China, People's Republic of: Chongqing Integrated Logistics Demonstration Project

**Project Name**: Chongqing Integrated Logistics Demonstration Project

**Project Number**: 48024-002

**Country**: People's Republic of China

**Project Status**: Active

**Project Type / Modality of Assistance**: Loan

**Source of Funding / Amount**: Loan 3459-PRC: Chongqing Integrated Logistics Demonstration

- Ordinary capital resources
  - US$ 150.00 million

**Strategic Agendas**

- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

**Drivers of Change**

- Governance and capacity development
- Knowledge solutions

**Sector / Subsector**

- Transport - Multimodal logistics - Water transport (non-urban)

**Gender Equity and Mainstreaming**

- No gender elements

**Description**

The project will develop a modern and efficient multimodal logistics system in Chongqing. The outputs of the project will be (i) the Chongqing transportation logistics park, (ii) the Nanpeng logistics park, (iii) the Yangtze River inland waterway roll-on roll-off (Ro-Ro) operations, (iv) a logistics information system, and (v) institutional capacity building.

The proposed project is the third urban development project in Chongqing. Lessons from past and ongoing projects were incorporated in the project design, such as devolving more responsibilities to the implementing agency while strengthening its project management and financial management capacity. The proposed project will have demonstration features, namely integrated logistics parks, logistics information system, and inland waterway Ro-Ro operations. These features are all relatively new for logistics projects in the PRC, and their successful introduction through this project will offer opportunities for replication and scaling up. Integrated logistics functions and services in the new logistics parks will reduce wasteful freight movements. Logistics information services will enable logistics service providers, such as freight forwarding companies, to increase efficiency and reduce costs through better tracking and control over the supply chain. Ro-Ro operations will reduce the time and costs of transshipments, incentivizing freight movement on inland waterways.

**Impact**

Logistics services in the Yangtze River Economic Development Belt and Silk Road Economic Belt region improved
ADB has awarded the contract for package IA-CTJC08 (earthworks/ground leveling of Area and B) in July 2018 and completed in December 2018. Package IA-CTJ01 (construction of Building nos. 1 to 16, including no. 10 driveway) was awarded in December 2018. The contractor has mobilized and will complete foundation of all 8 logistics buildings. ADB has approved the contracts for the project management and capacity development firm, resettlement external monitoring and environmental external monitoring specialists.

Description of Project Outputs
- Chongqing transportation logistics park developed
- Nanpeng logistics park constructed
- Yangtze River inland waterway Ro-Ro transport demonstrated
- Logistics information system established
- Institutional capacity strengthened

Status of Implementation Progress (Outputs, Activities, and Issues)
- Output 1 - Ground leveling work was completed and foundation works for the 8 logistics buildings are ongoing.
- Output 2 - Construction started already in November 2016 using counterpart funds and all facilities were completed in March 2017 and are in operation. Reallocation request is in progress.
- Output 3 - Due to new MOT policy and declining Ro-Ro market, this component will no longer need to build energy efficient drop and haul ships (approx.4000 tons each). The 3 original contracts for ship procurement must therefore be cancelled rendering loan savings from the ADB loan which will be reallocated.
- Output 4 - Consultant services for the cloud-based platform and basic framework have been recruited with contracts under implementation. ADB funded consultant contracts under QCBS recruitment expected in 2020.
- Output 5 - Contracts have been awarded for international project implementation and capacity development consulting firm. Individual consultants have also been contracted for procurement, financial, institutional development, engineering, external environmental monitoring and external resettlement monitoring.

Geographical Location
- Chongqing

Safeguard Categories

| Environment | B |
| Indigeneous Peoples Resettlement | A |
| Indigenous Peoples | C |

Summary of Environmental and Social Aspects

Environmental Aspects
- The project is category B for environment. A consolidated initial environmental examination and an environmental management plan (EMP) that cover all project components have been prepared. These documents comply with the PRC’s regulatory requirements and ADB’s Safeguard Policy Statement (2009), and have been disclosed on the ADB website. Public consultations were carried out to inform the project design and environmental assessment process and will continue during project implementation. The EMP outlines potential impacts, mitigation and monitoring measures, institutional arrangements, training requirements and an implementation budget of 0.2% of the total project budget. Capacity development and institutional strengthening will be provided to minimize environmental risks. Environmental complaints will be handled through a project safeguards grievance redress mechanism.
- ADB safeguards scope is applied to all the project components regardless of ADB or domestic finances. The required biannual Environmental Monitoring Reports have been submitted to and approved by ADB. Moreover, the first systematic project environmental management training for the PMO, project IA and PIU was carried out. The training contents included: (i) the ADB’s safeguard policy; (ii) environmental management; (iii) the contents of environmental monitoring report and (iv) environmental mitigation measures adopted.

Involuntary Resettlement
- The project is category A for involuntary resettlement. A resettlement plan is prepared for the Chongqing transportation logistics park component. Due diligence has also been conducted for the Nanpeng Site (already cleared prior to the proposed project). The due diligence report was prepared which includes some actions to address remaining resettlement issues.
- The resettlement activities for both Chongqing transportation logistics park (Output 1) and Nanpeng logistics park (Output 2) have been completed. The remaining project activities will not involve any LAR.

Indigenous Peoples
- Indigenous peoples safeguard requirements are not triggered (category C) because no ethnic minorities will be affected by any project activities.

Stakeholder Communication, Participation, and Consultation

During Project Design
- The project will have a consultation and participation strategy to ensure meaningful consultation with all stakeholders. The consultation and participation strategy will ensure timely information to communities, project affected households, and all relevant agencies. Modes of consultation and participation will include organizing public meetings, focus groups, and such other modes of direct consultation with affected communities and affected households.

During Project Implementation
- The executing and implementing agency, with support of technical consultants, will undertake consultations with key stakeholders.

Business Opportunities

Consulting Services
- All consultant services will be recruited using quality and cost-based selection in accordance with ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time), using the default ratio of 80% for technical proposal and 20% for financial proposal.

Procurement
- All procurement to be financed under the ADB loan will be carried out in accordance with ADB’s Procurement Guidelines (2013, as amended from time to time).

Responsible ADB Officer
- Anders Pettersson

Responsible ADB Department
- East Asia Department

Responsible ADB Division
- EASI

Executing Agencies
- Chongqing Municipal Government
- ELSA-XIE@HOTMAIL.COM
- Room 305, Jianfa Plaza, Hongxuiliu Road, Yubei District, Chongqing, PRC 401121

Timetable
- Concept Clearance: 17 Jul 2014
- Fact Finding: 22 Sep 2015 to 29 Sep 2015
- MRM: 02 Dec 2015
- Approval: 14 Nov 2016
- Last Review Mission: -
- Last PDS Update: 27 Sep 2019
**Loan 3459-PRC**

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Project Page: https://www.adb.org/projects/48024-002/main
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