

## PROJECT PREPARATORY TECHNICAL ASSISTANCE

### A. Justification

1. During the country programming mission held in Manila in November 2013, the Government of the People's Republic of China (PRC) requested the Asian Development Bank (ADB) to assist the Fujian Provincial Government (FPG) in preparing Fujian Farmland Sustainable Utilization and Demonstration Project, which is included in ADB's lending program for 2016. A project preparatory technical assistance (TA) will help the FPG prepare the project in compliance with ADB's requirements and following best international practices.

### B. Major Outputs and Activities

2. The TA will (i) assess the project's technical, economic, and financial feasibility; (ii) assess safeguards requirements; (iii) conduct social survey and consultations for poverty, social, and gender analysis; (iv) prepare project documents according to ADB's requirements; (v) assist the FPG in revising domestic feasibility studies and improving safeguard documents in line with ADB's and the government's requirements; and (vi) conduct training and capacity development.

3. The major outputs and activities are summarized in Table A3.1.

**Table A3.1: Summary of Major Outputs and Activities**

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Sector assessment	April 2015	An inception report	April 2015
Social survey and consultations	April 2015	An interim report	April 2015
Assessment of the technical feasibility	July 2015	A draft final report, including finalized FSRs for all subprojects; IEE reports; land lease due diligence report and, if needed, resettlement plan(s); a social and poverty analysis report; a gender action plan; climate smart implementation plan; an economic and financial analysis report; a financial management assessment report; a procurement capacity assessment report, and draft RRP, including PAM	July 2015
Due diligence on the economic and financial feasibility	July 2015		
Completion of safeguard requirements	July 2015		
Capacity development	September 2015	A final report	October 2015

FSR = feasibility study report, IEE = initial environmental examination, PAM = project administration manual, RRP = report and recommendation of the President.

Source: Asian Development Bank.

### C. Cost Estimate and Proposed Financing Arrangement

4. The TA is estimated to cost \$600,000 equivalent, of which \$600,000 will be financed on a grant basis by Technical Assistance Special Fund (TASF-other sources). The FPG will provide counterpart support in the form of counterpart staff, office space, facilities, supplies, and transportation. The detailed cost estimates are presented in Table A3.2.

**Table A3.2: Cost Estimates and Financing Plan (\$'000)**

Item	Total Cost
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (12 person-months)	276.0

	ii. National consultants (28 person-months)	140.0
b.	International and local travel	40.0
c.	Reports preparation, production, and transmission	10.0
2.	Equipment <sup>b</sup>	10.0
3.	Workshops, training, seminars, and conferences <sup>c</sup>	15.0
4.	Surveys <sup>d</sup>	20.0
5.	Miscellaneous administration and support costs	10.0
6.	Contingencies	79.0
	<b>Total</b>	<b>600.0</b>

<sup>a</sup> Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-other sources).

<sup>b</sup> Equipment (The equipment will be handed over to Fujian Provincial Government upon the completion of the project preparatory technical assistance.)

Type	Quantity	Cost (\$)
Laptop computer	5	6,000
Copier	1	3,000
Projector	1	1,000

<sup>c</sup> Workshops, training, seminars, and conferences will be administered by the consultants.

Purpose	Venue
Stakeholder consultation workshop	Fuzhou, Fujian
Inception, interim, and final workshops	Fuzhou, Fujian
Training on social and environmental safeguards	Fuzhou, Fujian
Training on financial management and procurement	Fuzhou, Fujian
Training on technical matters	Fuzhou, Fujian

<sup>d</sup> Surveys will be administered by the PPTA consultant

Source: Asian Development Bank estimates.

#### D. Consulting Services

5. The TA will require services of 12 person-months (pm) of international and 28 pm of national consultants. A consulting firm will be recruited through quality- and cost-based selection method using a quality—cost ratio of 90:10 and simplified technical proposal according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).

**Table A3.3: Summary of Consulting Services Requirement**

International Positions	person-months	National Positions	person months
Agriculture economist and team leader	5.0	Financial specialist and deputy team leader	6.0
Environment impact assessment specialist	2.0	Procurement specialist	2.0
Social development specialist	2.5	Environment impact assessment specialist	3.0
Soil conservation specialist	2.5	Soil conservation specialist	3.0
		Irrigation water resources management specialist	3.0
		Farmer's institution specialist	3.0
		Climate-smart agriculture specialist	1.5
		Social development specialist	3.0
		Resettlement specialist	1.5
		Rural land law specialist	2.0
<b>Total</b>	<b>12.0</b>	<b>Total</b>	<b>28.0</b>

Source: Asian Development Bank estimates.

6. **Agriculture economist and team leader** (international, 5 pm). The specialist will have (i) a graduate degree in agricultural economics, or a relevant discipline; and (ii) work experience for at least five investment projects financed by ADB or other international development banks as economist and at least two projects as a team leader. The specialist will conduct all economic analysis according to ADB's Guidelines for the Economic Analysis of Projects and Key Areas of Economic Analysis of Projects. The specialist will prepare project cost estimates and financing plan.

7. **Financial specialist and deputy team leader** (national, 6 pm). The specialist will have (i) at least a graduate degree in finance, accounting, or a relevant discipline; (ii) a professional accountancy qualification; and (iii) work experience for at least five investment projects financed by ADB or other international development banks as financial specialist. The specialist will conduct all financial analysis, which comprises financial management assessment, financial analysis, and financial evaluation, according to Financial Due Diligence-A Methodology Note and Financial Management and Analysis of Projects.
8. **Procurement specialist** (national, 2 pm). The specialist will have (i) at least an undergraduate degree in civil engineering, or a relevant discipline; and (ii) a track record of at least 5-year experience in procurement and consultant recruitment for ADB and/or other international development banks. The specialist will assess procurement capacity of the executing and implementing agencies, prepare a procurement plan and sample bidding documents for international/national competitive bidding, and provide training on procurement.
9. **Environment impact assessment specialists** (international, 2 pm; national, 3 pm). Each specialist will have (i) a graduate degree in environmental studies, or a relevant discipline; (ii) and work experience in environmental assessment, knowledge of non-point source pollution, large-scale sustainable farming, and impacts and remediation techniques. The specialists will (i) assess possible environmental impacts of the project as a whole and of each subproject; and (ii) prepare an initial environmental examination, including an environmental management plan.
10. **Soil conservation specialists** (international, 2.5 pm; national, 3 pm). Each specialist will have (i) a graduate degree in soil science, or a relevant discipline; and (ii) work experience in farmland preparation and on-farm soil management. Experience in tea plantation on upland will be particularly acknowledged. The specialist will work closely with the irrigation water resources management specialist, environment specialist, and climate-smart agriculture specialist. The specialists will (i) assess soil condition and its change in project sites; (ii) assess proposed land use in project sites proposed in the feasibility study report and its impact on the soil condition; and (iii) produce land use guidelines for sustainable land use and soil fertility.
11. **Irrigation water resources management specialist** (national, 3 pm). The specialist will have (i) a graduate degree in water resources management, hydrology, or a relevant discipline; and (ii) work experience with water user's associations in a rural context. The specialist is expected to work closely with the soil conservation specialists, farmer's institution specialist, and climate-smart agriculture specialist. The specialist will assess water impact and ensure sustainable and efficient utilization of water resources to be incorporated in the project design.
12. **Farmer's institution specialist** (national, 3 pm). The specialist will have (i) at least an undergraduate degree in community development, or a relevant discipline; and (ii) work experience with farmer's institutions, particularly cooperatives and water user's associations in a rural context. The specialist will design appropriate institutional arrangements for water use to achieve sustainable water resources management in project areas, and farming activities to ensure appropriate benefits for farmers and cooperatives in project areas.
13. **Climate-smart agriculture specialist** (national, 1.5 pm). The specialist will have (i) a graduate degree in agronomy or horticulture; (ii) at least 10 years of experience relevant to crop farming preferably in mountainous and hilly areas, with at least 5 years' track record of working experience in climate-smart agricultural practices; and (iii) demonstrated expertise in evaluating potential risks and making recommendations for prevention or mitigation, particularly for tea crops. The specialist will (i) gather data regarding the total area and location of primary agricultural crops in the project areas; and (ii) produce a climate-smart agriculture implementation plan with

recommendations for climate adaptation, and mitigation actions and/or activities in the agriculture sector based on international best practices and new technologies.

14. **Social development specialists** (international, 2.5 pm; national, 3 pm). Each specialist will have (i) a graduate degree in social sciences, or a relevant discipline; and (ii) work experience in social and gender development, preferably with international financial institutions. The international social development specialist will provide oversight of tasks of the national social development specialist, resettlement specialist, and rural land law specialist. The specialists will (i) conduct a poverty and social analysis and vulnerability, gender inclusion, and labor and employment; (ii) prepare a consultation and participation plan, a social action plan, which will include specific actions to ensure inclusion of the poor and vulnerable, and a gender action plan; and (iii) conduct other tasks in line with the initial poverty and social analysis such as assessment of farmland affordability.

15. **Resettlement specialist** (national, 1.5 pm). The specialist will have (i) a graduate degree in social sciences, or a relevant discipline; and (ii) work experience relevant to rural land resettlement, preferably with international development banks. The specialist will (i) collect data on land use in project impact areas, and assess whether any land acquisition was done in the last 5 years in anticipation of the project; and if so, conduct and produce the due diligence report in accordance with Safeguard Requirements 2 of ADB's Safeguard Policy Statement (2009); (ii) assist the FPG in assessing involuntary resettlement impacts including land leasing and/or consolidation for proposed subproject(s); and (iii) prepare the resettlement plan(s), if needed.

16. **Rural land law specialist** (national, 2 pm). The specialist will have (i) at least an undergraduate degree in law, social sciences, or a relevant discipline; (ii) a track record substantiating thorough understanding on the latest PRC's law on land contract in rural areas and related regulations; and (iii) actual work experience dealing with rural land contracts. The specialist will assess (i) compliance of proposed land leases and land consolidation schemes with relevant laws and regulations, (ii) economic and social consequences for lessors to enter into these lease agreements, (iii) ensure the process is transparent and voluntary, and (iv) produce a land lease due diligence report, sample contract, and implementation guidelines.

## E. Implementation Arrangements

17. The FPG will be the executing agency. Implementing agencies will be project municipal governments. The project management office under Fujian Agriculture Department will be responsible for the TA implementation and coordination with ADB. Disbursement will be carried out following ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Procurement of equipment will follow ADB's Procurement Guidelines. The TA will commence on 15 December 2014 and be completed on 30 October 2015.

18. The proposed TA processing and implementation schedule is listed in Table A3.4.

**Table A3.4: Technical Assistance Processing and Implementation Schedule**

<b>Major Milestones</b>	<b>Expected Completion Date</b>
Concept paper approval	October 2014
Recruitment of consultants	October 2014–December 2014
Technical assistance inception mission	January 2015
Technical assistance midterm review mission	April 2015
Loan fact-finding mission	August 2015
Submission of technical assistance final report	October 2015

Source: Asian Development Bank estimates.