China, People's Republic of: Inner Mongolia Road Development Project

**Project Name**: Inner Mongolia Road Development Project

**Project Number**: 43029-013

**Country**: China, People's Republic of

**Project Status**: Active

**Project Type / Modality of Assistance**: Loan, Technical Assistance

**Source of Funding / Amount**
- Loan 3042-PRC: Inner Mongolia Road Development Project
  - Ordinary capital resources: US$ 200.00 million
- TA 8479-PRC: Restoration of Wetlands in Dalai Lake Nature Reserve of Inner Mongolia
- Multi-Donor Trust Fund under the Water Financing Partnership Facility: US$ 500,000.00

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

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

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

**Gender Equity and Mainstreaming**: Effective gender mainstreaming

**Description**: Inner Mongolia Autonomous Region (IMAR) is the third largest administrative region of the PRC in terms of land area and is well endowed with natural resources. As a result of mining, IMAR's economy has been growing rapidly, with gross domestic product increasing at 18% per annum from 2003 to 2011. The proposed project is located in Hulunbeier, one of the fast growing areas of IMAR. Hulunbeier is a vast area of 253,000 square kilometers which is very sparsely populated (fewer than 4 million inhabitants). It borders PRC's Heilongjiang province, the Russian Federation, and Mongolia. Its economy depends heavily on resource extraction industries (coal, oil, and various minerals), animal husbandry, trade with the Russian Federation and to a lesser extent Mongolia, and a developing tourism industry.

**Project Rationale and Linkage to Country/Regional Strategy**: It is designed to support the government's Western Region Development Strategy and Northeast Region and other Old Industrial Bases Revitalization Strategy. It is in line with ADB objectives in the PRC Country Partnership Strategy (2011-2015) and its focus on road safety, rural roads, environmental conservation, and cross border transport aligns it with the core objectives of ADB's Sustainable Transport Initiative.

**Impact**: Efficient, inclusive, and safe movement of people and goods in IMAR and across the borders of Russian Federation and Mongolia

**Project Outcome**: Safe and efficient road transport network that supports environmental conservation and sustainable tourism

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

**Implementation Progress**

**Description of Project Outputs**
1. Highway upgrading and road safety improvements
2. Upgrading of rural roads
3. Cross border transport improvement and trade facilitation
4. Support for community-based sustainable tourism and environmental conservation
5. Institutional strengthening and capacity building

**Status of Implementation Progress**: Overall project implementation. The project has been implemented smoothly and there are no major issues. Most subprojects were completed in 2018 and few other subprojects are scheduled to be fully completed by September 2019. Loan closing date of 31 December 2019 remains unchanged. All procurement activities were completed. As of February 2019, highlighted progress for each output is as below:

Output 1: The 134 km project highway is nearly completed and is scheduled to be opened to traffic in mid-2019. Relevant equipment were procured, supplied and installed.

Output 2: All rural roads shall be fully completed by August 2019.

Output 3: Two project roads were completed and opened to traffic in 2017. All six bus stops and the Haka bus station are scheduled to be fully completed by mid-2019.

Output 4: This subproject is scheduled to be fully completed by August 2019.

Output 5: Institutional strengthening and capacity building are being implemented per schedule. The EA and HPMO are organizing domestic two trainings in organized trainings.

**Geographical Location**: Alatan'mole New Barag Youqi, Alatanhadagacha, Amsgalang, Baogedewula, Beiersumu, Ebuduge Port, Ebuduge Port, Ebuduge Port, Hulunbe'er, Manzhouli, Nuogannuo'er, Wubu'erbaolige, Xin Barag Youqi, Xinbaolige

**Safeguard Categories**

<table>
<thead>
<tr>
<th>Category</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>A</td>
</tr>
<tr>
<td>Involuntary Resettlement</td>
<td>B</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>A</td>
</tr>
</tbody>
</table>
Summary of Environmental and Social Aspects

Environmental Aspects

According to the Project Administration Manual and the project environment impact assessment (EIA) report, the Project will involve a set of institutions to secure a sound environment management and to implement the project environment management plan (EMP). ADB mission reviewed the institutional setup for environment management within the executing agency and the project management office (PMO) and confirmed that PMO has a unit (i.e. general office) to oversee the implementation of safeguards.

Involuntary Resettlement

Four resettlement plans were prepared for S203, two port roads, and three rural roads during the project preparation. According to those resettlement plans, the project will permanently acquire a total of 15,680 mu of land (mostly grassland), which partially affects the livelihood of 202 herder’s households with 792 people. A total of 3,045 mu land will be temporarily used during construction. The project will also relocate 175 m² of residential houses and partially affect a cement factory.

Indigenous Peoples

The project is classified as category A for the indigenous peoples safeguard. The ethnic minority population in the project area is mainly Mongolian representing 31.9% of the total population. An ethnic minority development plan (EMDP) was prepared to ensure the equitable sharing of project benefits and propose measures to mitigate adverse impacts for the Mongolian community within the project area. It was noted that a small number of Mongolian herders are affected by land acquisition and this will be addressed by resettlement plan. In terms of gender development, the project is categorized as effective gender mainstreaming. A project gender action plan was prepared to promote women’s participation and gender equality.

Stakeholder Communication, Participation, and Consultation

Business Opportunities

Consulting Services to be determined
Procurement to be determined

Responsible ADB Officer Zhang, Wen
Responsible ADB Department East Asia Department
Responsible ADB Division PRC Resident Mission
Executing Agencies Inner Mongolia Autonomous Region Department of Transport
HDJG666@163.COM No. 68 Dizhiju S. Street Saihai District, Hohhot, China

Timetable

Concept Clearance 16 Nov 2012
Fact Finding 19 Nov 2012 to 29 Nov 2012
MRM 19 Mar 2013
Approval 08 Oct 2013
Last Review Mission -
Last PDS Update 21 Mar 2019

Loan 3042-PRC

<table>
<thead>
<tr>
<th>Approval 08 Oct 2013</th>
<th>Signing Date 17 Dec 2013</th>
<th>Effectivity Date 01 Apr 2014</th>
<th>Closing 30 Jun 2018</th>
<th>Original</th>
<th>Revised</th>
<th>Actual</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Total (Amount in US$ million)</th>
<th>Financing Plan</th>
<th>Loan Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>502.11</td>
<td>Cumulative Contract Awards</td>
<td></td>
</tr>
<tr>
<td>200.00</td>
<td>08 Oct 2013</td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td>08 Oct 2013</td>
<td></td>
</tr>
<tr>
<td>302.11</td>
<td>185.42</td>
<td>93%</td>
</tr>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>99%</td>
</tr>
</tbody>
</table>

TA 8479-PRC

<table>
<thead>
<tr>
<th>Approval 08 Oct 2013</th>
<th>Signing Date 02 Jan 2014</th>
<th>Effectivity Date 02 Jan 2014</th>
<th>Closing 30 Jun 2015</th>
<th>Original</th>
<th>Revised</th>
<th>Actual</th>
</tr>
</thead>
</table>

| Total | Financing Plan/TA Utilization |
|---|---|---|---|---|---|
| 302.11 | Cumulative Disbursements |
| 0.00 | 0.00 | 93% |

<table>
<thead>
<tr>
<th>ADB</th>
<th>Cofinancing</th>
<th>Counterpart</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov</td>
<td>Beneficiaries</td>
<td>Project Sponsor</td>
</tr>
</tbody>
</table>
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.