



China, People's Republic of: Railway Energy Efficiency and Safety Enhancement Investment Program - Tranche 5

Project Name	Railway Energy Efficiency and Safety Enhancement Investment Program - Tranche 5
Project Number	43332-054
Country	China, People's Republic of
Project Status	Active
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	<p>Loan 3109-PRC: Railway Energy Efficiency and Safety Enhancement Investment Project - Tranche 5</p> <p>Ordinary capital resources US\$ 170.00 million</p>
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development
Sector / Subsector	Transport - Rail transport (non-urban)
Gender Equity and Mainstreaming	No gender elements
Description	On 8 December 2009, ADB approved a multitranche financing facility (MFF) in the amount of \$1.0 billion to the Government of the People's Republic of China (PRC) for the Railway Energy Efficiency and Safety Enhancement Investment Program from ADB's ordinary capital resources with interest determined in accordance with ADB's LIBOR-based lending facility and such other terms and conditions set forth in the related loan agreement. The Framework Financing Agreement (FFA) was signed between the PRC and ADB on 10 November 2009. The impact of the investment program will be an improved transport system in the southwestern region of the PRC that supports sustainable socioeconomic development. The outcome will be an energy-efficient, safe, reliable, affordable, and environment-friendly railway transport system developed in the region. The outputs of the investment program comprise (i) introduction of energy-efficient technologies and environment-friendly and safety equipment; (ii) integration and institutionalization of energy efficiency and environmental issues in railway management; (iii) safety and energy audits of a nominated railway administration; and (iv) capacity building support.
Project Rationale and Linkage to Country/Regional Strategy	With railway network extension, energy efficiency, environmental sustainability and safety enhancement have been important elements of the ADB policy dialogue with the China Railway Corporation (CRC), formerly the Ministry of Railways (MOR). These were identified as key areas of sustainable development in the Eleventh and Twelfth Five-Year Plans (11FYP and 12FYP). ADB helped create awareness of these three issues and encouraged the use of clean energy and energy-efficient technologies, safety enhancement, and environmental improvements in railway construction, operation, and maintenance to support the development of a sustainable, green, and safe railway system with high quality and efficient services in the PRC.
Impact	Improved transport system in the southwestern region that supports sustainable socioeconomic development and the western region development strategy

Project Outcome

Description of Outcome	An energy-efficient, safe, reliable, and environment-friendly railway transport system developed in the region
Progress Toward Outcome	As of the mission in Nov. 2016, 70% implementation progress has been achieved. Civil works for the railway line is nearly completed, expect for the Chongqing West station. It is expected that Chongqing-Guiyang Railway Line will be put in operation by the end of 2017.

Implementation Progress

Description of Project Outputs	1. Energy efficiency 2. Railway safety enhancement
Status of Implementation Progress (Outputs, Activities, and Issues)	As of the mission in Nov. 2016, 70% implementation progress has been achieved. Civil works for the railway line is nearly completed, expect for the Chongqing West station. It is expected that Chongqing-Guiyang Railway Line will be put in operation by the end of 2017. The project implementation is on track. As end of 2016, 8 packages (Bearings, Telecommunications System, Signaling Equipment, Operational Security Maintenance, Env. Protection Equipment, Contact Line Equipment, Traction Substation, Power Equipment) have been awarded. The procurement of the remaining lots under package 9 are ongoing. As end of 2016, cumulative contract awards and disbursements are \$104 million (61 % of total loan amount) and \$35 million (20% of total loan amount).
Geographical Location	

Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The investment program selection criteria require that equipment installation should not involve land acquisition, have adverse impacts on ethnic minorities, or have negative environmental impacts. The EA's assessment indicates that Tranches 1, 2, and 3 have no land acquisition or resettlement activity associated with the procurement and installation of the selected equipment and materials. The review carried out by ADB and the EA visited the project's site periodically, and observed there was no negative environmental impact at the sites.
Involuntary Resettlement	The EA has confirmed that none of the equipment and materials to be financed under Tranche 5 will involve land acquisition, involuntary resettlement, have adverse impacts on ethnic minorities, or have negative environmental impacts. Tranche 5 has been prepared in accordance with the safeguards framework in the FFA.
Indigenous Peoples	The investment program selection criteria require that equipment installation should not involve land acquisition, have adverse impacts on ethnic minorities, or have negative environmental impacts. The EA's assessment indicates that Tranches 1, 2, and 3 have no land acquisition or resettlement activity associated with the procurement and installation of the selected equipment and materials. The review carried out by ADB and the EA visited the project's site periodically, and observed there was no negative environmental impact at the sites. Tranche 5 will finance procurement of energy efficiency and railway safety enhancement equipment in the southwestern region of the PRC. The EA has confirmed that none of the equipment and materials to be financed under Tranche 5 will involve land acquisition, involuntary resettlement, have adverse impacts on ethnic minorities, or have negative environmental impacts. Tranche 5 has been prepared in accordance with the safeguards framework in the FFA.

Stakeholder Communication, Participation, and Consultation

During Project Design	CRC will undertake consultations with key stakeholders who are related to the introduction of energy-efficient technologies, environment-friendly equipment, and safety equipment. Communication with stakeholders will be managed by the PMO public communication with the support of concerned municipal agencies. The PMO staff will ensure that the local stakeholders are consulted, that information on the project is disseminated, and that questions and complaints are addressed quickly and effectively.
During Project Implementation	CRC will continue consultations with key stakeholders.

Responsible Staff

Responsible ADB Officer	Chu, Chenglong
Responsible ADB Department	East Asia Department
Responsible ADB Division	PRC Resident Mission
Executing Agencies	<i>China Railway Corporation (Formerly Ministry of Railways)</i> Mr. Liu Junfu CRC_WZB@163.COM 10 Fuxing Road Beijing 100844 People's Republic of China

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	07 Feb 2014
Last Review Mission	-
Last PDS Update	13 Mar 2017

Loan 3109-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Feb 2014	30 May 2014	10 Sep 2014	30 Jun 2019	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	580.15	Cumulative Contract Awards			
ADB	170.00	07 Feb 2014	127.44	0.00	75%
Counterpart	410.15	Cumulative Disbursements			
Cofinancing	0.00	07 Feb 2014	64.17	0.00	38%

Project Page	https://www.adb.org/projects/43332-054/main
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