



China, People's Republic of: Railway Energy Efficiency and Safety Enhancement Investment Program - Tranche 2

Project Name	Railway Energy Efficiency and Safety Enhancement Investment Program - Tranche 2		
Project Number	43332-033		
Country / Economy	China, People's Republic of		
Project Status	Closed		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount			
	Loan 2724-PRC: Railway Energy Efficiency and Safety Enhancement Investment Program - Tranche II		
	Ordinary capital resources	US\$ 100.00 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Governance and capacity development		
Sector / Subsector	Transport / Rail transport (non-urban)		
Gender	No gender elements		
Description	The Tranche 2 of Investment Program will finance (i) procurement of equipment that will enhance maintenance and safety and can respond to emergencies more quickly, efficiently, and effectively; and (ii) capacity building, including staff training.		
Project Rationale and Linkage to Country/Regional Strategy	<p>Ministry of Railways will implement a plan for railway development (2009-2016) at a cost of about \$25 billion for capacity expansion over the southwestern region of the PRC. This includes activities such as new construction, double tracking, electrification, and rehabilitation. Within this plan, one option was to support railway construction or capacity expansion as has been done in the past and another option was to support targeted areas such as energy efficiency, environmental sustainability, and safety, where ADB's contribution could be clearly distinguished. Within this plan, ADB identified an IP of \$3.24 billion to support these three areas, for which it will provide a support of \$1 billion through the proposed MFF. The cost of the equipment is small compared to the cost of other capital assets or construction of a railway line but their benefits are significant; and it is easy to integrate them when the Government is implementing the development plan. This would have high value added with a smaller investment leveraging much more value added.</p> <p>The proposed IP is consistent with two of the four pillars of ADB's Country Partnership Strategy of the PRC: (i) inclusive growth and balanced development, and (ii) resource efficiency and environmental sustainability. The IP encompasses (i) network development, which will enhance capacity and reduce bottlenecks; (ii) improved energy efficiency and environmental sustainability by providing a more efficient and environment-friendly mode of transport in the region; (iii) enhanced safety through the provision of a reliable and safe mode of transport; (iv) support for the PRC railway development plan and the Western Region Development Strategy; and (v) promotion of pro-poor economic growth in the region, thereby reducing poverty.</p>		
Impact	Improved transport system in the region that supports sustainable socioeconomic development and the western region development strategy		
Project Outcome			
Description of Outcome	An energy-efficient, safe, reliable, affordable, and environment-friendly railway transport system is developed in the region.		
Progress Toward Outcome	To be assessed at project completion.		
Implementation Progress			
Description of Project Outputs	1. Investment program implemented by installing safety equipment		
Status of Implementation Progress (Outputs, Activities, and Issues)	The project implementation is on track. The section from Chengdu East station to Chongqing North station has been in operation since 26 December 2015 and to Shapingba station has been in operation since 26 January 2018. The net loan amount of \$ 99.6 million has been fully disbursed and liquidated.		
Geographical Location	Chongqing		
Safeguard Categories			
Environment	C		
Involuntary Resettlement	C		
Indigenous Peoples	C		
Summary of Environmental and Social Aspects			
Environmental Aspects	Classified as category C for Environment. Because the investment program deals with the procurement of energy-efficient, environment-friendly, and safety equipment, no potential safeguard impacts are envisaged.		
Involuntary Resettlement	Classified as category C for Involuntary resettlement. Because the investment program deals with the procurement of energy-efficient, environment-friendly, and safety equipment, no potential safeguard impacts are envisaged.		
Indigenous Peoples	Classified as category C for Indigenous People. Because the investment program deals with the procurement of energy-efficient, environment-friendly, and safety equipment, no potential safeguard impacts are envisaged.		

Stakeholder Communication, Participation, and Consultation	
During Project Design	Consultations were held with government agencies. MOF noted that the framework approach may provide an opportunity for streamlining domestic procedures. Consultations were held with MOR, the Second Survey Design Institute and Chengdu Railway Administration on designing the technical features of the IP and the selection criteria for investments. A steering committee for selecting the investments for ADB-financing has been set up by MOR.
During Project Implementation	The consultation process will be continued to select the projects, as per the agreed selection criteria, to be financed under the IP. Consultations will involve the design institutes, MOR, and the railway administrations. A steering committee established by MOR will help coordinate the selection of subsequent projects for ADB-financing.

Business Opportunities	
Procurement	All goods and services to be financed under the Facility will be procured in accordance with the relevant procurement rules in ADB's Procurement Guidelines (2010, as amended from time to time), and as provided in the Procurement Plan in Annex 3 to this PFR. Disbursements for this tranche will be made in accordance with the conditions of disbursement in the Loan Agreement and Loan Disbursement Handbook (2007, as amended from time to time). The loan proceeds will be used solely for the procurement of equipment and materials in the project description

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

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	15 Nov 2010
Approval	14 Dec 2010
Last Review Mission	-
Last PDS Update	09 Sep 2020

Loan 2724-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
14 Dec 2010	11 Mar 2011	10 Jun 2011	30 Jun 2017	30 Jun 2019	04 Jun 2019

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	323.73	Cumulative Contract Awards			
ADB	100.00	17 Jun 2022	99.59	0.00	100%
Counterpart	223.73	Cumulative Disbursements			
Cofinancing	0.00	17 Jun 2022	99.59	0.00	100%

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

Project Page	https://www.adb.org/projects/43332-033/main
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