

Project Summary for Public Disclosure

Project Overview	
Project Name	Lanzhou New Area Regional Hub Multimodal Logistics and Transport Infrastructure Demonstration Project
Country	The People's Republic of China
Sector	Transport
Approval Date (by the Board)	25 June 2019
Total Project Cost	RMB 3,899.3 million
Proposed Loan Amount	RMB 2,511.9 million
Borrower	The People's Republic of China
Implementation Agency	Lanzhou New Area Administration

I. Introduction

Lanzhou New Area (LNA), established in 2012 as a State-level New Area¹, 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.

II. Project Description

Objectives of the Project are to build multimodal logistics infrastructure, connecting road railways and airport, to reduce logistics gap, meet growing demand of infrastructure, and boost economic growth. Components of the Project include: (i) rail stations, rail tracks,

¹ State-level New Areas are state-approved administrative establishment to further the development of industry, technology and innovation, and to promote social-economic development of a region or sub-region.

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 Administration through the People’s Government of Gansu Province.

III. Environmental and Social Aspects

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 and dust control. These impacts will be mitigated by action plans, adhering to requirements of E&S country system.

IV. Financials

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.

Financier	Amount (RMB billion)
New Development Bank	2.51
Lanzhou New Area Administration	1.39

V. Implementation

The Project is to be implemented over five years. Lanzhou New Area Administration 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.