China, People's Republic of: Strengthening the Role of E-Commerce in Poverty Reduction in Southwestern Mountainous Areas in Chongqing

**Project Name**: Strengthening the Role of E-Commerce in Poverty Reduction in Southwestern Mountainous Areas in Chongqing

**Project Number**: 51022-001

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

**Project Status**: Closed

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

**Source of Funding / Amount**: TA 9484-PRC: Strengthening the Role of E-Commerce in Poverty Reduction in Southwestern Mountainous Areas in Chongqing Technical Assistance Special Fund US$ 400,000.00

**Strategic Agendas**: Inclusive economic growth

**Drivers of Change**: Governance and capacity development

**Knowledge solutions**: Private sector development

**Sector / Subsector**: Agriculture, natural resources and rural development - Agro-industry, marketing, and trade Industry and trade - Small and medium enterprise development - Trade and services

**Gender Equity and Mainstreaming**: Some gender elements

**Description**

**Project Rationale and Linkage to Country/Regional Strategy**

**Impact**: Access to markets for agricultural products expanded (Directives on Accelerating Development of E-commerce in Rural Areas; and Implementation Guidelines on Comprehensive Promotion of E-commerce in Rural Areas)

**Project Outcome**

**Description of Outcome**: E-commerce for poverty reduction in the rural and mountainous areas of Chongqing strengthened and applied effectively

**Progress Toward Outcome**

Outcome of the TA is: e-commerce for poverty reduction in the rural and mountainous areas of Chongqing strengthened and applied effectively. The TA will have the following three outputs:(i) Practical and effective e-commerce business models for poverty reduction developed. The TA will support a study on the experience of e-commerce development in the southwestern mountainous areas including Wuling, Qinba, and Wumeng mountain areas. The study will review the status of policies, infrastructure, and operational performance related to e-commerce, and identify problems and constraints. It will also review the experience of other areas of the PRC and selected foreign countries in applying e-commerce for poverty reduction. Based on the findings of the studies, business models for applying e-commerce for poverty reduction (with special attention to the needs of local SMEs, poor households, and women) will be developed to serve as a reference guide for the poverty areas in Chongqing and elsewhere in the PRC. Each business model will be supported by actual cases with in-depth analysis. The data and information gathered from the studies will also be used to improve policy making and implementation.(ii) Recommendations on improving legal and policy framework for applying e-commerce in targeted poverty reduction prepared. Based on the findings of the studies and workshops, the TA will produce policy notes to be submitted to Chongqing municipal government and relevant agencies of the PRC central government to inform their policy making, which is expected to have a broader impact on poverty reduction in the country. The policy notes will include recommendations to fill the infrastructure gaps and improve the agriculture value chain in support of e-commerce development in poor areas.(iii) Capacity of Chongqing municipal government and poverty counties for e-commerce development in rural areas enhanced. The TA will (a) formulate an overall institutional strengthening and capacity building plan for developing e-commerce in rural and mountainous areas, with gaps and needs analysis;(b) prepare training manuals, which should be easy to understand and use for people living in poverty areas; and (c) organize at least six training workshops for e-commerce users from the mountainous areas, with at least three networking events held directly following the training workshops to facilitate interaction and business matching between the e-commerce platform enterprises and agricultural cooperatives from the rural and mountainous areas.

**Implementation Progress**

**Description of Project Outputs**

Practical and effective e-commerce business models for poverty reduction developed and disseminated

Recommendations on improving legal and policy framework for applying e-commerce in targeted poverty reduction prepared

Capacity of Chongqing municipal government and poverty counties for e-commerce development in rural areas enhanced
The consultant recruitment completed in February 2019 and the inception workshop was conducted in 27 March 2019 in Chongqing. During inception workshop, ADB, EA and consultants reviewed the consultants TDORs, discussed the work plan proposed by the team leader, established the timetable and budget for completion of assignment including future tripartite meetings during the TA implementation. TA 9484 midterm workshop was conducted on 7 September. Since the completion of inception workshop in March, the consultants fielded visits to four counties in the Qinba and Wuling mountainous areas in April and prepared 2 subreports, extracted 3 rural e-commerce poverty reduction business models, and submitted 2 policy notes including 4 non-Chongqing experts submitted written draft report revision suggestions and made comments. The consultants recognized that the PRC is a lead in e-commerce development, integration of e-commerce to agriculture, and e-commerce promotion in rural areas. As one municipality located in the mountainous areas with large number resident living under national poverty line, Chongqing government has set up a comprehensive policy framework to promote e-commerce in the mountainous areas connecting those formerly market-isolated farmers and households into market. The e-commerce offered them new channels to increase income surpassing national poverty line. The ADB mission pointed out the deficiency of the overall analysis framework and proposed further enhancement of policy notes section on how to overcome e-commerce development barrier in mountainous areas. Minor change of implementation was approved on 2 December 2019. A survey firm was hired to conduct e-commerce poverty reduction impact survey. The survey company was recruited through request for quotation before the end of 2019. The budget allocation for the survey is around $ 69,700. The EA completed the e-commerce poverty reduction impact survey in first quarter of 2020. And the final workshop and capacity development training will be conducted in early second quarter of 2020 after the completion of capacity development training. To accommodate above implementation arrangements, the TA closing date was extended to 30 June 2020.

### Geographical Location

Chongqing

### Summary of Environmental and Social Aspects

#### Environmental Aspects
- Involuntary Resettlement
- Indigenous Peoples

#### Stakeholder Communication, Participation, and Consultation

- During Project Design
- During Project Implementation

### Business Opportunities

#### Consulting Services

The TA will engage one international Trade and E-Commerce Specialist for 2 person-months, and 8 national consultants for 34.50 person-months (one Development Economist and Poverty Reduction Specialist as Team Leader for 6 person-months; one Senior E-commerce and ICT Specialist as Deputy Team Leader for 6 person-months; two E-commerce and ICT Specialists for 4 person-months each; one Rural Development Specialist for 3 person-months; one Trade and Logistics Specialist for 3 person-months; one SME Development Specialist for 4 person-months; and one Institutional Development and Capacity Building Specialist for 4.50 person-months). The consultants as well as resource persons will be engaged in accordance with ADB Procurement Policy (2017, as amended from time to time) and the associated Project Administration Instructions/TA Staff Instructions. Consultants will be recruited individually using output-based, lump sum contracts with a provision for fixed out-of-pocket expenditures.

### Timetable

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<th>Effectivity Date</th>
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### TA 9484-PRC

#### Financing Plan/TA Utilization

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