



China, People's Republic of: Yunnan Sustainable Road Maintenance (Sector) Project

Project Name	Yunnan Sustainable Road Maintenance (Sector) Project				
Project Number	45030-002				
Country	China, People's Republic of				
Project Status	Active				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 3074-PRC: Yunnan Sustainable Road Maintenance Project</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 80.00 million</td> </tr> </table>	Loan 3074-PRC: Yunnan Sustainable Road Maintenance Project		Ordinary capital resources	US\$ 80.00 million
Loan 3074-PRC: Yunnan Sustainable Road Maintenance Project					
Ordinary capital resources	US\$ 80.00 million				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development Private sector development				
Sector / Subsector	Transport - Road transport (non-urban)				
Gender Equity and Mainstreaming	Some gender elements				
Description	<p>Yunnan is a poor, densely populated province with a population of 46 million. Because it is landlocked and mountainous, trade with other provinces and foreign countries involves transportation over long distances, which makes its products less competitive. There are still large pockets of poverty because of inadequate road access, limited land availability for agriculture, and cultural barriers to out-migration. In 2011, 27% of Yunnan's rural population was considered poor, using the PRC's official poverty line of CNY2,300 per year.</p> <p>Yunnan is strategically located along the PRC border with Lao People's Democratic Republic, Myanmar, and Viet Nam. About 60% of freight and 80% of passengers travel by road. The Yunnan Highway Administration Bureau (YHAB), under the Yunnan Provincial Department of Transport (YPDOT), manages a trunk road network of 24,089 km, which includes 45% of the province's paved roads. These roads form part of or connect with the Greater Mekong Subregion (GMS) Northern Economic Corridor and North-South Economic Corridors.</p> <p>The project will improve the sustainability of Yunnan's trunk road network. It will (i) rehabilitate about 890 km of trunk roads, (ii) introduce performance-based road maintenance on a pilot basis on 164 km of trunk roads, (iii) set up a road asset management system, and (iv) implement an institutional development plan.</p>				
Project Rationale and Linkage to Country/Regional Strategy	The government has asked ADB to support YHAB's trunk road maintenance program and assist in sector reform and institutional strengthening. The proposed project represents a second phase of ADB support to road maintenance in Yunnan. By targeting a poor province and by advancing the agendas of road asset management and safety, the project is aligned with ADB's PRC country partnership strategy and the Sustainable Transport Initiative.				
Impact	The people of Yunnan have improved access to a quality and safe trunk road network.				

Project Outcome

Description of Outcome	The sustainability of Yunnan's trunk road network improved.
Progress Toward Outcome	To be assessed during completion review in 2019.
Implementation Progress	
Description of Project Outputs	<ol style="list-style-type: none"> 1. Trunk roads rehabilitated 2. Performance-based road maintenance piloted 3. Road asset management system enhanced 4. Institutional capacity of YHAB strengthened

Status of Implementation Progress (Outputs, Activities, and Issues) Phase 1 and 2 subprojects were generally completed. Phase 3 subprojects completed bidding in February 2017. Rehabilitation is scheduled in March 2017 onwards. Phase 4 subprojects selection will start in Q2 and Q3 2017. Performance-based road maintenance contract awarded in 2015 and progressed as per the schedule. Road asset management system is being implemented. Equipment and data are to be installed and collected in 2017. Domestic training on capacity building has been programmed and will be implemented from mid-2017.

Geographical Location

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The project is category B for environment. A consolidated initial environmental examination and environmental management plan was prepared for the seven subprojects chosen for rehabilitation during phase 1 and the pilot testing of the two performance-based road maintenance modalities. These documents comply with the PRC's regulatory requirements and ADB's Safeguard Policy Statement (2009) and were disclosed on the ADB website on 25 April 2013. Two of the subprojects have been classified as category B, and the rest as category C. The works will be confined to the original right-of-way of existing national, provincial, and county roads. All identified environmental impacts will be mitigated through activities under the environmental management plan. An environmental assessment review framework has been prepared to guide the assessment of subprojects to be identified and carried out later under the project's three subsequent phases. YHAB accepted PPTA recommendations to increase its environmental capacity, and tools have been developed to manage environmental impacts and opportunities associated with maintenance activities.
Involuntary Resettlement	Due diligence indicated that no land acquisition or resettlement will be required for the first-year subprojects. While the subprojects yet to be selected for the remaining phases are expected to be similar, the project was classified as resettlement category B to allow for changes at detailed design stage if a future subproject involves modest resettlement due to road widening or straightening or to improve safety features. A resettlement framework and a sample resettlement plan have been prepared and were disclosed on the ADB website on 25 April 2013. Should a subproject require land acquisition or resettlement, the executing agency will prepare and submit resettlement plan(s) for ADB review and clearance; this will include a participatory consultation process, and other measures defined in the resettlement framework. The project will not finance a subproject that requires significant resettlement.
Indigenous Peoples	Due diligence conducted during the project preparatory TA found no significant adverse impacts on ethnic minorities in the project area that would trigger the indigenous peoples safeguard requirements, hence the project is classified as indigenous peoples category C.

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	Consultation and participation strategy will continue during implementation.

Responsible Staff

Responsible ADB Officer	Zhang, Wen
Responsible ADB Department	East Asia Department
Responsible ADB Division	PRC Resident Mission
Executing Agencies	<i>Yunnan Provincial Department of Transport No. 1 Huang Cheng Xi Road Kunming, Yunnan Harbin, People's Republic of China</i>

Timetable

Concept Clearance	12 Dec 2011
Fact Finding	24 Sep 2012 to 28 Sep 2012

MRM	18 Oct 2012
Approval	02 Dec 2013
Last Review Mission	-
Last PDS Update	13 Mar 2017

Loan 3074-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
02 Dec 2013	30 May 2014	07 Aug 2014	31 Mar 2019	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	232.40	Cumulative Contract Awards			
ADB	80.00	02 Dec 2013	63.52	0.00	79%
Counterpart	152.40	Cumulative Disbursements			
Cofinancing	0.00	02 Dec 2013	32.79	0.00	41%

Project Page	https://www.adb.org/projects/45030-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=45030-002
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