

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Lanzhou New Area Regional Hub Multimodal Logistics and Transport Infrastructure Demonstration Project
Country	The People's Republic of China
Type	Sovereign
Area of Operation	Transport Infrastructure
Concept Approval Date	30 April 2018
Financing Approval Date	25 June 2019
Total Project Cost	RMB 3,899.3 million
Initial Limit of NDB Financing	RMB 2,511.9 million
Current Limit of NDB Financing	RMB 2,511.9 million
Borrower	The People's Republic of China
Project Entity(ies)	Lanzhou New Area Administrative Committee
Project Context	Lanzhou New Area (LNA), established in 2012 as a State-level New Area, is a new extension of Lanzhou City (the capital city of Gansu Province) with the size of 1,744 square kilometers. LNA has been positioned as the industrial base and economic zone of western provinces of China. With a robust growth in the past six years since establishment, LNA took the lead in economic growth among the existing New Areas established in China. It witnessed a total of 9,770 new companies registered and settled, a total of 350 global trade companies exporting to over 50 countries, and a total of 627 companies relocated to its industrial base. The rapid industrial development has generated a high demand of logistics services in LNA. The growing demand for the logistics infrastructure has quickly become the impediment to further economic development.
Project Description	The Project is to build multimodal logistics infrastructure, connecting roads, railways and air freight logistics parks, to reduce logistics gap, meet growing demand of infrastructure, and boost economic growth. Components of the Project include: (i) rail stations, rail tracks, and logistics parks; (ii) connecting roads; (iii) multimodal logistics information platform; (iv) capacity building, project management, and supervision. A Sovereign Project Loan will be provided by NDB to the People's Republic of China for on-lending to Lanzhou New Area Administrative Committee through the People's Government of Gansu Province.

Project Objective	<p>The Project will improve logistics efficiency and reduce overall logistics cost for industries and companies in LNA. The outcomes of the Project are as follows: (i) enabling smooth shifts between road, rail, and air freight modes, and efficient processing of freight traffic; and (ii) reducing logistics cost and increasing revenue of logistics parks with additional handling volume.</p> <p>Project Outputs will include: (i) Strengthened multimodal transport and logistics infrastructure, improved logistics efficiency and capacity at Zhongchuanbei Station and logistics Park, Gaojiazhuang Station and Logistics Park, and Air Freight Logistics Park in the Free Trade Zone. (ii) Improved accessibility of multimodal logistics infrastructure, improved accessibility between external highways and industrial parks by constructing six connecting roads with a total length of 25.88km; (iii) achieving real-time freight and logistics information sharing with online portals for users, visualizing and monitoring operations by establishing multimodal logistics Information platform; (iv) enhanced institutional capacity in project planning, design, implementation and evaluation.</p>
Implementation Arrangements	<p>The Project is to be implemented over five years. Lanzhou New Area Administrative Committee will be the Project Implementation Agency. Procurement will be conducted in compliance with the national law and regulations, and meet the core principles of NDB's policy.</p>
Environmental and Social Information	<p>The positive impacts of the Project include: (i) enhanced logistics efficiency; (ii) reduced overall transport and handling cost; (iii) accelerated industrial development; (iv) agglomeration effect as a national logistics base; (v) enhanced integration of supply chain management; (vi) speed to-market product delivery; (vii) enhanced international trade; (viii) enhanced economic growth with increased number of jobs and increased economic activities. Successful completion of the Project will have a significant development impact on improving the quality of lives of local residents in Lanzhou New Area. The Project is Category "B" in line with NDB Environmental and Social Framework (ESF) and China's environmental impact assessment regulations. Main environmental and social impacts from the Project include land acquisition and compensation, soil erosion, disposal of wastes</p>

	and dust control. These impacts will be mitigated by action plans, adhering to requirements of E&S country system.											
Financing	The total cost of the Project is estimated to be RMB 3.9 billion. NDB will finance RMB 2.51 billion or 64% of the total cost. The remaining balance will be financed by counterpart funds from Lanzhou New Area Administration.											
	<table border="1"> <thead> <tr> <th>Source of Fund</th> <th colspan="2">Amount (RMB billion)</th> </tr> </thead> <tbody> <tr> <td>NDB</td> <td colspan="2">2.51</td></tr> <tr> <td>Lanzhou New Area Administration</td><td colspan="2">1.39</td></tr> </tbody> </table>			Source of Fund	Amount (RMB billion)		NDB	2.51		Lanzhou New Area Administration	1.39	
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