



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	China, People's Republic of				
Project Status	Approved				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td>Loan 4122-PRC: Guangxi Regional Cooperation and Integration Promotion Investment Program - Tranche 3</td> <td></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				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration				
Drivers of Change	Knowledge solutions Partnerships Private sector development				
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 Equity and Mainstreaming	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 multitranche 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 multitranche financing facility (MFF) is a suitable modality to help GZAR address aforementioned constraints as well as creating spill over benefits to Viet Nam. 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					
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)

Geographical Location	Nation-wide
Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	B
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	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	An, Bo
Responsible ADB Department	East Asia Department
Responsible ADB Division	Public Mgt, Financial Sector and Regional Coop Division, EARD
Executing Agencies	Government of Guangxi Zhuang Autonomous Region, through Guangxi Foreign Loans Project Management Office 18th Floor, Guangxi Development Plaza East Building, No. 111-1 Minzu Avenue Nanning, Guangxi
Timetable	
Concept Clearance	-
Fact Finding	-
MRM	20 Jul 2021
Approval	01 Oct 2021
Last Review Mission	-
Last PDS Update	04 Oct 2021

Loan 4122-PRC

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

Project Page	https://www.adb.org/projects/50050-005/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=50050-005
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