ADB ASIAN DEVELOPMENT BANK

China, People's Republic of: Heilongjiang Roads Network Development Project

Project Name	Heilongjiang Roads Network Development Project
Project Number	39038-013
Country	China, People's Republic of
Project Status	Closed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	**Loan 2247-PRC: Heilongjiang Roads Network Development Project** Ordinary capital resources — US$ 200.00 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	No gender elements
Description	
Project Rationale and Linkage to Country/Regional Strategy	
Impact	

Project Outcome

Description of Outcome	
Progress Toward Outcome	The project has been implemented satisfactorily. Assessment of progress in achieving the Project's outcome is pending by submission of EA's project completion report.
Implementation Progress	
Description of Project Outputs	

Status of Implementation Progress (Outputs, Activities, and Issues)	1 and 2. All civil works completed. PROJECT HIGHWAY (26 ICB contracts) - Works commenced in Apr 2007 and completed in Sep 2009. Physical progress as of end Sep 2009 is 100%. BUILDINGS (10 NCB contracts) - All 10 contracts were signed on 28 Oct 2008 and completed by end Sep 2009. ADMINISTRATION FACILITIES AND GREENING (8 NCB contracts) - completed end September 2009. Road safety auditing was undertaken by the team of provincial road safety experts on the detailed designs of the project roads including the main road in March 2009 and recommendations were implemented. A road safety action plan for the project roads to be developed by May 2011. Equipment procured and installed for road safety, toll collection, communications and weigh stations. Construction of 8 toll gates were cancelled since toll charging policy on the class I road was cancelled. However toll for collection on the Harbin-Tongjian expressway was still built. LINK ROADS - ADB approved award of 14 contracts on 8 Oct 2008. 14 contracts were signed on 8 Nov 2008. Works commenced in Aug 2008 and completed in Sep 2009. 3. Selection of the road for piloting O&M concession is pending. Asset Management international consultant contract for 2 pm was signed 28 Feb 2008. Services commenced in May 2008 and was completed in Nov 2008. O&M Concession to the Private Sector for 4 domestic individual consultants for 18 pm was approved on 11 March 2009. Contracts were signed on 25 March 2009. Inception Report was submitted on 5 July 2009. 4. The overseas training has been conducted in line with the approved topics. Seven overseas training was conducted for HPTD and PMO staff on (i) contract management and quality control (in January 2008 in USA and Canada), (ii) maintenance of high class roads and large bridge (in November 2008 in France and Germany), (iii) highway financing and private sector participation (in December 2008 in France and UK), (iv) transport services and logistics (in January 2010 in USA and Canada), (v) rural road construction and maintenance (in Australia and New Zealand), (vi) sustainable economy and sustainable ecosystem of road area (in March 2010 in USA and Canada), and (vii) ITS (in October 2010 in UK and Switzerland). For the remaining training 42 people attended and the trainings were very useful. The training had been disseminated to other HPTD and PIU staff through organizing workshops.
Geographical Location	The Project is in the middle of Heilongjiang Province, PRC.

Safeguard Categories

Environment	A
Involuntary Resettlement	A
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects	ADB has classified the Project under environmental category A. The EIA report for the main highway was prepared by HPCD and approved by HEPB in January 2006. The EIA for the Songhua River Bridge was approved by the State Environmental Protection Administration on 4 April 2006. HPCD ensured that the Project was designed and would be constructed and operated in accordance with government rules and regulations and ADB's environment policy. HPCD will implement the environment management plan (EMP) set out in the EIA and the summary EIA to mitigate any environmentally adverse project impacts; mitigation measures will be incorporated in the bidding documents and civil works contracts. The EIA assessed the environmental impacts of the selected alignment of the main highway and the rural link roads and prescribed environmental protection and mitigation measures. The proposed alignment does not cross or impinge on any protected areas; there are no known rare or endangered species in the project area. The Project's major environmental impacts include soil and water conservation and erosion control. A soil erosion prevention plan was prepared separately. Overall environmental impacts associated with project implementation are insignificant. PPMS consultants will update their reports. Mitigation measures reflected in SIEA and EMP adequately implemented. Dissemination of health risks information done during construction.

Involuntary Resettlement	The Project affected 6 counties, 2 cities, 36 townships, 130 administrative villages, 6 forest bureaus, and 24 forest stations. It required the relocation of 66 urban and 135 rural households, of which only a few are ethnic minorities. About 1,391 ha were permanently acquired, of which 38% are cultivated and 44% forest. Using PRC planning standards, land acquisition is an equivalent to the full loss of land of about 1,600 people. About 14,600 m2 of residential structures were demolished, requiring the relocation of 226 urban and 576 rural people. The resettlement plan was prepared based on the preliminary design, village surveys, household surveys, local government statistics, and consultations with local officials and project-affected people. It was formulated in accordance with the PRC's laws and local regulations and with ADB's policies on involuntary resettlement and indigenous people. The impact on villages is modest because farms in Heilongjiang are large. Only eight village groups will lose about 5% of their farmland. Special measures will be taken to assist 659 poor households, 11% of the total affected. House relocation will be completed ahead of time; household plots will be provided within the same village. Compensation will be paid before displacement of people or loss of land and will be invested in economic and social infrastructure to improve farmers' livelihoods and living standards. Economic rehabilitation strategies have been discussed with the eight most seriously affected village groups. The cost of land acquisition and resettlement is CNY313 million, including contingencies, which anticipate an increase in compensation rates because of the application of new consolidated standards. HPCD distributed an information booklet to the affected villages and households in February 2006. Land acquisition and resettlement activities in the main highway were completed in Nov 2009. Land acquisition for the linking roads had been fully completed on 25 Dec 2009. Negative impacts caused by loss of land and property were mitigated by compensation payments and rehabilitation measures as per the RP.
Indigenous Peoples	About 22,781 people in the project area (0.7% of the total population) are ethnic minorities, mainly Chaoxian and Manchu. The adverse impacts on ethnic minorities are insignificant. The Chaoxian are generally better off than the Han, and the Manchu live in scattered settlements. The project preparatory TA concluded that the minorities will benefit from the Project in a manner that is compatible with their cultural traditions. Minorities belonging to vulnerable groups got special assistance in economic rehabilitation, and priority for career training. All affected minorities were relocated in the original villages.
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	

Business Opportunities

Consulting Services	The Project will finance 7 person-months of international consulting services: 6 person-months for resettlement, socioeconomic, and poverty impact monitoring and evaluation; and 1 person-month for asset management and maintenance. HPCD will engage and finance around 4,900 person-months of domestic consultants. Of the 4,900 person-months of domestic consulting services, 300 person-months will be allocated to the rural link road component. About 50 person-months will be allocated to monitoring the Project's resettlement, socioeconomic, and poverty impacts. The international consultants will be financed by the ADB loan and will be recruited through a firm in accordance with ADB's Guidelines on the Use of Consulting Services by Asian Development Bank and Its Borrowers. The domestic consultants will be financed from domestic resources and will be recruited in accordance with government procedures acceptable to ADB.
Procurement	All ADB-financed procurement will follow ADB's Guidelines for Procurement. The main road civil works will be divided into 26 packages, all of which will be procured under international competitive bidding procedures (ICB). Rural link roads civil works are divided into 14 packages, all of which will be procured under local competitive bidding procedures (LCB). Equipment will be procured under international shopping procedure (IS). Road safety facilities, greening work, and ancillary facilities including the administration building will be procured using LCB. Advance action has been approved for the procurement of civil works for the Project.

Responsible Staff

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Timetable

Concept Clearance	29 Aug 2005
Fact Finding	08 Feb 2006 to 15 Feb 2006

MRM	10 Apr 2006
Approval	-
Last Review Mission	-
PDS Creation Date	14 Mar 2006
Last PDS Update	12 Dec 2011

Loan 2247-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
26 Jul 2006	19 Jan 2007	07 May 2007	30 Sep 2011	-	01 Mar 2012

Financing Plan		Loan Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	524.60	Cumulative Contract Awards			
ADB	200.00	26 Jul 2006	200.00	0.00	100%
Counterpart	324.60	Cumulative Disbursements			
Cofinancing	0.00	26 Jul 2006	200.00	0.00	100%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

Project Page	http://www.adb.org/projects/39038-013/main
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