



## 1. Project Data

<b>Project ID</b> P132775	<b>Project Name</b> Gansu Rural-Urban Integration	
<b>Country</b> China	<b>Practice Area(Lead)</b> Transport	
<b>L/C/TF Number(s)</b> IBRD-84800	<b>Closing Date (Original)</b> 30-Jun-2021	<b>Total Project Cost (USD)</b> 150,000,000.00
<b>Bank Approval Date</b> 31-Mar-2015	<b>Closing Date (Actual)</b> 31-Dec-2021	
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	150,000,000.00	0.00
Revised Commitment	150,000,000.00	0.00
Actual	150,000,000.00	0.00

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## 2. Project Objectives and Components

### a. Objectives

The Project Development Objective (PDO) as stated in the Loan Agreement (Schedule 1, page 5) and in the Project Appraisal Document (PAD, page 3) is:

**" To provide residents in Wuwei Municipality and Linxia Prefecture with improved connectivity between rural and urban areas."**



**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

There were three components (PAD, page 4).

**1. Wuwei Road Network Improvement.** The estimated cost at appraisal was US\$138.56 million. The actual cost was US\$106.85 million. This component planned to rehabilitate roads in Gulang County and Liangzhou District of Wuwei Municipality (including associated bridges and culverts, level-crossings, lighting, landscaping, road safety and drainage features). The selected roads connected to the Wuwei Golden Avenue (the main industrial development artery through the rural-urban integration core area).

**2. Linxia Road Network Improvement.** The estimated cost at appraisal was US\$73.30 million. The actual cost was 63.29 million. This component planned to rehabilitate roads in Linxia County of Linxia Prefecture (including associated bridges and culverts, level-crossings, lighting, landscaping, road safety and drainage features). The selected roads connected the rural villages that lacked paved road access to the urban spine of Linxia and two development zones.

**3. Technical Assistance (TA) and Project Management.** The estimated cost at appraisal was US\$4.07 million. The actual cost was US\$2.64 million. Activities in this component: (i) TA support, training and financing project related studies in road safety, maintenance and rural beneficiaries' support; and (ii) implementation support and support for monitoring and evaluation and capacity building.

**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Project cost.** The estimated cost at appraisal was US\$227.48 million. The actual cost was US\$183.00 million. Over US\$10.00 million of investments were dropped during implementation. The difference between the appraisal estimate and actual cost was due to the savings realized from competitive bidding.

**Financing.** The project was financed by an IBRD loan of US\$150.00 million. The loan was fully disbursed.

**Borrower contribution.** The Borrower contribution of US\$77.48 million was planned at appraisal. The actual contribution was less than planned at US\$33.00 million.

**Dates.** The project was approved on March 31, 2015, became effective on August 14, 2015, and scheduled to close on June 30, 2021. The project closed six months behind schedule on December 31, 2021.

**Other changes.** There were two Level 2 restructurings.

The main changes made **through the first restructuring on October 12, 2018** are as follows:

- Project activities were modified. The original design envisioned rehabilitating nine road sections in Wuwei. Part of the planned Wuwei's A 7 section road overlapped with a parallel road development



project for the Gansu International Inland Port Zone. Hence this activity was dropped. The Gansu Province constructed the A 9 section road outside the project and hence this activity was dropped. Dropping these sections resulted in a loan saving of US\$4.4 million.

- The design for Linxia Prefecture envisioned rehabilitating five road sections. Part of Linxia's B 5 road overlapped with the newly proposed Yongda Highway Project. This activity was dropped, and removal of this activity resulted in a loan saving of US\$6.4 million.
- The road sections that were dropped in Wuwei municipality and Linxia prefecture were replaced with three other road sections with Bank approval.
- The results framework was modified in accordance with the changes listed above.

The main changes made **through the second restructuring on June 17, 2021:**

- The activity of rehabilitating the road section from Golden Avenue to Huangyang Town Road (A 5) was dropped due to the high cost of resettlement for the wider right of way called for in the updated Wuwei Master Plan and replaced with three other roads in Wuwei.
- A new PDO indicator, "*the number of jobs that the project roads connected to urban and rural residents in Wuwei and Linxia*" was added to measure the scope of the project's impact to improving access to employment opportunities.

The closing date was extended by six months from June 30, 2021 to December 31, 2021 for completing the ongoing activities that were delayed due to factors such as land acquisition and resettlement delays and restrictions imposed in the wake of the COVID - 19 pandemic.

### 3. Relevance of Objectives

#### Rationale

**Country context.** Decades of rapid albeit uneven economic growth led to large economic disparities in China. The gains of economic development accrued mainly to coastal and urban areas, while the rural and inland areas in the western region lagged behind. Reducing economic disparities and integrating rural population into more economic productive urban clusters through connecting rural and urban areas was an important part of the national development strategy. The project areas were in the Wuwei Municipality and Linxia Prefecture in Gansu province in western China. Gansu province was the second poorest of China's 31 provinces in 2014. Its development was hampered due to the lack of all-weather roads connecting the provinces' disparate towns and villages. Wuwei Municipality and Linxia Prefecture in the Gansu province were areas with high incidence of poverty, large minority populations and greater potential for rural-urban migration. Both areas lacked funding for road development and had gaps in institutional capacities for managing road safety and road maintenance.

**Government strategy.** The National 12th Five Year Plan (FYP) of Transport Development for 2011 - 2016 emphasized development of China's western region. This plan and the Gansu province's 12th FYP highlighted the need rehabilitating rural road 'support infrastructure' (such as bridges, drainage and road facilities that mitigated climate and safety risks) and rehabilitating roads for promoting rural-urban migration. Specifically, the plans underscored the need for improving: (i) road maintenance; (ii) road safety; and (iii)



sustainable transportation. Promoting rural-urban integration through project interventions remains relevant to China's 14th FYP for 2021 - 2026.

The *Wuwei Municipality's Urban - Rural Integration and Development of Core Area Master Plan* aimed to develop core areas along the Wuwei Golden Avenue through (i) balancing urban and rural development through improving linkages between rural and urban areas; and (ii) improving livelihood opportunities to the rural population. *The Linxia County's 12th Five Year Plan* emphasized the need for rural-urban integration through developing all season roads and "last mile" connections from isolated villages to the two urban centers of Linxia's urban core and agro-processing districts.

**Bank strategy.** The PDO was well-aligned with the Bank assistance strategy in China. At appraisal, the Strategic theme two of the Country Partnership Strategy (CPS) for 2013 - 2016 articulated the need for "*promoting more inclusive development*" including through increasing rural residents' access to employment, social services and markets. The Bank's current Country Partnership Framework (CPF) for 2020 - 2025 shifted priorities in Bank's engagement with China. China had achieved two of the three IBRD graduation criteria in 2016: (i) it reached the Graduation Discussion Income (GDI) threshold; and (ii) it had reasonable access to external capital markets. The current CPF focused on addressing "*the remaining gaps in demonstration of best practices*" pertaining to policies for sustainability, green development and low-carbon transport and cities. Also, when this project was implemented, due to the success of the previous two five-year rural road construction campaigns, almost all rural households in China living near urban areas had access to all-season paved roads.

**Previous Bank experience.** The Bank assisted in the financing of several road projects in China including through the Guiyang Transport Project (GTP) which closed in December 2013. As in the previous project, the design included road rehabilitation and institutional strengthening activities. Although the poverty-alleviation needs of the key stakeholders (Gansu Province and local governments) was less relevant to the Bank's current CPF, the PDO was relevant to the CPF's focus on policies for sustainable development. Therefore, this review rates the relevance of the PDO as Substantial.

## Rating

Substantial

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1

#### Objective

To provide residents in Wuwei Municipality and Linxia Prefecture with improved connectivity between rural and urban areas

#### Rationale

**Theory of change.** Rehabilitating roads connecting rural and urban areas with climate resilient designs, support facilities and road safety features in Wuwei and Linxia were likely to aid in improving connectivity. The



outcome was likely to be reinforced by the institutional strengthening activities (preparing road maintenance plans and training respective agencies on road safety). The combination of these activities was likely to contribute to the long-term development outcomes of: (i) helping rural residents access to employment in urban areas; (ii) enable farmers to move products to emerging agricultural processing centers and final markets; and (iii) encourage development of new processing and manufacturing clusters. The causal links between activities, outputs and outcomes were logical and the outcomes were monitorable. The theory of change assumes the following: (i) availability of counterpart funding; (ii) adequate capacities of the public entities; and (iii) the public entities are committed to adopting road safety practices.

**Outputs** (ICR, pages 14 and 17).

- 78.2 kilometers (km) of roads were rehabilitated in Wuwei, exceeding the original and achieving the revised targets of 63.4 km and 78.2 km respectively. The roads linked rural areas to Golden Avenue and other arterials identified in the Wuwei Rural-Urban Integration Master Plan. A 120 - meter bridge was constructed for connecting the County seat and one of the three major arterial roads in the country. 26.9 km of rural roads were constructed. There were no targets for this indicator.
- 47.8 km of roads were rehabilitated in Linxia, nearly achieving the target of 47.9 km. These roads connected the rural agricultural areas to the two urban core areas of Linxia and two agro - processing districts.
- The long-term road maintenance strategies were prepared as targeted in Wuwei and Linxia. Liangzhou piloted the recommended rural road maintenance technology on its roads.
- 370 solar greenhouses were constructed along the rural roads. There were no targets for this indicator.
- A total of 585 people from the transport bureaus and PIUs were trained under the project in the areas of project management, sustainable road maintenance, road safety, and support for rural beneficiaries. This exceeded the target of 535. In Linxia county around 255 local individuals were involved in road construction (including 69 women).
- 126 China Resettlement Action Plan (RAP) assessments were completed with road safety recommendations as targeted. Post-construction recommendations were implemented by Wuwei and Linxia governments using their own resources.
- The transport bureau staff in both places were trained on road safety inspections. There were no targets for this indicator.
- Transport bureaus in both places implemented additional road safety activities such as rumble strips for speed reduction, improved road signage and traffic signals to improve the road condition for users, and road safety enforcement.
- According to the data provided by the implementing agencies, rural incomes grew by at least 75% in Gulang and Linxia counties during years of implementation. The ICR notes that though rural incomes grew more slowly than urban incomes in the three years before project implementation (2013 - 2015), they grew faster than urban incomes from 2015 - 2020. While the growth in rural income cannot be fully attributed to the project activities, because of the pervasive nature of road infrastructure investments, it is reasonable to conclude that project activities contributed to increasing rural incomes in the project areas.
- The final works for Gulang road A 12 were delayed pending transfer of title to a narrow strip of open land at the edge of the planned right of way. The ICR (paragraph 63) notes that the land transfer is expected to be completed before June 2023.



### **Outcomes** (ICR, page 17).

The outputs described above were expected to result in the following outcomes: (i) increase the share of population with access to an all-season road; (ii) increase travel time savings on the selected key project roads; and (iii) increase the number of jobs available to urban and rural residents in Wuwei and Linxia.

- 84% of the rural population had access to an all-season road in Wuwei and Linxia when the project closed in 2021, as compared to 65% at the baseline in 2014. This exceeded both the original and revised targets of 78% and 83% respectively.
- 1,580,557 rural people, according to the ICR, had gained access to an all-season climate-resilient roads in Wuwei and Linxia when the project closed, exceeding the original and revised targets of 1,166,069 and 1,510,000 respectively. This included 47,500 rural residents in Linxia who had access to an all-season road for the first time. 84% of rural women had access to an all-season road when the project closed, exceeding the original and revised targets of 78% and 83% respectively.
- According to the ICR, 264,057 residents of rural villages or townships directly benefitted from project roads as per the revised target and exceeding the original target of 167,956.
- Average travel time in the project-intervened areas decreased by 47%, exceeding the original and revised targets of 39% and 38% respectively.
- The project-intervened roads were recorded as responsible for 8,403 jobs exceeding the target of 8,000. According to the clarifications provided by the Bank project team, the methodology followed for monitoring this indicator was as follows: both the Wuwei and Linxia Project Management Offices (PMOs) made a list of all businesses, factories and enterprises that the completed project roads directly connected to and requested the businesses to report the number of active jobs (positions) they were providing before and after the road improvements. This indicator was then calculated by summing up the number of additional jobs provided by all the businesses on the list.

The efficacy with which the project's objective was achieved is rated by this review as substantial, given that most of the expected outcomes were realized or exceeded. However, while the indicators measured the extent to which the project aided in enabling people reach employment centers, there were no indicators intended to measure the extent to which the project aided in helping the farmers to move products to emerging processing centers and final markets. On the other hand, this area of support to farmers was not part of the project's stated objective.

**Rating**  
Substantial

## **OVERALL EFFICACY**

### **Rationale**

Overall, the efficacy with which the project's objective was achieved is rated substantial because of the evidence that all the intended project outcomes were achieved.



### Overall Efficacy Rating

Substantial

### 5. Efficiency

**Economic analysis.** Ex-ante and ex-post cost-benefit analyses were conducted for road improvements in Wuwei and Linxia. Road improvement activities accounted for 98% of the actual total cost. The benefits were assumed to come from reduction in vehicle operating costs, travel time savings, reduction in accidents and fatalities, expanded market access for rural producers and reduced transportation costs for agricultural goods. The ex-post Economic Internal Rate of Return (EIRR) was 13.9%. The ex-post EIRR, although higher than the opportunity cost of capital at 12%, was slightly lower than the ex-ante EIRR of 16%, partly due to the lower than expected traffic volumes in the wake of the restrictions imposed due to the COVID-19 pandemic.

**Savings.** Savings of US\$28.00 million were realized during implementation due to competitive bidding. The average award price for civil works was 13% lower than the appraisal estimate. This aided in completing the project activities with the Bank loan and therefore counterpart funding was lower than planned at appraisal.

**Administrative and operational issues.** There were some delays during the initial years such as, delays in counterpart funding, land acquisition and resettlement. These were resolved and all the planned activities were completed, despite the delays due to the restrictions in the wake of the COVID - 19 pandemic, with a six-month extension of the project closing date.

In sum, the efficiency with which the project was implemented is rated as substantial.

### Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	16.00	98.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	13.90	98.00 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

### 6. Outcome





Relevance of the PDO to the Government strategy and the current Bank strategy is rated as substantial. Both efficacy and efficiency are also rated substantial. This review concluded that there were only minor shortcomings in the project's achievement of its objectives. The project's overall outcome is therefore rated satisfactory

**a. Outcome Rating**

Satisfactory

## 7. Risk to Development Outcome

**Government commitment.** There is a modest risk to the sustainability of the development outcomes as they could be undermined due to inadequate road maintenance and axle load enforcement. The ICR (paragraph 86) notes that both Wuwei and Linxia have adopted rural maintenance plans developed under the project and that their transport bureaus have adequate resources for financing road maintenance activities. However, axle load protocols are yet to be resolved.

**Economic risk.** There is modest risk that the development outcome could be undermined due to the slower than expected job growth in industrial parks and other employment centers in the project intervened areas

## 8. Assessment of Bank Performance

**a. Quality-at-Entry**

The appraisal document prepared by the Bank for this project was based on the experiences from the previous Bank-financed Guiyang Transport Project. Lessons incorporated at design included: (i) placing the responsibility for contract management in the hands of a Project Management Office (PMO) as opposed to hiring an external agency; (ii) conducting a fiscal sustainability analysis at appraisal to confirm availability of counterpart funding; (iii) activities associated with developing low cost transit services (such as through bus stops and stations) were excluded, as the experience from the previous Bank-financed project showed that these services were not well-utilized in the short term; and (iv) financing a study on community-based maintenance schemes (PAD, paragraphs 27 - 29). The selection of roads to be rehabilitated in the two project areas were based on the priority roads identified in their respective plans.

The implementation arrangements were simple and appropriate. They included: (i) the Gansu Provincial Project Coordination Office (PCO) established under the Provincial Foreign Loan Office of the Gansu Provincial Finance Department was responsible for overall project coordination; and (ii) the Wuwei Municipality and Linxia County were separately responsible for implementing their project components (PAD, paragraphs 32 and 33).

The preparation team had identified risks at appraisal including risks due to weak implementation capacity, counterpart funding delays, and design risk. Mitigation measures included, training staff, reducing the project size from the original proposal to reduce counterpart funding and Bank review of the





engineering designs of roads and bridges prior to bidding. Even with mitigation measures the implementation risk was rated as substantial (PAD, paragraph 37). Appropriate arrangements were made at appraisal for the application safeguards and fiduciary compliance (discussed in sections 9 and 10).

There were shortcomings in Quality-at-Entry. The project preparation team underestimated the challenges associated with counterpart funding and counterpart funding was less than planned. There were also significant shortcomings in M&E design (to be discussed in section 9).

Overall, this review concluded that there were moderate shortcomings in Quality-at-Entry and therefore rated it as moderately satisfactory.

### **Quality-at-Entry Rating** Moderately Satisfactory

#### **b. Quality of supervision**

Thirteen Implementation Status Results (ISR) Reports were filed over the project lifetime of seven years, implying on average twice a year supervision mission. Proactive support provided by the team facilitated project implementation and due diligence by the task team ensured selection of high-impact roads that were added during implementation. The Bank project team proposed an appropriate PDO indicator to measure accessibility to jobs on the project roads. The support provided by the supervision team aided in safeguards and fiduciary compliance (discussed in section 10). According to the clarification provided to IEG by the Bank team, the continuity of leadership was maintained, with two Task Team Leaders (TTLs) during the project lifetime.

As discussed above, during supervision the government with support from the Bank designed a new indicator to measure efficacy which confirmed the project's success in creating additional employment.

The quality of supervision was satisfactory.

In sum, overall Bank Performance is rated as **moderately satisfactory**, due to the shortcomings in Quality-at-Entry.

### **Quality of Supervision Rating** Satisfactory

### **Overall Bank Performance Rating** Moderately Satisfactory

## **9. M&E Design, Implementation, & Utilization**



### **a. M&E Design**

The results framework was logical and the key outcome indicators measured the following: one, the number of people who benefitted from improved connectivity between urban and rural areas to reach employment centers, and two, the extent to which the beneficiaries benefitted from improved connectivity due to the average reduction in travel time between urban and rural areas in the project-intervened areas.

There were however M&E design shortcomings. Some indicators were difficult to measure. For travel time savings, the M&E design in the PAD aimed to use the Rural Accessibility Index (RAI) (defined as road access within two km distance to an all-season road). However, according to the clarifications provided by the team, RAI is a standard indicator that is best suited to uniform rural areas with minimum transport infrastructure where a project aims to provide the most basic level of road access and hence reduced travel time for the transport of agricultural products to markets. This indicator was less relevant for this project, as the project was intended to focus on helping residents living in rural villages to both facilitate the marketing of agricultural products and to access jobs in urban areas. The Bank project team also clarified that because access to urban employment was time sensitive, the project aimed for a higher level of road access than the RAI. The Bank hence proposed an improved indicator for this project (the number of jobs directly created on project roads for both urban and rural residents). On the other hand, there were no indicators for measuring the access by rural people to product and labor markets, although access to these markets were not explicitly part of the project's stated PDO.

The Project Management Units (PMOs) at the Wuwei Municipality and Linxia Prefecture were responsible for collecting data for monitoring project performance with their respective transport bureau staff. The data collected were however related to employment generated and not ease of access for the rural population to the agricultural product or labor market. Given that project activities included road safety features, there was no indicator aimed to measure road safety features (such as the through measuring the trends in accidents and fatalities on the project-intervened areas during implementation).

### **b. M&E Implementation**

The RAI methodology used during preparation of the PAD was too complex for the implementing agencies in Gansu province, as they did not have Geographic Information System (GIS) processing capabilities normally used to calculate the RAI (ICR para 68). The RAI methodology was modified through the 2018 project restructuring. The revision entailed tabulation of RAI at the village (rather than the household level). The ICR notes that while this approach was adequate because the village clusters were generally compact, the new approach was implemented poorly. As a result, RAI outcomes could not be verified for Wuwei Municipality. It is also not clear why the supervision did not develop some quantitative data on the bus services (discussed in section 10).

The M&E was able to estimate the impact of the project on employment, but it was not able to estimate the impact of the project on access by rural people to product and labor markets through the improved roads.

### **c. M&E Utilization**



The ICR (paragraph 69) noted that there was little utilization of M&E data due to the limited capabilities of the transport bureaus for spatial analyses in Wuwei and Linxia. The project could have benefitted through simpler analysis, given the limited technical capacities of the implementing agencies.

In sum, overall M&E is rated **modest**, in view of the shortcomings in M&E design, implementation and utilization.

## **M&E Quality Rating**

Modest

## **10. Other Issues**

### **a. Safeguards**

The project was classified as a Category A (Full Assessment) project under the World Bank safeguard policies. Five safeguard policies were triggered at appraisal; Environmental Assessment (OP/BP 4.01); Natural Habitats (OP/BP 4.04); Physical Cultural Resources (OP/BP 4.11); Indigenous Peoples (OP/BP 4.10); and Involuntary Resettlement (OP/BP 4.12). (PAD Data Sheet).

**Environmental Assessment, Natural Habitats and Physical Cultural Resources.** Most adverse environmental impacts were related to road and bridge construction activities (such as dust, erosion, occupational health and safety and traffic) and operation phase concerns (such as vehicle noise and emission and potential chemical leakage). These impacts were assessed to be limited, temporary and site-specific. The safeguards on Physical Cultural Resources was triggered as ten mosques and a Taoist temple were identified in the vicinity of four of the project's rural roads in Linxia. The safeguards on Natural Habitats was triggered as a precaution as soil erosion caused by construction could affect the Daxia River in Linxia. The Wuwei Municipality and the Linxia Prefecture prepared and publicly disclosed Environmental and Social Management Plans (ESMPs) at appraisal to address these safeguards. There was compliance with these safeguards and hence there were no outstanding issues with environmental safeguards or issues with Physical Cultural Resources and natural habitats at project closure (ICR, paragraph 76).

**Indigenous Peoples and Involuntary Resettlement.** An Ethnic Minority Development Plan (EMDP) was prepared and publicly disclosed at appraisal to ensure that the project activities benefit the ethnic minorities. The project involved land acquisition and resettlement. The Wuwei Municipality and Linxia Prefecture publicly-disclosed their respective resettlement action plans at appraisal. All resettlement issues were resolved, and the Project-Affected Persons (PAPs) were compensated by project closure (ICR, paragraphs 72 and 73). Resettlement impacts declined significantly due to the reduction in new urban road construction. Land acquisition declined by 35% (from 157 to 102 hectares), the number of affected rural families decreased by 32% (from 2,662 to 1,806). 48 rural families (210 persons) were relocated. Both Wuwei and Linxia maintained grievance redress mechanisms during implementation. There was full compliance and hence no issues with the safeguards on indigenous peoples when the project closed.

### **b. Fiduciary Compliance**



**Financial Management.** The PMO in Linxia and the PIU in Wuwei, were responsible for financial management. The Bank conducted an assessment of their financial management arrangements at appraisal. The assessment identified their lack of experience in managing Bank projects. The mitigation measures incorporated at design included, developing financial management manuals by Wuwei and Linxia and training staff. The ICR (paragraph 79) notes that financial management was adequate during implementation. There were no significant issues, and the financial audits were unqualified.

**Procurement.** The Bank conducted a procurement assessment at appraisal. Neither the Linxia county PMO nor the Wuwei municipality PIU had ever executed Bank projects. The mitigation measures at design included, recruiting a qualified procurement agent with experience in Bank projects, developing a procurement manual and training staff (PAD, paragraph 52). The ICR (paragraph 77) notes that procurement management was satisfactory.

**c. Unintended impacts (Positive or Negative)**

One unintended impact following the execution of road works was the expansion of public transit bus services in rural areas (ICR, paragraph 47). The ICR notes that at appraisal public transit facilities was not included in the project financing due to uncertainty about whether transit services would emerge.

**d. Other**

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**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Moderately Satisfactory	There were shortcomings in the Quality-at-Entry.
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

**12. Lessons**

The ICR draws the following lessons from the experience of implementing this project, with some adaptation of language.

**1. A simple and flexible project design that reflects a country's priorities helps in addressing challenges during implementation.** The roads selected in this project were based on the priorities identified in the Wuwei and Linxia plans. Having the selection criteria established in the PAD as



opposed to fixed selection of roads provided the governments with flexibility to select interventions during implementation while adjusting to changing circumstances.

**2. A careful consideration of environmental and social risks is particularly needed in road projects.** In this project, the implementing agencies took steps to reduce resettlement impacts and consulted with the Project Affected Persons to refine road alignments to reduce overall project risks. These risks were lowered further by prioritizing roads with lower environmental and social impacts.

**3. The project underscored the importance of capacity building activities.** The experience of this project demonstrated that even in countries with very well-developed institutional capabilities such as China, technical and management capacity can vary across levels of government, agencies and jurisdictions. For example, technical capacity of the local transport bureaus was limited at the county-level in Gansu and the project responded to addressing the institutional capacity gaps in a targeted manner.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

The ICR is well-written and clear for the most part. The theory of change articulated in the text shows clear causal links between project activities, outputs and outcomes and clearly states the assumptions behind the theory of change. The ICR provides ample adequate analytical evidence to assess the project outcomes, is results oriented and consistent. The ICR's lessons are clear, useful, and based on evidence outlined in the ICR. The photographs provided in pages 15 - 16 and pages 50 - 51 help the reader to visualize the changes made through the project's activities. The ICR for the most part adheres to the recommended length. However, there were some shortcomings in the completeness of information on Monitoring and Evaluation.

#### a. Quality of ICR Rating

Substantial

