China, People's Republic of: Lanzhou-Chongqing Railway Development Project (formerly Lanyu Railway)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Lanzhou-Chongqing Railway Development Project (formerly Lanyu Railway)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Number</td>
<td>35354-013</td>
</tr>
<tr>
<td>Country</td>
<td>China, People's Republic of</td>
</tr>
<tr>
<td>Project Status</td>
<td>Closed</td>
</tr>
<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan Technical Assistance</td>
</tr>
<tr>
<td>Source of Funding / Amount</td>
<td>Loan 2471-PRC: Lanzhou-Chongqing Railway Development Project (formerly Lanyu Railway) Ordinary capital resources US$ 300.00 million</td>
</tr>
</tbody>
</table>

**Strategic Agendas**
- Environmentally sustainable growth
- Regional integration

**Drivers of Change**
- Governance and capacity development

**Sector / Subsector**
- Transport - Rail transport (non-urban) - Road transport (non-urban)

**Gender Equity and Mainstreaming**
- Some gender elements

**Description**
The Lanzhou-Chongqing Railway (LCR) Development Project is in Chongqing municipality and the northwestern part of Sichuan and Gansu provinces, a relatively poor area. It is designed to promote sustainable economic growth by building 820 kilometers (km) of railway line from Lanzhou, the capital city of Gansu province, to Chongqing. The Project will (i) develop an efficient, safe, affordable, and environmentally sustainable railway transport system in the region; and (ii) help create more employment and income-generating opportunities, thus benefiting poor residents.

**Project Rationale and Linkage to Country/Regional Strategy**
The project reflects ADB’s railway sector operational strategy for the PRC, which includes reducing railway network constraints and promoting sustainable economic growth in poor areas not served by railways. The project is in line with the Government’s western development strategy to provide less developed regions with better infrastructure to facilitate economic growth, thereby increasing the opportunity for people to improve their living standards.

The interior regions of the PRC have not benefited as much from economic growth and reforms as the east coast; in fact, the gap between economic and social development has increased. Transport constraints and high logistics costs are two factors contributing to regional economic disparities, and two of the constraints preventing the western region from capitalizing on its comparative advantages.

**Impact**
Improved transport system in the region that supports socioeconomic development and the western development strategy.

**Project Outcome**
**Description of Outcome**
An efficient, affordable, environment-friendly, and energy-efficient railway transport system in the region.

**Progress Toward Outcome**
To be assessed at project completion.

**Implementation Progress**
**Description of Project Outputs**
1. Improved railway infrastructure and associated facilities along the Chongqing railway corridor.
2. Employment opportunities for poor and vulnerable groups, to raise incomes and living standards, and reduce poverty.
3. Improved corporate governance.
4. Strengthened institutional capacity.

**Status of Implementation Progress (Outputs, Activities, and Issues)**
The project has been completed and has been under operation stage since 29 September 2017. The project is now at the final various domestic acceptance stages. Operation and maintenance equipment are being supplied, installed, and commissioned. The total length of the project railway from Lanzhou to Chongqing is 855.33 km. In addition, an extension line of 88.68 km from Nanchong to Gaoxin via Guan’an was built. The total cumulative length of the project line is 1,171.05 km. The project consists of 226 tunnels with a cumulative length of 540.70 km, and 442 bridges with a total length of 205.35 km, which represents 74.9% of the total length of the railway main line. A total of 28 new railway stations were built along the main line plus another 8 stations for the extension line from Nanchong to Gaoxin section. The IA briefed that the consulting services were financed by counterpart funds for engagement of 2 design institutes, 14 domestic supervision companies, and 82 specialized firms with total contract value of CNY 2,633 million, for design and survey, supervision of the civil works contracts, supervision of electrification and signaling engineering, supervision of environmental protection measures, consulting services on various technical subjects, and independent monitors for environment and resettlement implementation. The IA indicated that services offered by these design institutes and consulting firms enabled and supported a smooth project implementation. The project is now at the winding-up period for final disbursements and the loan will be closed after the final payment around Q2 2019.

**Geographical Location**
Chengdu, Chengdu Shi, Chongqing, Chongqing Shi, Gansu Sheng, Guiyang, Guizhou Shi, Kunming, Kunming Shi, Lanzhou, Lanzhou Shi, Qinghai Sheng, Xining Shi, Yinchuan, Yinchuan Shi, Yunnan

**Safeguard Categories**

<table>
<thead>
<tr>
<th>Environment</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Resettlement</td>
<td>A</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>B</td>
</tr>
</tbody>
</table>
During the construction period, the county governments along the alignment will raise public awareness among workers and communities on HIV/AIDS and STIs. MOR has experience in ensuring that contractors implement awareness and prevention programs during railway construction. Medical clinics were established in the area of construction camps, and HIV/AIDS awareness campaigns and preventive measures for workers and communities were organized during railway construction. These activities will continue during the construction and operation of the Project. Combined with increased awareness efforts by local government and the Department of Health, the potential risks of STI/HIV/AIDS transmission will be adequately managed. An SDAP has been prepared in consultation with local governments to enhance the project benefits; ensure the adverse impacts are avoided or mitigated; and increase economic development benefits to the poor, women, ethnic minorities, and the vulnerable in an equitable and sustainable manner. The SDAP will (i) enhance job opportunities for local people; (ii) provide training and vocational programs for the poor, women, ethnic minorities, and the vulnerable; (iii) support HIV/AIDS awareness and prevention programs; (iv) support income recovery programs for people affected by resettlement; (v) provide awareness and prevention programs for safety during construction and operation; and (vi) promote local economic development. This will be implemented with participation from relevant government agencies at the local level—including poverty alleviation offices; All-China Women’s Federation; and health, civil affairs, labor, and ethnic affairs bureaus. Leading groups have been formed to continue the process of consultation and coordination among various agencies during implementation.

Indigenous Peoples

During the construction period, the county governments along the alignment will raise public awareness among workers and communities on HIV/AIDS and STIs. MOR has experience in ensuring that contractors implement awareness and prevention programs during railway construction. Medical clinics were established in the area of construction camps, and HIV/AIDS awareness campaigns and preventive measures for workers and communities were organized during railway construction. These activities will continue during the construction and operation of the Project. Combined with increased awareness efforts by local government and the Department of Health, the potential risks of STI/HIV/AIDS transmission will be adequately managed. An SDAP has been prepared in consultation with local governments to enhance the project benefits; ensure the adverse impacts are avoided or mitigated; and increase economic development benefits to the poor, women, ethnic minorities, and the vulnerable in an equitable and sustainable manner. The SDAP will (i) enhance job opportunities for local people; (ii) provide training and vocational programs for the poor, women, ethnic minorities, and the vulnerable; (iii) support HIV/AIDS awareness and prevention programs; (iv) support income recovery programs for people affected by resettlement; (v) provide awareness and prevention programs for safety during construction and operation; and (vi) promote local economic development. This will be implemented with participation from relevant government agencies at the local level—including poverty alleviation offices; All-China Women’s Federation; and health, civil affairs, labor, and ethnic affairs bureaus. Leading groups have been formed to continue the process of consultation and coordination among various agencies during implementation.

Stakeholder Communication, Participation, and Consultation

During Project Design
Extensive consultations—including surveys—involved about 14,500 people, such as local villagers, tourists, businesspersons, transport users, and local governments. This helped to (i) understand public opinion about the proposed railway; (ii) conduct the environmental, economic, and social assessments; (iii) plan resettlement; and (iv) identify the role of various stakeholders. Leading groups have been formed in the prefectures with participation from relevant government agencies, including poverty reduction offices; All-China Women’s Federation; and health, civil affairs, and ethnic affairs bureaus. The local governments assured that the consultation process will be continued to finalize the design and implement social and environmental measures.

During Project Implementation
The consultation process will be continued to finalize the design and formulate appropriate land compensation, relocation, and rehabilitation measures during project implementation. The railway construction offices will play a significant role in this process.

Business Opportunities

Consulting Services
The ADB loan will be used to finance 10 person-months of international consulting services to strengthen the institutional, marketing, and business development functions of the project company. The international consultants will be recruited through quality- and cost-based selection (at an 80:20 ratio) based on simplified technical proposals, according to ADB’s Guidelines on the Use of Consultants (2007, as amended from time to time). The provisions of ADB’s Anticorruption Policy will be included in all invitation documents and contracts for international consultants.

Procurement
All ADB-financed procurement will follow ADB’s Procurement Guidelines (2007, as amended from time to time). ADB will finance the procurement of materials and equipment as described in the procurement plan. Contracts valued at $1 million or more will be procured through international competitive bidding. MOR will select tendering companies on a competitive basis to handle international bidding. The relevant sections of ADB’s Anticorruption Policy (1998, as amended to date) will be included in all documents and contracts during the bidding for, and implementation of, the Project.

Responsible ADB Officer
Chenglong Chu

Responsible ADB Department
East Asia Department

Responsible ADB Division
PRC Resident Mission

Executing Agencies
China Railway Corporation (Formerly Ministry of Railways)

Regional Office: China Railway Corporation (Formerly Ministry of Railways)

10 Fuxing Road, Beijing, PRC

Milestones

<table>
<thead>
<tr>
<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>31 Dec 2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>21 Jun 2019</td>
</tr>
</tbody>
</table>

Loan 2471-PRC
## Financing Plan

<table>
<thead>
<tr>
<th>Total (Amount in US$ million)</th>
<th>Loan Utilization</th>
<th>Date</th>
<th>ADB</th>
<th>Others</th>
<th>Net Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Cost</td>
<td>4,604.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADB</td>
<td>300.00</td>
<td>18 Nov 2008</td>
<td>288.07</td>
<td>0.00</td>
<td>100%</td>
</tr>
<tr>
<td>Counterpart</td>
<td>4,304.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cofinancing</td>
<td>0.00</td>
<td>18 Nov 2008</td>
<td>288.07</td>
<td>0.00</td>
<td>100%</td>
</tr>
</tbody>
</table>

## Status of Covenants

<table>
<thead>
<tr>
<th>Category</th>
<th>Sector</th>
<th>Safeguards</th>
<th>Social</th>
<th>Financial</th>
<th>Economic</th>
<th>Others</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>


Date Generated: 21 July 2019

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.