

Guiyang, China

(PFS periods: Sept. 2008 – Mar. 2009 & May 2012 – Jan. 2013; Tracer Study: June 2015; Sources of Financing: Local Financing Institutions, Trust, Equity etc.)

Project Background:

Guiyang is strategically located such that it is accessible to multiple major cities in China making it one of the major transportation and communication hubs in Northwest China. Its advantageous location has led to fast growth of its economy and urbanization. This has brought about challenges such as increased traffic demands, transportation development, and environment improvement. To assist the city to overcome these challenges, CDIA supported two city interventions in Guiyang. In 2009, CDIA delivered a PFS for Urban Water Respires Rehabilitation and LRT Urban Public Transport projects; while in 2012, CDIA delivered another PFS for the North Passenger Hub and Dulaying Logistics Hub projects.

As of October 2015, the Urban Water Respires Rehabilitation project and the Dulaying Logistics Hub are yet to be financed. The Urban Water Respires Rehabilitation project failed to be financed due to unsuitable project packaging for an extremely diversified project structure. The Dulaying Logistics Hub faces uncertainty of the newly planned Comprehensive Bonded Zone (CBZ) in Guiyang, where the hub is planned to be constructed. The findings below present the progress and development impact for the LRT Urban Public Transport project and the North Passenger Hub.

Progress:

- Guiyang LRT Line 1 has been successfully financed with RMB 21.2billion (approx. US\$ 3.39bil), through multiple syndicated bank loans (US\$ 1.71 billion in total), equity (US\$ 0.32 billion), trust (US\$ 0.16 billion) and government financial provision.
- The project was approved in Dec. 2013 and construction began immediately. The total length of Line 1 is 33.6km comprising of 23 stations to be built, which include underground construction of 27km and 18 stations while the remaining 6.6km and 5 stations will be above-ground. As of April 2015, 31.3% of total project constructions have been completed.
- Operation of LRT Line 1 is expected to commence by Dec. 2017.
- For LRT Line 2, the Feasibility Study Report has been approved in Oct. 2014, and is likely to be financed via PPP. Construction has not yet started.
- The estimated total investment for the North Passenger Hub will be RMB 523.89mil (approx. US\$ 84mil), while the investment for the station square construction will be 548.71mil RMB (approx. US\$ 91mil). This project had US\$ 59mil financed through domestic commercial banks, while the remaining investment was self-financed by Guiyang Water and Transport Investment Group (GWTIG) as equity.

Guiyang LRT 1 Project, China

- Successfully financed (US\$ 3.39 bil.) through various syndicated bank loans, equity, trust and government financial provision
- As of April 2015, 31.3% of total project construction completed; expected to commence operation by Dec 2017
- FS for LRT Line 2 approved in Oct. 2014; likely to be financed via PPP
- Est. 1.9 mil urban population will benefit, including about 83,400 urban poor population
- 2,207 households were compensated for resettlement and land acquisition



Fig. 5: Tunnel Excavation for LRT 1 Construction



Fig. 6: Ongoing work of pile drilling

- The Feasibility Study was approved in March 2015, and construction commenced in May 2015. The hub is expected to commence its operation by end of 2016.

Development Impacts:

- The LRT project improves the efficiency of public transportation in Guiyang by reducing traffic congestion, and potentially improves the level of pollution in the city by **reducing emission** from private vehicles.
- However, upon completion of the project the tail traffic will induce noise and vibration impact on the area along the lines, causing sound pollution and disturbance.
- It is estimated that 1.9mil urban residence will benefit from the LRT in Guiyang, including about 83,400 of the urban poor population.
- A total of 2,207 households were affected by land acquisition for the construction of LRT Line 1, but all households affected by **resettlement** signed relocation agreements and were provided with compensation. Details of compensation are unknown due to confidentiality.
- **Public consultations** were conducted with residents along the construction site and nearby residents from Bihai, Chayuan and Yuejinlu communities. The opinions collected were used as reference information for the project design, construction and operation etc.
- The PFS also recommended that the LRT fares be kept at a minimum of RMB 2.00 and capped at maximum RMB 6.00. Actual tariff cost is unknown as the LRT is not yet operational.



Fig.7: Concrete structure of LRT station



Fig. 8: Original Site in 2012



Fig. 9: Ocular Inspection in June 2015

- The proposed North Passenger Hub project in the PFS would apply ecological suitable design to create low carbon facilities.
- It is estimated that 3.5mil urban residents could eventually benefit from inexpensive and efficient public interchange transport options, especially the 69,440 **urban poor** residents.
- The construction and operation of this project created unskilled jobs such as drivers, cleaners and maintenance staff.
- A total of 25 households were affected by land acquisition for this project and was resettled and provided with new housing in the nearby area.
- The project indicated very good impact on **good governance**. There were 11 bureaus involved in the early project preparation, and the PFS process created a working synergy as well as increased the level of cooperation between different departments and bureaus that were involved in this project. This enhanced the transparency and accountability of the city government.
- In addition, local officials from Municipal DRC noted that it was the first time that the project executing company held dialogue with key project authorities at equal footing.