PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: PIDC508

Project Name	CN Yunnan Honghe Prefecture Urban Transport (P101525)
Region	EAST ASIA AND PACIFIC
Country	China
Sector(s)	Urban Transport (90%), General transportation sector (10%)
Theme(s)	City-wide Infrastructure and Service Delivery (100%)
Lending Instrument	Specific Investment Loan
Project ID	P101525
Borrower(s)	People's Republic of China
Implementing Agency	Honghe Prefecture Government
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	27-Mar-2013
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Estimated Date of Board Approval	21-Nov-2013
Concept Review Decision	Track I - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

In the past thirty years, China has experienced unprecedented economic growth, accompanied by rapid urbanization and modernization, as well as an increased need in access to mobility. The share of urban population has increased from17.9 percentin 1987 to 51 percent in 2011, which means 690 million urban dwellers. It has been projected by China's 12th Five-Year Economic and Social Development Plan (2011-2015) that the urbanization rate will reach 65 percent by 2030 with an increase of 300 million in urban population.

The Central Government of China launched the Western Regional Development Strategy in 2000. The goal was to promote the socio-economic development in the western region and narrow development gaps between this area and the coastal regions. Despite its positive impacts on the development of the western region, the western region was still lagging behind other relatively developed coastal regions, with the GDP per capita in 2010 of only 63 percent of the national average. To promote equality and inclusiveness, the State Council approved the 12th Five-Year Plan

(FYP) of Western Regional Development Strategy, which underpins its importance to the national strategy. It emphasized that additional support for infrastructure development should be provided to minority-concentrated and frontier areas. The two key components identified for infrastructure development are transport and water. The Dianzhong area (southern Yunnan Province) in this project was an identified case that requires specific attention, as it is expected to become a regional hub of logistics, tourism, energy, and trade connecting the South and Southeast Asian countries.

Sectoral and Institutional Context

According to the 12th FYP of the Western Regional Development Strategy, it is expected that the western region will reach an urbanization rate of 45 percent between 2011 and 2015 with a higher growth rate of GDP per capita than the national average. Withthis rapid urbanization comes accelerated motorization. Therefore, a foreseeable increasing need in urban transport investment will remain on the top of local government's agenda. Contrary to many coastal cities that have completed their construction of basic urban transport infrastructure in the past decades, the small and medium cities in the western region usually face the problems of inadequate investment in expanding and improving their transport system.

As has been witnessed in many cities in the coastal regions, emerging problems come with rapid urbanization and motorization. For example, increased traffic congestion, green house gas emissions, and road accidents. Drawing lessons from these urban transport problems in the coastal cities, the 12th FYP of the Western Regional Development Strategy not only identifies infrastructure investment as a priority for urban transport, but also stresses that public transport development should be placed on the top of the agenda. In 2009, investments in public transport and urban road construction accounted for 6 percent and 57 percent, respectively, of total urban infrastructure capital investment in the western region (compared to that of 24 percent for public transport and 41 percent for road construction in coastal cities). In particular, under-investment in public transport results in insufficient and unreliable services, which seriously affects people's mobility in areas where few people own cars. There is still inadequate capacity and emphasis placed on planning and managing urban transport systems in a sustainable manner throughout cities in the western region.

Introduction to Yunnan Honghe Prefecture, Mengzi City, and Jianshui County

Honghe Hani and Yi Autonomous Prefecture of Yunnan Province (HAP) hosts Diannan City Cluster, located in the South of Yunnan and strategically positioned on the Kunming-Hanoi economic corridor. HAP has an area of about 33,000 square kilometers and a population of 4.5 million. About 58 percent of its population is minority. Ethnic minorities and women compose the largest vulnerable groups in this area. Due to lack of access to education and other socioeconomic reasons, the illiteracy rate for women is 12.69 percent, which is 7.35 percent higher than that of men. HAP consists of three cities (Mengzi, Gejiu, and Kaiyuan) and ten counties.

The Yunnan Honghe Prefecture Urban Transport Project is proposed to include Mengzi city and Jianshui county.

Mengzi City is located 289 km south of Kunming and 140 km from the Vietnam border. Mengzi Municipality has an area of 2,228 square kilometers and a population of 356,000 inhabitants with an annual growth rate of 15 percent. The city itself has a population of 241,000 inhabitants. In 2010, its GDP reached 7.36 billion RMB (approximately US$1.17 billion), a 16 percent increase from 2009.

Mengzi city has formed a city cluster in the Southeast of Yunnan province with the other two cities of HAP, including Gejiu (400,000 inhabitants) and Kaiyuan (270,000 inhabitants). The whole region is becoming a border economic centre. Mengzi is now an industrial base, transport hub, and livable city within the economic corridor.

Jianshui County has an area of 3,789 square kilometers and a population of about 500 ,000 inhabitants. Jianshui town, with a population of 120,000 inhabitants, is a center of provincial historic interest with some buildin gs and monuments dating back 1200 years. The old town attracts tourists from neighboring regions, but faces the constraint of less developed infrastructure (urban transport, hotels, sanitation, etc). Distances between Jianshui and the city cluster of Men gzi, Gejiu and Kaiyuan are respectively 65, 42, and 47 kilometers. Therefore, Jianshui County is also considered to be a part of the border economic centre with the same type of industrial development as the city cluster. In 2011, its GDP reached 7.3 billion R MB (US$1.16 billion), a 12.6 percent increase since 2010 with an average per capita disposable income of urban residents of 14,000 RMB (about US$2,222).

Both Mengzi City and Jianshui County are facing several serious transport issues caused by rapid economic growth and accelerated urbanization.

a) Neither city has a comprehensive urban transport plan or a clear functional road hierarchy. The majority of trips in Mengzi are carried out by non-motorized transport (about 50 percent of total trips) and motoriz ed two-wheelers (about 22 percent). Only 9.4 percent of trips are carried out by public transport. Motorcycles and cars carried 8.4 percent and 9.4 percent of total trips, respectively. However, with the increase of household income (close to the US$3,000 threshold where car ownership expands), the current trend is that people are generally inclined to purchase personal vehicles to meet their basic travel demands. This natural trend is not sustainable as has been witnessed in many more developed cities. It will lead to congestion, pollution, and poor safety conditions.

b) Compared to the increasing car ownership, the public transport systems in two cities are suffering from insu fficient service coverage and low operation efficiency. There are only 97 buses in Mengzi and 72 buses in Jianshui. There is no sch eduling, and only three bus routes have bus stops with platforms. Bus terminals and depots are also inadequate. The ratio is 3.75buses per 10,000 inhabitants, about a half of the domestic recommended ratio. Most of these buses are small with only 19 seats due to narrow streets. Surveys show dissatisfaction from bus passengers, with most complaints on long waiting time and unreliable services. Jianshui faces similar problems including a lack of funding to replace old buses. In addition, the street network is insufficient in the southern part of the town, and there is an urgent need for Jianshui County to develop its urban transport infrastructure to support the tourism industry and overall economic development.

c) There is also a clear need for better road safety management. According to the HAP Statistics Bureau, in the first half of 2010, there were 78 road traffic fatalities and 114 injuries, with 18 fatalities in Mengzi and 31 in Jianshui. Road traffic fatalities account for 71 percent of all accident fatalities in HAP during that period. Mengzi, in particular, faces significant challenges on school transport safety. Recent news from the media reported a 19 seat school bus packed with 70 passengers resulting in school children being forced to disembark the bus by jumping from the windows.

From the challenges identified above, it is apparent that the Yunnan Honghe Prefecture Urban Transport Project is an opportunity to make the public transport system efficient and reliable, improve safety conditions for pedestrians and bicyclists, and allocate public space to each transportation mode more rationally. To solve this challenge, the integrated corridor management approach will be utilized in this project. This concept has been introduced to and implemented successfully in a substantial and growing number of cities in Asia, in places where resources of all kinds are more constrained than typical developed cities. This approach aims at optimizing the use of roadway infrastructure and public transport supply to move the largest number of people safely, efficiently, and reliably with minimum environmental impacts.

Relationship to CAS

The proposed Honghe Prefecture Urban Transport Project is consistent with the 12th FYP. It is also consistent with the Bank's China Country Partnership Strategy (CPS) for 2006-2010 endorsed by the Board on May 23, 2006, which seeks among other objectives, toimprove the competitiveness of the various regions of China and the overall investment climate, as well as to address the needs of disadvantaged groups and underdeveloped areas by financing infrastructure. Specifically, the project supports all five pillars of the CPS by: (a) promoting balanced urbanization; (b) reducing poverty, inequality, and social exclusion; (c) financing sustainable and efficient growth; (d) managing resource scarcity and environmental challenges; and (e) improving public and market institutions. The new CPS for 2011-15 is under preparation and will be consistent with the 12th FYP, which also highlights the importance of urban transport development.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed project development objective (PDO) is to improve the safety, accessibility, and efficiency of people's daily trips by optimizing functional road hierarchy, developing public transport, and establishing road safety measures through integrated corridor/area management in Mengzi and Jianshui.

Key Results (From PCN)

The PDO achievements will be measured through the following proposed outcome indicators:

a) Efficiency: Reduced travel times and improved travel time reliability (with designated bus lanes and better bus services), reduced junction clearance times (with improved junction design and channelization as well as improved traffic management), and reduced travel impedance for transferring among various transport modes (with better transport mode integration) in Mengzi City and Jianshui County.

b) Accessibility: Increased number of people, especially ethnic minorities, women, and other vulnerable groups will have more equitable access to urban transport services (through rationalizing the road network and working towards functional road hierarchy for all road users) in Mengzi City and Jianshui County (including specific provisions for access to historic sites);

c) Environmental Sensitivity: Reduced green house gas emissions (through purchasing clean energy buses) and reduction in severance between urban and historic centers (through applying environmentally sensitive designs);

d) Safety: Lower annual urban transport related fatalities (through a safe system approach based on

a comprehensive safety assessment that includes enhancements to meet school transport needs) in Mengzi city.

III. Preliminary Description

Concept Description

Based on the findings from the two project cities, it has been tentatively agreed that the project will include four components in Mengzi City and three components in Jianshui County. Detailed descriptions are provided:

Component 1– Mengzi City (US$100 million):

(i) Road Network Re-functioning and Improvement (US$50 million)- This sub-component aims at providing a functional road hierarchy by filling some of the gaps in the existing road network. This goal will be achieved through (a) constructing or upgrading of approximately 9 kilometers of road, (b) optimizing the space allocation for approximately 11 kilometers of road, such as giving priority to non-motorized transport and public transport, improved intersections, as well as enhanced pedestrian facilities, and (c) rationalizing the road network;

(ii) Integrated Corridor Management (US$40 million)- This sub-component is focused on integrated public transport corridor improvement on three selected corridors. Based on further assessment of quality and performance of bus services on these corridors, this sub-component will include (a) investment in constructing bus dedicated lanes, (b) installing bus priority signals, (c) constructing/ upgrading bus stops, bus depots and terminals, (d) improving pedestrian crossings and other non-motorized facilities to enhance accessibility to public transport and reduce the severance caused by unnecessarily wide roads, especially for the vulnerable groups, (e) optimizing a bus dispatching system and bus route development program; (f) purchasing new clean energy buses.

(iii) School Transport Safety Improvement (US$8 million)- This sub-component will develop a safe school transport demonstration program in Mengzi city. The program includes (a) “a model school transport zone” for four primary schools and two middle schools, and (b) “a home to school transport demonstration corridor” that focuses on increasing the accessibility to education between a poor suburban/rural area and a commercial district; and

(iv) Institutional Strengthening (US$2 million)- This sub-component will provide institutional development, capacity building, and technical assistance to Mengzi city.

Component 2 – Jianshui County (US$50 million):

(i) Core Urban Area Integrated Transport Improvement (US$28 million)- This sub-component will improve safety, mobility, and accessibility by implementing a comprehensive package of measures on selected corridors in the Jianshui core urban area. The measures will include (a) re-allocation of road space for public transport modes, pedestrians, and non-motorized transport and (b) provide priority for public transport to meet people’s travel demands while slowing down the pace of car ownership;

(ii) Urban Road Network Improvement (US$20 million)- This sub-component will connect villages in southern Jianshui county to a new logistics park, a new railway station, and a new industrial zone.

To meet this goal, a bypass will be constructed to connect five local roads; and

(iii) Institutional Strengthening (US$2 million)- This sub-component will provide consistent institutional development, capacity building, and technical assistance to Jianshui county.

The total project cost is US$300 million, with an IBRD loan of US$150 million.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	×		
Natural Habitats OP/BP 4.04		×	
Forests OP/BP 4.36		×	
Pest Management OP 4.09		×	
Physical Cultural Resources OP/BP 4.11			×
Indigenous Peoples OP/BP 4.10			×
Involuntary Resettlement OP/BP 4.12	×		
Safety of Dams OP/BP 4.37		×	
Projects on International Waterways OP/BP 7.50		×	
Projects in Disputed Areas OP/BP 7.60		×	

V. Financing (in USD Million)

Total Project Cost:	300.00	Total Bank Financing:	150.00
Total Cofinancing:		Financing Gap:	0.00

Financing Source	Amount
Borrower	150.00
International Bank for Reconstruction and Develo	150.00
Total	300.00

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