

Overall Rating
A

A Foundation for Sustained Growth



19 China
Hangzhou-Quzhou Expressway Construction Project

Constructing an expressway to contribute to promotion of economic development in Zhejiang province.

Loan Amount / Disbursed Amount 30.0 billion yen / 26.687 billion yen
Loan Agreement December 1998
Terms & Conditions 1.8% interest rate, 30 year repayment period (10 year grace period) (consulting services: 0.75%, 40 year repayment period (10 year grace period)), Partially untied
Final Disbursement Date July 2004
Executing Agency Ministry of Communications (http://www.moc.gov.cn/) (Chinese Only)



Project Objectives

The objective was to improve the traffic situation in Hangzhou and inland areas of Zhejiang province, to address the future traffic growth for both passenger and freight, and to improve road safety, by constructing a 237 km expressway from Hangzhou to Quzhou in Zhejiang province and thereby contribute to the economic development of Zhejiang province.

Effectiveness and Impact

Rating **a**

This project developed an expressway, with planned average daily traffic in 2005 of 28,000 vehicles between Hangzhou and Jinhua, and 12,000 vehicles between Jinhua and Quzhou. The actual results (same year) were greater than planned, at 40,000 vehicles and 23,000 vehicles, respectively. When initially opened (2002), there were 97 traffic accident-related deaths and 1,118 accidents, and in 2005 there were 90 deaths and 3,227 accidents, which indicates that deaths are declining but accidents are increasing along with traffic volume. Currently, the maintenance institution is striving to improve safety aspects by implementing traffic safety measures, such as identifying high accident locations and improving road signs. A roadside beneficiary survey (361 people in eight districts) confirmed that opening of the road increased traffic volume, leading to increased employment and business opportunities, an improved investment environment, and economic development effects from more tourists. Inland entry of Japanese companies in Shaoxing is also increasing rapidly from 238 to 347 over 18 months (about 50% increase). Therefore, this project has largely achieved its objectives, and effectiveness is highly satisfactory.

Relevance

Rating **a**

This project has been highly relevant with the national policies both at the time of the appraisal and at the time of the ex-post evaluation. This project was planned based on the Ninth Five-Year Plan, and at the time of ex-post evaluation, the project is consistent with the Eleventh Five-Year Plan, which indicates development of a safe expressway network to promote inland economic development as one of its goals. Thus implementation of this project is highly relevant.

Efficiency

Rating **a**

Both project period and costs were below planned (92% of planned period, 80% of planned cost), therefore, efficiency of the project is high.

Sustainability

Rating **a**

The Hangzhou Jinhua Quzhou Expressway Corporation is in charge of maintenance for this project. No major problem has been observed for capacity of the executing agency, the financial situation, the operation nor its maintenance system, therefore, sustainability of this project is high.

Average Daily Traffic Volume on Expressway (Unit: vehicles/day)

		2002	2003	2004	2005	2006
Hangzhou to Jinhua	Plan	22,000	24,000	26,000	28,000	31,000
	Actual	—	27,000	37,000	40,000	41,000
Jinhua to Quzhou	Plan	10,000	11,000	12,000	12,000	13,000
	Actual	—	15,000	20,000	23,000	26,000

Third-Party Opinion

The impacts of this project on the surrounding region were confirmed, as it exceeded planned traffic volumes, stimulated regional development, etc. Thus it is considered highly effective, as a successful example of expressway projects.

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