



1. Project Data:		Date Posted : 04/28/2003	
PROJ ID: P063123		Appraisal	Actual
Project Name: Yangtze Flood Emergency Rehabilitation	Project Costs (US\$M)	132.5	140.8
Country: China	Loan/Credit (US\$M)	80	80
Sector(s): Board: RDV - Roads and highways (51%), General education sector (19%), Health (17%), Water supply (11%), Irrigation and drainage (2%)	Cofinancing (US\$M)	0	0
L/C Number: C3169; L4438			
	Board Approval (FY)		99
Partners involved :	Closing Date	06/30/2002	06/30/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components			
a. Objectives			
The objectives were to:			
1. Replace water supply and health facilities, especially to prevent the spread of disease after flooding;			
2. Rehabilitate and/or replace buildings to allow primary and secondary school students to continue their studies; and			
3. Re-establish levels of economic activities by reconstructing roads to provide key access to flooded areas .			
The outcomes were to be achieved by rebuilding and rehabilitating essential infrastructure services damaged by devastating floods along the Yangtze in 1998.			
b. Components			
The project supported emergency reconstruction, repair and rehabilitation programs . The latest estimate of total project costs is \$140.8 million, comprising:			
<ul style="list-style-type: none"> • Roads(39%); • Water Supply (21%); • Schools (14.8%); • Health (14.0%); • Irrigation (5%); • Other (5.8%) 			
c. Comments on Project Cost, Financing and Dates			
The borrowers were the provinces of Hubei, Hunan and Jiangxi . A component for studies and technical assistance (TA), to improve flood management and flood despatch forecasting, was deleted at mid -term. The \$1.3 million that had been allocated was inadequate to develop the required provincially -based computerized models. Jiangxi and Hunan did carry out 2 of the studies during the project period, financed by grants from DFID (UK) .			
3. Achievement of Relevant Objectives:			
The project largely achieved its objective of restoring economic production and social services to 9.1 million people:			
<ul style="list-style-type: none"> • Sub-project completions were ahead of schedule - of 521 sub-projects, 160 or 31% were completed within 1 year; 448 or 85% within 2 years, and only the balance of 73 requiring longer. • 101 road sub-projects and 835 kms of roads were completed (target 84 and 945 kms). Latest estimates of utilization are 69,250 vehicles/day, compared to a target of 88,000. • Water supply was re-established for 2.47 million people (target 2.54 million) • 119 schools serving 213,000 students were rebuilt (target 118 schools/ 225,540 students) • 142 health posts were completed serving 5.9 million people (target 143 and 4.1 million) • 21(18 planned) irrigation sub-projects were completed serving the planned area of 44,200 hectares and farmer population of 442,000. Production resumed and planned drainage of 38,000 ha was also achieved on time. 			
4. Significant Outcomes/Impacts:			

This was the Bank's first flood emergency rehabilitation in China; it achieved nearly all of its objectives, and was completed on time and only slightly over budget:

- The emergency recovery lending to China, following a fast track within 3-4 years, proved to be realistic
- The new infrastructure was more flood-resilient and designed to meet near-term expansion needs. School and health buildings were located on higher ground and built to higher construction standards. The new roads were built to a higher grade than expected.
- Formal Bank-DFID partnership in China was instrumental in obtaining UK funding of school /health equipment and the flood management component,
- Through formal training (38,000 man-days) and interaction with Bank staff and consultants, project counties experienced significant institutional development, even though it was not a project objective. Valuable project implementation and management skills (planning, supervision, monitoring, evaluation, procurement, financial management and computer applications) and new water management technology, were transferred.
- The massive concurrent investments in Yangtze River Dikes in the three provinces (supported by a Bank loan of \$210 million) increases the physical sustainability of project benefits.
- The Government's new system of life-long accountability for work and design failures was implemented on this project (introduced because of prominent recent engineering failures on so-called "bean curd" projects),

5. Significant Shortcomings (including non-compliance with safeguard policies):

Although there were no serious shortcomings, the following deficiencies were reported in the ICR:

- Lack of counterpart funding and technical problems delayed completion of some major water supply plants
- Ideally the provincial government would have supported the overhead costs of supervision and management which was instead borne by the counties already impoverished by flood damage.
- The substitution of major roads and bridges for deleted sub-projects resulted in a heavy burden of complex and time-consuming preparation, design, procurement and construction. These funds would have better served a larger number of smaller projects, benefiting more people, more rapidly.
- Some bids were awarded at unduly low bid prices leading to poor contractor performance, delays and rebidding.
- Government was tardy signing the on-lending agreements, leading to a delay in Loan/Credit Effectiveness of 21 month.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Highly Satisfactory	The rapid implementation of what was in aggregate a large project, which achieved its objectives in a timely manner, largely within budget, is particularly noteworthy
Institutional Dev.:	Modest	Substantial	Although not an objective, significant capacity building at the county Project Management Office (PMO) level was achieved.
Sustainability:	Highly Likely	Highly Likely	
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf.:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

1. The project confirmed lessons learned from Bank emergency earthquake relief interventions in China: (a) sub-projects should be simple and suitable for rapid implementation; (b) local government must support and participate in project implementation; and (c) there are substantial benefits to the use of Bank "fast track" processing.
2. Under its highly decentralized and efficient system of administration, China has been able to rapidly disseminate to county-level, the skills and capacities acquired by provincial PMOs on other Bank-supported projects,
3. Retroactive financing to a trusted client, streamlined procedures and negotiation of the loan in Beijing, all helped ensure quick appraisal and implementation. Management by the World Bank Office in Beijing also had a positive impact by quickly solving implementation problems.
4. Within the constraints of the Bank and China's policies, equity and repayment performance would be best served by targeting limited concessionary IDA funds (50% of the Bank loan in this case) and any grants, to non-revenue-generating sub-projects, and/or poorer counties.

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

The ICR is concise and well-presented. The overall level of IDA funding to China is a country-level issue and is

probably beyond the scope of an ICR.
