

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Focus and Key Activities

1. The Asian Development Bank (ADB) has been the main development partner of the People's Republic of China (PRC) in its rail transport subsector, providing 23 loans totaling \$4.67 billion since 1989 to expand rail transport capacity, energy efficiency, and development of new sections of the national railway network in inland provinces. The Japan Bank for International Cooperation and the World Bank were also involved in expanding the capacity of national railways. The World Bank provided 17 loans totaling \$4.24 billion for 16 national railway projects and one local railway project. The Japan Bank for International Cooperation provided ¥577.82 billion for 15 railway projects, with the last one completed in 1997. In 2004, ADB introduced Agence Française de Développement to the PRC railway industry, which cofinanced a railway project in Yunnan province and provided a €80 million loan for network expansion. German development cooperation through KfW provided six loans totaling €604 million and \$80 million. The Government of Austria provided a loan of €30 million in 2006 and the Government of Spain provided a loan of €80 million in 2005. The Export-Import Bank of the United States provided two loans of \$300 million for procurement of track equipment.

2. The Government of the PRC coordinates the activities of different development partners (Tables 1–3) and has utilized ADB technical assistance (Table 4) support for research and development of various policy interventions, as well as for formulating ideas and programs for its five-year plans. ADB has coordinated closely with other development partners on policy dialogue and shared its development experiences with them.

**Table 1: Loans from ADB**

Project Name	Approval Date	Amount (\$ million)
1. Shanxi–Xiaoliu Railway	31 Jan 1989	39.7
2. Yaogu–Maoming Railway	20 Jun 1991	67.5
3. Guang–Mei–Shan Railway	25 Jun 1992	200.0
4. Hefei–Jiujiang Railway	30 Mar 1993	110.0
5. Jing–Jiu Railway Technical Enhancement	14 Jul 1994	200.0
6. Daxian–Wanxian Railway	04 Jun 1996	100.0
7. Shenmu–Yanan Railway	29 Sep 1997	200.0
8. Guizhou–Shuibai Railway	18 Aug 1998	140.0
9. Hefei–Xi'an Railway	17 Aug 2000	300.0
10. Ganzhou–Longyan Railway	30 Oct 2001	200.0
11. Yichang–Wanzhou Railway	15 Dec 2003	500.0
12. Dali–Lijiang Railway	02 Dec 2004	180.0
13. Zhengzhou–Xi'an Railway	22 Sep 2005	400.0
14. Taiyuan–Zhongwei Railway	23 Nov 2006	300.0
15. Railway Safety Enhancement	12 Dec 2007	100.0
16. Lanzhou–Chongqing Railway	18 Nov 2008	300.0
17. Chongqing–Lichuan Railway	08 Dec 2008	150.0
18. Railway Energy Efficiency and Safety Enhancement Investment Program - Tranche 1	15 Dec 2009	300.0
19. Railway Energy Efficiency and Safety Enhancement Investment Program – Tranche 2	14 Dec 2010	100.0
20. Railway Energy Efficiency and Safety Enhancement Investment Program – Tranche 3	20 Jul 2011	250.0
21. Railway Energy Efficiency and Safety Enhancement Investment Program- Tranche 4	04 Dec 2013	180.0
22. Railway Energy Efficiency and Safety Enhancement Investment Program – Tranche 5	07 Feb 2014	170.0
23. Mountain Railway Safety Enhancement	25 Aug 2017	180.0

ADB = Asian Development Bank.

Source: ADB.

**Table 2: Loans from the World Bank**

<b>Project Name</b>	<b>Approval Date</b>	<b>Amount (\$ million)</b>
1. National Railway I: Langzhou–Baoji Double Tracking and Upgrading Second Line and Electrification	29 Jan 2002	160.00
2. National Railway II: Upgrading Electrification of the Zhe–Gan Railway	24 Jun 2004	200.00
3. National Railway III: Upgrading Electrification of Zhanyi–Lupanshu Railway Line	23 Jan 2007	200.00
4. National Railway IV: Shijiazhuang–Zhengzhou Railway	24 Jun 2008	300.00
5. Guiyang–Guangzhou Railway	16 Apr 2009	300.00
6. Nanning–Guangzhou Railway	24 June 2009	300.00
7. Ji–Tu–Hun Railway Project	24 May 2011	200.00
8. Zhangjiakou–Hohhot Railway Project	15 March 2012	200.00
9. Harbin–Jiamushi Railway Project	28 March 2014	300.00

Source: World Bank.

**Table 3: Loans from Bilateral Partners**

<b>Partner/Project Name</b>	<b>Approval Date</b>	<b>Amount (million)</b>
<b>A. KfW</b>		
1. Chongqing–Huaihua Railway	Aug 2005	€67.00
2. Hefei–Wuhan Railway	Nov 2006	€117.00
3. Wenzhou–Fuzhou Railway	Apr 2007	€100.00
4. Xiamen–Shenzhen Railway	Dec 2007	€200.00
5. Xiamen–Shenzhen Railway II	Mar 2009	€120.00
6. Procurement of Track Maintenance Equipment	Mar 2009	\$80.00
<b>B. AFD</b>		
1. Dali–Lijiang Railway	2004	\$40.00
2. Electrification of Luoyang–Zhangjiajie Railway	2005	€80.00
<b>C. Government of Austria</b>		
1. Hefei–Wuhan Railway	Nov 2006	€30.00
<b>D. Government of Spain</b>		
1. Electrification of Tianjin–Shenyang Railway	2005	€80.00
<b>E. US Export-Import Bank</b>		
1. Procurement of Track Maintenance Equipment	Oct 2003	\$100.00
2. Procurement of Track Maintenance Equipment	Jul 2008	\$200.00

AFD = Agence Française de Développement, US = United States.

Sources: AFD, US, and other bilateral partners.

**Table 4: Knowledge and Support Technical Assistance Projects from ADB**

<b>Project Name</b>	<b>Approval Date</b>	<b>Amount (\$ '000)</b>
1. TA 4325-PRC WTO: Policy Reform Support to MOR	Apr 2004	400.00
2. TA 4701-PRC Railway Passenger and Freight Policy Reform Study	Nov 2005	400.00
3. TA 4864-PRC Managing Railway Passenger Operations More Efficiently	Nov 2006	600.00
4. TA 4995-PRC Railway Emergency Management System Study	Jul 2007	500.00
5. TA 7147-PRC Enhancing the Competitiveness and Efficiency of Railway Passenger Operations	Oct 2008	500.00
6. TA 7171-PRC Railway Sector Energy Efficiency Strategy	Nov 2008	800.00
7. TA 7403-PRC Institutional and Capacity Development	Dec 2009	600.00
8. TA 7692-PRC Capacity Development for Railway Track Maintenance	Dec 2010	400.00
9. TA 7916-PRC Improving Energy Efficiency and Reducing Emissions through Intelligent Railway Station Buildings	Nov 2011	400.00
10. TA 7925-PRC Developing Multimodal Passenger Transport Hubs	Nov 2011	500.00
11. TA 8464-PRC Railway Container Transport Development	Sep 2013	450.00
12. TA 8968-PRC Policy Study on the Development of Intercity Railway in the Beijing-Tianjin-Hebei Region	Oct 2015	400.00

ADB = Asian Development Bank, MOR = Ministry of Railways, WTO = World Trade Organization.

Source: ADB.

## B. Development Coordination

3. ADB closely coordinates with the PRC's other development partners on policy dialogue to discuss progress and issues in the rail transport subsector. This includes regular coordination and information sharing with the World Bank to ensure that support for transport is closely aligned with the programs established under the government's medium- and long-term plans. In January 2016, ADB approved the country partnership strategy for the PRC, 2016–2020, which highlights ADB's continued support to railway development in the PRC by providing assistance on intercity rail network projects, developing intermodal links, and encouraging public–private partnership schemes for railway financing.<sup>1</sup> ADB's and the World Bank's support for the transport sector in the PRC have shared many similarities, except that ADB has focused mostly on urban transport and railways in the landlocked provinces while the World Bank has also financed projects in the eastern and central regions. World Bank lending has also been diversified across more transport subsectors, including subways.

## C. Achievements and Issues

4. In line with its *Sustainable Transport Initiative Operational Plan*<sup>2</sup> approved in 2010, ADB is diversifying its transport portfolio to make the transport system in the PRC more sustainable. In the rail transport subsector, ADB has focused on (i) expanding the railway system by constructing new lines in underserved, less-developed areas; (ii) modernizing railways, enhancing safety, and increasing capacity to improve efficiency on key routes of the national railway system; (iii) commercializing railway operations to sustain efficient operations; (iv) promoting energy conservation and environmental sustainability; and (v) increasing railway competitiveness in the transport sector through continued restructuring and reform.

5. The project will assist the PRC in developing a demonstration multimodal hub<sup>3</sup> in Xichang, and in improving maintenance systems by introducing modern maintenance equipment and institutional capacity building and training. While this project is part of the rail transport subsector, its focus is not on developing new railway lines. Its main aspects include enhancing integration of various transport modes through a multimodal hub and also in improving energy efficiency and sustainability with the aid of advanced maintenance technologies.

## D. Summary and Recommendations

6. ADB transport projects provide access to markets, health services, employment, and social services. In alignment with the government's poverty reduction efforts, most ADB lending, particularly in the transport sector, targets the central and western provinces to support inclusive, pro-poor economic growth in the country. ADB's involvement in transport infrastructure has reduced the geographic isolation of the rural poor. Infrastructure projects stimulate sustainable economic growth, improve trade, and alleviate poverty. ADB will continue to work with the government to strengthen its fight against poverty.

7. ADB will coordinate closely with other development partners on policy dialogue and share its development experiences. The government coordinates the activities of different development partners and has used ADB's technical assistance for research and to help shape many policy interventions, as well as for formulating ideas and programs for its five-year plans.

<sup>1</sup> ADB. 2016. *Country Partnership Strategy: People's Republic of China, 2016–2020—Transforming Partnership: People's Republic of China and Asian Development Bank, 2016–2020*. Manila.

<sup>2</sup> ADB. 2010. *Sustainable Transport Initiative Operational Plan*. Manila.

<sup>3</sup> The term multimodal hub generally refers to any facility that caters to more than one mode of transport.