participate in the design process, which allowed the SMG to draw on good practices from other domestic and international cities in preparing the “Shaoxing Model.” Following the principles of preserving historic context, practicality, and sustained use, the site-line-area plan (i.e., focusing on integrating significant sites, the river system, and historic areas) was used to ensure benefit to both residents and promote the development of tourism. The project successfully conserved historic areas while at the same time promoting the development of tourism and other related industries. This not only drove economic growth, but also integrated conservation of historic areas with overall urban development. Shaoxing’s success with this framework has made it a model for other historic cities attempting to balance the preservation of their cultural heritage with the imperative to improve conditions in urban neighborhoods.

**Promoting Public Consultation and Community Participation**

The experience of the Shaoxing Historic City Center Conservation Project showed that the government alone was not strong enough to successfully drive this project and that active participation of local residents was essential to its successful completion. The Project Leading Group approached the situation on two fronts: 1) by creating awareness and 2) by establishing a physical presence.

The first entailed meeting with residents face-to-face to include them in project planning and implementation. In order to smoothly redistribute populations and improve the condition of local neighborhoods, the PMO used a diverse range of resettlement policies and incentive measures. Due to the large number of complex situations of residents in these historic areas, the PMO rejected a “one-size-fits-all” model in favor of a combination of time-consuming, but more thorough, on-site visits and surveys to obtain an accurate assessment of the needs of residents. This formed the basis for resettlement policies and incentive mechanisms that allowed residents to choose an option that best suited their needs.

For households facing serious economic hardship, the Project Leading Group also developed a series of subsidies that eased the financial burden of repairs. The PMO also utilized multiple financing channels (including government, organizations, and individuals) to help fund conservation efforts. Financing models differentiated between structures for residential and commercial use, using generous government subsidies, which greatly increased resident’s support and participation in renovation efforts. “Model homes” were also created to establish a physical expression of the project to win the trust of local residents. They helped local residents to see the positive impact the project would have on their living conditions and encouraged some residents to contribute additional resources to the renovation of their historic homes. This incentivized them to participate in the implementation of the project, which laid a solid foundation for sustained development.
# Annex 1: Project Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Reason/Rationale for Inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>Shaoxing Historic City Center Improvement and Conservation Sub-Component Loan Agreement Goes into Effect</td>
<td>The Zhejiang Provincial Government and the World Bank signed the Zhejiang Urban Environment Project Agreement followed by project agreements between the Zhejiang Provincial Government and Shaoxing Municipal Government authorizing the Zhejiang Department of Construction and Shaoxing Bureau of Construction to carry out the project.</td>
</tr>
<tr>
<td>2004–2007</td>
<td>Implementation of Jishan Historic Area Redevelopment</td>
<td>Jishan Historic Area bidding documents approved by the World Bank; domestic bidding concluded; construction completed and reviewed.</td>
</tr>
<tr>
<td>2006–2008</td>
<td>Implementation of Yuezicheng Conservation Project Phase I</td>
<td>Jishan Historic Area bidding documents approved by the World Bank; domestic bidding concluded; construction completed and reviewed.</td>
</tr>
<tr>
<td>2009</td>
<td>Implementation of Yuezicheng Eastern Residential Redevelopment Project</td>
<td>Contract No. SXRD/C.4 (Yuezicheng Historic Area Western Residential Redevelopment Project) signed in March 2009; construction completed and reviewed in December.</td>
</tr>
<tr>
<td>2009–2011</td>
<td>Implementation of Yuezicheng Conservation Project Phase III</td>
<td>Contract No. SXKY-3 (Yuezicheng Conservation Project Phase III) signed in October 2009; construction completed and reviewed in March 2011.</td>
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Annex 2: Stakeholder Map

Note:
— Indicates close relationships, similar interests, good coordination, and mutual respect.
== Indicates a contractual or institutional partnership or alliance.
Annex 3: Before and After Comparison

<table>
<thead>
<tr>
<th>Xiaoxi Road before the project</th>
<th>Xiaoxi Road after the project</th>
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[Images of Xiaoxi Road before and after the project]
References


The Ministry of Finance (MOF) of the Government of the People's Republic of China is the national executive agency of the Central People's Government, which administers macroeconomic policies and the national annual budget. It also handles fiscal policy, economic regulations, and government expenditure for the state. The ministry also records and publishes annual macroeconomic data on China's economy. This includes information such as previous economic growth rates in China, central government debt and borrowing, and many other indicators regarding the Chinese economy.

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