Advance Contracting Notice

Date: 20 November 2014
Country/Borrower: People’s Republic of China
Title of Proposed Project: Yunnan Pu’er Regional Integrated Road Network Development Project

Name and Address of Executing Agency:

Pu’er Municipal Government
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Brief Description of the Project:

1. Yunnan province, located in southwest PRC, is one of the country’s least developed provinces. Due to road network limitations the rural population suffers from lack of access to markets and economic opportunities. High transport costs limit the extent of regional trade and constrain residents’ income-earning potential. With better road connections, Yunnan could serve as a gateway for transport and trade with neighboring countries.

2. Pu’er is a mountainous prefecture in southern Yunnan with a land area of 45,385 square kilometers (12% of Yunnan’s total). Bordering Lao People’s Democratic Republic (Lao PDR), Myanmar, and Viet Nam, it had a gross domestic product (GDP) per capita of CNY11,795 in 2011, 62% of the Yunnan average and about half the national average. Rural gross domestic product per capita was one third of the prefecture average (CNY4,338). Of 2.56 million inhabitants (5% of Yunnan total), 950,000 were below the government’s official poverty line, representing a 37.1% poverty rate, with all nine counties designated as national poverty counties.

3. Road transport is the dominant transport mode in Pu’er. It is an important enabling factor in economic development and poverty reduction. In 2011, total transport in Pu’er amounted to 19.424 km, comprising 2.504 km of national and provincial roads and 16,291 km of county, township, village, and special roads. The proportion of unclassified roads in Pu’er (34%) is relatively high compared with the Yunnan average (23%), and although the proportion of unpaved roads is similar to the rest of the province, a larger percentage of these are earthen roads (about 34% of the network in Pu’er.

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compared with 20% for Yunnan Province).

5. The expected impact of the project is enhanced 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.

6. The project has the following outputs:

(i) **Output 1: Regional roads development.** This involves (i) upgrades to or construction of 234 km of class III, IV, and III highway between Ning’er–Jiangcheng–Longfu; (ii) upgrades to or construction of the 48.75 km Menglian–Meng’a section of the Lancang–Menglian–Meng’a class III and IV border road, mainly to class II standard; (iii) introduction of road safety measures determined by the ChinaRAP road safety design decision-making tool; and (iv) development of trade facilities at the Meng’a Material Transit Centre.

(ii) **Output 2: Rural access improvement.** This will provide all-weather access to administrative villages and links with higher level roads. It comprises (i) upgrading to class IV standard of 600 km of village earthen or gravel roads selected in accordance with the rural road assessment criteria, (ii) spot improvements on up to 1,200 km of connecting lower level village roads, (iii) introduction of five new village bus service routes on a pilot basis, and (iv) a gender focused rural road maintenance program.

(iii) **Output 3: Institutional development.** This will address the limited implementation capacity of the Pu’er Municipal Government (PMG). A project management consultant will assist the PMG to implement and monitor the project in accordance with ADB procedures. The project will finance a 3-year program of international and domestic training in financial and project management, road maintenance engineering, road maintenance practices, road safety, environmental management, social safeguard management, and enforcement of laws that ban the trafficking of human, drugs and wildlife.

**Brief Description of Goods and Related Services, Works or Consulting Services to be Procured and Retroactive Financing:**

ADB has approved advance contracting and retroactive financing. Advance action includes civil works and consultant contracts. The advance procurement actions will be undertaken in accordance with ADB’s Procurement Guidelines and ADB’s Guidelines on the Use of Consultants.

**Date of Advance Contracting and Retroactive Financing Approval:** 19 August 2014