## China, People's Republic of: Yunnan Sustainable Road Maintenance (Sector) Project

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Yunnan Sustainable Road Maintenance (Sector) Project</th>
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<tbody>
<tr>
<td>Project Number</td>
<td>45030-002</td>
</tr>
<tr>
<td>Country</td>
<td>China, People's Republic of</td>
</tr>
<tr>
<td>Project Status</td>
<td>Active</td>
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<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
</tr>
<tr>
<td>Source of Funding / Amount</td>
<td>Loan 3074-PRC: Yunnan Sustainable Road Maintenance Project</td>
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<tr>
<td></td>
<td>Ordinary capital resources US$ 80.00 million</td>
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### 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
Some gender elements

### Description
Yunnan is a poor, densely populated province with a population of 46 million. Because it is landlocked and mountainous, trade with other provinces and foreign countries involves transportation over long distances, which makes its products less competitive. These are still large pockets of poverty because of inadequate road access, limited land availability for agriculture, and cultural barriers to out-migration. In 2011, 27% of Yunnan's rural population was considered poor, using the PRC's official poverty line of CNY2,300 per year. Yunnan is strategically located along the PRC border with Laos People's Democratic Republic, Myanmar, and Viet Nam. About 60% of freight and 80% of passengers travel by road. The Yunnan Highway Administration Bureau (YHAB), under the Yunnan Provincial Department of Transport (YPDOT), manages a trunk road network of 24,089 km, which includes 45% of the province's paved roads. These roads form part of or connect with the Greater Mekong Subregion (GMS) Northern Economic Corridor and North-South Economic Corridors. The project will improve the sustainability of Yunnan's trunk road network. It will (i) rehabilitate about 890 km of trunk roads, (ii) introduce performance-based road maintenance on a pilot basis on 164 km of trunk roads, (iii) set up a road asset management system, and (iv) implement an institutional development plan.

### Project Rationale and Linkage to Country/Regional Strategy
The government has asked ADB to support YHAB's trunk road maintenance program and assist in sector reform and institutional strengthening. The proposed project represents a second phase of ADB support to road maintenance in Yunnan. By targeting a poor province and by advancing the agendas of road asset management and safety, the project is aligned with ADB's PRC country partnership strategy and the Sustainable Transport Initiative.

### Impact
The people of Yunnan have improved access to a quality and safe trunk road network.

### Project Outcome
**Description of Outcome**
The sustainability of Yunnan's trunk road network improved.

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

### Implementation Progress
**Description of Project Outputs**
1. Trunk roads rehabilitated
2. Performance-based road maintenance piloted
3. Road asset management system enhanced
4. Institutional capacity of YHAB strengthened

**Status of Implementation Progress (Outputs, Activities, and Issues)**
Overall project implementation. The project has been implemented smoothly and there is no major issue. As of February 2019, summarized progress for each output is highlighted as below:

- **Output 1:** Phase I subproject: completed. No issues.
- **Output 2:** Performance-based Road Maintenance Pilot subproject: 5 years maintenance contract is ongoing and there are no issues.
- **Output 3:** completed. No issues.
- **Output 4:** Consulting services are ongoing and there are no issues.

**Geographical Location**
Dali Baizhu Zizhou, Dehong Daizu Jingpozu Zizhizhou, Jinning Xian, Kunming, Kunming Shi, Lincang Shi, Wenshan Zhuangzu Miaozu Zizhizhou, Yunnan, Yuxi, Yuxi Shi

### Safeguard Categories

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

Environmental Aspects

The project is category B for environment. A consolidated initial environmental examination and environmental management plan was prepared for the seven subprojects chosen for rehabilitation during phase 1 and the pilot testing of the two performance-based road maintenance modalities. These documents comply with the PRC’s regulatory requirements and ADB’s Safeguard Policy Statement (2009) and were disclosed on the ADB website on 25 April 2013. Two of the subprojects have been classified as category B, and the rest as category C. The works will be confined to the original right-of-way of existing national, provincial, and county roads. All identified environmental impacts will be mitigated through activities under the environmental management plan. An environmental assessment review framework has been prepared to guide the assessment of subprojects to be identified and carried out later under the project’s three subsequent phases. YHAB accepted PITA recommendations to increase its environmental capacity, and tools have been developed to manage environmental impacts and opportunities associated with maintenance activities.

Involuntary Resettlement

Due diligence indicated that no land acquisition or resettlement will be required for the first-year subprojects. While the subprojects yet to be selected for the remaining phases are expected to be similar, the project was classified as resettlement category B to allow for changes at detailed design stage if a future subproject involves modest resettlement due to road widening or straightening or to improve safety features. A resettlement framework and a sample resettlement plan have been prepared and were disclosed on the ADB website on 25 April 2013. Should a subproject require land acquisition or resettlement, the executing agency will prepare and submit resettlement plan(s) for ADB review and clearance; this will include a participatory consultation process, and other measures defined in the resettlement framework. The project will not finance a subproject that requires significant resettlement.

Indigenous Peoples

Due diligence conducted during the project preparatory TA found no significant adverse impacts on ethnic minorities in the project area that would trigger the indigenous peoples safeguard requirements, hence the project is classified as indigenous peoples category C.

Stakeholder Communication, Participation, and Consultation

During Project Design

Consultations have been organized during project preparation stage for project scope, environmental issue, and involuntary resettlement.

During Project Implementation

Consultation and participation strategy will continue during implementation.

Responsible ADB Officer

Zheng Baochang

Responsible ADB Department

East Asia Department

Responsible ADB Division

PRC Resident Mission

Executing Agencies

Yunnan Provincial Department of Transport

No. 1 Huang Cheng Xi Road

Kunning, Yunnan

Harbin, People’s Republic of China

Timetable

<table>
<thead>
<tr>
<th>Concept Clearance</th>
<th>Fact Finding</th>
<th>MRM</th>
<th>Approval</th>
<th>Last Review Mission</th>
<th>Last PDS Update</th>
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Loan 3074-PRC

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<tr>
<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
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<tbody>
<tr>
<td>02 Dec 2013</td>
<td>30 May 2014</td>
<td>07 Aug 2014</td>
<td>31 Mar 2019</td>
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<th>Loan Utilization</th>
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<tr>
<td>Total (Amount in US$ million)</td>
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<tr>
<td>Project Cost</td>
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Project Page

https://www.adb.org/projects/45030-002/main

Request for Information

http://www.adb.org/forms/request-information-form?subject=45030-002

Date Generated

10 August 2019

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