



Technical Assistance Report

Project Number: 48022
Policy and Advisory Technical Assistance (PATA)
August 2014

People's Republic of China: Strategy and Transport Policy Study on Promoting Logistics Development in Rural Areas

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 4 July 2014)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1610
\$1.00	=	CNY6.21

ABBREVIATIONS

ADB	–	Asian Development Bank
MOT	–	Ministry of Transport
PRC	–	People's Republic Of China
TA	–	technical assistance

NOTE

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

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CONTENTS

	Page
POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	1
III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE	2
A. Impact and Outcome	2
B. Methodology and Key Activities	2
C. Cost and Financing	3
D. Implementation Arrangements	3
IV. THE PRESIDENT'S DECISION	4
APPENDIXES	
1. Design and Monitoring Framework	5
2. Cost Estimates and Financing Plan	7
3. Outline Terms of Reference for Consultants	8

POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 48022-001	
Project Name	Strategy and Transport Policy Study on Promoting Logistics Development in Rural Areas	Department /Division	EARD/EATC
Country Borrower	China, People's Republic of Ministry of Transport	Executing Agency	Ministry of Transportation (formerly Min of Comm)
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Transport	Transport policies and institutional 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	
Governance and capacity development (GCD)	Institutional development Organizational development	No gender elements (NGE)	✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas Knowledge sharing activities		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Rural Urban	High Low
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. To sustain economic growth, the Government of the People's Republic of China (PRC) attaches priority to the so-called Three Rural Issues (agriculture, rural areas, and farmers), which it identified as a focus for further economic and social development. A rural population of 650 million that relies mostly on agriculture makes modernization of the agriculture sector a critical development task.

2. The PRC wishes to establish efficient logistics policies in rural areas to (i) enable an unimpeded bidirectional distribution channel for agricultural products and rural consumer goods (manufactured goods) and (ii) promote the development of the agriculture sector. The State Council issued the Logistics Industry Restructuring and Revitalization Plan¹ in 2009, which pinpoints the need to improve value chains for agricultural produce and circulation of consumer goods through better logistics in rural areas. This technical assistance (TA) has been developed upon request from the Ministry of Transport (MOT). Through it, the Asian Development Bank (ADB) will support the preparation of studies for strengthening rural and urban links in the PRC. The TA will provide input for and interact with ADB's ongoing TA for the preparation of the 13th Five-Year Plan with respect to Challenge 2: Rural Urban Transformation.² Agreement has been reached on TA impact, outcome, implementation arrangements, cost estimates, and consultants' terms of reference.³

II. ISSUES

3. Logistics plays an important role in agricultural production and supply-chain management, and is necessary to ensure food safety and quality. In developed countries, post-harvest product losses during processing, storage, and handling are generally small because of the efficiency of the equipment, better storage facilities, and control of critical variables by skilled and trained staff. In the PRC, the loss rate for vegetables, fruits, and other agricultural products reaches 25%–30% in harvesting, transport, storage, and other parts of the logistics chain.⁴ The lack of organization and facilities throughout the agricultural value chains in the PRC is an impediment to serving the growing urban markets. Improvements in rural logistics will help farmers harvest and market crops more efficiently, increase the income they receive from selling their produce, and contribute to further economic integration of urban and rural areas.

4. Logistics in rural areas of the PRC faces diverse and multifaceted hurdles given the geographical conditions, prevailing agricultural products, and the overall economic profile. The country's northeast is suitable for large-scale mechanized cultivation of agricultural crops, while the southwest, especially the mountainous areas, is more suitable for specialty crops. Most parts of northern PRC can grow only one rice crop a year; southern PRC can grow two or three.

5. Continuing rapid urbanization is leading to significant changes in overall patterns of settlement and socioeconomic activity, and in associated links between rural and urban areas. This has led to a need for new measures to strengthen the role of rural logistics, including

¹ Government of the People's Republic of China, State Council. 2009. *Logistics Industry Restructuring and Revitalization Plan*. Beijing.

² ADB. 2014. *Technical Assistance to the People's Republic of China for Support for the Thirteenth Five-Year Plan*. Manila.

³ The TA first appeared in the business opportunities section of the ADB website on 12 June 2014.

⁴ Jiao Rui and Yu Xiao-qiong. 2011. The Problems and Path Thinking of China's Rural Logistics Development, *Asian Agricultural Research* 3(5), pp. 112–115.

policies and programs to enhance the supply of agricultural produce to urban markets, and the supply of agricultural inputs and other goods to rural areas.

6. Despite geographical differences, some problems affecting rural logistics are common across the PRC. These include (i) inadequate infrastructure, (ii) changing socioeconomic characteristics of rural and urban areas due to rural–urban migration, (iii) a lack of sophisticated information technology, (iv) underdevelopment of agricultural markets, and (v) a shortage of skilled workers. Transport systems are a particularly weak link because of (i) the inadequate and poor quality of the rural road network; (ii) a shortage of freight depots in rural areas, which hampers consolidation of agricultural products for shipment to other areas; and (iii) a lack of specialized vehicles for the transport of agricultural products.

III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

7. The TA will assist the PRC in formulating strategies and policies to improve rural logistics for inclusion in the 13th Five-Year Plan. The TA is consistent with ADB's country partnership strategy for the PRC for 2011–2015,⁵ which seeks to foster balanced and equitable development by promoting integrated rural and urban development in ways that expand livelihood opportunities for the poor. The TA is also included in the PRC country operations business plan, 2014–2016.⁶

A. Impact and Outcome

8. The expected impact will be greater efficiency and cost effectiveness of logistics in rural areas of the PRC.

9. A policy framework for rural logistics development in the 13th Five-Year Plan, along with other measures, guidelines, and action plans that can be adopted by MOT and provincial governments in the PRC are the proposed outcome of the TA.

B. Methodology and Key Activities

10. The main outputs of the TA are described below.

11. **Brief initial policy proposals on rural logistics for the 13th Five-Year Plan.** This involves an assessment of the key drivers of rural logistics in the PRC and the planned development up to 2025. The output also involves short reviews in up to three provinces to develop initial policy proposals for improving rural logistics, with a view to these being incorporated in the 13th Five-Year Plan.⁷ The selection of the provinces will be based on a review of existing national and provincial plans regarding transport and logistics development; an assessment of the economic, agricultural, geographic, and demographic profiles of the provinces; and a review of stakeholders in the logistic chains. The TA will evaluate the interaction and changing relationship between rural and urban areas of the country in terms of logistics, and it will identify major bottlenecks in rural–rural links. A workshop with national stakeholders and international and national resource persons will be held to discuss the initial policy proposals and preparation of brief policy notes.

⁵ ADB. 2012. *Country Partnership Strategy: People's Republic of China, 2011–2015*. Manila.

⁶ ADB. 2014. *Country Operations Business Plan: People's Republic of China, 2014–2016*. Manila.

⁷ The provinces may be Shandong, Hubei, and Sichuan, which represent the PRC's eastern, central, and western regions.

12. **Detailed policy proposals on rural logistics for the 13th Five-Year Plan.** Further studies in the selected provinces and consultation of research outputs from related studies and TA projects⁸ will help in preparing a detailed analysis of logistics systems in rural areas. The TA team will also review the rural logistics in selected developed countries and point to international best practices that are relevant to the PRC. The TA will conduct an international study and field visit to a country that can provide examples of replicable agricultural logistic chains, such as Japan, the Republic of Korea, or the United States.⁹ The output will include a workshop with national stakeholders and international and national resource persons to discuss the detailed policy proposals.

13. **Project proposals in selected provinces.** This involves preparing transport sector guidelines and monitoring systems for improving rural logistics in selected provinces and/or agricultural markets. The TA team will assist MOT and provincial governments in formulating the required priority pilot projects and programs. This may entail new or amended regulations and operating guidelines, institutional changes, physical infrastructure improvements, organization of product and transport chains, budget allocation, information systems, market organization, and strengthening of competition.

C. Cost and Financing

14. The TA is estimated to cost \$500,000, 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 counterpart staff, suitably furnished office space with utilities and telecommunication access, workshop venues, information materials, data, maps and other documents, and other in-kind contributions.

D. Implementation Arrangements

15. MOT will be the executing agency, and the Integrated Planning Division of its Comprehensive Planning Department will be the implementing agency. The implementing agency will provide office accommodation, local transport, and the remuneration of counterpart staff as required for the implementation of the TA. The executing agency will designate a full-time TA focal point. The leader of the TA consulting team will supervise the administration of workshops and/or seminars and the study tour in consultation with ADB's project manager.

16. The TA will be implemented over 20 months, planned tentatively between August 2014 and March 2016, and will require 9.5 person-months of input from three international consultants and 12 person-months of input from three national consultants. ADB will engage them as individual consultants in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). The international team will have a (i) team leader and transport logistics specialist (6 person-months), (ii) agricultural value chain specialist (2 person-months), and (iii) logistics information specialist (1.5 person-months). The national team will comprise a (i) deputy team leader and agricultural and transport logistics specialist (7 person-months), (ii) agricultural value chain and transport economist (3.5 person-months), and (iii) logistics information and communication technology specialist (1.5 person-months). The outline terms of reference for the consultants are in Appendix 3. The TA progress will be

⁸ ADB. 2012. *Transport Efficiency through Logistics Development Policy Study*. Manila; ADB. 2012. *Technical Assistance to the People's Republic of China for the Logistics System Development for Agricultural Products*. Manila.

⁹ Visit to consolidation facilities for agricultural products, agricultural transshipment facilities, and organizations that deal with agricultural logistics chains.

measured as stipulated in the design and monitoring framework (Appendix 1). The TA outputs will be disseminated in workshops and incorporated in the 13th Five-Year Plan. Disbursements under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

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 People's Republic of China for Strategy and Transport Policy Study on Promoting Logistics Development in Rural Areas, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Greater efficiency and cost effectiveness of logistics in rural areas of the PRC</p>	<p>Reduced transport loss rate (currently 25%–30%) for agricultural products throughout the logistics chain compared with 2014–2015</p> <p>Increased time and cost efficiency in agricultural logistic chains compared with 2014–2015</p>	<p>Research documents on agricultural and rural transport</p> <p>Average transport times and cost for various agricultural value chains</p>	<p>Assumption Policy priority for rural development and agricultural changes continues.</p>
<p>Outcome Policy framework in the 13th Five-Year Plan for the development of rural logistics, along with other measures, guidelines, and action plans that can be adopted by MOT and provincial governments in the PRC</p>	<p>Inclusion in the 13th Five-Year Plan of policy proposals for rural logistics that were developed under the TA</p> <p>Inclusion of policy proposals from the TA in provincial plans for the development of rural logistics</p> <p>Implementation of pilot projects as defined and initiated</p>	<p>13th Five-Year Plan and provincial policy plans on rural logistics</p> <p>Documentation on pilot projects</p>	<p>Assumption Commitment of national and provincial governments to implement the high-level policy proposals on rural logistics, develop detailed guidelines and policy proposals, and implement pilot projects initiated by the TA</p> <p>Risk Insufficient consensus on draft high-level policy proposals to support formulation of the 13th Five-Year Plan; insufficient involvement and ownership by the executing agency to implement the TA; lack of available data and other information to formulate specific guidelines for the provinces and define pilot projects</p>
<p>Outputs Output 1: Brief initial policy proposals on rural logistics for the 13th Five-Year Plan prepared</p>	<p>Key drivers of rural logistics in the PRC are assessed.</p> <p>Major bottlenecks in rural–rural links are identified.</p> <p>Workshop to discuss brief policy notes is held.</p> <p>Brief policy notes prepared and submitted to MOT and NDRC.</p>	<p>Consultants' reports</p> <p>ADB review mission reports</p>	
<p>Output 2: Detailed policy proposals on rural logistics for the 13th Five-Year Plan</p>	<p>Rural logistics in selected developed countries and international best practices relevant to the PRC are</p>		

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
developed	<p>reviewed.</p> <p>Workshop to discuss the detailed policy proposals is held.</p> <p>Detailed policies and guidelines to implement the 13th Five-Year Plan proposal at provincial level developed and submitted to MOT and NDRC.</p>		
Output 3 Project proposals in selected provinces prepared	Two or three pilot projects with high potential to demonstrate the effectiveness of the proposed policies are identified.		
<p>Activities with Milestones</p> <p>Output 1: Brief initial policy proposals on rural logistics for the 13th Five-Year Plan</p> <p>1.1 Assessment of key drivers of rural logistics in the PRC and planned development up to 2025</p> <p>1.2 Analysis of regional profiles (e.g., economic, agricultural, geographic), foreseeable changes between urban and rural areas, and related logistics and transport requirements, and identification of main bottlenecks in rural logistics chains in the PRC</p> <p>1.3 Draft policy proposals on rural logistics for the 13th Five-Year Plan by September 2014</p> <p>1.4 Continued support to MOT and other related authorities for the formulation of final policies on rural logistics in the 13th Five-Year Plan</p> <p>1.5 Organization of workshop to discuss initial policy proposals and preparation of brief policy notes by September 2014</p> <p>Output 2: Detailed policy proposals on rural logistics for the 13th Five-Year Plan</p> <p>2.1 Detailed analysis of rural and agricultural logistics systems or chains in selected provinces</p> <p>2.2 Review of selected provinces' policy proposals on rural logistics</p> <p>2.3 Identification of international best practices that are relevant to the PRC in general, and to provinces and/or regions in particular</p> <p>2.4 Formulation of recommendations to incorporate these best practices in national and provincial policies on rural logistics</p> <p>2.5 Organization of a study tour by November 2014</p> <p>2.6 Organization of a workshop to discuss draft detailed policy proposals by December 2014</p> <p>2.7 Formulation of final policy proposals for inclusion in the 13th Five-Year Plan by December 2014</p> <p>Output 3: Project proposals in selected provinces</p> <p>3.1 Formulation of draft detailed guidelines and monitoring systems for selected province(s) to implement the policies by July 2015</p> <p>3.2 Assistance to MOT and other relevant stakeholders in formulating pilot projects and programs to support the implementation of the 13th Five-Year Plan policies for the improvement of rural logistics</p> <p>3.3 Preparation of terms of reference for proposed pilot projects, and assistance to relevant authorities for initiation and implementation</p> <p>3.4 Preparation of final TA report by November 2015</p>			<p>Inputs</p> <p>ADB: \$400,000</p> <p>Note: The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, and domestic transportation, and other in-kind contributions.</p>

ADB = Asian Development Bank, MOT = Ministry of Transport, NDRC = National Development and Reform Commission, PRC = People's Republic of China, TA = technical assistance.

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 (9.5 person-months)	209.0
ii. National consultants (12 person-months)	68.0
b. International travel	36.0
c. National travel	7.0
d. Reports, translation, and communications	10.0
2. Workshops and seminars ^b	10.0
3. Surveys and study tour ^c	40.0
4. Miscellaneous administration and support costs	5.0
5. Contingencies ^d	15.0
Total	400.0

Note: The technical assistance (TA) is estimated to cost \$500,000, 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 counterpart staff, office accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The value of government contribution is estimated to account for 20% of the total TA cost.

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

^b The budget includes honoraria for and travel costs of resource persons and facilitators, participants' travel costs, and logistical costs.

^c The study tour will be conducted within ADB member countries, which may be Japan, the Republic of Korea, or the United States.

^d To cover miscellaneous costs and other unforeseen expenditures.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Objective

1. The objective of the technical assistance (TA) is to assist the Ministry of Transport (MOT) and other authorities of the People's Republic of China (PRC) in the formulation of national policies on rural logistics and transport for inclusion in the 13th Five-Year Plan. The TA also will provide support to authorities in formulating provincial rural logistics and transport policies. For selected provinces, based on cases that will bring major improvements, pilot projects are to be defined to implement the policies.

B. Scope

2. **Output 1: Brief initial policy proposals on rural logistics for the 13th Five-Year Plan.** Activities under this output include the following:

- (i) Based on an assessment of the core factors that drive rural logistics in the PRC and the main developments that will impact these in the next decades, the TA will prepare initial policy proposals for improving rural logistics, with a view to these being incorporated in the 13th Five-Year Plan.
- (ii) The TA will carry out reviews in up to three selected provinces to conduct the following:
 - (a) Analysis of basic regional profiles in terms of economic, agricultural, geographic, and demographic features, and of stakeholders in the logistics chains.
 - (b) Assessment of the changing relations between rural and urban parts of the country and requirements in terms of rural logistics.
 - (c) Review of existing national and provincial plans as regards transport and logistics development.
 - (d) Identification of major bottlenecks that need to be tackled by the rural logistics policy framework of the 13th Five-Year Plan.
 - (e) Formulation of draft high-level proposals to support MOT's initial submission on the rural logistics policy framework for the plan, in a format suitable for consideration by relevant PRC policymakers.
- (iii) Drawing on international and national best practices, high-level policy notes on rural logistics policy development and implementation will be prepared.
- (iv) A workshop with national stakeholders and international and national resource persons will be held to discuss the initial policy proposals and preparation of brief policy notes.

3. **Output 2: Detailed policy proposals on rural logistics for the 13th Five-Year Plan.** Activities under this output include the following:

- (i) Detailed analysis of logistics systems in rural areas in the selected provinces, which includes drawing on the research outputs from other relevant studies and TA projects.
- (ii) Review of logistics systems in rural areas of selected developed countries, and identification of international best practices relevant to the PRC.
- (iii) Formulation of practical recommendations for incorporating relevant national and international best practices in the PRC, and dissemination through workshops at national and provincial level.

- (iv) Review of draft rural logistics policy proposals prepared by provincial governments.
 - (v) Preparation of detailed MOT rural logistics policy proposals for inclusion in the 13th Five-Year Plan.
 - (vi) Preparation of guidelines to assist MOT in coordinating the work of provincial governments in formulating provincial plans for rural logistics development under the 13th Five-Year Plan.
 - (vii) A workshop with national stakeholders and international and national resource persons to discuss the detailed policy proposals.
 - (viii) An international study tour to provide PRC officials with insights into international best practices in rural logistics.
4. **Output 3: Project proposals in selected provinces.** Activities under this output include the following:
- (i) Preparation of detailed transport sector guidelines and monitoring systems for improving rural logistics in selected provinces and/or agricultural markets in line with the 13th Five-Year Plan.
 - (ii) Assistance to MOT and provincial governments in formulating pilot projects and programs to support implementation of plan-based improvements in rural logistics in selected provinces. This may involve new or amended regulations, operating guidelines, institutional changes, physical infrastructure improvements, product and transport chain organization, budget allocation, information systems, market organization, and strengthening of competition.

C. Staffing Requirements

5. The TA will be implemented from August 2014 to March 2016 and will require 9.5 person-months of input from three international consultants and 12 person-months of input from three national consultants. The Asian Development Bank (ADB) will engage them as individual consultants in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time).

6. The international team will have a (i) team leader and transport logistics specialist (6 person-months), (ii) agricultural value chain specialist (2 person-months), and (iii) logistics information specialist (1.5 person-months).

7. The national team will comprise a (i) deputy team leader and agricultural and transport logistics specialist (7 person-months), (ii) agricultural value chain and transport economist (3.5 person-months), and (iii) logistics information and communication technology specialist (1.5 person-months).

D. International consultants

8. **International team leader and transport logistics specialist** (6 person-months, intermittent). The team leader will be a transport logistics expert with strong background in integrated logistics policy analysis and planning. He or she must hold a master's degree in transport economics, logistics, or equivalent, and possess a graduate degree in relevant fields and at least 10 years of work experience with similar policy studies in developing countries. Work experience with ADB and work experience in the PRC's transport sector will be an advantage. The team leader will ultimately be responsible for preparing and submitting all final products and reports, coordinating the international and national consultants, defining study

methodology, guiding the surveys, and facilitating workshops and/or seminars. The team leader will closely interact with the executing agency in defining the program and budget for the international study tour and workshop(s), and maintain regular contact with ADB's project manager on TA progress and budgeting.

9. **International agricultural value chain specialist** (2 person-months, intermittent). The specialist must hold a master's degree in transport economics, logistics, or equivalent, and have at least 10 years of related experience in developing countries and a proven understanding of the rural and agricultural conditions in the PRC. He or she will be responsible for defining and executing in three regions (to be determined at inception) an assessment methodology that indicates the main parameters for agricultural and related logistics development. This will be based on an assessment of the present situation and will help define options for future development of the agriculture sector that include all present and future stakeholders in the chain, with clear policy and other recommendations for MOT. The expert will provide specific guidance and insights on the potential trends or suitability of various rural logistics development activities in the different regions of the PRC, depending on their economic and agricultural profiles, prevailing agricultural produce, and other relevant factors.

10. **International logistics information and communication technology specialist** (1.5 person-months, intermittent). The expert must hold a master's degree in information technology, logistics information systems, or equivalent, and have at least 10 years of experience in developing information technology platforms for transport logistics in agricultural and less developed rural areas. He or she must demonstrate good understanding of the technical and organizational aspects of developing a logistics information platform. The specialist will prepare policy recommendations and action plans to improve the efficiency of the agricultural value chains in the selected regions of the PRC. This will entail a review of all forms of communication and related systems, from production to sale to retailers and end-users, with a view to improving information availability and management for all market players and to streamlining (i.e., shorten and develop) the value chain.

E. National Consultants

11. **Deputy team leader and agricultural and transport logistics specialist** (7 person-months, intermittent). The expert must hold a master's degree in transport economics, logistics, or equivalent, and have extensive practical and research experience in (i) freight transportation and agricultural logistics development; (ii) role and responsibilities of government agencies in rural logistics; (iii) management of logistics and transport facilities, equipment, and enterprises; and (iv) road transport markets. The expert must demonstrate familiarity with (i) the general status of development of transport logistics in rural areas and of main supporting policies in the PRC; (ii) the role of logistics in fostering the economic development; (iii) the role of transport in the development of the country's logistics; (iv) the existing policy, legal, and regulatory framework of the rural logistics development; and (v) international experience in transport sector policy and investment planning for improving the logistics in rural areas. The deputy team leader will be responsible for all the technical support, coordination of domestic and international teams, and liaison with MOT, other government agencies involved, and ADB. He or she must ensure the quality of the Chinese language versions of TA communications and reports.

12. **Agricultural value chain and transport economist** (3.5 person-months, intermittent). The expert must hold a master's degree in transport economics, logistics, or equivalent, and have at least 8 years of working experience in sector economic analysis and forecasting, including extensive experience in examining the development of agricultural value chain

management and related transport services. Major tasks will be to assess (i) the national macroeconomic policy in relation to future agricultural-economic reforms; (ii) development planning of the agriculture sector (at regional level), transport, and the related investment needs in basic transport and logistics facilities; (iii) the relevant trends in integration of urban and rural areas; and (iv) prevailing agricultural product value chains in specific regions of the PRC. The expert must be familiar with the current status, trends, and problems in agricultural product value chains in various regions of the PRC.

13. **Logistics information and communication technology specialist** (1.5 person-months, intermittent). The expert must hold a master's degree in information technology, logistics systems, or equivalent, and have extensive work experience in developing information technology platforms, particularly for transport logistics. He or she will demonstrate good understanding of the current status and issues of transport and freight information platforms in rural areas, the technical aspects of development and management of logistics information platforms, and the existing trends of logistics information platform development in rural areas in the PRC.

F. Reporting Requirements and Workshop

14. The consulting team will work on an intermittent basis from August 2014 to November 2015 and produce the following reports:

- (i) inception report by 15 August 2014;
- (ii) progress report 1 (focusing on output 1) by 30 September 2014;
- (iii) workshop to discuss initial policy proposals and preparation of brief policy notes by 30 September 2014;
- (iv) progress report 2 (focusing on outputs 1 and 2) by 31 December 2014;
- (v) workshop to discuss detailed policy proposals by December 2014;
- (vi) progress report 3 (focusing on output 3) by 31 July 2015;
- (vii) draft final report by 30 September 2015; and
- (viii) final report by 30 November 2015.