



China, People's Republic of: Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 3

| | | | | | |
|--|---|--|--|----------------------------|---------------------|
| Project Name | Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 3 | | | | |
| Project Number | 50050-005 | | | | |
| Country / Economy | China, People's Republic of | | | | |
| Project Status | Active | | | | |
| Project Type / Modality of Assistance | Loan | | | | |
| Source of Funding / Amount | <table border="1"><tr><td colspan="2">Loan 4122-PRC: Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 3</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 140.00 million</td></tr></table> | Loan 4122-PRC: Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 3 | | Ordinary capital resources | US\$ 140.00 million |
| Loan 4122-PRC: Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 3 | | | | | |
| Ordinary capital resources | US\$ 140.00 million | | | | |
| Operational Priorities | OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability OP5: Promoting rural development and food security OP7: Fostering regional cooperation and integration | | | | |
| Sector / Subsector | Agriculture, natural resources and rural development / Agro-industry, marketing, and trade Industry and trade / Industry and trade sector development - Small and medium enterprise development - Trade and services | | | | |
| Gender | Effective gender mainstreaming | | | | |
| Description | <p>The Asian Development Bank (ADB) and the People's Republic of China (PRC) signed a framework financing agreement for the Guangxi Regional Cooperation and Integration Promotion Investment Program (GRIP) on 15 October 2016. Under the program, a roadmap was developed to help the Guangxi Zhuang Autonomous Region (GZAR) and Viet Nam capture regional cooperation and integration benefits in their border areas through small and medium-sized enterprise (SME) support enhancement, cross-border financial transaction and investment promotion, cross-border e-commerce platforms development, border economic zone (BEZ) infrastructure construction, and policy coordination improvement. On 1 December 2016, ADB approved the provision of a \$450 million multitranches financing facility (MFF) to the PRC for the GRIP to be implemented through three tranches from 2017-2024. Tranche 1 amounting to \$130 million of ADB financing was approved on 12 December 2016 with the current loan closing date of 30 June 2022. Tranche 2 of \$180 million was approved on 4 April 2018 with the current loan closing date of 30 November 2023. The Government of the PRC submitted a request for a loan up to \$140 million from ADB's ordinary capital resources for tranche 3 on 6 August 2021. Tranche 3 of the MFF will align with the program strategic roadmap to support (i) SME development in the border areas through vocational training capacity enhancement and expansion of the Sino-ASEAN Agricultural Products Trade Center in Baise City, (ii) integrated cross-border e-commerce platforms development for the PRC and Viet Nam, (iii) provision of key infrastructure and trade-related services in BEZs, and (iv) physical and informational connectivity and policy coordination through development of the Sino-Viet Nam Cross-Border Tourism Cooperation Zone in Chongzuo City.</p> | | | | |
| Project Rationale and Linkage to Country/Regional Strategy | <p>The border areas of the Guangxi Zhuang Autonomous Region (GZAR) in the People's Republic of China (PRC) and Viet Nam are key areas for regional cooperation and integration (RCI) along the North-South Economic Corridor (NSEC) under the Greater Mekong Subregion Economic Cooperation Program (GMS). However, transport and trade along NSEC are inefficient, and the presence of various critical bottlenecks hinders the border areas from realizing their economic growth potential. Major challenges include (i) the low level of development of small and medium-sized enterprises (SMEs) due to limited access to bank credit, lack of reliable market information, challenges in hiring and retaining skilled staff and labor; (ii) costly, risky, and time-consuming cross-border financial transactions; (iii) difficulties faced by local traders in adopting e-commerce to access to markets due to a lack of common platforms and inadequate trade facilitation measures for cross-border e-commerce; (iv) inadequate infrastructure and services in border economic zones (BEZs); and (v) poor infrastructure for connectivity, especially at key border crossing points. Addressing these constraints will require a strategic, holistic, multisector approach to promote cross-border economic activities. The multitranches financing facility (MFF) is a suitable modality to help GZAR address aforementioned constraints as well as creating spill over benefits to Viet Nam.</p> <p>With the outbreak of the coronavirus disease (COVID-19), regional economic cooperation between Guangxi and Viet Nam is impacted. The pandemic is largely contained in the PRC but remains a risk, particularly to border trade and regional cooperation on tourism. With the growing recognition of the need for measures to prevent cross-border spread of the pandemic, other public health threats, and the broad cross border risks, regional cooperation is a key part of the recovery of the GZAR and neighboring areas of Viet Nam from COVID-19. Providing and expanding regional public goods in areas such as supporting climate change mitigation and adaptation, protecting the environment, and mitigating cross border public health and other risks are also called for in ADB's new country partnership strategy for the PRC (2021-2025).</p> | | | | |
| Impact | Economic growth potential for border areas in the PRC and Viet Nam realized Efficient transport and trade operations along GMS North-South Economic Corridor achieved Economic integration between GZAR and the rest of GMS further strengthened | | | | |
| Project Outcome | | | | | |
| Description of Outcome | Benefits of regional cooperation and integration in border areas of Guangxi and northern Viet Nam captured | | | | |
| Progress Toward Outcome | To be assessed. | | | | |
| Implementation Progress | | | | | |
| Description of Project Outputs | Support for SME in border areas expanded Integrated cross-border e-commerce platforms for the PRC and Viet Nam developed Key infrastructure and trade-related services for BEZs improved Physical and informational connectivity and policy coordination improved | | | | |
| Status of Implementation Progress (Outputs, Activities, and Issues) | The project was delegated to PRC Resident Mission for administration since December 2021. The loan was declared effective on 25 March 2022. The loan inception mission is scheduled from 25 to 30 September 2022. | | | | |
| Geographical Location | Nation-wide | | | | |

| Safeguard Categories | |
|--------------------------|---|
| Environment | B |
| Involuntary Resettlement | B |
| Indigenous Peoples | B |

| Summary of Environmental and Social Aspects | |
|---|--|
| Environmental Aspects | Each subproject proposed through tranche 3 have been classified by ADB as category B for environment. A consolidated initial environmental examination (IEE) and EMP have been prepared based on information provided in the domestic environmental impact reports (EIRs) and environment impact tables (EITs), feasibility study reports, and site reconnaissance. The EIRs and EITs for all subprojects have been approved by the local Environmental Protection Bureaus. The IEE and EMP will be updated during detailed design as required. |
| Involuntary Resettlement | The Project is category B for involuntary resettlement. Land acquisition and resettlement impacts of the Tranche 3 are not deemed significant, as the number of significantly affected persons (those who will lose more than 10% of household income and/or will physically be displaced) is less than 200 persons in each subproject. |
| Indigenous Peoples | The Project is category B for indigenous peoples. The total population in the Project areas was 4,432,620 in 2019, of which the ethnic minorities (EM) population was about 3,730,629 (84%). The predominant groups are Zhuang and Yao ethnic minorities. The subprojects are unlikely to have adverse impacts on EM communities' culture, religion, and belief systems. Ethnic minorities are expected to share the same project benefits and opportunities while measures to address adverse impacts and risks related to involuntary resettlement are reflected in the RPs. |

| Stakeholder Communication, Participation, and Consultation | |
|--|--|
| During Project Design | During environmental safeguard due diligence (July-September 2020), stakeholder consultations were carried out using questionnaire surveys. Consultations were carried out at all subproject sites and respondents included affected residents from neighboring villages, farmers, students, village committees, and management committees' members. All persons and organizations consulted expressed support for the project. Further consultations will take place before the start of construction works (with due considerations to national and the World Health Organization guidelines on COVID-19 risks). |
| During Project Implementation | Meaningful consultations will continue throughout project implementation. Proposed public consultation during construction and operation are set out in the EMP (Table EMP-8: Public Consultation Plan). Proposals include site visits, interviews, workshops, and investigation of specific issues. |

| Business Opportunities | |
|------------------------|--|
| Consulting Services | ADB will engage international and national consultants following the ADB Procurement Policy and its associated project administration instructions and/or staff instructions. |
| Procurement | All procurement of goods and works will be undertaken in accordance to ADB's Procurement Guidelines (2015, as amended from time to time). Open competitive bidding with national advertising will be used for procurement of ADB-financed works and contracts. |

| | |
|----------------------------|---|
| Responsible ADB Officer | Xia, Heng |
| Responsible ADB Department | East Asia Department |
| Responsible ADB Division | PRC Resident Mission |
| Executing Agencies | Government of Guangxi Zhuang Autonomous Region, through Guangxi Foreign Loans Project Management Office |

| Timetable | |
|---------------------|-------------|
| Concept Clearance | - |
| Fact Finding | - |
| MRM | 20 Jul 2021 |
| Approval | 01 Oct 2021 |
| Last Review Mission | - |
| Last PDS Update | 23 Sep 2022 |

Loan 4122-PRC

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|---------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 01 Oct 2021 | 02 Dec 2021 | 25 Mar 2022 | 31 Dec 2024 | - | - |

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 326.70 | Cumulative Contract Awards | | | |
| ADB | 140.00 | 24 Oct 2022 | 9.95 | 0.00 | 7% |
| Counterpart | 186.70 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 24 Oct 2022 | 5.00 | 0.00 | 4% |

Request for Information

<http://www.adb.org/forms/request-information-form?subject=50050-005>

Date Generated

02 June 2023

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.