Report Number : ICRR0021326

1. Project Data

Project ID	Project Name
P126454	Xinjiang Yining Urban Transport Improve
Country	**Practice Area(Lead)**
China	Transport

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IBRD-81660	31-Dec-2017	90,886,643.14
Bank Approval Date	**Closing Date (Actual)**	
29-May-2012	31-Dec-2017	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	100,000,000.00	0.00
Revised Commitment	90,886,643.14	0.00
Actual	90,886,643.14	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Gerhard Menckhoff	Fernando Manibog	Ramachandra Jammi	IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

The project development objective (PDO) was “to improve transport mobility in the central urban area of Yining Municipality, and to provide transport accessibility in the selected new areas of Yining Municipality, all in a safe, clean and efficient manner.” (ICR p.7). This formulation is identical in the PAD (p.4) and the Loan Agreement (p.5).

For this ICR Review, the Loan’s PDO statement will be assessed as two specific sub-objectives in the efficacy section (Section 4):

PDO1: to improve transport mobility in the central urban area of Yining Municipality; and

PDO 2: to provide transport accessibility in the selected new areas of Yining Municipality.

Results related to safe and clean urban transport will be discussed under PDO1.

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

No

c. Will a split evaluation be undertaken?

No

d. Components

A - Urban Road Improvement and Construction (appraisal estimate US$149.62 million, actual cost US$92.88 million): Three subcomponents: (1) Improvement of about 30 km of selected urban roads in the existing road network. (2) Construction of about 42 km new urban roads that support the urban land use development in the new city area. (3) Acquisition of road maintenance and auxiliary equipment.

B - Public Transport Infrastructure and Equipment (appraisal estimate US$31.05 million, actual cost US$22.65 million): Three subcomponents: (1) Construction of bus infrastructure facilities. (2) Establishment of an advanced bus dispatching system and an integrated circuit card system. (3) Acquisition of a number of clean energy buses.

C - Traffic Management and Road Safety (appraisal estimate US$20.10 million, actual cost US$12.88 million): Three subcomponents: (1) Establishment of a traffic command centre and installation of traffic enforcement equipment. (2) Acquisition of an area traffic control system along with signal upgrades and junction channelizations. (3) Improvement of corridors on Jiefang Road and Ahemaitijiang Road.

D - Institutional Capacity Development (appraisal estimate US$3.16 million, actual cost (US$1.99 million): Four subcomponents: (1) Provision of technical assistance for project implementation. (2) Carrying out of a series of training and study tours. (3) Provision of technical assistance for a number of thematic studies. (4) Provision of incremental operating costs for project management.

Revisions in components: While the components remained the same, the client (Yining Project Management Office (PMO)) and the Bank agreed on the modification of several subcomponents as described below (see also p.9 of ICR):

Urban Road Improvement and Construction*:* (i) new road construction (subcomponent (A2) above) was reduced from 42 km to 33.5 km, due to difficulties in land acquisition and changes in the city's land use

plan. (ii) With regard to subcomponents A1 and A2 above, land acquisition and construction costs were reduced *"due to optimization of road cross section design".* The ICR does not elaborate on the technical elements of the optimized cross sections (such as the width of lanes, medians, bikeways and sidewalks). (iii) the cost reduction of subcomponent A1 – 30 km of existing road improvements – amounted to almost half of the appraisal estimate. The project team informed IEG that the widths of sidewalks and bikeways were not changed, and that the narrowing of cross sections was achieved by reducing the roadway width from 6 to 4 traffic lanes, or (at other locations) from 4 to 2 traffic lanes. The original designs had been over-dimensioned in line with Chinese practice, but during implementation the project team negotiated with the Chinese authorities to apply cross section standards that are economically superior and reduce social intrusion.

Public Transport Infrastructure and Equipment*:* The construction of two fuel stations and two bus terminals was deleted from public transport infrastructure subcomponent B1 because of changes in the Yining Municipality Land Use Master Plan and land acquisition problems.

Institutional Capacity Development: Under the subcomponent D3, the "Parking Policy and Planning" thematic study was incorporated in the comprehensive urban transport planning study. Also, the road maintenance thematic study was dropped.

These reallocation/changes were minor and did not affect the PDO nor the results indicators.

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

Project Cost. At appraisal, the total estimated project cost as reported in the Project Appraisal Document (PAD p.6) was US$208.38 million. However, the disbursement table of the Loan Agreement (p.8) implied total costs of only US$125.4 million. When the loan closed, total costs amounted to US$133.70 million.

Financing. The Project was financed through an IBRD loan of US$100.00 million. When the loan closed, US$90.89 million had been disbursed (i.e. a reduction of 9%).

Borrower Contribution. At appraisal, the Yining Municipal Government committed counterpart funds of US$108.38 million for the Project (PAD p. 6). However, the disbursement table of the Loan Agreement (p.8) implied counterpart costs of only US$25.4 million. During the discussion with the project team, it was concluded that the error occurred at appraisal. However, neither the ICR nor the ISRs available make any mention of this issue. When the loan closed, the counterpart finance amounted to US$42.81 million.

Dates. The project was approved on May 29, 2012. The loan became effective on August 22, 2012 and closed on December 31, 2017 (i.e. the original closing date).

Comments: As indicated above, there is a discrepancy between the PAD (p.6 and 14) and the Loan Agreement (p.8) with regard to total project costs and counterpart funding. The ICR mentions only the

higher amounts set out in the PAD, and these imply that the total cost at project closing were 36% less than estimated at appraisal. Using the data from the Loan Agreement as a basis, total project costs increased by 7% over the values implicit in the disbursement table.

On a perhaps related issue, expenses for land acquisition are not mentioned in any of the three key documents (PAD, Loan Agreement and ICR). The PAD (p.23) mentions that the equivalent of US$19.5 million had been budgeted for compensation and resettlement, but this amount is not shown in any of the project cost tables.

3. Relevance of Objectives

Rationale

Alignment with Bank Country Partnership Strategy (CPS): The PDOs are consistent with the Bank Group's China CPS for FY 2013-16, which was prepared at the time of project preparation. They underline its first Strategic Theme (supporting greener growth) and one of its key outcomes (promoting low-carbon urban transport). The CPS (p. 21) identified following areas for the Bank intervention which are aligned with the project objectives:

- Rapid motorization of China's cities is creating challenges from the local to the global levels. These include: traffic congestion, road accidents, air pollution.
- In many small cities, where there is weak institutional capacity, the Bank can help strengthen urban transport planning, financing and management to set the stage for sustainable, low-carbon urban transport development.
- The Bank can continue to support accelerating the shift to public transport and improving transport efficiency through city-specific transport investments.
- Promote urban transport safety by demonstrating road safety and traffic management measures.

The Bank's recent Systematic Country Diagnostics (SCD) for China prioritizes, among others, dislocation and inequality from economic transition, disparity in access to public services, challenges presented by climate change and air pollution, and promotion of "green growth".

Alignment with Country Priorities: At appraisal, many of China's large cities in the east, small and medium cities in the west (such as Yining) were facing a pressing need for the construction of new urban roads to support their spatial expansion. Moreover, there was a realization that the country's rapid

urbanization was generating problems such as traffic congestion, air pollution and road accidents. China's 12th Five-Year Plan emphasized the strategic significance of prioritizing the development of a comprehensive public transport network for urban transport services. China's recent 13th Five-Year Plan (2016-2020) supports the development of "special regions" and climate change management, adds innovation-driven development and new urbanization with improved planning, regional equity, and access to quality public services. The project's PDOs are therefore highly relevant to China's national development strategy as reflected in the 12th and 13th Five-Year Plan.

Rating
High

4. Achievement of Objectives (Efficacy)

Objective 1
Objective

Improve transport mobility in the central urban area of Yining Municipality in a safe and clean manner.

Rationale

The project's theory of change was built on the premise that the project activities such as the improvements and the construction of new urban roads, installation of traffic signals and Area Traffic Control (ATC) system, provision of buses and construction of bus stops, would result in improvement in transport mobility and accessibility in a safe and clean manner.

Outputs: The following outputs were achieved during the life of the Project to meet this objective (p.7, 10, 11 and 12 of ICR). Several of these address transport issues in the entire urban area, i.e. not only in the central area.

- Improvements to 30.4 km of existing urban roads.
- Improvements to two corridors – Jiefang and Ahemaitijiang Roads – applying integrated road development principles. In addition to traffic engineering works, this included (a) improved bus stop locations and designs, (b) bus information provision, and (c) on-street priority for buses.
- Installation of traffic signals at 33 intersections.
- Installation of the Area Traffic Control (ATC) system.
- Installation of 88 sets of traffic enforcement cameras.

- Acquisition of road maintenance, street lighting and road sweeping equipment.
- Completion of a comprehensive transport and parking study.
- Acquisition of 250 eco-buses. It is not clear from the ICR whether these buses complied with the high bus emission standards such as Euro 5. Page 11 of the ICR mentions that, between 2012 and 2017, the overall bus fleet had increased from 329 to 497. It also mentions that 305 old buses were retired when the 250 Bank-financed buses were delivered. This implies that the bus operator purchased 223 (329+250-305-497) additional buses. There is no indication whether the separately purchased buses had the same emission characteristic as those financed by the Bank.
- Establishment of a bus command center and a real-time bus scheduling and dispatching system.
- Introduction of Integrated Circuit (fare) cards.
- Extension of bus services to new development areas.
- Improvement to four existing bus terminals.

Outcomes

1. As a result of the project activities, the morning peak-hour travel time in the two integrated corridors was reduced by 10% compared to the business as usual scenario.

- Morning peak hour travel time on Jiefang Road: At appraisal (in 2012), the average morning peak travel time on Jiefang Road (between Feijichang Road and Tianjin Road) was 17 minutes. With the increase in private car ownership and number of motorized trips, travel times were expected to increase by 20 percent by 2016 under the business as usual (BAU) scenario, i.e., travel time on Jiefang Road were expected to rise to 20 minutes 20 seconds (PAD p. 24). The peak travel time at project closure in 2017 was 18 minutes and 22 second, 118 seconds below the BAU estimate, i.e. a 10% reduction. It is identical to the target defined at appraisal (18min 20s) (ICR p. 21).

- Morning peak hour travel time on Ahemaitijiang Road. At appraisal (in 2012), the average morning peak travel time on Ahemaitijiang Road (between Jiefang Road and Xinhuadong Road) was 3 minutes and 50 seconds. Under the business as usual (BAU) scenario, this was expected to increase to 4 minutes and 30 seconds (PAD p. 24). The peak travel time at project closure was 3 minutes and 53 seconds, 37 seconds below the BAU estimate, i.e. a 14% reduction. It is also 3% lower than the target defined at appraisal (4 minutes) (ICR p. 21).

2. The project activities increased the public transport ridership in the urban area.

- The annual public transport ridership in the urban area grew from 77 million person-trips (baseline in 2012) to 105.5 million person-trips in 2017, an increase of 37%. This is well above the target established at project appraisal (96 mil/ion person-trips per year) (ICR p. 22).

- According to the city's Master Plan, the overall population was estimated to grow from 470,000 in 2010 to 650,000 persons in 2020 (PAD p.2 and 3). This implies that the public transport ridership would increase by over 10% over a five-year period (i.e. the Project's duration) just to keep up with population growth – even without any Bank-supported improvements to the bus system. The fact that person trips increased at almost four times that pace is an indication that the Project played an important role in promoting public transport – one of the key performance indicators.

3. The project did not seem to have achieved the objective of improving safety as targeted. The trend analysis of traffic fatalities shown below is based on data from the ICR page 12 and three ISRs dated Dec. 2015, June 2017 and Dec 2017. The number of motor vehicles was estimated based on the economic evaluation of the ICR (p.34) and p.2 and 12 of the PAD.

	Number of motor vehicles	**PDO as monitored (annual traffic fatalities per 10,000 motorized vehicles in the urban area)**	**Number of fatalities per year**
2010	67,000	2.69	18
2015	108,700	0.64	7
Nov 2016	117,000	2.67	31
May 2017	121,000	2.00	24
Dec 2017	125,000	0.00	0

The trend analysis shows that:

- The year-by-year number of traffic fatalities shows an erratic pattern, and probably is too low for 2015 and too high for 2016.

- Most of all, it is mathematically impossible to have 55 fatalities in 2016-17, and zero fatalities for the seven month period in 2017. Therefor, the monitoring results of this PDO indicator are not credible. The project team concurred with IEG that the final (zero) indicator value was wrong, and that generally the results of this monitoring indicator are questionable.

While the acquisition of traffic signals and speed-control cameras may have improved driver behavior and thus traffic safety in general, these components, by themselves, do not constitute a traffic safety program. A strategy to reduce traffic fatalities would normally comprise several activities that were not included in this project, such as traffic safety education, regular safety controls of cars and other vehicles, local road and

intersection improvements on the basis of black-spot evaluations of accident locations, improved ambulance services for victims of traffic accidents, and the creation of a traffic safety unit in Government.

4. The improved public transport service results in a significant reduction in greenhouse gas (GHG), amounting to 18% of total public transport benefits (ICR p. 11). The purchase 250 eco-buses and their introduction to service early in the project to augment or replace the 305 existing and unreliable old buses (of which 216 were retired) improved transport-borne air quality.

Rating
Substantial

Objective 2

Objective

Provide transport accessibility in the selected new development areas.

Rationale

Outputs: The following outputs were achieved (p.8, 9, 11 and 12 of ICR):

- Construction of 33.54 km of roads. This is 8.5 km less than envisaged at appraisal.
- Extension of bus services to new development areas.
- Acquisition of road maintenance, street lighting, and street sweeping equipment.

Outcomes:

- The percentage of residents living within 300 meters from a bus stop rose from 33% in 2012 to 60% in 2017 (ICR p. 11).
- The ICR indicates (p.22) that the population with access to quality urban transport services in the selected new development areas increased from 0 in 2012 to 61,000 in 2017, i.e. 1.7% more than the target defined at project appraisal. Although, 20% fewer road-km were built than specified in the Loan Agreement because of non-compatibility with the existing Master Plan and difficulties with land acquisition, the ICR states (p. 12) that this reduction did not affect the achievement of the PDO. While the number of persons benefitting from this part of the project exceeded the original target, it is plausible that the

"quality" of road access is less dense than it would have been with the additional 42 km of new roads defined at appraisal.

Rating
Substantial

Rationale

As a result of the project activities, the morning peak-hour travel time in the two integrated corridors was reduced by 10% compared to the business as usual scenario. There was an increase in the public transport ridership in the urban area. The improved public transport service resulted in a significant reduction in greenhouse gas (GHG) emissions, However, the project did not seem to have achieved the objective of improving safety as targeted. Overall, efficacy is rated substantial.

Overall Efficacy Rating
Substantial

5. Efficiency

Economic Efficiency. At appraisal, a traditional economic evaluation was carried out for the existing road improvements in the urban area, one of the 13 subcomponents and accounting for 28% of estimated total project costs. The estimated Economic Rate of Return (ERR) was 9%, "which exceeds the discount rate of 8%, a domestic criterion for infrastructure investment project" (PAD p.8).

The ICR indicates on p.12/13 that the ex-post Cost-Benefit Analysis (CBA) was expanded to cover all major project components, resulting in an ERR of 14.3%, or a Net Present Value of US$ 66.24 million. In addition, the ICR carried out a "Supplementary CBA in view of international experiences from Area Traffic Control in traffic management, resulting in an EIRR of 17.6%.

The ex-post ERRs of 14.3% and 17.6% are plausible, and well above the threshold of economic justification.

Administrative Efficiency. The project was completed on time as scheduled and at a cost substantially below appraisal estimate.

Overall, project efficiency is rated 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	✓	9.00	28.00 ☐Not Applicable
ICR Estimate	✓	17.60	90.50 ☐Not Applicable

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

6. Outcome

The relevance of the objectives is rated high. The project achieved its objectives of improving transport mobility and accessibility. As a result of the project activities, the morning peak-hour travel time in the two integrated corridors was reduced by 10% compared to the business as usual scenario. There was an increase in the public transport ridership in the urban area. The improved public transport service resulted in a significant reduction in greenhouse gas (GHG) emissions, However, the project did not seem to have achieved the objective of improving safety as targeted. Overall, efficacy is rated substantial. Efficiency is also rated substantial. The project outcome is rated satisfactory.

a. Outcome Rating
Satisfactory

7. Risk to Development Outcome

Institutional risk.

Operations and maintenance of upgraded road infrastructure. The municipal authorities have many years of experience in road maintenance and there appears to be low risk that they would neglect that activity in the future, especially as the Government's ownership of project investments is reported to be strong (ICR p.

9). Moreover, the project funded the purchase of necessary road maintenance equipment to carry out maintenance works.

Operations and maintenance of Advanced Traffic Management and a computer-based bus scheduling and dispatching system. Regarding these two innovative components, the ICR reports (p. 9) that both the traffic police and the bus company have dedicated special staff to operate and maintain those systems.

Financial risk.

For the long-term sustainability, the Yining Municipal Government needs to allocate adequate budget for the maintenance work. The ICR reports that this will be addressed under the upcoming follow-up project (p.12 and 19). Also, the continuing dialogue with the World Bank should further help reduce the already low outcome risk.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was prepared in 12 months from identification (May 2011) to Board approval (May 2012). After the identification mission, there were several intensive missions to refine the project components and to familiarize project agencies on World Bank procedures and processes (ICR p. 14). To prepare for smooth implementation, the Bank guided the Yining Municipal Government in establishing the Project Steering Group (PSG) and Project Management Office (PMO). The Resettlement Action Plan (RAP) for resettlement and land acquisition was prepared. The Bank provided training on financial management, procurement, and reporting, as the Yining Municipal staff was unfamiliar with the Bank requirements in these areas. However there were some shortcomings:

- As presented in the ICR, there is a discrepancy in cost figures between the PAD and the Loan Agreement: At appraisal, the total cost of the Project was reported as **$208 million** – 100 million loan and US$108 million in counterpart funding. However, the disbursement table of the Loan Agreement (page 8) implied counterpart funding of only US$25.4 million. In other words, the total project cost according to the Loan Agreement could not have been higher than about **$125.4 million.** The project team clarified this as follows (email dated December 4): The original project cost estimate at appraisal of $208.38 million as shown in PAD (page 6) included 'indirect cost'—the cost of land acquisition, resettlement and construction-related consulting services (such as the preparation of FSR, EMP, RAP, preliminary design and detail design) distributed to each component proportional to construction cost. However, the disbursement category table on Page 8 of the Loan Agreement only included construction costs, as the World Bank Loan wasn't used for indirect cost. When the loan closed, total project cost was $133.7 million. This final cost included the actual construction cost and the actual indirect cost carried by the client. Due to the reduced land acquisition and resettlement, the lower contract price benefiting from

completive bidding, and the cancelation of some project activities, the actual project cost is lower than the cost estimate at appraisal (US$208.38 million).

- The substance of the project objectives and the four PDO indicators was clear, but there was a difference in the geographical areas they covered: The objectives address the "central urban area of Yining Municipality" and "selected new areas of Yining Municipality", but two of the four PDO indicators measured achievements in the entire urban area. The project team clarified this as follows (email dated December 4): While the PDO statement does not cover the entire urban area because major construction (Component 1) was limited to central urban and selected new areas, two of the PDO indicators were measured in the entire city because relevant activities covered entire urban area and impacts were difficult to separate. Specifically: (i) the public transport activities (including the procured buses, dispatching system, bus depots and other improvement of public transport infrastructure and equipment) contribute to the entire public transport system in Yining. Therefore "increased annual public transport ridership" was measured in the entire urban area; (ii) major traffic management and road safety activities covered the entire city. Therefore, the indicator "reduced average annual number of fatalities per 10,000 motorized vehicles" was designed to measure the safety improvement in the entire city.
- The economic evaluation was quite meager. It covered only 28% of total estimated project costs. The PAD (p. 8) has two fairly general paragraphs and no Annex which would have explained how the Economic Rate of Return of 9% was calculated. The project team clarified this as follows (email dated December 4): Given the similarities in the type of activities and the need to process the project quickly the team decided to move ahead on a representative sample of project activities. We believe that this was the right judgement then, as shown in the ex post analysis. For the ICR, the CBA was expanded to cover the entire road network and most of the public transport and traffic management investments (88% of project cost), which showed the project had a robust ERR at 14.3%

Quality-at-Entry Rating
Satisfactory

b. Quality of supervision

This straightforward but locally innovative project of moderate risk could be – and was – implemented as planned, save a few inevitable changes during implementation, to deliver the planned benefits (ICR page 18). The Supervision focused on completing the planned outputs and achieving the PDO by delivering the intended benefits, while also complying with the Bank's safeguard and fiduciary requirements. These were done diligently. Reporting was candid and the ratings of the project in the Bank's Implementation Status Reports were appropriate. However, in retrospect the Bank could have identified the land acquisition issue earlier and taken more proactive actions, e.g. design optimization and deletion of activities." (ICR p.18/19). There were several shortcomings during supervision:

- As detailed earlier, the reporting on the traffic fatality PDO is not credible. Neither the ISRs available nor the ICR questioned the data provided by the police, nor was any numerical analysis conducted on that aspect.

- The number of staff-weeks spent on supervision (ICR p.29) was very low, especially in FYs 2016/17 (ICR page 29) when only 4 staff-weeks per year were allocated to supervising to this project. The Implementation Progress (IP) was downgraded to "moderately satisfactory" between December 2014 and June 2017 and it is counterintuitive that just during that period the supervision staff-weeks were kept that low. The project team clarified (email date December 4) that the number of staff-weeks as reported in the ICR Annex was automatically generated by the system. It shows only the number of staff weeks charged to the project budget code, which sometimes does not reflect the actual time the task team spent on the project or the intensity of supervision.

- The component to improve existing roads was scaled down to 55% of the originally estimated cost by "road design changes" including "optimizing road cross-section design" (page 9, para 11 of ICR.) "The effects of these changes were examined by the Bank and determined to have no adverse effects on traffic safety, traffic management or traffic flow" (para 12). It is unlikely that within the limited staff-week budget, supervision missions would have been able to give these substantial design reductions more than cursory attention.

On the other hand, the Client noted positively the contributions of visiting Bank missions (ICR p.37): *"World Bank team conducted two on-site inspections each year to promptly identify problems and guide site rectification. These frequent on-site supervision and inspections ensure the smooth progress of project construction."* This comment and the fact that a second Yining project is being prepared are an important counterweight to the shortcomings listed above.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The Project defined a framework to monitor and evaluate the PDOs. It consisted of four outcome indicators: (a) public transport ridership, (b) traffic fatalities, (c) travel times on two integrated corridors, and (d) end-of-project target population of new development area. The first two were supplied by two outside agencies (bus company and police) and should have been straightforward indicators, easy to monitor.

There was geographical discrepancy between the PDOs and the performance indicators. As formulated in the PAD and the legal documents. the PDOs were focused at the central urban areas and the selected new areas of the Yining Municipality. However, indicators (b) and (d) addressed transport issues in the entire urban area.

Also, one of the two integrated corridors was located neither in the central nor in the new development area (see p.11 of ICR).

Indicator (c) was an innovative (for Yining) approach to measure the quality of traffic flow. The last parameter merely recounts that about 60,000 persons moved into a new area of the city, where project-funded roads were built under the project; this is acceptable for the purposes of a particular PDO, but it is not a measure of transport quality or efficiency.

During the project design the capacity of Yining Municipality to carry out the M&E function was not assessed. The ICR notes (p 15) that Yining neither had a data collection and monitoring mechanism for urban transport, nor experience and capacity in data analyses.

b. M&E Implementation

Except for indicator (b), the data were collected appropriately; they demonstrate that the Project achieved its objectives as quantified at appraisal. The results of indicator (b) are not credible, as detailed above in Section 4 (Efficacy). While police departments normally have reliable data on the absolute number of traffic fatalities, the definition of that indicator (traffic fatalities per 10,000 motorized vehicles within the urban area over a three-year period) was perhaps too complex and may have hindered the reporting of credible data.

c. M&E Utilization

Reporting the number of passengers is standard for any bus company and is likely to continue in the future; the GPS-based bus operations system which was installed under the project will permit a much more detailed monitoring of bus service efficiency and quality in the future. Moreover, the monitoring of travel times on key corridors is likely to be sustained in the future. It would thus be appropriate if parameters (a) and (c) be incorporated – probably in modified form – in the monitoring framework of the Bank's second urban transport project for Yining.

The ICR does not provide evidence that the data collected during the implementation for monitoring was used to inform decision making on specific activities.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The Project was classified as category B under Environmental Assessment OP 4.01. Three more safeguard policies were triggered: Physical Cultural Resources OP 4.11; Indigenous Peoples OP 4.10; and Involuntary Resettlement OP 4.12.

Environmental Assessment: The ICR (p.16) and the PAD (p.11) indicate that Environmental Impact assessments and Environmental Management Plans (EMP) were prepared and disclosed before appraisal, complying with World Bank requirements. The EMPs defined mitigation measures to be employed during construction (such as traffic detours and the handling of dust and construction waste). The civil works contractors observed and adhered to the EMPs. Comprehensive mitigation measures for dust, worker camp management, handling of construction waste, and disturbance to local traffic were consistently implemented (ICR p. 16). The Bank's supervision missions rated compliance with environmental guidelines and adherence to EMPs as Satisfactory (ICR p.16).

Physical Cultural Resources: The PAD (p.22) states that *"there are four mosques and two ethnic graveyards near the existing roads to be rehabilitated. These are outside the right-of-way of the proposed project roads and will not be directly impacted by the construction."* The PAD (p.11) also refers to the absence of *"culturally sensitive sites within the rights of way of the project activities"*. The ICR does not discuss this particular safeguard policy.

Indigenous Peoples: Almost two thirds of Yining's population belong to ethnic minorities. The PAD (p.22/23) contains an impressive summary of the Social Assessment (SA) carried out by the Xinjiang Academy of Social Science; their field work included focus groups, village meetings, household interviews and questionnaire surveys, resulting in the preparation of an Ethnic Minority Development Plan (EMDP) to guide project design. The EMDP was disclosed prior to appraisal and its implementation was monitored by an external monitoring agency (ICR p.17) and reviewed by Bank supervision missions which rated compliance with Bank social safeguard policies as Satisfactory.

Involuntary Resettlement: As originally designed, the urban road construction elements of the Project required extensive house demolition, affecting 2,837 persons living in 648 households (PAD p.23). In accordance with Bank policy, a Resettlement Action Plan (RAP) was prepared by the project and disclosed prior to appraisal. There was slow progress in land acquisition and resettlement and the safeguard performance was downgraded to Moderately Satisfactory around the Mid-Term Review (ICR p.17). According to the Borrower Comments in the ICR (p. 37), land acquisition and house demolition in the project area was based on the overall arrangement of the urban planning. Therefore, the land acquisition and demolition of the project were often carried out together with the land acquisition and demolition of the surrounding land development. This increased the time for the land acquisition and demolition. During project implementation, the Yining Municipal Government was facing a tight financial position, and compensation funds for land acquisition and demolition could not be made on time and affected the progress of land acquisition and demolition. Eventually, resettlement was completed on time (ICR p. 17). Also, the revision of some road designs made it possible to reduce land acquisition, and thus resettlement from 648 to 93 households. Implementation of the RAP was monitored by an external agency and regular Bank supervision missions who rated compliance with the Bank safeguard policies as

Satisfactory. Significantly, 94% of the persons affected by the project (PAPs) *"were satisfied with their resettlement experience"* (ICR p.17).

b. Fiduciary Compliance

Financial Management: The ICR reports (p. 17) that the project's financial management system and associated training provided by the Bank ensured proper use of project funds. There were minor shortcomings, including late submission of some Interim Financial Reports and delays in disbursement. These issues were resolved through joint efforts by the Provincial Finance Bureau in the implementing entities. Annual audit reports were submitted to the Bank in a timely manner and were unqualified (ICR p.17). It is not clear from the ICR whether the discrepancy between the PAD and the Loan documents regarding counterpart funding (discussed above) was ever raised by the Bank's financial specialists.

Procurement: The Project Management Office (PMO) was responsible for procurement management and the project complied with the Bank's procurement guidelines (P. 17). There were no procurement-related delays (ICR p. 17). The PMO employed consultants to advise during the processing of 42 contracts which were procured by several agencies. By the time of the Mid-Term Review, 40 of these contracts had been procured (ICR p. 18) – quite a remarkable achievement.

c. Unintended impacts (Positive or Negative)

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d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Bank Performance	Satisfactory	Satisfactory	---
Quality of M&E	Modest	Modest	---
Quality of ICR		Substantial	---

12. Lessons

IEG selected several lessons from the ICR, with some adaptation:

- Capacity building is key to sustain the success of innovative components, such as integrated transport corridor management, speed cameras, bus management systems and functional road classifications.
- Urban transport interventions can contribute to the reduction of Green-house Gas emissions, through traffic management measures and acquisition of low-emission buses.
- Land acquisition and resettlement should be carefully coordinated. While the ICR states that "*land acquisition should be completed before procurement processing",* this may serve to delay overall project implementation more than necessary. The ICR rightly points that land acquisition and resettlement should be accelerated to a high pace at the very beginning of an urban transport project.

IEG provides following additional lessons:

- Much care should be given to the definition of monitoring indicators, so the issues mentioned above can be avoided (geographical areas, traffic fatality reporting). When public transport is to be improved, indicators of bus service efficiency and quality could be added to the mere reporting of ridership.
- Future projects should add a component focusing on specific traffic safety measures, rather than just assuming that speed cameras and traffic management will take care of that issue.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is well written and concise. It provides clear evidence that this first project for Yining has been successfully implemented and that its outcomes are likely to be sustainable. It did not address the ambiguities surrounding project costs and monitoring indicators, in particular the erroneous reporting of the traffic fatality indicator. On the other hand, it did well in carrying out an ex-post Cost Benefit Analysis (CBA) for almost all Project components, in contrast to the PAD which describes a CBA for only one component.

a. Quality of ICR Rating
Substantial