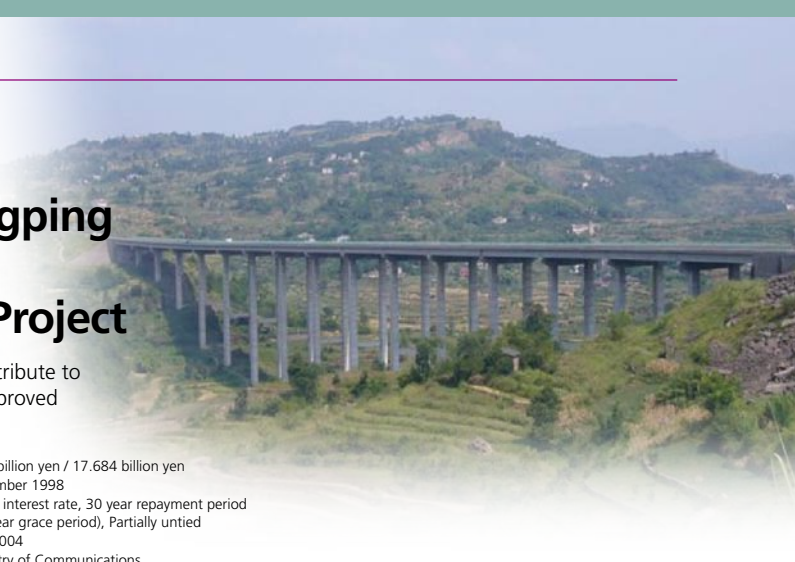




20 China
Wanxian-Liangping Highway Construction Project

Constructing a highway to contribute to economic development and improved safety in the nearby regions

Loan Amount / Disbursed Amount 20.0 billion yen / 17.684 billion yen
Loan Agreement December 1998
Terms & Conditions 1.8% interest rate, 30 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 of this project was to improve the traffic situation in eastern Chongqing, to address the future traffic growth for both passenger and freight, and to improve road safety by constructing a 67 km highway from Wanxian to Liangping and thereby contribute to the economic development of Chongqing.

Effectiveness and Impact

Rating **a**

This project initially planned an average daily traffic volume of 7,378 vehicles. But actual results in 2006 were about 20% below plan, at 5,848 vehicles. This was because completion of the highway continuing east from Wanxian was assumed in the planned figures, but it is currently incomplete. It is expected that planned figures will be exceeded when the entire length of the Chongqing-Suining Highway is opened as planned in 2010. In the second year after completion (2004), there were 90 accidents per 100 million vehicle-km, and 6.3 deaths in accidents per 10,000 vehicles. But by implementing traffic safety measures, in 2006 this declined to 79 accidents per 100 million vehicle-km, with 0 deaths, so it was confirmed that safety had improved. A beneficiary survey in the nearby regions of the road confirmed that opening the road led to increased employment and business opportunities, strengthened transportation capabilities, an improved investment environment, and economic development effects from more tourists. 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 is part of the "three-ten -three road construction project" aiming to link Chongqing with major cities by 2020. Thus implementation of this project is highly relevant.

Efficiency

Rating **b**

Project costs were lower than planned (86% of planned cost), but the project period was much longer than planned (131% of planned period), therefore the evaluation for efficiency is moderate.

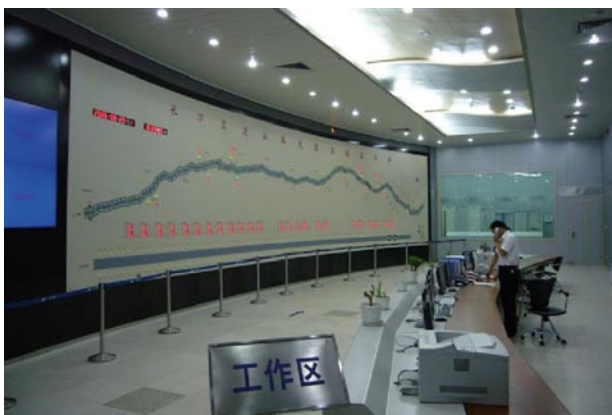
Sustainability

Rating **a**

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.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be highly satisfactory. Lessons learned from this project are that at the time of planning and the appraisal of the project, the feasibility study report should be thoroughly reviewed including its traffic demand forecasts, and appropriate technical guidance should be introduced so that the quality of the feasibility study can be improved.



Traffic Control Center next to the Liangping Tollgate of the Wanxian-Liangping Highway

Third-Party Opinion

This project constructed part of the highway from Shanghai to Chengdu. This highway is promoting smooth transportation of passengers and goods, and is expected to help correct disparities between coastal and inland regions.

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