



1. Project Data

Project ID
P111421

Project Name
CN-Anhui Medium Cities Urban Transport

Country
China

Practice Area(Lead)
Transport

L/C/TF Number(s)
IBRD-78810

Closing Date (Original)
31-Jan-2016

Total Project Cost (USD)
77,641,815.36

Bank Approval Date
20-May-2010

Closing Date (Actual)
31-Dec-2017

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	100,000,000.00	0.00
Revised Commitment	77,641,815.36	0.00
Actual	77,641,815.36	0.00

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2. Project Objectives and Components

a. Objectives

The objective of the Project in the Loan Agreement (LA) Page 4 and in the PAD Page 3 is to improve mobility on selected main corridors of the municipalities of Anqing, Huaibei, Lu'an and Wuhu in Anhui Province of the Borrower in a safe and efficient manner.

b. Were the project objectives/key associated outcome targets revised during implementation?



Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

15-Jun-2015

c. Will a split evaluation be undertaken?

No

d. Components

Component 1: Integrated Corridor Development (Cost at appraisal : US\$201.03 million, Actual cost: US\$79.45 million)

This component consisted of road capacity expansion, improvements in safety and management, and improvements in public transport for integrated corridor development. The activities in the four municipalities were:

- **Anqing** – Development of Anqing North-South Transport Corridor, which was composed of three sub-projects: Huxin Road improvement; Shuguang Road improvement; and construction of East Yanjiang Road. During the project, the cross-section on Huxin Road was changed from 4 to 6 lanes for a 2.1-kilometer section and 4 to 8 lanes for a 1.9-kilometer section to accommodate increasing traffic caused by relocation of Anqing High-Speed Rail Station.
- **Huaibei** - The Huaihai-Suixi Road Transport Corridor, involving Huaihai Road improvement and Suixi Road improvement. During the project, the Huaihai Road improvement was dropped since expected traffic levels would not be reached due to the construction of a parallel road by the municipality.
- **Lu'an** - The Lu'an North-South Transport Corridor, consisting of improvement of the Jiefang Road, Meishan Road, and construction of Bagongshan Road.
- **Wuhu** - The North-South Transport Corridor, which consisted of improvement of Jiuhua Road and Yijiang Road and construction of the new Third Ring Road. During implementation, these activities were dropped due to (a) the construction of the new Anning intercity rail and its viaduct caused an unpredictable delay for Jiuhua Road and Yijiang Road construction due to coordination problems with the railway project owner. (b) the municipality's proposal to change the engineering design of the Third Ring Road was not economically justified and therefore cancelled. Alternatively, Changjiang Road, Yinhu Road, and Zheshan Road were constructed.

The cost of this component was significantly decreased mainly due to the cancellation of the North-South Transport Corridor in Wuhu.

Component 2: Local Access and Freight (Cost at Appraisal: US\$79.65 million, Actual cost: US\$72.05 million)



This component consisted of the construction of selected access roads in the project cities:

- **Anqing** – It included improvement of safety management on Yanjiang Middle Road (channelization of Longshan Road and Jianshe Road intersections) and Dekuan Road (pedestrian facilities and intersection improvements).
- **Huaibei** - It consisted of the construction of 5.9 km of Tuohe Road and 1.2 km of South Cuifeng Road. These roads involved the construction of bus bays, channelization and the provision of pedestrian crossings.
- **Lu'an** - It consisted of the construction of Xicheng Road, South Pihe Road, and Middle Longhe Road. It also supported construction of bus stations and taxi parking areas, pedestrian midblock, street crossings, and facilities for disabled people.

Component 3: Public Transport (Appraisal cost: US\$18.81 million, Actual cost: US\$79.54 million)

This component consisted of construction of bus maintenance facilities, bus terminals, bus depots and stops in the project cities.

- **Anqing** - involved the construction of Hongguang Bus Depot and Shijishan Bus Depot and the establishment of road maintenance facilities.
- **Huaibei** - covered construction of the Tuohe bus maintenance yard, four bus terminals, and 97 bus stops. During the project, the Tuohe bus maintenance yard was dropped due to difficulties in land acquisition. Instead, Huaibei Municipality, with their domestic funding, constructed four bus depots.
- **Lu'an** - covered construction of bus maintenance facilities that included service for eight bus routes and procurement of 150 buses.
- **Wuhu** – No activities were planned at the appraisal. Due to the cancellation of the Third Ring Road of Component 1, additional activities were implemented: resurfacing of parking lots at bus depots; development of an advanced public transit system (APTS); procurement of 715 clean energy buses and maintenance equipment; procurement of equipment for public transport gas stations (fuel dispensers), and underground tanks and associated systems.

The cost of the component significantly increased primarily due to newly added activities in Wuhu.

Component 4: Capacity Building (Appraisal cost: US\$1.24 million, Actual cost: US\$0.79 million)

International study tours and training, as well as technical assistance related to the project components, were implemented.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates



Project Cost: The estimated project cost was US\$300.97 million, which was revised to US\$289.06 million at restructuring. The actual cost was US\$232.09 million (ICR, p 10). A decrease in the cost was primarily due to the cancellation of the North-South Transport Corridor in Wuhu.

Financing: At appraisal, an IBRD loan for US\$100 million was approved, which was revised to US\$77.64 million at restructuring. The actual IBRD disbursement was US\$77.64 million (ICR, p 2).

Borrower Contribution: The Borrower was expected to contribute US\$200.99 million at appraisal, which was revised to US\$211.4 million at restructuring. The actual contribution was US\$154.45 million (ICR, p 2).

Dates: The project was approved on May 20, 2010, and became effective on November 9, 2010. The project underwent four restructurings.

The first restructuring (June 21, 2012) was for reallocation of loan proceeds between disbursement categories because of the increased expenditure for construction of Meishan Road and Pihe Road in Lu'an (ICR p. 12).

The second restructuring (June 15, 2015) aimed to transform the Wuhu component. The North-South corridor was canceled because of the new construction of the Anning intercity rail and the economically unjustified engineering plan (see 2d component 1). Alternatively, three corridors were added. In addition, new activities on public transport infrastructure improvement (see 2d component 3 of the Wuhu component) were added to utilize loan savings from the cancellation of the construction of the Third Ring Road. These changes required the revision of Results Framework. Also, multiple revisions were executed in line with the revised component: implementing agency, institutional arrangements, financing and procurement plan, implementation schedule, disbursement arrangements, and reallocation between disbursement categories. The PDO and Theory of Change remained unchanged.

The third restructuring (January 26, 2016) was to cancel the rehabilitation of Huaihai Road and the construction of the Tuohe Bus Depot of the Huaibei component (see 2d component 1 and 3 of the Huaibei components). Due to the cancellation, the revisions were made to: Results Framework, components and cost, financing and procurement plan, disbursement arrangements, reallocation between disbursement categories, and implementation schedule. In addition, because of the delays in land acquisition and resettlement, the loan closing date was extended to July 31, 2016.

The fourth restructuring (July 31, 2017) was to extend the loan closing date to December 31, 2017.

3. Relevance of Objectives

Rationale



Provincial Context: Anhui's medium-sized cities of Anqing, Huaibei, Lu'an, and Wuhu were relatively poor in 2006 but had a strong industrial base that was fueling strong economic growth at the time of project appraisal. Typically, the cities were experiencing transport-related development challenges such as worsening traffic congestion, inadequate roads and public transport services as well as safety issues. Each project city had a few transport corridors, which accounted for 30-40 per cent of all fatal traffic-related accidents.

Country context: The objective of the project was in line with the government strategy. The 13th National Five-Year Plan (FYP) for economic and social development (2016-2020) stipulated five key themes for pursuing a more prosperous society through innovation, coordinated development, green growth, openness, and inclusive growth. For the transport sector, the 13th FYP aimed to build an efficient, intelligent, green, integrated and inter-connected transport infrastructure, which was closely aligned with the objective of the project, particularly through integrated corridor development.

Alignment with strategy: The objective of the project was also aligned with the Bank's strategy. The Country Partnership Strategy (CPS) (FY13-16) sets out three main themes: supporting greener growth, promoting more inclusive development, and advancing mutually beneficial relations with the world. The ICR noted that the objective aligned with the first two themes. For supporting greener growth, the project planned to increase the use of public transportation. For promoting inclusive development, the CPS addressed growth aimed at addressing both spatial disparities and inequalities between social groups (CPS, para 56). The PDO aligned with addressing spatial disparities given that the project locations were selected as comparatively areas that were poorer than the national average, intending to guide the balanced territorial development. However, PDO did not explicitly indicate or emphasize inclusion of social groups. The PAD incorporated a design to incorporate perspectives from vulnerable social groups but attention was not specifically paid to these groups during project implementation.

Rating
Substantial

4. Achievement of Objectives (Efficacy)

Objective 1 **Objective**

To improve mobility on selected main corridors of the municipalities of Anqing, Huaibei, Lu'an and Wuhu in Anhui Province in a safe manner.

Rationale

Theory of Change (TOC):



The ICR considered that the project had three outcomes: improved mobility, safety, and efficiency. Improved mobility was intended to be attained through integrated corridor improvement and local access and freight improvement. Improved safety was to be enhanced by integrated corridor improvement, local access and freight improvement, and public transport improvements. Improved efficiency was to be achieved through public transport improvements. In the ICR three outcomes were presented in parallel.

The PDO in the PAD and LA, however, was given as “to improve mobility on selected main corridors...in a safe and efficient manner.” In the light of the IEG Guidelines (p 24), these were two separate objectives: i.e. “to improve mobility in a safe manner” and “to improve mobility in an efficient manner” on selected main corridors.” IEG assesses the “safety” objective of the project, followed by the “efficiency” and “mobility” objective given the stronger association between efficiency and mobility.

The TOC maintained that the outputs of the project directly attributed to the outcomes (ICR, para 9). However, mobility, safety, and efficiency were affected by some external interventions, including for example the opening of a high-speed railway station and the higher than expected rate of motorization, which likely weakened the overall extent of the project achievement.

Although the indicator values were changed in some instances at restructuring, the new values provided a better measure for the achievement of the PDO. Given that the PDO itself was unchanged a split rating was not considered appropriate.

Outputs:

Anqing:

- The distance between safe crossings was reduced by 60 percent, meeting the target.
- 16 safe pedestrian crossings were successfully installed.

Huaipei:

- The distance between safe crossings was reduced from 900 meters to 200 meters, substantially exceeding the target.
- 35 safe pedestrian crossings were successfully installed.

Lu'an:

- The distance between safe crossings was reduced from 810 meters to 300 meters, meeting the target.
- 15 safe pedestrian crossings were successfully installed.

Wuhu:

- The distance between safe crossings was reduced from 406 meters to 350 meters, exceeding the target.



- 160 safe pedestrian crossings were successfully installed.
- 34 pedestrian signals were installed against the target of 32.

Summary of four municipalities:

- On average, the distance between safe crossings was reduced from 654 meters to 287 meters, exceeding the target of 300 meters. The indicator was achieved in each municipality.
- 236 safe pedestrian crossings were installed in total, exceeding the target of 164. The indicator was achieved in each municipality.
- Pedestrian signals were installed only in Wuhu and successfully met the target.

Outcome:

Anqing:

- The number of fatality and injury accidents on the corridors was reduced from 8 to 2, exceeding the target of 5.

Huaibei:

- The number of fatality and injury accidents on the corridors was reduced from 36 to 0, exceeding the target of 18.

Lu'an:

- The number of fatality and injury accidents on the corridors was reduced from 14 to 10, achieving the target of 10.

Wuhu:

- The number of fatality and injury accidents on the corridors was reduced from 157 to 30, exceeding the target of 138.

Overall, the incidence of fatality and injury accidents on the corridors was reduced from 215 to 42, far exceeding the target of 171. Such a reduction was observed in all the municipalities. The contribution to the reduction is not entirely explained given an other potential external factor. Nevertheless overall achievement of the safety outcome was rated substantial.

Rating

Substantial



Objective 2

Objective

To improve mobility on selected main corridors of the municipalities of Anqing, Huaibei, Lu'an and Wuhu in Anhui Province in an efficient manner.

Rationale

Outputs:

Anqing:

- 245 bus off-street parking spaces were created against the target of 229, exceeding the target.
- Coverage of population with access to bus stop within 300 meters was improved from 41 percent to 55 percent, exceeding the target of 50 percent. The coverage within 500 meters was improved from 63 percent to 89 percent, slightly not exceeding the target of 90 percent.
- 530 buses were in service against the target of 500.
- 1.5 kilometers of new road construction and 5.3 kilometers of road rehabilitation were implemented, exceeding the targets.

Huaibei:

- 146 bus off-street parking spaces were created against the target of 248, not exceeding the target. The cancellation of Tuohe bus maintenance depot resulted in the inability to meet the target.
- Coverage of population with access to bus stop within 300 meters was improved from 49 percent to 60 percent, exceeding the target of 50 percent. The coverage within 500 meters was improved from 72 percent to 85 percent, slightly not exceeding the target of 90 percent.
- 589 buses were in service against the target of 500.
- 7.0 kilometers of new road were constructed, successfully achieving the target. 4.38 kilometers of road rehabilitation was implemented against the target of 7.0 kilometers, not meeting the target due to the cancellation of the Huaihai road improvement in Huaibei.

Lu'an:

- 120 bus off-street parking spaces were successfully created.
- Coverage of population with access to bus stop within 300 meters was improved from 29 percent to 50 percent. The coverage within 500 meters was improved from 85 percent to 90 percent. Both coverage within 300 meters and 500 meters met the targets.
- 396 buses were in service against the target of 400, slightly below the target.
- 13.0 kilometer of new road construction and 6.5 kilometers of road rehabilitation were implemented, successfully exceeding the targets.



Wuhu:

- The project resurfaced one bus parking lot against the target of two, not exceeding the target.
- Coverage of population with access to bus stop within 300 meters was improved from 48 percent to 77 percent, exceeding the target of 50 percent. The coverage within 500 meters was improved from 77 percent to 95 percent, exceeding the target of 90 percent.
- 1,504 buses were in service against the target of 1,600, slightly below the target.

Summary of four municipalities:

- 511 bus off-street parking spaces were developed in Anqing Huaibei, and Lu'an, not meeting the target of 597 because of the shortfall in Huaibei.
- The target of the coverage of population with access to bus stop within 300 meters was fully achieved in all the four municipalities, while the coverage within 500 meters was achieved with minor shortcomings in Anqing and Huaibei.
- The number of buses in service in urban area increased from 2,039 to 3,019, exceeding the target of 3,000. Anqing (+10.3%) and Huaibei (+31.0%) exceeded the target, while Lu'an (-1.5%) and Wuhu (-8.0%) were slightly below the target.
- 21.5 kilometer of new road construction and 15.88 kilometers of road rehabilitation were implemented in Anqing, Huaibei, and Lu'an. While the kilometers of roads constructed met the target, the kilometers of road rehabilitated was below the target of 18.5 kilometers because of the shortfall in Huaibei.

Outcome:

Anqing:

- The bus ridership on key corridors was increased from 5,680 person-trip to 32,921 person-trip, substantially exceeding the target of 6,816 person-trip.
- Travel time by bus between the railway station and Yanjiangsi station was increased from 20 minutes to 23 minutes, failing to reduce the time targeted at 19 minutes.

Huaibei:

- The bus ridership on key corridors was increased from 120,000 person-trip to 122,500 person-trip, not exceeding the target of 132,000 person-trip.
- Travel time by bus between Dongganglu interchange to Liuqiao Line was reduced from 30 minutes to 27 minutes, achieving the target of 27 minutes.

Lu'an:



- The bus ridership on key corridors was increased from 50,000 person-trip to 102,417 person-trip, substantially exceeding the target of 57,500 person-trip.
- Travel time by bus between Dabieshan Road to Meishan Road was reduced from 12 minutes to 10 minutes against the target of 9 minutes.

Wuhu:

- The bus ridership on key corridors was increased from 323,000 person-trip to 377,000 person-trip, exceeding the target of 375,000 person-trip.
- Aggregated travel time by bus for Binjiang Road, Yinhu Road, and Zheshan Road was reduced from 148 minutes to 128 minutes, exceeding the target of 130 minutes.

Overall, the project exceeded the efficiency target of 571,316 person-trips, achieving a 27-percentage point increase from the baseline (the baseline was 498,680 person-trips and the actual was 634,838 person-trips). This increase, however, may not be the most appropriate measure of efficiency since the ridership overall in the urban areas surpassed the increase in the key corridors, with a 29-percentage point increase (ICR, p 33). Notwithstanding, overall contribution to the efficiency was well performed and rated substantial.

Mobility was measured by travel time by bus, whereby the aggregated travel time was reduced from 210 minutes to 188 minutes, just three minutes above the target of 185 minutes. Urban traffic conditions were worse than expected due to a surge of car ownership; the increasing number of vehicles hindered achieving the full mobility outcome. The mobility objective was rated substantial due to the minor shortcoming.

Rating

Substantial

Rationale

The outcome indicators for safety and efficiency surpassed the targets but the mobility outcome slightly underperformed. Overall, the performance was substantial with minor shortcomings.

Overall Efficacy Rating

Substantial

5. Efficiency



Economic analysis: The project calculated Economic Rate of Return (ERR) at the appraisal and ICR stages. The PAD estimate of ERR was 17.2 percent, while the ICR's ERR at closing was 23.5 percent. The economic cost was calculated from the capital investments for the components of integrated corridor development and local and freight access. The economic benefits were savings in (a) vehicle operating costs (VOC), (b) passenger time costs, (c) freight time costs, and (d) road accident costs, (using a 12 percent discount rate and a 20-year project life). The increase in ERR was explained by the reduced investment costs and increased bus ridership and mobility, which resulted in less VOC and a greater time value.

Operational and administrative efficiency: The project was designed to avoid complexities in implementation given the limited local capacity. Also, a structured public participation process at the design stage allowed the Bank and the client to incorporate various issues and problems into the project design. However, such efforts were diminished during project implementation. Lack of coordination mechanisms among different urban stakeholders (e.g., railway owners) led to significant delays and cancellation of some activities.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	17.20	100.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	23.50	100.00 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of the objective was substantial because the project aligned with the country context and Bank strategy despite a minor shortcoming. Efficacy was substantial with minor shortcomings. Although the project met most of the outcome and output indicators, the outcomes could not always be clearly attributed given other causal paths. Efficiency was modest. The project was efficient from an economic point of view but lack of coordination mechanisms among different urban stakeholders (e.g., railway owners) led to significant delays and cancellation of some activities. Overall, the outcome of the project is rated moderately satisfactory.

a. Outcome Rating



Moderately Satisfactory

7. Risk to Development Outcome

Technical and Operational Risks: The significant risk to the outcome remains in the increasing numbers of car ownership. As the ICR noted, most of the municipalities experienced a surge of car ownership. An increase in car ownership itself does not mean less use of public transportation because the choice of transportation depends on the passenger's individual decisions. However, in the absence of appropriate measures to encourage passengers to use public transport, future mobility is likely to deteriorate. An IEG query to the task team confirmed that no explicit measures were taken to promote the use of public transportation, which is a significant risk to the outcome of the project.

Financial Risks: Financial risks are low. The expenditure on the project is much lower than the spending by the client, and significant financial risks have not materialized. The bus companies receive a government subsidy to cover their operating expenses and thus sustainability does not appear to be a problem.

Institutional Risks: The institutional risks are high. There have been coordination problems among different stakeholders, which were anticipated before the project implementation and have been a persistent issue to transform urban mobility. The task team informed the city leaders to coordinate with line agencies at the closing, but the project had not institutionalized an established mechanism to deal with coordination problems.

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank has engaged with urban transport operations in China for over 15 years with over USD 1.5 billion. Experience in smaller cities found that complicated multi-component projects required a high-level counterpart capacity. This was over-estimated as was the ability to coordinate between agencies. Nevertheless, the project was designed to be simple in component selection and to build a systematic coordination mechanism.

Integrated corridor development was to improve mobility. The project acknowledged the limited coordination capacity of the line agencies and designed the project activities in a straightforward way linked to the concept of the integrated corridor development in cities. The participatory process enabled the city agencies to give inputs to the project design thus gaining acceptance of the city leadership. As the ICR noted, the cities aimed to design the project to be more beneficial to vehicle users through the enhancement of road capacity (ICR, para 42). Public involvement was catalytic to capture issues and problems in urban transport and provide different views, which transformed the perspective of the city government to explore sustainable urban transport system solutions. This iterative process was intended to gain commitment from city leadership to ensure better public transport operations and enhanced safety



and mobility (PAD, para 28). A shortfall at the design stage was the lack of mitigation measures against the risk of increasing motorization. The PAD identified the risk of congestion and declining use of public transport (PAD, p 8), but no concrete measures to address this aspect were incorporated.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank validated all the proposals by the municipalities, including through implementing additional studies, and developing restructuring papers. The team organized additional technical visits, conducted workshops, held review meetings and consultations, as well as numerous discussions with experts and consultants.

Mission teams included an appropriate mix of expertise and experience. The Bank conducted the mid-term review on schedule in August 2013 and identified implementation issues early. The Bank team also identified the remaining relocation issues at the end of the project for the project affected households in Lu'an and Huaibei and made arrangements to complete the currently pending relocation of the households in Lu'an as per Bank requirements by 2020 (see section 10).

Supervision was oriented to monitor outputs and outcome indicators and comparatively little attention was paid to the efficacy of the corridor development in comparison to conventional urban transport development.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

A simplified set of outcome indicators, primarily on corridor-specific outcomes, was selected to reflect the PDO and the operation's Theory of Change. However, there was scope for improvement in the Results Framework: the lack of clear definitions and methodology for data collection for some of the indicators (ICR Page 25); for example, the PDO indicator "safety on the corridor" in Wuhu should have included both the annual number of fatalities and injuries on the corridor as in other cities, instead of only the number of fatalities; an intermediate indicator on the number of kilometers of road reconstruction in Lu'an should have been included; and indicators on social aspects, besides the number of female beneficiaries, were missing. The causality from outputs to outcomes was not ensured given other significant factors such as motorization and local level interventions.



Monitoring indicators were designed to measure the linear relationship between outputs and outcomes but omitted other variables that would have influenced the outcomes such as transport modal share.

b. M&E Implementation

During the 2015 restructuring the M&E framework was revised to accommodate changes in the project components and results framework. Indicators were assessed through semi-annual progress reports. Consultants and the project city project management offices collected the data and no significant issues arose.

c. M&E Utilization

M&E data were used by the task team to review the progress of the activities such as the length of the completed roads and the number of pedestrian crossings. The task team appropriately administered the output level indicators. However, M&E was not used to capture a broader picture of the effectiveness of integrated corridor development to compare the performance of the integrated corridor with the traditional urban transport approach. Coordination is necessary at every stage of the project including the relevant public transport, construction and traffic management agencies. In the long term, the cities need to build on the experience and develop a permanent and sustainable mechanism for coordination /cooperation across agencies.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as Environmental Category B (partial assessment) and triggered the Bank's safeguard policies on Environmental Assessment (OP/BP/GP 4.01), Physical Cultural Resources (OP 4.11), and Involuntary Resettlement (OP/BP 4.12). In accordance with the Bank's safeguard policies, the project prepared relevant instruments to mitigate and adapt to the environment and social impact. An overall environmental impact assessment was prepared and Environmental Management Plans (EMPs) were prepared and implemented adequately for each of the project cities.

For social safeguards, the Resettlement Policy Framework (RPF) and Resettlement Action Plans (RAPs) were prepared, implemented and monitored by an independent external agency. At project closing, 473 households (HHs): 68 in Huaibei and 405 in Lu'an were still to be resettled with permanent housing. At the



time of drafting the ICR in December 2018, this number had come down significantly (68 HHs in Huaibei and 284 HHs in Lu'an already resettled to their permanent housing) so only 121 HHs in Lu'an were yet to be relocated to permanent housing. A further 65 HHs are expected to move to permanent housing in August 2019, and the remaining 56 HHs in 2020.

The delay was caused by the construction of large-scale resettlement housing in the vicinity, where the project-affected households were to be settled. The ICR, cited the report from the external monitoring consultant and local leasing market information, noted that the transition subsidy was valued correctly taking into account the extensions due the transition period (ICR, para 58).

b. Fiduciary Compliance

Financial Management

Project financial management was satisfactory. All the financial records were systematically maintained, and the project financial management system was capable of accurately capturing the use of the loan proceeds. The project submitted semi-annual interim financial reports and annual audit reports. Some initial issues with the bank account were resolved, and Anhui Provincial Audit Office provided clean opinions on the audit reports.

Procurement

Procurement was performed in compliance with the Bank's requirements as well as the applicable national laws and regulations. The Procurement Plan was prepared and updated, and Anhui Project Management Office ensured effective contract management practices were followed and that clear contract management procedures were in place.

c. Unintended impacts (Positive or Negative)

Not observed.

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
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Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of M&E	Modest	Modest	---
Quality of ICR		Substantial	---

12. Lessons

First two lessons are adopted from the ICR while the last lesson is from IEG's perspective of the project.

1 . The Realization of an integrated urban transport system hinges on system integration and institutional coordination. Since a city is organic and dynamic in nature, static planning can hinder optimum urban development. In the Anhui project, the location of the High-Speed Rail Station was moved, which impacted the traffic flows. The project adaptively changed the design of the Huxin Road in Anqing, to meet a new traffic demand. Conversely, the project was hindered when the process for the new construction of the Anning intercity rail and viaduct commenced. Coordination with the rail owners was not successful and led to the cancellation of some project activities. Both engineering and institutional stakeholder coordination in respect of planning were critical to establishing an integrated urban transport system.

2 . Prototyping a new concept gradually raises the level of acceptance. Before the project, the municipalities carried out road construction without coordinating with other relevant departments. With the introduction of the integrated corridor development, the institutions were required to validate the plans and designs across agencies. Such a change process often generates resistance by the implementing agencies and concerned stakeholders. For this project, it piloted the new concept at the initial stage, which incrementally increased the level of acceptance of the concept.

3 . Harnessing an innovative concept can benefit from mobilizing evidence of performance, geared to foster engagement. The project was a move towards changing the fragmentation of the urban transport system through an innovative pilot project corridor development concept which is the planning and implementation of the integrated urban transport system: the improvement of traffic management system (signal, channelization and signing), street lighting system, underground utilities and bus stop facilities. However, evidence was not well mobilized. Monitoring the corridor level data did not generate new evidence on the effectiveness of the integrated corridor development concept, hindering its scalability and institutional engagement. A comparison between the project and the conventional approach, which could have been embedded in the results framework, could be instrumental in fostering engagement by various stakeholders.

13. Assessment Recommended?

No



14. Comments on Quality of ICR

The ICR was well structured and succinct with supporting data and evidence. The restructuring of the project in Wuhu and Huaibei was addressed well. The relevance and efficiency sections were developed appropriately. However, the efficacy section could have been improved by paying more attention to the overall outcome of the integrated corridor development. The ICR focused on the level of achievements of the individual indicators, but these were insufficient to inform about the extent to which the innovative integrated corridor development was catalytic in transforming urban transport in the project cities, and this was not reflected in the Theory of Change.

a. Quality of ICR Rating

Substantial