



China, People's Republic of: Strategy and Transport Policy Study on Promoting Logistics Development in Rural Areas

Project Name	Strategy and Transport Policy Study on Promoting Logistics Development in Rural Areas	
Project Number	48022-001	
Country	China, People's Republic of	
Project Status	Closed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8699-PRC: Strategy and Transport Policy Study on Promoting Logistics Development in Rural Areas	
	Technical Assistance Special Fund	US\$ 400,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions	
Sector / Subsector	Transport - Transport policies and institutional development	
Gender Equity and Mainstreaming	No gender elements	
Description	The proposed technical assistance (TA) will assist the PRC in formulating strategies and policies to improve rural logistics for inclusion in the 13th Five Year Plan (13th plan). The TA is consistent with ADB's country partnership strategy for the PRC for 2011-2015 which seeks to foster balanced and equitable development by promoting integrated rural and urban development in ways that expand livelihood opportunities for the poor. The TA is included in the PRC Country Operations Business Plan 2014-2016.	

Project Rationale and Linkage to Country/Regional Strategy	<p>Logistics plays an important role in agricultural production, and supply chain management improves food safety and quality. In developed countries, post-harvest product losses during processing, storage and handling are generally small because of the efficiency of the equipment, better storage facilities and control of critical variables by skilled and trained staff. In the PRC, the loss rate of vegetables, fruits and other agricultural products reaches 25%-30% in harvesting, transport, storage and other logistics chains. Improvements in rural logistics help farmers to harvest and market crops more efficiently, and by facilitating communication, can develop the markets of agricultural products, stimulating social integration between urban and rural areas.</p> <p>The PRC wishes to establish efficient logistics policies in rural areas to (i) enable an unimpeded bidirectional distribution channel for agricultural products and rural consumer goods (manufactured goods) and (ii) promote the development of the agricultural sector. The State Council has issued the Logistics Industry Restructuring and Revitalization Plan in 2009 which identifies the need for improvement of agricultural produce value chains and consumer goods circulation, based on better logistics in rural areas.</p> <p>Logistics in rural areas of the PRC faces diverse and multifaceted challenges in terms of geographical conditions, prevailing agricultural products, and overall economic profile. Northeast PRC is suitable for large-scale mechanized cultivation of agricultural crops, while the southwest PRC, especially the mountainous area, is suitable for specialty crops. Most parts of northern PRC can grow only one rice crop per annum, while the southern PRC can grow two or three.</p> <p>Continuing rapid urbanization in the PRC is leading to significant changes in overall patterns of settlement and socio-economic activity, and in associated linkages between rural and urban areas. This has led to a need for new measures to strengthen the role of rural logistics, including policies and programs to enhance the supply of agricultural produce to urban markets, and the supply of agricultural inputs and other goods to rural areas.</p> <p>Despite geographical differences, some problems affecting rural logistics are common across the PRC, notably (i) inadequate infrastructure, (ii) changing socioeconomic characteristics of rural and urban areas due to rural-urban migration, (iii) a low information technology level, (iv) underdevelopment of agricultural markets and (v) a shortage of skilled workers.</p> <p>Transport systems represent a particularly weak link in the rural logistics development in the PRC, because of (i) inadequate or poor quality rural road network, (ii) a shortage of freight depot facilities in rural areas hampering consolidation of agricultural products for shipment to other areas; (iii) a lack of specialized agricultural vehicles for transport of agricultural products; and (iv) a lack of a rural logistics.</p>
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Impact	Greater efficiency and cost effectiveness of logistics in rural areas of the PRC
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Project Outcome

Description of Outcome	Policy framework in the 13th Five-Year Plan for the development of rural logistics, along with other measures, guidelines, and action plans that can be adopted by MOT and provincial governments in the PRC
Progress Toward Outcome	Several measures, guidelines, and action plans for the development of rural logistics have been submitted.

Implementation Progress

Description of Project Outputs	<p>Output 1: Brief initial policy proposals on rural logistics for the 13th Five-Year Plan prepared</p> <p>Output 2: Detailed policy proposals on rural logistics for the 13th Five-Year Plan developed</p> <p>Output 3: Detailed project proposals in selected provinces prepared</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Consultants were already recruited and now in the field. Initial policy proposals on rural logistics were prepared.</p> <p>Policy proposals on rural logistics for the 13th Five-Year Plan prepared and submitted for approval.</p> <p>Supply chain surveys in selected provinces have commenced.</p> <p>Midterm workshop on 16 June 2015 completed.</p> <p>Supply chain surveys completed in August 2015.</p> <p>Final workshop was held on 21 January 2016.</p> <p>Policy proposals on rural logistics already prepared and submitted.</p> <p>Final report was received on 17 March 2016.</p> <p>All activities in the TA are complete and will close by March 31 2016.</p>

Geographical Location	
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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 be implemented over an 18 month period from 8 September 2014 to 30 March 2016 and will require a total of 10 person-months of three international consultants and 14 person-months from three national consultants. ADB will engage individual international and national consultants in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). All procurement under the TA will be carried out in accordance with the Technical Assistance Disbursement Handbook (2010, as amended from time to time). The international team will comprise (i) one team leader and transport logistics specialist (6 person-months), (ii) one agricultural value chain specialist (2 person-months), and (iii) one logistics information specialist (2 person-months). The team of national consultants will comprise: (i) deputy team leader - agricultural and transport logistics specialist (8 person-months); (ii) agricultural value chain/transport economist (4 person-months) and (iii) logistics information and communication technology specialist (2 person-months).

Responsible Staff

Responsible ADB Officer	ADB Disclosure
Responsible ADB Department	East Asia Department
Responsible ADB Division	Transport and Communications Division, EARD
Executing Agencies	<i>Ministry of Transportation (formerly Min of Comm) 10 Fuxing Road Beijing 100845 People's Republic of China</i>

Timetable

Concept Clearance	02 Jul 2014
Fact Finding	24 Jul 2014 to 29 Jul 2014
MRM	-
Approval	13 Aug 2014
Last Review Mission	-
Last PDS Update	31 Mar 2016

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
13 Aug 2014	04 Sep 2014	04 Sep 2014	31 Mar 2016	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
400,000.00	0.00	0.00	0.00	0.00	0.00	400,000.00	13 Aug 2014	346,345.30

Project Page	https://www.adb.org/projects/48022-001/main
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