

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA31584

Project Name	Guizhou Tongren Rural Transport Project (P148071)
Region	EAST ASIA AND PACIFIC
Country	China
Sector(s)	Rural and Inter-Urban Roads and Highways (100%)
Theme(s)	Rural services and infrastructure (100%)
Lending Instrument	Investment Project Financing
Project ID	P148071
Borrower(s)	People's Republic of China
Implementing Agency	Tongren Project Leading Group
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	31-Jul-2015
Date PID Approved/Disclosed	22-Jun-2015, 05-Aug-2015
Estimated Date of Appraisal Completion	19-Jun-2015
Estimated Date of Board Approval	25-Sep-2015
Appraisal Review Decision (from Decision Note)	<p>From the QER Decision Note:</p> <p>Proceeding with Appraisal. The QER encouraged the task team to conduct a Pre-Appraisal/Appraisal mission, pending project readiness, particularly in terms of safeguards preparations. In summary, the key decisions taken include: (a) The review consented to the Pre-Appraisal/Appraisal mission, beginning March 16, after which time the Team would report project readiness status; (b)The Team will revise the PAD, including the main text, results indicators, detailed project description, implementation arrangements, risk framework, and economic and financial analyses, based on the review discussion; and (c) During the Appraisal mission, the Task Team will clarify issues related to technical assistance, fiscal sustainability, and results indicators.</p>

I. Project Context

Country Context

For the past twenty years, the Chinese economy has grown at a remarkable average rate of more than nine percent per year. However, this growth has not been spread evenly throughout the country, and there are growing wealth disparities between coastal and inland regions, as well as between urban and rural areas. In support of shared prosperity for all Chinese people, the

Government of China has given priority to economic development in the lagging western and central regions and is providing financial support to transport infrastructure development in rural areas.

Among these prioritized areas for transport infrastructure development is Guizhou Province (pop. 35 million), which on a GDP per capita basis, is the poorest province in China. Guizhou's GDP per capita was USD 3,700 in 2012, which was only 50 percent of the national average. Within Guizhou, Tongren Municipality (pop. 4.2 million), has fallen particularly behind in its economic development. Tongren's GDP per capita is less than USD 2,000, and 25 percent of residents have incomes below the national poverty line.

Tongren Municipality's geography - where more than 96 percent of its 18,000 square-km area comprises hilly and mountainous terrain - has resulted in a highly dispersed and isolated population, with little connectivity between rural and urban areas. The impact of disconnectedness is reflected in Tongren's income disparity, where rural incomes are only 24 percent of urban disposable incomes.

To overcome these topographical barriers to development and lift the rural population above the national poverty line, the Guizhou Provincial Government and Tongren Municipal Government have prioritized improvement of the rural road network, targeting areas with the most need, as well as the most economic development potential, such as Dejiang and Sinan counties, where only 21 percent of villages have access to classified, all-weather roads, and the urbanization rate is less than 35 percent.

Dejiang County (pop. 540,000), located in northwestern Tongren, comprises 18 townships and 345 administrative villages, and is home to 18 ethnic minorities, including the Miao and Tujia peoples. In 2013, average urban and rural disposable incomes in Dejiang were USD 2,844 and USD 771, respectively, representing 65 percent and 54 percent of the national average. In recent years, new highway connections to Chongqing and Hunan provinces have been built in Dejiang, improving its strategic importance -- Dejiang has been designated as one of Guizhou's nine future regional transport and logistics hubs and has thus been prioritized for further investment in its transportation network.

Sinan County (pop. 680,000), located in western Tongren, comprises 27 townships and 571 administrative villages, and is also home to a mix of ethnic minorities. In 2013, average urban and rural disposable incomes were USD 2,858 and USD 808, respectively, which represented 66 percent and 56 percent of the national average. Sinan has been targeted for transport network improvements to support further growth in its tourism, agriculture, and mining industries. Sinan is listed as one of 12 key tourism areas in Guizhou and has favorable natural conditions to support development of its agriculture and mining industries.

Sectoral and institutional Context

While the county-level road network is mostly complete in Tongren, township and village-level roads are still mostly unpaved, blocking access of hundreds of thousands of residents to the transport network. As of 2013, only about half of township-level roads were paved in Tongren, and only 14 percent of village roads were paved.

To complete the network, Tongren's 12th Five-Year-Plan (2011-2015) has set the following targets for rural road development: (a) connect 70 percent of villages with paved roads; (b) enhance rural roads maintenance management, improve supporting facilities, optimize the road network, and increase the level of service and disaster risk management capabilities; and (c) extend the road network for passenger travel and provide public transport services between urban and rural areas. The Tongren 13th Five Year Plan (2016-2020), which is under preparation as of time of writing, will build on the 12th Five-Year Plans and tentatively sets the following targets for rural roads: (a) connect 100 percent of inhabited counties with paved roads; (b) establish a basic rural logistics system and improve the efficiency of passenger and freight transport; and (c) enhance technical capacity for disaster risk management, road safety, and emergency response.

The proposed project will support completion of Tongren's Rural Roads Development 12th Five-Year Plan in Dejiang and Sinan counties by upgrading selected rural roads to Class IV and building and upgrading rural bridges. These investments will increase connectivity by reducing the travel time between rural areas and urbanized areas and by increasing the reliability of access, which will improve accessibility to markets, education, healthcare, work opportunities and other resources. By improving connectivity in these counties, the project will provide the necessary foundation upon which to implement the proposed 13th Five-Year Plan.

The Bank has financed two similar projects in the same province: the Guiyang Transport Project (closed on December 31, 2013) and the Guiyang Rural Roads Project (under implementation). However, this will be the first transport project that the Bank has financed in Tongren Municipality

II. Proposed Development Objectives

The project development objective is to improve rural transport connectivity in Dejiang and Sinan counties.

III. Project Description

Component Name

A. Dejiang Rural Transport

Comments (optional)

Component Name

B. Sinan Rural Transport

Comments (optional)

Component Name

C. Technical Assistance

Comments (optional)

IV. Financing (in USD Million)

Total Project Cost:	231.79	Total Bank Financing:	150.00
Financing Gap:	0.00		

For Loans/Credits/Others	Amount
Borrower	81.79
International Bank for Reconstruction and Development	150.00
Total	231.79

V. Implementation

The two project counties, Dejiang and Sinan, will be responsible for the implementation of their respective project components, under the leadership and coordination of a Project Management Office (PMO), housed under Tongren Transport Bureau.

Leading Groups. Tongren Municipal Government has established a Project Leading Group (PLG), headed by the Vice Mayor and comprised of staff from the relevant municipal departments (including the DRC, Finance Bureau, and Environment Protection Bureau) as well as representatives of Dejiang County Government, and Sinan County Government to provide overall guidance on the project. Similar leading groups have been established in Dejiang County and Sinan County, which are led by the county mayors.

Project Management Offices (PMOs). A coordinating PMO has been established under the Tongren Municipal Transport Bureau to facilitate information sharing between the county-level PMOs, as well as coordinating all Bank-reporting duties, consolidating project financial statements, coordinating hiring of consultants to support project management (including external safeguards monitoring and overseas training planning), and leading the technical assistance component (including contract signing for technical assistance activities). Sub-PMOs have been established in the transportation bureaus of each county with responsibility for project management and implementation, including procurement, contract signing, financial management reporting, and internal social safeguards monitoring.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04	x	
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11	x	
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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