

# Due Diligence Report

---

Project Number: 50050-004  
July 2017

## PRC: Guangxi Regional Cooperation and Integration Promotion Investment Program – Tranche 2

Prepared by the Guangxi Zhuang Autonomous Region Government for the Asian Development Bank.

This due diligence report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature. Your attention is directed to the "terms of use" section on ADB's website.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

---

**ADB Funded Guangxi Regional Cooperation and  
Integration Promotion Investment Program (Tranche 2)**

**Qinzhou Bonded Port Cross-Border Trade E-commerce  
Industrial Park Subproject (#5)  
Land Acquisition and Resettlement Due Diligence Report**

**Guangxi Qinbao Investment Group Co., Ltd.  
May 2017**

---

## I. INTRODUCTION

### 1.1. Subproject Background

1. The Qinzhou Bonded Port Zone is the key International channel that connects Guangxi with ASEAN. The channel is the core strategic fulcrum of development in South-west and Central-South regions of the PRC, and the first-tier gateway to connect with the 'Belt and Road' Initiative. As a result, Qinzhou Bonded Port Cross-Border Trade E-commerce Industrial Park subproject in the Zone will provide efficient services to regional cooperation.

2. The subproject is one of the seven subprojects of the Guangxi Regional Cooperation and Integration Promotion Investment Program (Tranche 2). The subproject Implementation agency or entity (PIE) is the Guangxi QinBao Investment Group Ltd.

3. The subproject does not require any land acquisition or resettlement of persons. However, in order to ensure that there are no any outstanding issues pertaining to land use and legal status of the land the PIE conducted a land acquisition and resettlement due diligence in the subproject area.

### 1.2. Components of the Subproject

4. The subproject site is in the Guangxi Qinzhou Bonded Port Zone, in the south of Eighth Street, East of Eastern Sea Road, and near Guangxi Qinzhou Bonded Port Administration Office building. The total subproject covers an area of about 85 *mu*. The total construction area is 112,000 square meters that includes the building of the cross-border trade exhibition center of 44,520 square meters; business area of 49,232 square meters; the regulation platform of the electricity supplier (with the operation data center) of 13,909 square meters; and 4,339 square meters of warehouse and commercial facilities.

## 2. TYPE OF LAND USED FOR THE SUBPROJECT

### 2.1 Type of Land

5. The subproject covers a total area of 5 hectares (75 *mu*). The entire land area was reclaimed from the sea bed. When reclaimed, the entire area was considered as state-owned land.

### 2.2. Land Permission Process

6. On 28 October 2016, the subproject site was examined and approved by the

Construction Management Office of the Guangxi Qinzhou Bonded Port Management Committee. Its conclusion was that the subproject meets the State Industrial Policy and Land Supply Policy requirements, and the site selected is a feasible location for the subproject.



Figure 1: Site of the Subproject

7. On 28 October 2016, the Guangxi Qinzhou Bonded Port Management Committee issued the Document No. [2016]2, namely, 'Notice on Approval of Land Pre-examination of Guangxi Qinzhou Bonded Port Cross Border Trade E-commerce Industrial Park'. The Notice states that the land use plan of the subproject complies with the Land Use Planning Policy of the Qinzhou Bonded Port (2006-2020), the National Industrial Policy, and the State Land Use Policy. The Notice also states that the location selected for the subproject is a feasible location for such a project. The Guangxi Qinzhou Bonded Port Management Committee also directed PIE to obtain the approval for the construction land pre-examination.

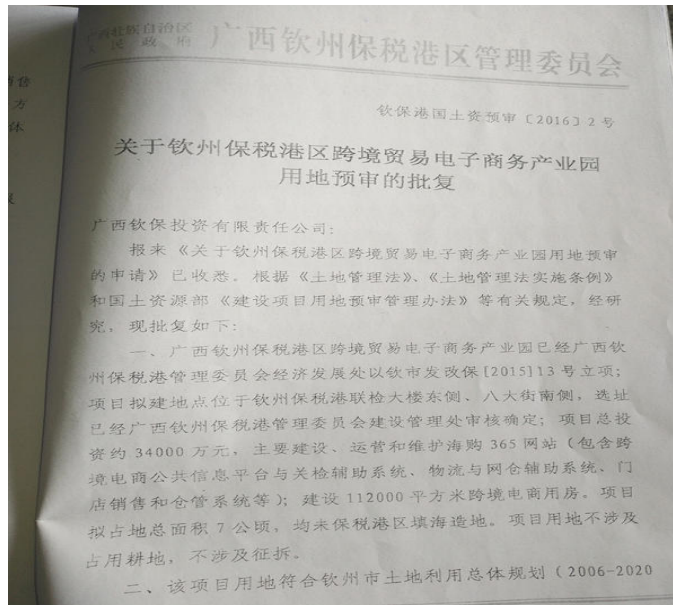


Figure 2: Notice of Land Pre-examination

### 2.3. Sea Bed Reclamation Process

8. The subproject is in the comprehensive service area of the Qinzhou Bonded Port. It obtained the approval for sea land use from State Oceanic Administration (China Sea [2009] No. 188) on 3 April, 2009. On 21 November 2009, the Guangxi Autonomous Region Government approved the recovery of sea land of 30.8477 hectares<sup>1</sup> (GUI Zheng Letter No.[2009]267) for the subproject.

9. On 22 November 2009, the Guangxi Zhuang Autonomous Region Maritime Bureau held a 'completion and acceptance' conference in Nanning City to discuss the sea land reclamation project in the comprehensive service area of the Qinzhou Bonded Port. 23 experts from relevant agencies and units participated in the conference. After a thorough review, the Guangxi Zhuang Autonomous Region Marine Bureau approved sea land reclamation on November 27, 2009 (Guangxi Sea letter, No. [2009]224).

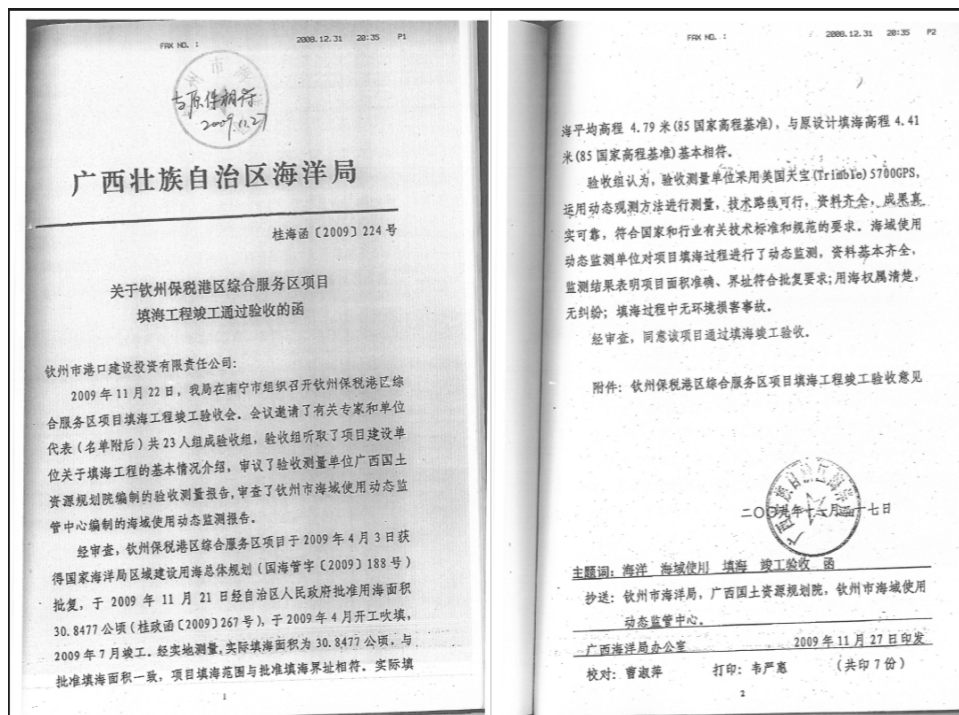


Figure 3: Acceptance Letter of Sea Reclamation

<sup>1</sup> Note: The land used by this subproject is only part of the whole land reclaimed from seabed.

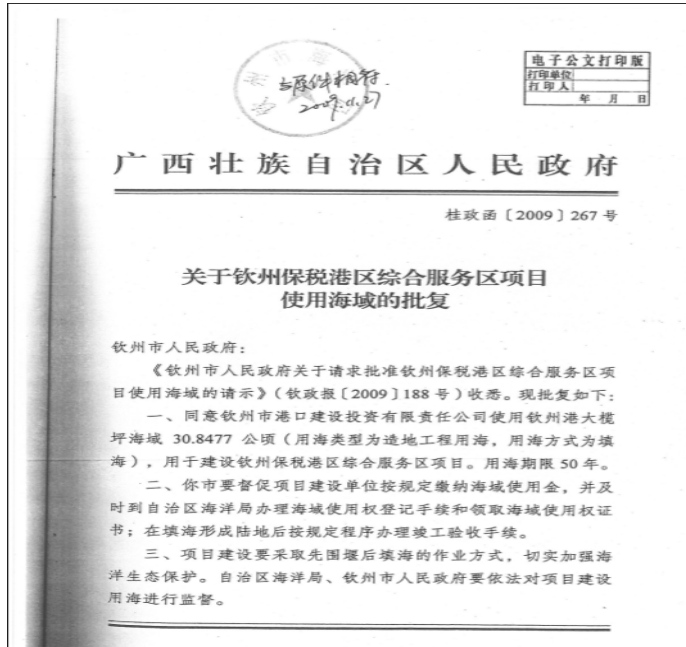


Figure 4: Approval of Sea Land Use

The reclamation of sea land in the Qinzhou Bonded Port premises started in April 2009 and completed in July 2009.

#### 2.4. Obtaining of Land Use Right

10. The Guangxi Qinbao Electronic Information Tech Ltd, as the subsidiary of Guangxi Qinbao Investment Group Ltd, obtained land use rights of the location through a public bidding process by paying 1.8 million Yuan as land use fees on 26 December, 2016 (see below).

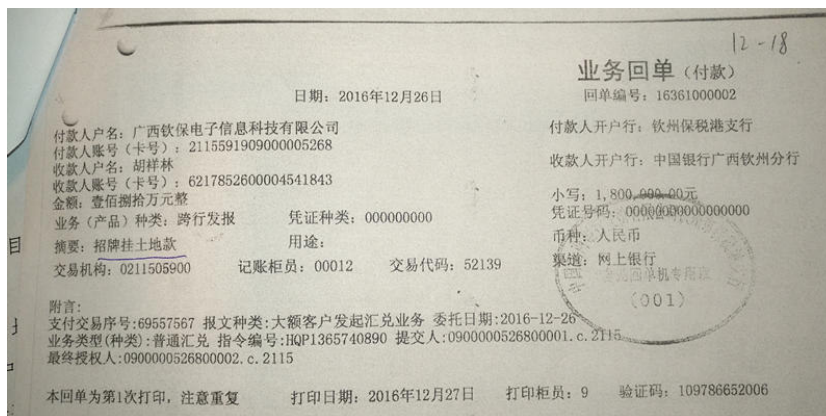


Figure 5: Payment record of land use fee

---

### **3. CONCLUSION AND RECOMMENDATION**

#### **3.1. Conclusion**

11. The proposed Qinzhou Bonded Port Cross Border Trade E-Commerce Industrial Park subproject has obtained the full land use rights of 7 hectares of state-owned land reclaimed from the sea area. The subproject does not, therefore, do not require any land acquisition or resettlement of persons. At present, the land is unencumbered, and do not have any pending legal or land use issues.

#### **3.2. Recommendation**

12. The Qinzhou Bonded Port Cross Border Trade e-commerce industrial park subproject should use land prudently so that land could be saved for the future.