



China, People's Republic of: Anhui Intermodal Sustainable Transport Project

Project Name	Anhui Intermodal Sustainable Transport Project
Project Number	45021-002
Country	China, People's Republic of
Project Status	Active
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan 3112-PRC: Anhui Intermodal Sustainable Transport Ordinary capital resources US\$ 200.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development
Sector / Subsector	Transport - Road transport (non-urban) - Water transport (non-urban)
Gender Equity and Mainstreaming	Some gender elements
Description	<p>The Government of the People's Republic of China has requested a loan of \$200.0 million from ADB's ordinary capital resources to help finance the Anhui Intermodal Sustainable Transport Project. The project will (i) upgrade sections of provincial and national highways in Anhui Province and improve the safety features on these roads; (ii) develop new highway sections designed to support public and nonmotorized transport; (iii) improve the capacity of the province's inland waterway network, (iv) construct an intermodal inland river port on the upgraded inland water channel, and (v) strengthen institutional capacity for road and inland water transport.</p> <p>The executing agency will be the Anhui provincial government, acting through the Anhui Provincial Department of Transport (APDOT). The existing foreign funds project management office of the APDOT will serve as the provincial management office, oversee overall project implementation, and represent the APDOT. Each city and county will have a local project management office responsible for the day-to-day implementation of individual project road components. The county governments of Dongzhi, Hanshan, Hexian, Nanling, and Wuwei will be the implementing agencies for the road sector inputs. Anhui Provincial Port and Shipping Construction Investment Group will be the implementing agency for the inland waterway transport.</p> <p>The project will be implemented over 5 years.</p>

Project Rationale and Linkage to Country/Regional Strategy

Development in the central PRC province of Anhui has lagged behind that in neighboring eastern and coastal provinces. About 56% of the province's 59.7 million people lived in rural areas in 2011, but population density, at 430 inhabitants per square kilometer, is much higher than the national average (138) and land availability is limited. Despite economic growth, the province's gross domestic product per capita remains much lower than those of adjacent provinces of Jiangsu and Zhejiang. Anhui has had some success in its efforts to capitalize on the advantages of its physical proximity to these more affluent provinces owing to its large, skilled, and less costly labor force. It is gradually attracting new investments and maintained double-digit annual gross domestic product (GDP) growth during 2011-2012. Production has grown faster than the national average, and Anhui's consumption per capita reached 77% of the national average in 2011, up from 70% in 2005.

To harness Anhui's geographical advantage and cost competitiveness and promote new investment in manufacturing and services, the PRC state council approved a plan in January 2010 to create the Wanjiang Demonstration Zone (WDZ). The plan aims to attract industries to the urbanized areas along the Wanjiang River, which is the name given to the stretch of the Yangtze River that flows through Anhui. The WDZ covers two counties and nine cities, including Hefei and Wuhu, and is expected to facilitate the expansion of existing Anhui-based companies as well as encourage companies to relocate from elsewhere in the Yangtze River Delta, including Anhui's neighboring provinces.

Anhui's inadequate transport network is currently a major obstacle to rapid industrial and economic development and, as a result, to poverty reduction. The capacity and quality of the province's roads need significant improvement to meet growing requirements and to link Anhui to the Yangtze River corridor. Most roads have only two lanes and should be upgraded to four or six. Of the 149,535 km of road at the end of 2011, expressways and high-standard class I and II highways comprised only 9.5% (14,276 km), which is lower than the national average of 11.5%. The percentage of paved roads in Anhui is lower than in the six surrounding provinces (44.2%), which is an indicator of the general quality of the road infrastructure.

Any expansion of the province's road network must be accompanied by carefully designed measures to enhance the level of road safety and prevent traffic accidents. Particularly important is the need for road designs to cater to the safety of NMT through segregated pedestrian and cycling lanes. An estimated 210,000 crashes led to 62,000 traffic fatalities in the PRC in 2011, making road safety a national concern. Accidents, injuries, and deaths have risen rapidly along with the expansion of the road network and the growth in the number of motor vehicles. During 2000-2005, more than 600,000 people were killed and around 3 million injured in crashes equivalent to a fatality every 5 minutes. These accidents are estimated to have affected the lives of more than 20 million people in the country, either directly or as family members of the victims involved. The most vulnerable road users—pedestrians, motorcyclists and cyclists—account for the majority of deaths.

Like the PRC in general, Anhui has great potential for the development of inland waterway transport (IWT), which is clean, safe, and the most energy-efficient of all the major modes of transport. The PRC has more than 5,600 navigable rivers and an inland waterway system of 119,000 km in total navigable length. IWT can provide a cost-effective alternative to road transport for moving freight, and thereby help alleviate the traffic congestion on the country's highways, reduce energy consumption, and avoid rapidly growing emissions that are exacerbating local air

Impact	An environmentally sustainable and multimodal transport system is established in Anhui province
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Project Outcome

Description of Outcome	An efficient, safe and affordable multimodal transport system developed in the Wanjiang Demonstration Zone
Progress Toward Outcome	Construction is progressing well.

Implementation Progress

Description of Project Outputs	Output 1: Road network and safety improved Output 2: Public transport and highways improved Output 3: Inland waterway network improved Output 4: Intermodal port built Output 5: Institutional capacity developed
Status of Implementation Progress (Outputs, Activities, and Issues)	(1) All civil works contracts have been awarded. (2) Procurement ongoing (3) All civil works contracts have been awarded. Procurement of Goods are expected to commence in 2017. (4) The contract for the port project has been awarded, construction commenced in Nov 2015, and expected to be completed by the end of 2017. (5) Not yet started

Geographical Location	
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Safeguard Categories

Environment	A
Involuntary Resettlement	A

Summary of Environmental and Social Aspects

Environmental Aspects	The project is category A for environment. An environmental impact assessment (EIA) and an environmental management plan (EMP) have been prepared for the project roads and the waterway. These documents comply with the PRC's regulatory requirements and ADB Safeguard Policy Statement (2009) and were disclosed on the ADB website on 31 July 2013. Public consultation was carried to inform the design and EIA processes, and will continue through project implementation. The EIA showed that only modest environmental impacts and risks can be expected, and that they can be limited to an acceptable level through the implementation of the EMP and compliance with loan covenants.
Involuntary Resettlement	The project is category A for involuntary resettlement. It will result in acquisition of 285.1 hectares of land, including 251.7 hectares of collective land and 33.5 hectares of state-owned land. Land acquisition and house demolition will affect 4,408 households and 17,342 people overall. Of this total, 877 households and 3,605 people will be affected by house demolition. The project will also result in relocation of 33 enterprises, affecting 111 persons. A total of 2,496 households with 9,584 people will be affected by physical displacement or loss of more than 10% of their land and other productive assets.
Indigenous Peoples	The project is classified as category C for indigenous peoples. Han Chinese, the PRC's majority ethnic group, make up 99% of Anhui Province's population.

Stakeholder Communication, Participation, and Consultation

During Project Design	Consultations have been organized during project preparation stage for project scope, environmental issue, and involuntary resettlement.
During Project Implementation	The PMO with support of supervision consultants and external monitors is undertaking consultations with key stakeholders.

Business Opportunities

Consulting Services	The PPTA will be implemented using a combination of individual consultants and an international consulting firm. Individual consultants will be engaged for selected activities such as road safety and logistics.
Procurement	All procurement to be financed under the ADB loan will be carried out in accordance with ADB's Procurement Guidelines (2010, as amended from time to time). All consultant services will be recruited using quality and cost-based selection in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time).

Responsible Staff

Responsible ADB Officer	Saxena, Sharad
Responsible ADB Department	East Asia Department
Responsible ADB Division	Transport and Communications Division, EARD
Executing Agencies	<i>Anhui Provincial Government ADBPMO@MAIL.HF.AH.CN 4th Flr, South Bldg. of Anhui Prov. Govt No. 221 Middle Changjiang Road Hefei, Anhui, P.R. of China 230001</i>

Timetable

Concept Clearance	12 Dec 2011
Fact Finding	08 Jul 2013 to 15 Jul 2013
MRM	08 Oct 2013
Approval	27 Feb 2014
Last Review Mission	-
Last PDS Update	22 Mar 2017

Loan 3112-PRC

		Milestones			
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual

27 Feb 2014

30 May 2014

20 Aug 2014

30 Apr 2019

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Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	634.10	Cumulative Contract Awards			
ADB	200.00	27 Feb 2014	151.39	0.00	76%
Counterpart	434.10	Cumulative Disbursements			
Cofinancing	0.00	27 Feb 2014	76.31	0.00	38%

Project Page <https://www.adb.org/projects/45021-002/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=45021-002>

Date Generated 06 July 2017

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