



20 China
Guiyang-Xinzhai Highway Construction Project

Contributing to infrastructure development for an industrial road network to China's southern coastal region in Guizhou Province

Loan Amount/Disbursed Amount 14.968 billion yen/13.791 billion yen
Loan Agreement December 1996
Terms & Conditions Interest rate 2.3%,
 Repayment period 30 year (grace period 10 years), General untied
Final Disbursement Date November 2003
Executing Agency Ministry of Communications of the People's Republic of China (<http://www.moc.gov.cn>)



Project Objectives

The objective of this project was to develop the foundation of a road network in Guizhou Province by constructing an expressway of a high standard to accommodate an expected future increase in demand for road transport, and thereby contribute to the economic development of China's southwest and Guizhou Province.

Effectiveness & Impact

Rating **a**

The development of an expressway in this project resulted in an annual average daily traffic volume in 2005 of 6,112 automobiles in the Guiyang-Duyun section and 3,861 automobiles in the Duyun-Xinzhai section. This performance is almost exactly as planned, with 5,949 automobiles and 3,961 automobiles being projected for the two sections, respectively, based on the former road traffic volume results. As the number of roads connecting to the road that was developed through this project increase in the future, the volume of traffic on this expressway—as the main logistics artery of China's southwest—can be expected to increase steadily. The time required for travel along the sections targeted by this project was reduced significantly after the project was implemented; travel on the Guiyang-Duyun section, which in the past had taken up to 7 hours 10 minutes, was reduced to 1 hour 53 minutes. Between 1995 (before this project was implemented) and 2004, the length of roads and the freight volume transported by road in Guizhou Province both increased 1.4 times. This project is therefore judged to have helped respond to the region's increase in demand for road transport. Therefore, this project has achieved its objectives, and effectiveness is highly satisfactory.

Relevance

Rating **a**

This project has been highly relevant with the China's national policy both at the time of the appraisal and at the time of the ex-post evaluation. At the time of appraisal, China's ninth five-year plan raised the strengthening



Road used before implementation of this project.

of the transportation infrastructure linking the inland areas of the country with coastal regions as an issue to be addressed. The expressway built through this project was positioned as an important industrial route to China's southern coastal regions. At the time of ex-post evaluation, the 10th five-year plan raised the goal of developing the country's entire transport system. Moreover, the expressway built through this project is considered as a part of major highways in Guizhou Province's road construction plan due to be completed in 2020.

Efficiency

Rating **c**

The project period and expenses greatly exceeded the planned period and amount (187% of planned period and 141% of planned cost), therefore the evaluation for efficiency is low. The project delays were due to the time needed for approval procedures at the Ministry of Communications related to the design modifications that became necessary after China revised its technical standards. The increased project cost was due to depreciation of foreign currency and design changes to accommodate the geological conditions and the needs of residents.

Sustainability

Rating **a**

Although there were partial changes in the executing agency and the operation and maintenance agency of the project, there are no problems with the abilities and structural organization of operation and maintenance of either agency, therefore, sustainability of this project is high.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project can be evaluated satisfactory. A recommendation for this project is the establishment of a monitoring system, including traffic safety measures and environmental surveys, since the occurrence of traffic accidents, as well as noise and air pollution in some areas, have been pointed out.

Third-Party Opinion

This project, which was implemented in accordance with the 11th five-year plan, had an impact on improving the investment environment and on poverty reduction through the development of a modern transportation network. It is hope that improvement measures will be taken to sustain the effects of the project, as investment demand is still high in the transportation sector.

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