



China, People's Republic of: Hunan Xiangjiang Inland Waterway Transport Project

Project Name	Hunan Xiangjiang Inland Waterway Transport Project								
Project Number	43031-013								
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 2962-PRC: Hunan Xiangjiang Inland Waterway Transport Project</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 150.00 million</td> </tr> <tr> <td colspan="2">Loan: Hunan Xiangjiang Inland Waterway Transport</td> </tr> <tr> <td>China Construction Bank</td> <td>US\$ 65.40 million</td> </tr> </table>	Loan 2962-PRC: Hunan Xiangjiang Inland Waterway Transport Project		Ordinary capital resources	US\$ 150.00 million	Loan: Hunan Xiangjiang Inland Waterway Transport		China Construction Bank	US\$ 65.40 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change	Governance and capacity development Partnerships								
Sector / Subsector	Transport - Water transport (non-urban)								
Gender Equity and Mainstreaming	Effective gender mainstreaming								
Description	<p>Hunan is a land-locked province located in central PRC. It has a population of 68.4 million. It is one of the six central provinces supported by Government's Central Region Development Strategy. Hunan is rich in navigable waterway resources. It has the third longest provincial IWT network in the PRC, with over 11,495 km of waterways, 107 ports and 1,880 berths. However, only 5% of the waterway and berths can accommodate vessels of up to 1,000 tons carrying capacity. Historically, IWT used to be the most important transport mode in the province. By 2009 it was carrying 10% of total freight ton-km, reflecting past low public investment in IWT compared to other modes. In 2009 the total IWT investment was CNY551 million, about 1% of total road investment.</p> <p>The Xiang River (Xiangjiang) is one of the largest tributaries of the Yangtze and the largest river in the province. Originating in Guangxi Zhuang Autonomous Region, it is 969 km long, with 773 km in Hunan before it flows into the Yangtze River (Map). The Xiang waterway network runs from south to north, via the Yangtze River, connecting six of Hunan's cities and major concentrations of population with the PRC's east coast seaports. Habitation and industry in Hunan is oriented along the river valleys. There is a great potential for further development of Xiang waterway to support transport of minerals and agricultural products from their sources inland to the major markets on the eastern seaboard, including by inland shipping services linking the Yangtze and Xiang rivers.</p> <p>With the encouragement from the MOT's vessel standardization programs, the average vessel capacity in Hunan has increased from 213 deadweight tons (dwt) in 2005 to 318 dwt in 2010. The largest vessel in operation at present is 5,600 dwt. Traffic on the Xiang waterway has grown at 21% per annum since 2000. However, these increases in vessel size and traffic have taken place in the downstream part of Xiang River and the areas close to the Yangtze River. The middle and upper reaches currently have limited water depth and long rocky shoals prevent safe year-round access by large vessels. Further growth is also constrained by obsolete and insufficient port infrastructure and landing facilities. These bottlenecks restrict the utilization of the middle and upper streams of the Xiang River, and increase the transport cost and voyage time, which reduce the competitiveness of the waterway compared with other modes of transport. Removal of these bottlenecks is a priority.</p>								

Project Rationale and Linkage to Country/Regional Strategy	<p>The Project builds upon ADB's past involvement in the transport sector in Hunan Province, which previously focused on road development. It is a significant step toward realizing the considerable potential for using IWT and thereby contributing to a more sustainable transport system in the PRC. Since this is ADB's first IWT project in the PRC, it also demonstrates ADB's intention to focus future transport sector support on more sustainable forms of transport, in line with the Sustainable Transport Initiative.</p> <p>The Project is a high priority project in the NIWPP. It is fully in line with ADB's Country Partnership Strategy (2008 2010) since it will contribute to greening of ADB's transport portfolio; address issues of managing resource scarcity and environmental conservation through reducing air pollution, and conserving water resources; and enhance accessibility for the rural poor. ADB's involvement will enhance efforts to strengthen IWT policy, institutions, capacity and efficiency in Hunan. Through preparation of the project, ADB has been assisting HPG in drawing up a provincial policy for IWT development, which will provide further IWT policy reform.</p>
Impact	An efficient, safe, affordable, and sustainable inland waterway transport system developed in Hunan province

Project Outcome

Description of Outcome	A low carbon waterway transport system improved on the Xiang River in Hunan province
Progress Toward Outcome	Project implementation is ongoing and well on track. Disbursement is about 87% of \$150 million.

Implementation Progress

Description of Project Outputs	<p>Tugutang navigation-cum-hydropower generation complex constructed</p> <p>Cargo terminal berths at Songbai and Yunji and public landing stages improved</p> <p>Capacity and performance of waterway management agencies enhanced</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>All civil works and equipment contracts for the complex have been awarded and construction progressing well and to be completed as scheduled.</p> <p>Songbai port construction nearing completion and 126 landing stages provided.</p> <p>To be assessed.</p> <p>Three consultations held and five gender-awareness trainings organized, 320 manuals on HIV/AIDS prevention distributed, and 157 women received farm and non-farm skill trainings. The Water Transport Development Committee was established and holds regular meetings. Hunan Water Transportation Construction and Investment Group Co. Ltd. has replaced Hunan Xiangjiang Navigation Construction & Development Corporation Ltd. A gender awareness training was held for 30 XNCD staff in Dec 2012.</p>

Geographical Location

Safeguard Categories

Environment	A
Involuntary Resettlement	A
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	<p>The project is classified as environmental category A. There are no nature reserves or protected areas near the complex site. The structure of the complex is a run-of-the-river type with a low head of 10 meter. An environmental impact assessment (EIA) was prepared in compliance with the PRC regulatory framework and ADB's Safeguard Policy Statement (2009). Two rounds of public consultation, including a community survey were undertaken. The EIA was circulated to ADB's Board of Directors and made public through the ADB website on 4 August 2011. The potential impacts include incremental adverse impacts on water quality through re-suspension heavy metals in sediments and subsequent impacts to downstream water quality, incremental adverse impacts on fish resources through creation of a new barrier to upstream migration of fish and to downstream movement of fish spawn and fish fry, and loss of critical spawning habitat for fish. The EIA's detailed environmental management plan (EMP) provides \$16.5 million for mitigation measures to prevent and reduce these and other potential impacts.</p>
Involuntary Resettlement	<p>The project is classified as category A for involuntary resettlement. A resettlement plan was developed in accordance with local laws and regulations and ADB's Safeguard Policy Statement (2009), with active participation of local governments and the affected people. Resettlement information booklets have been distributed to affected villages. The project will affect a total of 53 villages of 14 township/towns in 3 counties. The project will permanently acquire 5,791.5 mu (386.1 ha) of land and will temporarily occupy 196 mu (13.1 ha) of land. Most of the affected households will only lose part of their total landholding. It is estimated that 5,286 persons will be directly affected by land acquisition and house demolition. A total of 30 households (127 persons) will need to be relocated. The resettlement budget is estimated at CNY467 million, or about 19% of the project cost.</p>

Indigenous Peoples The project is classified as indigenous peoples category C as there are no minority groups present in the project area.

Stakeholder Communication, Participation, and Consultation

During Project Design Consultation meetings were held during processing.

During Project Implementation To continue holding meeting with stakeholders during project implementation.

Business Opportunities

Consulting Services 23. An international consulting firm will be engaged to provide services in the areas of institutional strengthening, capacity building and port development study. A total of 37 person-months (5 international and 32 national) of inputs will be required with expertise in inland waterway policy, public concession management, port planning and management. ADB will select and hire the consultants using full technical proposal procedures through QCBS with quality-cost ratio of 80:20. In addition, five (5) individual consultants with expertise in hydraulic structures, geological engineering, hydropower, resettlement and waterway engineering will be hired to serve in a Technical Advisory Panel. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants.

Procurement The Goods component consists in the procurement hydropower generation equipment, metalworks (powerhouse, sluices and shiplock gates), navigation equipment and ancillary electromechanical equipment. ADB will provide full financing for five (5) packages covering the procurement of i) hydropower generation equipment (turbines, generators and ancillary equipment), ii) metalworks (powerhouse and sluices), iii) shiplock gates) and iv) emergency response vessels. All goods under ADB financing will be procured through ICB or NCB. The Civil Works component covers procurement i) construction of a barrage and powerhouse, ii) construction of a shiplock, iii) protection of banks, iv) construction of berths. ADB will finance partially the two largest civil works packages namely i) the construction of the barrage and powerhouse, and ii) the construction of the shiplock. ADB will finance the construction of the Barrage and Shiplock both to be procured through ICB.

Responsible Staff

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Timetable

Concept Clearance 07 Jan 2011

Fact Finding -

MRM 30 Sep 2011

Approval 07 Dec 2012

Last Review Mission -

Last PDS Update 28 Mar 2017

Loan 2962-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Dec 2012	25 Jan 2013	25 Apr 2013	30 Jun 2018	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	327.92	Cumulative Contract Awards			
ADB	150.00	07 Dec 2012	146.45	0.00	98%
Counterpart	177.92	Cumulative Disbursements			
Cofinancing	0.00	07 Dec 2012	131.16	0.00	87%

Project Page	https://www.adb.org/projects/43031-013/main
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