# Yunnan Pu’er Regional Integrated Road Network Development Project

**Project Name**: Yunnan Pu’er Regional Integrated Road Network Development Project

**Project Number**: 46040-003

**Country**: People’s Republic of China

**Project Status**: Active

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

**Source of Funding / Amount**: Loan 3217-PRC: Yunnan Pu’er Regional Integrated Road Network Development Project

<table>
<thead>
<tr>
<th>Source of Funding / Amount</th>
<th>Yunnan Pu’er Regional Integrated Road Network Development Project</th>
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</thead>
<tbody>
<tr>
<td>Ordinary capital resources</td>
<td>US$ 200.00 million</td>
</tr>
</tbody>
</table>

**Strategic Agendas**:

- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

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

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

**Description**: The project is to enhance regional integration and trade between Yunnan Pu’er and neighboring countries. The expected outcome of the project is improved accessibility between rural and border areas and an improved regional transport network in Yunnan Pu’er. The proposed project will include three outputs for ADB financing: (i) regional roads development; (ii) rural access improvement; and (iii) institutional development.

**Project Rationale and Linkage to Country/Regional Strategy**: Kunming, the capital of Yunnan Province, is the northern anchor of the Greater Mekong Subregion North South Economic Corridor that connects the PRC to Thailand via routes through both the Lao PDR and Myanmar. It is a hub for trade between the PRC and countries in the Association of Southeast Asian Nations, and also India and Bangladesh. Yunnan’s external trade is growing rapidly. The total value of imports and exports has risen from under $2 billion in 2001 to $12.3 billion in 2011, representing an average increase of 20% per annum over 10 years. In 2011, the values of imports and exports were roughly equal (a little over $6 billion each), but imports are growing substantially faster than exports.

Despite being the only prefecture in Yunnan bordering Lao PDR, Myanmar, and Viet Nam, international trade generated in Pu'er was $100 million in 2011 (less than 1% of the Yunnan total). This reflects a lack of high-quality border crossings and road connections. Of the prefecture’s 20 existing border crossings, only three are class I crossings (one with Myanmar and two with the Lao PDR). A fourth class I crossing is needed to serve the border with Viet Nam at Longfu in Jiangcheng county. This requires investment in upgrading the Ning'er Jiangcheng Longfu road to connect the border and the provincial expressway network. This improvement, along with the newly constructed Menkang crossing to the Lao PDR, will place Jiangcheng county at the center of Yunnan’s trade with neighboring countries, since it is equidistant from the nearest trading centers in Yunnan (Pu’er), Lao PDR (Phongsali), and Viet Nam (Dien Bien Phu). In 2005, the Pu’er Municipal Government (PMG) commissioned development of a border economic cooperation zone at Meng’a to serve trade with Myanmar’s Shan State. Between 2007 and 2012, total trade through Meng’a increased from $59 million to $271 million, at an average annual growth rate of 35%. However, trade facilities and road connections to Meng'a are inadequate to service demand and are constraining growth in trade volumes. To meet demand it is necessary to expand transit and storage facilities at Meng’a and improve road connections from Meng’a to the provincial highway network at Lancang via Menglian.

About 94% of the province’s land area is covered by mountains and hills, which pose a great obstacle to the provision of basic access to rural roads. At present, Pu’er’s rural roads provide communities with access to (i) markets for sale and purchase of produce and agricultural inputs; (ii) collection or processing stations for the sale of cash crops; (iii) towns and cities for seasonal employment opportunities; and (iv) social services. Although some limited services and facilities exist in or around the administrative villages (clinics, processing stations, and primary schools), most are located in the townships (markets, hospitals, primary and middle schools, banks, police, coffee collection stations, and tea processing plants). Some services and facilities are only available in the county towns (major markets, large hospitals, and secondary schools). Demand for rural transport is substantial between the villages and the nearest townships up to five times a month for each household, to the county town once or twice a month, and to the prefecture capital a few times a year. Yunnan’s road crash fatality rate per 100,000 persons is 4.1 (3.9 in Pu’er), comparable to the rates in France and the United Kingdom. However, the fatality rate per 10,000 vehicles or per billion vehicle-kilometers is 3.5 times higher, implying that low overall fatality rates are due to the low number of vehicles, not to high road safety. As rapid motorization continues, fatality rates are likely to rise unless more attention is given to road safety. A road safety emphasis needs to be an integral part of the engineering design process.

**Impact**: Regional integration and trade between Yunnan Pu’er and neighboring countries is enhanced

<table>
<thead>
<tr>
<th>Project Outcome</th>
<th>Description of Outcome</th>
<th>Progress Toward Outcome</th>
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</thead>
<tbody>
<tr>
<td>Regional roads development</td>
<td>Accessibility between rural and border areas and the regional transport network in Yunnan Pu’er is improved</td>
<td>Ongoing. To be assessed at project completion review.</td>
</tr>
</tbody>
</table>

**Description of Project Outputs**:

1. Regional roads development
2. Rural access improvement
3. Institutional development
National Executive Board (NEB) of the PRC

Yunnan Pu’er Municipal Government

The project is category A for indigenous peoples (ethnic minorities). About 71% of the project beneficiaries represent ethnic minorities. The PMG prepared

Executing Agencies

Responsible ADB Division

Indigenous Peoples

Procurement

Procurement under NCB procedures will be subject to the provisions of ADB's Procurement Guidelines (2013, as amended from time to time).

Consulting Services

All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).

Responsible ADB Officer

Chenglong Chu

Responsible ADB Department

East Asia Department

Responsible ADB Division

PRC Resident Mission

Execution Agencies

Yunnan Pu’er Municipal Government

SM2FBEKg163.COM

One Kilometer of Old Silan Road

Xinmao District, Pu'er City

Yunnan Province 665000, PRC

Procurement

All procurement of goods and works where there is any ADB funding will be undertaken in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). International competitive bidding (ICB) procedures will be used for civil works contracts estimated to exceed $1 million, and goods contracts estimated to exceed $100,000. Contracts estimated at less than the ICB thresholds will be procured following national procedures in accordance with the PRC Tendering and Bidding Law (1999), subject to modifications as agreed with ADB and consigned in the NCB annex to the procurement plan (Appendix 1). Contracts for works estimated to cost less than the ICB threshold values above, but more than $100,000, and contracts for goods estimated to cost less than the ICB threshold values above, but more than $100,000, will be procured on the basis of national competitive bidding (NCB) procedures.

Procurement under NCB procedures will use the single-stage one-envelope modality. Procurement shall use the latest ADB standard bidding documents which are found in ADB's website.

For procurement under NCB, the following provisions will apply if the advertisement may be limited to the national press, an official gazette or an open access website: (i) bidding shall follow the standard bidding documents issued by MOF and approved by ADB; and (ii) bidding documents may be only in the Chinese language, and CNY may be used for the purpose of bidding and payment. Procurement under NCB and shopping will be subject to the provisions of the NCB annex of the procurement plan (Appendix 1).
Loan 3217-PRC

### Timetable

<table>
<thead>
<tr>
<th>Event</th>
<th>Date Range/Latest Date</th>
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<tr>
<td>Concept Clearance</td>
<td>03 Sep 2012</td>
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<tr>
<td>Fact Finding</td>
<td>26 May 2014 to 03 Jun 2014</td>
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<tr>
<td>MRM</td>
<td>19 Aug 2014</td>
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<tr>
<td>Approval</td>
<td>08 Dec 2014</td>
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<tr>
<td>Last Review Mission</td>
<td>-</td>
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<td>Last PDS Update</td>
<td>19 Sep 2019</td>
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### Milestones

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<tr>
<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
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### Financing Plan

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<th>Total (Amount in US$ million)</th>
<th>Date</th>
<th>ADB</th>
<th>Others</th>
<th>Net Percentage</th>
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<td>Project Cost</td>
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<td>ADB</td>
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### Status of Covenants

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**Project Page**

https://www.adb.org/projects/46040-003/main

**Request for Information**

http://www.adb.org/forms/request-information-form?subject=46040-003

**Date Generated**

05 November 2019

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