



Technical Assistance Report

Project Number: 47072
Policy and Advisory Technical Assistance (PATA)
August 2014

People's Republic of China: Promoting Foreign Investment to Support Agricultural Modernization

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 31 July 2014)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1620
\$1.00	=	CNY6.1710

ABBREVIATIONS

ADB	–	Asian Development Bank
MOA	–	Ministry of Agriculture
PRC	–	People's Republic of China
TA	–	technical assistance

NOTE

In this report, "\$" refers to US dollars.

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POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 47072-001	
Project Name	Promoting Foreign Investment to Support Agricultural Modernization	Department /Division	EARD/EAER
Country Borrower	China, People's Republic of China, People's Republic of	Executing Agency	Ministry of Agriculture
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Agriculture, natural resources and rural development	Agricultural policy, institutional and capacity development		0.40
		Total	0.40
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Private sector development (PSD)	Promotion of private sector investment	No gender elements (NGE)	✓
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Nation-wide	High
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.40	
Sovereign Policy and advisory technical assistance: Technical Assistance Special Fund		0.40	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		0.40	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		No	

I. INTRODUCTION

1. The Government of the People's Republic of China (PRC) requested technical assistance (TA) from the Asian Development Bank (ADB) for Promoting Foreign Investment to Support Agricultural Modernization. The TA is included in the country operations business plan, 2014–2016 for the PRC.¹ ADB fielded a reconnaissance mission in Beijing on 18–19 March 2014 and a consultation mission on 4 June 2014 to clarify and agree with the Foreign Economic Cooperation Center of the Ministry of Agriculture (MOA) on the impact, outcome, outputs, implementation arrangements, cost, financing arrangements, and terms of reference for the TA.² The design and monitoring framework of the TA is in Appendix 1. The TA will support a comprehensive review of policies and international experiences with foreign investment of both capital and technology in agriculture, conduct an in-depth analysis of the practices of foreign agricultural projects in the PRC, and carry out an assessment of the gaps between the foreign and domestic agricultural enterprises in terms of operation, management, and technology development. A policy note focusing on promoting foreign investment to support agricultural modernization will be prepared based on the analysis and assessment. The TA will contribute to the PRC's agenda of inclusive growth and private sector development, the importance of which is well recognized in ADB's country partnership strategy for the PRC.³

II. ISSUES

2. Foreign investment in the agriculture sector has been growing in the PRC in the past 30 years. The actual use of agriculture-related foreign capital was \$899 million in 2001. The number more than doubled by 2012, amounting to \$2.06 billion, with an average annual growth rate of 8%. Private direct investment, especially investments made by multinational agricultural enterprises, has played a major role in foreign investment in the sector since the mid-1990s, while grants and loans provided by foreign governments and international development institutions dominated the field in the 1980s and early 1990s. On the other hand, foreign investment in agriculture (including forestry, animal husbandry, and fishery) has long stayed below 2% of the overall foreign investment received by the PRC. The percentage is significantly lower than the contribution of the agriculture sector to the country's entire economic output, which is roughly 10%.

3. Foreign investment in agriculture in the PRC is characterized by the following features: First, investments used to be concentrated in the eastern region, where the physical and nonphysical conditions make the business environment friendlier to foreign investors. Gradually, foreign investment moved inward to the central and western regions of the country. By 2010, the eastern region accounted for 79.5% of accumulated foreign investment in agriculture, the central region for 13.9%, and the western region for 6.6%. Second, the multinational agricultural or food-related enterprises, mostly originating from developed countries, play a leading role in bringing capital and technology into the PRC. Attracted by the large market potential and the stable supply of inputs, most top multinationals specialized in food and seed have set up business in the PRC, and their operations cover almost all segments of agriculture, such as production, processing, or logistics. Third, most foreign investments go to crop farming and animal husbandry, fewer to fishery and forestry. This may be due to differentiation in subsector regulations as well as different market prospects. The investments have covered almost all segments along the agricultural value chain, with a focus on agro-processing and increasing

¹ ADB. 2014. *Country Operations Business Plan: People's Republic of China, 2014–2016*. Manila.

² The TA first appeared in the business opportunities section of ADB's website on 31 July 2014.

³ ADB. 2012. *Country Partnership Strategy: People's Republic of China, 2011–2015*. Manila.

interest in production, raw material supply, and logistics. Fourth, foreign investors have brought in not only capital but also technology and other intellectual resources, e.g., marketing practices and management experience. For instance, the top international seed companies have established research and development centers in the PRC. By 2011, nearly 2,000 agricultural technologies had been introduced into the PRC from over 40 countries.

4. The growing size of foreign investment has generated complex impacts on the agriculture sector of the PRC. First, the investment fills the capital gap and thus promotes sector development and agricultural industrialization. Second, the intellectual resources introduced along with foreign capital deepen technology adoption and development as well as corporate governance, which led to greater productivity of the whole sector. Third, entry of the multinational agro-enterprises pushes forward market reform of the sector. The increased competition has both positive and negative impacts on the domestic enterprises. The positive spillovers arise from the latter's imitation and market orientation, and from direct partnership with foreign investors. Nonetheless, the domestic enterprises generally are considerably weaker than their foreign counterparts, particularly where value chain development, branding and marketing, research and development, and access to international consumption and capital markets are concerned. They normally face competition pressure from the foreign enterprises rather than collaboration opportunities when they tend to grow larger.

5. Importance is attached to further opening the agriculture sector, which is regarded as a key approach to achieving agricultural modernization, in both the 12th Five-Year Plan for National Agriculture and Rural Economic Development (2011–2015) and the National Modern Agriculture Development Plan (2011–2015). The latter specifically states that developing modern agriculture requires enhanced introduction of foreign investment with both capital and intellectual resources, optimization of foreign investment, and adoption and adaptation of advanced technology and equipment. The latest official document on agricultural policies emphasizes that agro-enterprises are one of the main emerging types for agricultural practice, and support needs to be given for them to play a key role in agricultural industrialization and modernization.⁴ Inspired by these documents, the TA aims to propose solutions to the policy questions of how to promote and optimize foreign investment in the agriculture sector and how to develop a market where various players can participate in fair and healthy competition and more collaboration can take place between the foreign and domestic agro-enterprises. ADB's country partnership strategy for the PRC, 2011-2015, identifies inclusive growth as one of the three pillars and private sector development as one of the four major drivers of change. Promoting foreign investment in agriculture and agricultural market development can improve agricultural productivity and thus lift rural livelihood, lending direct support to inclusive growth.

6. Systematic information on the following is necessary to answer the policy questions described above, but is largely missing at present: (i) the status quo of agricultural foreign investment projects in the PRC—their strategy, operational models and practices, as well as how they interact with the markets and government agencies; (ii) enterprise-specific gaps in business operation and scope for collaboration; (iii) sector-specific or regional demand for capital and intellectual resources; and (iv) experiences of other countries that successfully attract agricultural foreign investment and promote collaboration and healthy market competition. The TA will fill in the information gaps by carrying out a comprehensive review of policies and experiences relating to the source and recipient countries of agricultural foreign

⁴ The 2014 No. 1 Central Government Document: "Views on Holistically Deepening the Rural Reform and Expediting Agricultural Modernization."

investment, in-depth interviews and surveys of representative foreign and domestic agro-enterprises, and interviews with relevant government agencies.

7. Based on the collected data, the TA will answer questions and propose sound policy recommendations on how to increase the quantity and improve the quality of agricultural foreign investment; how to optimize the investment distribution across subsectors, value chains, and regions; and how to promote healthy competition and collaboration between the foreign and domestic agro-enterprises. The targeted policy audiences of the TA include the MOA, local agriculture departments that are responsible for planning and guiding regional agricultural foreign investment, and other government agencies such as the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM). The TA is closely aligned with ADB's country partnership strategy for the PRC, 2011–2015, which includes inclusive growth as one of the three pillars and private sector development as one of the four major drivers of change.

III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The impact will be the modernization of the agriculture sector of the PRC as measured by the increased ratio of agro-processing outputs to agricultural outputs, and improved contribution of technological progress to agriculture sector growth. The outcome will be the promotion of foreign investment in the agriculture sector of the PRC upon adoption of policy recommendations by relevant policymakers.

B. Methodology and Key Activities

9. The TA will produce three main outputs:

- (i) **A study report on the status of foreign investment in agriculture.** This will involve data collection and analysis based on interviews with and surveys of representative foreign agro-enterprises, especially those set up by multinationals, that are active in agricultural production; processing; logistics; and research and/or services in the PRC from main subsectors such as planting, seed, animal husbandry, machinery, and fishery. The purpose of the study is to acquire a good understanding of the strategy, operational models, practices, and governance of the foreign agro-enterprises, and the constraints and challenges they face in the host country. Relevant policies of the investment source countries will also be reviewed to understand investors' incentives and constraints from the homeland.
- (ii) **A study report on the demand for agricultural foreign investment and opportunities for the domestic enterprises to learn from and collaborate with the foreign ones.** The study will assess the demand for agricultural foreign investment in the sector, subsectors, and regions; gaps between the domestic and foreign agro-enterprises in value chain development, branding and marketing, research and development, access to international consumption and capital markets; and opportunities for collaboration between the domestic and foreign agro-enterprises. The assessments will be supported by data obtained via interviews with government agencies in selected provinces and surveys of the agro-enterprises.

Experiences of other countries that successfully attract agricultural foreign investment and promote collaboration and healthy market competition will be examined and incorporated through literature review, and study tour and trainings. The study tour and trainings aim to offer the PRC agricultural policy makers an overview of the best practices in promoting foreign investment in agriculture and market development as well as first-hand experience communicating with counterparts from the countries visited. Various approaches including course teaching, field visit, and face-to-face discussions will be undertaken to enhance the effectiveness of the study tour and trainings. Participants will mainly come from the MOA.

- (iii) **A policy note on promoting agricultural foreign investment and market development.** Based on the first two outputs, the note will recommend policies to optimize foreign investment in the agriculture sector, create equal conditions for foreign and domestic agro-enterprises to compete, and promote collaboration between various market players. The policy recommendations are aimed to be adopted in relevant national or local planning.

10. One potential risk is that the studies under the TA fail to access high-quality data from agro-enterprises because the enterprises approached for the study may decline to participate in the interview or survey. To prevent this, a large number of enterprises need to be approached beforehand to ensure sufficient participation. The local departments of agriculture can help convince the enterprises to cooperate. The TA subject involves multiple government agencies such as the NDRC and the MOFCOM. Coordination and policy dialogues across agencies are a challenge. The executing agency of the TA will make the greatest possible effort to engage these agencies for guidance and dialogue to produce more balanced and useful policy recommendations.

C. Cost and Financing

11. The TA is estimated to cost \$450,000, of which \$400,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The government will provide counterpart support in the form of staff time, access to administrative data, assistance to field trips, use of office space and facilities, logistical support, and other in-kind contributions. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

12. MOA will be the executing agency of the TA. MOA's Foreign Economic Cooperation Center will be the implementing agency. A TA management office will be established within the center and be responsible for (i) coordinating other departments of MOA, e.g., the Department of Planning and Development and the Department of International Cooperation; other government agencies, e.g., the National Development and Reform Commission and the Ministry of Commerce; and provincial departments of agriculture for guidance on the studies, policy dialogues, and dissemination of outputs; (ii) carrying out day-to-day TA activities such as overseeing the TA consultants' work, conducting domestic reviews of TA outputs, and holding TA review workshops; (iii) planning and conducting study tour and trainings; and (iv) organizing an international conference for output dissemination and knowledge sharing.

13. The TA will be partially delegated to the executing agency and implementing agency based on the Memorandum of Understanding on Enhanced Partnership on TA Delegation to the

Executing Agency between ADB and the Ministry of Finance of the PRC in November 2009. The agreement indicates that delegation is limited to the selection, recruitment, and supervision of consultants, while administration of the TA remains with ADB. A procurement capacity assessment of the executing agency and implementing agency was conducted in 2008 during the preparation of the Integrated Renewable Biomass Energy Development Sector Project,⁵ which found that the agencies had satisfactory capacity to carry out procurement under ADB's guidance and support. The executing agency and implementing agency recruited consultants in 2013 for an ongoing TA for Study on Modern Agriculture Demonstration Area Planning and Financial Support Mobilization.⁶ Their capacity remains unchanged.

14. The TA will be implemented over 17 months, tentatively from 1 October 2014 to 29 February 2016. The TA requires an estimated 24 person-months of consulting services (4 person-months of international and 20 person-months of national inputs). The consulting team consists of a national agricultural economist and team leader, a national foreign investment specialist, a national agribusiness specialist, a national agricultural policy specialist, a national agro-technology specialist, and an international foreign investment specialist. The outline terms of reference are in Appendix 3.

15. A consulting firm will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), using the quality- and cost-based selection method with a quality–cost ratio of 80:20. The simplified technical proposal approach will apply. Procurement, if any, will be conducted in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). The proceeds of the TA will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Resource persons may be recruited to review the consultants' outputs and share knowledge during workshops and the conference in accordance with ADB's guidelines on recruiting and administering resource persons.

16. An international conference on a moderate scale with 50–100 participants will be organized to disseminate the TA outputs and share knowledge. The targeted participants include government officials from MOA, NDRC, MOFCOM, and local departments of agriculture, representatives from domestic and foreign enterprises in the PRC, national and international experts on agricultural foreign investment. The policy note will be submitted to relevant government agencies in written form.

IV. THE PRESIDENT'S DECISION

17. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$400,000 on a grant basis to the Government of the People's Republic of China for Promoting Foreign Investment to Support Agricultural Modernization, and hereby reports this action to the Board.

⁵ ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Grants to the People's Republic of China for the Integrated Renewable Biomass Energy Development Sector Project*. Manila (Loan 2632-PRC).

⁶ ADB. 2013. *Technical Assistance to the People's Republic of China for the Study on Modern Agriculture Demonstration Area Planning and Financial Support Mobilization*. Manila (TA 8126-PRC).

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Modernization of the agriculture sector of the PRC</p>	<p>By 2020: The ratio of agro-processing outputs to agricultural total outputs is greater than 2.2% (2010 baseline: 1.7%)</p> <p>Contribution of technological progress to agriculture sector growth is greater than 55% (2010 baseline: 52%)</p>	<p>Official reports of the Ministry of Agriculture</p>	<p>Assumption Improved foreign investment and a healthy market contribute to agro-processing and agricultural technological progress</p>
<p>Outcome Promotion of foreign investment in the agriculture sector and market development of the PRC</p>	<p>By 2015: Policy recommendations from the project are recognized and/or adopted by the relevant government agencies</p>	<p>Official reports from the government</p>	<p>Assumption Coordinated by the executing agency, other relevant agencies provide guidance and participate in dialogues under the project</p> <p>Risk Lack of coordination and communication between government agencies that are involved in policymaking related to agricultural foreign investment</p>
<p>Outputs</p> <ol style="list-style-type: none"> 1. A study report on the status of foreign investment in the agriculture sector in the PRC 2. A study report on the demand for agricultural foreign investment and opportunities for the domestic enterprises to learn from and collaborate with the foreign ones 3. A policy note on promoting agricultural foreign investment and market development 	<p>By 2015: Two high-quality reports and one policy note completed</p>	<p>Technical assistance review missions and back-to-office reports</p> <p>Consultant technical reports and reviewers' comments</p> <p>Feedback from the executing agency</p>	<p>Assumption The executing agency provides timely guidance and support</p> <p>Risk Some agro-enterprises may decline to participate in the study to share information</p>

Activities with Milestones	Input
<p>Mobilize the consultant team by month 4 Develop the study framework, prepare inception report, and conduct inception workshop by month 6 Prepare the interim report and conduct interim workshop by month 11 Prepare the draft final report and conduct final workshop by month 14 Finalize the technical assistance outputs by month 16 Disseminate the outputs on an international conference by month 17</p> <p>1. A study report on the status of foreign investment in the agriculture sector in the PRC</p> <p>1.1 Review literature and develop preliminary data collection plan and survey instruments by month 6 1.2 Finalize data collection plan and survey instruments by month 8 1.3 Collect data by month 10 1.4 Analyze data and prepare interim report by month 11 1.5 Revise and finalize the report by month 16</p> <p>2. A study report on the demand for agricultural foreign investment and opportunities for the domestic enterprises to learn from and collaborate with the foreign ones</p> <p>2.1 Review literature and develop preliminary data collection plan and survey instruments by month 6 2.2 Finalize data collection plan and survey instruments by month 8 2.3 Conduct data collection by month 10 2.4 Analyze data and prepare interim report by month 11 2.5 Conduct study tour and trainings by month 13 2.6 Revise and finalize the report by month 16</p> <p>3. A policy note on promoting agricultural foreign investment and market development</p> <p>3.1 Prepare a draft policy note summarizing policy recommendations on promoting foreign investment in agriculture by month 14 3.2 Finalize the policy note by month 16</p>	<p>ADB Technical Assistance Special Fund (TASF-other sources): \$400,000</p> <p>Note: The government will provide counterpart support in the form of staff time, access to administrative data, assistance to field trips, use of office space and facilities, logistical support, and other in-kind contributions.</p>

ADB = Asian Development Bank, PRC = People's Republic of China.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	80.0
ii. National consultants	120.0
b. International and local travel	11.0
c. Reports and communications	19.0
2. Workshops, trainings, and conferences	
a. Resource persons	20.0
b. Workshops and conferences	40.0
c. Study tour and trainings	40.0
3. Data and surveys	45.0
4. Miscellaneous administration and support costs	5.0
5. Contingencies	20.0
Total	400.0

Note: The technical assistance (TA) is estimated to cost \$450,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The government will provide counterpart support in the form of staff time, access to administrative data, assistance to field trips, use of office space and facilities, logistical support, and other in-kind contributions. The value of government contribution is estimated to account for 11% of the total TA cost.

^a Financed by ADB's Technical Assistance Special Fund (TASF-other sources).

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Introduction

1. A consulting firm comprising of a team of five national consultants and one international consultant will be recruited by the executing agency in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time) of the Asian Development Bank (ADB), using the quality- and cost-based selection method with a quality–cost ratio of 80:20. The simplified technical proposal approach will apply. The table below lists the required expertise.

Breakdown of Consulting Expertise

International Position	Person-Months ^a	National Position	Person-Months ^a
Foreign investment specialist	4.0	Agricultural economist and team leader	6.5
		Foreign investment specialist	4.5
		Agricultural policy specialist	3.0
		Agribusiness specialist	3.0
		Agro-technology specialist	3.0
Total	4.0		20.0

^a The engagement is on intermittent basis.

Source: Asian Development Bank estimates.

B. Terms of Reference

2. **Agricultural economist and team leader** (national, 6.5 person-months). The economist should have (i) a postgraduate degree in agricultural economics or other relevant fields, and (ii) 10 or more years of research and policy experience in agricultural investment, agricultural industrial organization, and/or value chain development in developed or developing countries. Knowledge about agriculture-related World Trade Organization rules and practices, and experience in surveying agricultural firms are desirable. The specialist must be fluent in English. As the team leader, the specialist will be responsible for the final outputs of the technical assistance (TA), as well as for daily coordination and supervision of the TA team. Specifically, the specialist will

- (i) develop the detailed study framework and methodology in consultation with the executing and implementing agencies, ADB, and team members;
- (ii) develop outlines of the TA inception, interim, and final reports and assign work to respective specialists in the team; compile inputs and finalize inception, interim, and final reports;
- (iii) manage and ensure timely implementation of TA activities, which includes collecting data through surveys and interviews, organizing inception, interim, and final workshops, and supporting the executing agency in organizing an international conference on agricultural foreign investment;
- (iv) with the assistance of team members, conduct a comprehensive review of domestic policies, status, experience, and lessons with respect to agricultural foreign investment, including inflows of both capital and intellectual resources in the People's Republic of China (PRC);
- (v) select provinces as focus regions and a sample of enterprises for the study in consultation with the executing agency and relevant government agencies; develop interview and survey instruments to collect representative and

- comprehensive enterprise data, which should cover key agricultural products and main subsectors;
- (vi) organize the enterprise interviews, and surveys and interviews with the government agencies;
- (vii) lead the preparation of TA reports based on literature review, field investigation, and data analysis;
- (viii) conduct consultations with the experts and policymakers on the draft reports, and incorporate their feedback into the revised drafts;
- (ix) prepare a policy note based on the TA outputs highlighting the most policy-relevant findings and recommendations;
- (x) present the results and findings of the project in the TA workshops and at the conference; and
- (xi) carry out other tasks related to the project.

3. **Foreign investment specialist** (national, 4.5 person-months). The specialist should have (i) a postgraduate degree in international investment, international trade, or other relevant fields; (ii) 8 or more years of research experience in agricultural foreign investment in developing countries; and (iii) demonstrated experience with agriculture-related World Trade Organization rules and practices. The specialist, who must be fluent in English, will

- (i) work with the international foreign investment specialist in reviewing policies and experience of foreign countries as well as practices of multinationals with regard to agricultural foreign investment; identify those that may be applicable in the PRC;
- (ii) assist the team leader in conducting a comprehensive review of domestic policies, status, experience, and lessons with respect to agricultural foreign investment;
- (iii) provide substantial inputs to the development of study framework, methodology, and interview and survey instruments;
- (iv) assist the team leader in carrying out field work such as interviews and surveys;
- (v) provide substantial inputs to the TA reports with a focus on the impacts of foreign investment on the PRC's agricultural development, constraints, and challenges faced by the foreign agro-enterprises in the PRC market, and demand for and optimization of foreign investment in agriculture;
- (vi) coordinate and consult with government agencies and stakeholders related to the agricultural foreign investment;
- (vii) participate in presenting the study findings in TA workshops and the conference; and
- (viii) conduct other related work assigned by the team leader.

4. **Agricultural policy specialist** (national, 3 person-months). The specialist should have (i) a postgraduate degree in agricultural policy, agricultural development management, or other relevant fields; and (ii) 8 or more years of research experience in agricultural policy, preferably agricultural industrial policies. The specialist, who must be fluent in English, will

- (i) assist the team leader to carry out a comprehensive review of domestic policies, status, experience, and lessons with respect to agricultural foreign investment including inflows of both capital and intellectual resources in the PRC;
- (ii) provide inputs to the development of study framework, methodology, and interview and survey instruments;
- (iii) assist the team leader in carrying out field work such as interviews and surveys;
- (iv) provide substantial inputs to the TA reports with a focus on the impacts of domestic policies and regulations on foreign agro-enterprise in the PRC, policy

reforms needed to increase and optimize foreign investment in agriculture, and policy measures to promote market development for healthy competition and more collaboration between foreign and domestic enterprises;

- (v) participate in presenting the study findings in TA workshops and the conference; and
- (vi) conduct other related work assigned by the team leader.

5. **Agribusiness specialist** (national, 3 person-months). The specialist should have (i) a postgraduate degree in agribusiness, agricultural economics, or other relevant fields, and (ii) 8 or more years of research experience in agribusiness, agricultural marketing, and/or agro-enterprise management. The specialist, who must be fluent in English, will

- (i) provide inputs to the development of study framework, methodology, and interview and survey instruments;
- (ii) assist the team leader in carrying out field work such as interviews and surveys;
- (iii) assess the gaps between domestic and foreign agro-enterprises in the value chain development, branding and marketing, access to international consumption and capital markets, and corporate governance based on literature review, field investigation, and data analysis;
- (iv) identify areas where the foreign and domestic agro-enterprises can collaborate and assess the willingness of both sides;
- (v) provide substantial inputs to the TA reports and participate in presenting the study findings in the TA workshops and the conference; and
- (vi) conduct other related work assigned by the team leader.

6. **Agro-technology specialist** (national, 3 person-months). The specialist should have (i) a postgraduate degree in agro-technology or other relevant fields, and (ii) 8 or more years of research experience in agricultural research and development. The specialist, who must be fluent in English, will

- (i) provide inputs to the development of study framework, methodology, and interview and survey instruments;
- (ii) assist the team leader in carrying out field work such as interviews and surveys;
- (iii) assess the demand for agro-technology and ways to meet the demand;
- (iv) assess the status of agro-technology research and development of foreign and domestic agro-enterprises, identify gaps and collaboration opportunities between the two, and propose policy reforms to promote inflows of agro-technology and home-based research and development;
- (v) provide substantial inputs to the TA reports and participate in presenting the study findings in the TA workshops and the conference; and
- (vi) conduct other related work assigned by the team leader.

7. **Foreign investment specialist** (international, 4 person-months). The specialist should have (i) a postgraduate degree in international investment, international trade, or other relevant fields with a focus on the agriculture sector; (ii) 10 or more years of experience in the policy and practice of agriculture foreign investment of the developed regions and countries, including the European Union, the United States, and Japan; and (iii) demonstrated experience with agriculture-related World Trade Organization rules and practices. The specialist will

- (i) conduct a comprehensive review of policies of the main source countries, such as the Organisation for Economic Co-operation and Development countries, that guide or regulate outward agricultural investment and overseas research and development;

- (ii) conduct a comprehensive review of policies of the main host countries, such as Argentina and Brazil, that guide or regulate inward agricultural investment;
- (iii) conduct a comprehensive review of foreign investment strategies and practices of the main agricultural multinationals and enterprises; specific focuses include, but are not limited to, investment fields, patterns and scales, geographic distribution, operational models, and influence of and response to host country policies;
- (iv) analyze the impacts of foreign investment on host countries' agricultural development based on literature review and data analysis for key agricultural products and major subsectors;
- (v) make projections of the strategic direction and trend of overseas investment and research and development carried out by the agricultural multinationals and enterprises from the main source countries;
- (vi) provide inputs to the development of study framework, methodology, and surveys under the TA;
- (vii) provide substantial inputs to the TA reports with a focus on international experience and policy recommendations for promoting agricultural foreign investment in the PRC;
- (viii) participate in presenting the study findings in the TA workshops and conference; and
- (ix) conduct other related work assigned by the team leader.

C. Reporting

8. The consulting team will submit (i) an inception TA report within 6 weeks of mobilization, (ii) a revised inception report within 2 weeks of the inception workshop, (iii) an interim TA report within 6 months of mobilization, (iv) a revised interim report within 1 month of the interim workshop, (v) a draft final report within 9 months of mobilization, and (vi) a final report 2 months after the final workshop. The revised inception report, revised interim report, and the final report should incorporate comments from the executing and implementing agencies, ADB, and other invited reviewers.

9. All documents will be submitted in both English and Chinese languages to the executing agency and ADB in hard and electronic copies. The final outputs will be posted online in both languages.