

Project Summary for Public Disclosure

Project Name	Guangxi Trunk Road Network Improvement Program
Country	The People's Republic of China
Area of Operation	Transport Infrastructure
Concept Approval Date	8 November 2021
Board Approval Date	13 December 2022
Total Project Cost	RMB 5.74 billion
Initial Limit of NDB Financing	Up to EUR 465 million
Current Limit of NDB Financing	Up to EUR 465 million
Borrower	The People's Republic of China
Project Entities	<p>Executing agency: The People's Government of Guangxi Zhuang Autonomous Region (GoG)</p> <p>Implementing agency: Guangxi Beitou Road Construction and Investment Group Company Limited (GBRCIL)</p>
Project Context	<p>Guangxi Zhuang Autonomous Region is a coastal autonomous region located in south China. Guangxi is at the convergence point linking Guangdong, Hong Kong and Macao with west China, and acts as a connection hub for China with other countries of the south-east Asia.</p> <p>Guangxi's economy is characterized by primary sector, services and industries based on local resources; and thereby road infrastructure for transport of passengers and goods between urban and rural areas plays a crucial role. However, this road network faces the following key challenges which act as bottlenecks for achieving the region's development goals: (i) the growth rate of traffic volume exceeding the growth in road network mileage and capacity; (ii) poor pavement conditions on account of traffic exceeding the design capacity and increasing proportion of heavy vehicles; (iii) inadequate safety and resilience measures on road sections in the mountainous terrain resulting in high number of road accidents.</p>
Project Objective	<p>The objective of the Program is to: (i) increase access by constructing crucial missing road links connecting towns, ports, and remote areas; (ii) enhance quality and efficiency by focusing on the need for rehabilitation of existing roads; (iii) strengthen resilience to natural disasters and</p>

	reduce the number of traffic accidents; and (iv) enhance capacity for long-term sustainable development of the sector.
Project Description	<p>The Program includes three components, all implemented over the trunk road network (non-expressway national and provincial highways) in Guangxi, namely:</p> <ul style="list-style-type: none"> (i) Network capacity enhancement: This component includes about 100 km roads to be constructed or upgraded to Class II technical standards. (ii) Pavement condition and road safety improvement: This component comprises - (a) about 1,636 km roads to be rehabilitated with improved Maintenance Quality Index of not less than 85; (b) works for improved safety and climate resilience for accident and natural disaster-prone road sections. (iii) Institutional capacity and Program management support: This component includes various measures aimed at enhanced implementation and emergency response capacity.
Expected Benefits	<p>The Program outcomes include: (i) enhanced road connectivity and accessibility, resulting in reduction of journey time by not less than 40% for the road links included in the Program; and (ii) improved road network service level resulting in increase in average travel speed of not less than 10% for the rehabilitated road sections.</p> <p>The Program will act as a catalyst in promoting economic and social development of Guangxi by enhancing connectivity and access for trade, manufacturing, and other socio-economic activities, and thereby contribute to reducing regional disparities.</p>
Environmental and Social Aspect	<p>The Program has been classified as Category A in accordance with the NDB Environment and Social Framework. The main environmental and social (E&S) impacts include land acquisition and resettlement, occupational safety hazards, disruption of traffic and public utilities, pollution discharge, and potential impacts to ethnic minority groups. These impacts will be mitigated by adherence to requirements of country systems and implementation of an E&S Impact Management Plan.</p>
Financing Aspect	<p>The Program will be financed through a loan from NDB, funding from domestic banks and counterpart funding from governmental sources.</p>

	Source of Fund		Amount
	NDB Loan		EUR 465.00 million
	Loans from domestic banks		RMB 1,900.00 million
	Counterpart funding		RMB 573.88 million
Implementation	<p>GoG is the executing agency, responsible for overall planning of the Program, guiding and monitoring its execution, and achieving planned results. GBRCIL, a wholly state-owned entity, is responsible for day-to-day implementation of the Program under the guidance of the executing agency. The implementation period for the Program is four years from 2022 to 2025.</p>		
Contacts	NDB	Borrower	Project Entity
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