



Technical Assistance Report

Project Number: 49279-001
Policy and Advisory Technical Assistance (PATA)
November 2016

People's Republic of China: Creating Enabling Environments for Gradual Rural–Urban Migration and Urban Settlements Development in Chuxiong Yi Autonomous Prefecture

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 18 October 2016)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1484
\$1.00	=	CNY6.7366

ABBREVIATIONS

ADB	–	Asian Development Bank
ADBI	–	ADB Institute
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: 49279-001	
Project Name	Creating Enabling Environments for Gradual Rural-Urban Migration and Urban Settlements Development in Chuxiong Yi Autonomous Prefecture	Department /Division	EARD/EASS
Country	China, People's Republic of	Executing Agency	Chuxiong Prefecture Bureau of Finance
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Public sector management	Public administration		0.10
	Social protection initiatives		0.25
Industry and trade	Small and medium enterprise development		0.05
		Total	0.40
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 3: Extreme deprivation prevented and effects of shocks reduced (Social Protection)	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional systems and political economy	Some gender elements (SGE)	✓
Knowledge solutions (KNS)	Public financial governance		
Private sector development (PSD)	Knowledge sharing activities		
	Conducive policy and institutional environment		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	Yes	Rural	High
Household Targeting	No	Urban	Medium
SDG Targeting	Yes		
SDG Goals	SDG1, SDG8, SDG10, SDG11		
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.40	
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) has requested policy and advisory technical assistance (TA) from the Asian Development Bank (ADB) to study positive and negative factors and develop policy recommendations for enabling gradual rural–urban migration and urban settlements development in Chuxiong Yi Autonomous Prefecture. Chuxiong Prefecture is suitable for the study because of its (i) willingness to find solutions for institutional barriers to gradual rural–urban migration and urbanization with a view to implementing national directives; (ii) experience with undertaking a similar study; and (iii) characteristics as being poor and a sender of rural migrants to more advanced regions and provinces. Following a fact-finding mission in September 2016, ADB and the government reached an understanding on the TA objectives, scope, implementation arrangements, costs, and terms of reference for consultants. The design and monitoring framework is in Appendix 1.¹ The TA is included in ADB's country operations business plan, 2016–2018 for the PRC.²

II. ISSUES

2. The integration of rural migrants in urban areas as permanent urban residents is one of the priorities to achieve “people-oriented urbanization” as set forth in the National Plan on New Urbanization (2014–2020) and the Thirteenth Five-Year Plan, 2016–2020.³ This priority reflects that the PRC lags behind in urbanization, compared to developed countries when they attained per capita incomes similar to the PRC.⁴ In 2014, the PRC's urbanization rate was 54.8%. However, when rural migrants in urban areas without urban *hukou* (household registration) were discounted, the urbanization rate was only 36.7%.⁵ The majority of rural migrants—about 236 million in 2013, predominantly males and single females in their 20s or 30s—reside in urban areas in the short term (less than 6 months) or long term (more than 6 months) without becoming permanent urban residents (with urban *hukou*), while leaving married women, children, and the elderly in their home villages. Against this background, the Government of the PRC aims to (i) grant urban residencies to about 100 million rural migrants living in urban areas with rural *hukou*, (ii) rebuild urban villages for another 100 million people, and (iii) develop small towns and cities for 100 million more people in the poor central and western regions during the plan period 2016–2020.

3. The PRC's economy and administration systems have been marked by a dual structure sharply dividing the urban and the rural. The systems of household registration, land ownership, labor protection, social security, and other basic public services, as well as public resource allocation, have been based on the urban–rural divide, strictly containing rural–urban migration until the early 1990s.⁶ This dual structure has inadvertently created innumerable barriers to

¹ The TA first appeared in the business opportunities section of ADB's website on 5 November 2016.

² ADB. 2016. *Country Operations Business Plan: People's Republic of China, 2016–2018*. Manila.

³ Central Committee of the Communist Party and the State Council. 2014. *National Plan on New Urbanization (2014–2020)*. Beijing; National Development and Reform Commission. 2015. *Thirteenth Five-Year Plan on National Economy and Social Development, 2016–2020*. Beijing.

⁴ The urbanization rates in Germany, Japan, the United Kingdom, and the United States were 70%–85% when they attained per capita incomes similar to the PRC. Z. Chen, M. Lu, and P. Ni. 2016. Urbanization and Rural Development in the People's Republic of China. *ADB Institute [ADBI] Working Paper Series*. No. 596. Tokyo: ADBI.

⁵ W. Liang and M. Lu. 2016. Divergence of Human Capital in Cities in the People's Republic of China: Exploring Complementarities and Spatial Agglomeration of the Workforce with Various Skills. *ADBI Working Paper Series*. No. 575. Tokyo: ADBI.

⁶ M. Lu and Y. Xia. 2016. Migration in the People's Republic of China. *ADBI Working Paper Series*. No. 593. Tokyo: ADBI.

balanced development of urban and rural areas, resulting in a large per capita income gap between urban and rural households, and widespread poverty in rural areas.⁷ In this context, rural–urban migration occurred mostly for economic reasons and saw significant growth during 1990–1995. The remittances rural migrants send back home have contributed to raising rural household incomes and alleviating poverty. Moreover, rural migrants, largely from the central and western regions to the eastern and southern coastal regions where export-processing manufacturing industries were located, are said to have supported strong economic development of the coastal regions.⁸ However, with the economy undergoing fundamental transformation and its growth slowing, there have been reverse movements of rural migrants from urban areas to home villages in part because of a decrease in jobs, low coverage of social security, and limited access to basic public services.

4. Rural migrants without urban *hukou* in urban areas faced numerous difficulties. They were excluded from high-paying jobs, and were more disadvantaged than local residents with urban *hukou* in obtaining even low-paying jobs. Their wages were lower than those of permanent urban residents in the same jobs. According to the National Bureau of Statistics, the proportion in 2011 of rural migrants in urban areas covered by old-age pension (13.9%), occupational injury insurance (23.6%), health insurance (16.7%), unemployment insurance (8.0%), and maternity insurance (5.6%) was much lower than that of permanent urban residents. Children of rural migrants in urban areas were often admitted to kindergartens and schools for higher fees than those for urban resident children. Moreover, rural migrants without urban *hukou* encountered restrictions and were required to provide social security contributions or higher down payments when buying houses in urban areas. To address these issues, the government introduced, for instance, an urban–rural unified old-age pension system in 2014. The Thirteenth Five-Year Plan further specifies measures to equalize basic public services and integrate rural migrants into urban areas, such as reforming the household registration system and implementing the residence permit system with a mechanism to link intergovernmental fiscal transfer to the integration process.

5. However, although rural migrants living in urban areas are encouraged to transfer the household registration to their urban residences under the Thirteenth Five-Year Plan, many are unable and/or unwilling to abandon rural *hukou* because of their ownership of the land use rights in home villages and land-dependent lifestyle. The PRC’s land management system has been based on a construction-use land quota-rationing system to maintain adequate farmland to guarantee national food security. Under this system, rural migrants have to transfer, in principle, the construction-use land quotas equivalent to the residential land in their home villages to urban areas. Nonetheless, the rural residential land-use rights cannot be traded with the construction-use land quotas in urban areas because (i) the rural land-use rights are collectively owned by villages, while urban land-use rights are owned by the state; and (ii) there is no adequate land valuation system and unified land market between urban and rural areas. Reform of the household registration system has further been constrained by a lack of support mechanisms to help rural migrants adapt to different lifestyles in urban areas.

6. Chuxiong Yi Autonomous Prefecture, located in central Yunnan Province, forms part of the PRC’s poverty-stricken western region. It is the home of several ethnic minority groups (the largest is the Yi), which in 2015 accounted for more than 35% of the population. The prefecture is mountainous, with only 8.3% of the land area classified as flatland. It is prone to natural

⁷ In 2014, the per capita income of urban households was 2.75 times higher than that of rural households.

⁸ Footnote 4; Y. Zhang. 2016. Urbanization, Inequality, and Poverty in the People’s Republic of China. *ADB Working Paper Series*. No. 584. Tokyo: ADBI.

hazards such as landslides and floods, which severely hit poor rural areas. The per capita income of rural households in the prefecture was CNY8,327 in 2015, barely one-third of that of urban households (CNY26,763), and well below the rural per capita income at the national level (CNY11,422). Because of its sociogeographic characteristics and poor transport infrastructure, which are also common to other poor prefectures in the PRC's central and western regions, the prefecture lags in economic development and industrialization, which negatively affects the urbanization rate (40.4% in 2015, lower than Yunnan Province [43.3%] and the PRC [56.1%]). Even labor-intensive, resource-based manufacturing with low entry barriers remains underdeveloped and has generated little stable employment for rural migrants. The prefecture is, therefore, trapped in a vicious circle—low industrialization leads to slow rural–urban migration and urbanization and, consequently, slow progress in poverty reduction.

7. In 2010, the Chuxiong Prefecture Government's Policy Research and Legislative Advisory Office conducted a study to develop policy recommendations promoting gradual migration of the rural population to urban areas: first, rural–rural migration from mountainous areas to semi-mountainous and flatland areas; second, rural–urban migration without the change of household registration (long-term rural migrants in urban areas); and third, rural–urban migration with the change of household registration (permanent urban residents).⁹ Some of the recommendations were incorporated in the prefecture government plan documents, such as the Chuxiong Prefecture New Type Urbanization Plan, 2014–2020, and the Chuxiong Prefecture Rural Poverty Reduction Plan, 2011–2020.¹⁰ The study also had impacts beyond Chuxiong, providing a reference for other similar prefectures in the central and western regions.

8. Since the study, however, policy and economic environments have changed, requiring a new study of rural migrants and returnees. That is, as the government implements structural reforms in the context of the slowing economic growth, rural migrants have started to return to home villages. On the other hand, the Government of the PRC has furthered reform of the household registration system. Yet in implementation, some issues, such as the land management system, urban–rural disparities in basic public services, and lack of non-farming industries to provide stable employment opportunities for rural migrants in urban areas, have become more prominent. Moreover, some progressive municipalities such as Chongqing have successfully implemented major reforms of the household registration system, social security system, and land management system, achieving better integration of rural migrants into urban areas, and higher industrialization and urbanization. These cases indicate that policy and institutional changes at local levels can promote gradual rural–urban migration and urban settlements development. Such policy and institutional changes, which were examined on an ad hoc basis in the previous study, need to be more systematically studied with possibility for dissemination at regional and national levels.

9. The TA supports the government's efforts to safeguard and improve living standards through people-centered urbanization. It is directly linked to ADB's country partnership strategy, 2016–2020 for the PRC, which emphasizes inclusive economic growth by reducing poverty and inequality.¹¹ The TA will create synergy with the ongoing loan in Chuxiong Prefecture, and complement other TA projects in the PRC for urban–rural linkages and balanced urban and

⁹ Policy Research and Legislative Advisory Office of the Chuxiong Prefecture Government. 2010. *Study on the Gradient Transfer of Rural Population and Urbanization Mode in Chuxiong Prefecture*. Kunming.

¹⁰ Chuxiong Yi Autonomous Prefecture Government. 2014. *Chuxiong Prefecture New Type Urbanization Plan, 2014–2020*. Chuxiong; Chuxiong Yi Autonomous Prefecture Government. 2012. *Chuxiong Prefecture Rural Poverty Reduction Plan, 2011–2020*. Chuxiong.

¹¹ ADB. 2016. *Country Partnership Strategy: Transforming Partnership: People's Republic of China and Asian Development Bank, 2016–2020*. Manila.

regional planning, and more efficient land use in small cities and towns, as well as ADB's urban sector knowledge work on balanced urbanization for inclusive cities development.¹²

III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

A. Impact and Outcome

10. The impact will be the achievement of more people-centered urbanization. The outcome will be the definition of enabling environments for gradual rural–urban migration and urban settlements development in Chuxiong Prefecture. By 2019, the Chuxiong Prefecture government will have approved recommended policy actions and incorporated them into plan documents.

B. Methodology and Key Activities

11. The TA will have two outputs: (i) positive and negative factors for gradual rural–urban migration and urban settlements development identified, and (ii) policy recommendations for enabling gradual rural–urban migration and urban settlements development proposed.

12. **Output 1: Positive and negative factors for gradual rural–urban migration and urban settlements development identified.** The TA will first support desk reviews of legal, policy, institutional, and regulatory frameworks on (i) creating enabling environments for rural migrant integration into urban areas; (ii) agro- and non-farming industries and enterprises, labor market, taxes, research and development, human resource development, and others; (iii) urban and rural land management at local and central levels; and (iv) employment, labor protection and activation, and social security at local and central levels. It will then support the design and conduct of a survey, focus group discussions, and interviews with rural migrants and returnees, including those who have settled in small towns and engaged in agro- or non-farming industries. Additionally, the TA will conduct key informant interviews at the national, provincial, and local levels to investigate the degree to which laws, policies, and regulations have been implemented, and obstacles encountered by rural migrants, governments, and others inside and outside Chuxiong Prefecture. The TA will also identify good practice cases and prepare at least three case studies in each of the following areas: (i) the development of agro- and non-farming industries and small towns based on non-farming industries to ensure stable employment for rural migrants, (ii) the land valuation system and unified land market between urban and rural areas, and (iii) the reform of the household registration system and the urban–rural equalization of basic public services by establishing a unified labor market and social security systems and sustainable financing mechanisms.

13. **Output 2: Policy recommendations for enabling gradual rural–urban migration and urban settlements development proposed.** The TA will support the preparation of policy recommendations to enable gradual rural–urban migration and urban settlements development in Chuxiong Prefecture based on output 1. At least three seminars on policy recommendations

¹² ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the People's Republic of China for the Yunnan Chuxiong Urban Environment Improvement Development Project*. Manila; ADB. 2015. *Technical Assistance to the People's Republic of China for Strategy for Inclusive and Green Development of Small Cities, Towns, and Villages in Jiangxi Province*. Manila; ADB. 2014. *Technical Assistance to the People's Republic of China for Research on Intensive and Economical Land Use Mode in Small and Medium-Sized Cities and Small Towns*. Manila; R. N. Singru. 2015. *Regional Balanced Urbanization for Inclusive Cities Development: Urban–Rural Poverty Linkages in Secondary Cities Development in Southeast Asia*. *ADB Southeast Asia Working Paper Series*. No. 11. Manila: ADB.

in each of the three areas (para. 12) will be organized for relevant bureaus and institutions to discuss their feasibility and feedback. These recommendations will be elaborated in three policy notes to be presented and discussed at the TA final workshop organized with participants from the Government of the PRC. International study visits to countries, which are advanced in small-town development based on non-farming industries and in urban–rural equalization of basic public services, will also be organized.

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, office space, administrative support, logistics, local transportation, and other in-kind contributions.

D. Implementation Arrangements

15. The Chuxiong Prefecture Bureau of Finance will be the executing agency and will oversee the coordination of bureaus and institutions involved in the development and implementation of policy actions to promote rural–urban migration and urban settlements development. The implementing agency will be the Chuxiong Prefecture government's Policy Research and Legislative Advisory Office, which will assume overall responsibility for TA activities in coordination with the bureaus and institutions involved. The TA will establish a project steering committee to provide overall implementation guidance and support. The committee will be chaired by the director of the Chuxiong Prefecture Bureau of Finance and comprise representatives from the Chuxiong Prefecture Bureaus of Land Resources, Housing and Urban–Rural Construction, Resettlement and Development, Human Resources and Social Security, Ethnic Minority, and Education, as well as the Poverty Alleviation Office, Statistics Office, and the Policy Research and Legislative Advisory Office.

16. The TA will be implemented from 15 December 2016 to 31 December 2018. Proceeds of the TA will be disbursed following ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Equipment procurement will be done following ADB's Procurement Guidelines (2015, as amended from time to time). Purchased equipment will be turned over to the executing agency upon completion of the TA activities.

17. A consulting firm will be engaged to provide 22.5 person-months of consulting inputs (international, 4.5 person-months; national, 18.0 person-months), using the quality- and cost-based selection method with a quality–cost ratio of 90:10 and the simplified technical proposal. All consultants will be engaged following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference for consultants are in Appendix 3. The TA will use lump-sum payments and an output-based contract.

IV. THE PRESIDENT'S DECISION

18. 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 Creating Enabling Environments for Gradual Rural–Urban Migration and Urban Settlements Development in Chuxiong Yi Autonomous Prefecture, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned with

More people-centered urbanization achieved (Thirteenth Five-Year Plan)^a

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>Outcome Enabling environments for gradual rural–urban migration and urban settlements development in Chuxiong Prefecture defined</p>	<p>a. Recommended policy actions approved and incorporated into plan documents of the Chuxiong Prefecture government by 2019 (2016 baseline: no recommended policy actions developed)</p>	<p>a. Approved plan documents of the Chuxiong Prefecture government</p>	<p>Changes in the policies of the Government of the PRC make recommended policy actions less effective in Chuxiong Prefecture</p>
<p>Outputs 1. Positive and negative factors for gradual rural–urban migration and urban settlements development identified</p>	<p>1a. Desk reviews of legal, policy, institutional, and regulatory frameworks concerning rural migrant integration into urban areas, agro- and non-farming industries, urban and rural land management, labor, and social security prepared (2016 baseline: not prepared)</p> <p>1b. Profile, motivation, experience, and needs of rural migrants, returnees, and those who have settled in small towns studied through surveys, focus group discussions, and interviews by month 8 (2016 baseline: not studied)</p> <p>1c. Labor intensive, resource-based manufacturing with low entry barriers in agro- and non-farming industries, and business support mechanisms identified through reviews,</p>	<p>1a–f. TA consultant's inception and midterm reports</p>	<p>Natural hazards affect sample villages and people, requiring changes to the original sampling plan</p> <p>Rural migrants and returnees' difficulties with cooperating in the study cause delays in conducting surveys, focus group discussions, and interviews</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>2. Policy recommendations for enabling gradual rural–urban migration and urban settlements development proposed</p>	<p>surveys, interviews in small towns by month 8 (2016 baseline: not identified)</p> <p>1d. Urban and rural land-use rights management, registration, and valuation systems, and urban and rural labor markets studied by month 8 (2016 baseline: not studied)</p> <p>1e. Progress in the equalization of employment opportunities and basic public service provision in urban and rural areas, and financing mechanisms examined by month 8 (2016 baseline: not examined)</p> <p>1f. At least 3 case studies of good practices in each of the 3 areas prepared by month 12 (2016 baseline: 0)</p> <p>2a. At least 3 seminars on policy recommendations in each of the 3 areas organized for bureaus and institutions by month 14 (2016 baseline: not organized)</p> <p>2b. At least 3 policy notes in each of the 3 areas presented and discussed at the TA final workshop by month 17 (2016 baseline: not presented)</p>	<p>2a–b. TA consultant’s draft final and final reports</p>	

Key Activities with Milestones**1. Positive and negative factors for gradual rural–urban migration and urban settlements development identified**

- 1.1 Conduct desk reviews of legal, policy, institutional, and regulatory frameworks on creating enabling environments for rural migrant integration into urban areas (months 1–2).
- 1.2 Develop survey methodology, sampling, questionnaires, focus group discussion, and interview guides (months 2–4).
- 1.3 Conduct reviews of laws, policies, regulations, and systems related to agro- and non-farming industry development, urban and rural land management, basic public services, and financing mechanisms (months 5–7).
- 1.4 Administer questionnaires and conduct focus group discussions and interviews with rural migrants, returnees, and those who have settled in small towns, as well as with enterprises in agro- and non-farming industries (months 5–7).
- 1.5 Process and analyze survey, focus group discussion, and interview data (months 8–9).
- 1.6 Identify possible policy actions and good practice cases, based on preliminary analysis of data, in each of the following three areas: (i) the development of agro- and non-farming industries and small towns based on non-farming industries to ensure stable employment for rural migrants in urban areas, (ii) the land valuation system and unified land market between urban and rural areas, and (iii) the reform of the household registration system and the equalization of basic public services (employment services, social security, education, healthcare, and affordable housing) between urban and rural areas by establishing a unified labor market and social security system and sustainable financing mechanisms (months 9–10).
- 1.7 Develop the methodology and structure of case studies (month 10).
- 1.8 Collect data and information and prepare case studies (months 11–12).

2. Policy recommendations for enabling gradual rural–urban migration and urban settlements development proposed

- 2.1 Prepare policy recommendations based on findings of the survey, focus group discussions, and interviews, as well as case studies of good practices (months 13–14).
- 2.2 Organize seminars on policy recommendations in each of the three areas (activity 1.6) for bureaus and institutions (month 14).
- 2.3 Prepare policy notes—based on findings, case studies, and feedback received from seminars—in each of the three areas (activity 1.6) (months 15–17).
- 2.4 Organize TA final workshop to present and discuss draft policy notes (month 17).
- 2.5 Prepare and organize international study visits (months 16–17).

Inputs

ADB: \$400,000

Note: The government will provide counterpart support in the form of counterpart staff, office space, administrative support, logistics, local transportation, and other in-kind contributions.

Assumptions for Partner Financing

Not Applicable

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

^a National Development and Reform Commission. 2015. *Thirteenth Five-Year Plan on National Economic and Social Development, 2016–2020*. Beijing.

Source: ADB.

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
Asian Development Bank	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	91.5
ii. National consultants	132.0
b. International and local travel	20.2
c. Reports, translation, and communications	20.0
2. Training, seminars, and workshops ^a	40.0
3. Surveys	20.0
4. International study visits	35.0
5. Equipment ^b	10.0
6. Contingencies	31.3
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 space, administrative support, logistics, local transportation, and other in-kind contributions. The value of government contribution is estimated to account for 20% of the total TA cost.

^a Include domestic study visits (\$10,000); three policy seminars for bureaus and institutions in Chuxiong (\$5,000); and TA inception and midterm review workshops in Chuxiong and TA final workshop in Chuxiong or Beijing (\$25,000).

^b Includes 10 laptops (used for the study and in particular, for questionnaire, focus group, and interview data entry and processing), one multifunctional photocopier, and one camera. Purchased equipment will be turned over to the executing agency upon completion of TA activities.

Source: ADB.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A total of 4.5 person-months of international and 18.0 person-months of national consulting services will be required for effective implementation of the policy and advisory technical assistance. The Asian Development Bank (ADB) will engage a consulting firm following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) by using the quality- and cost-based selection method (with the quality and cost ratio of 90:10) and the simplified technical proposal. The firm will engage the following consultants:

2. **Social development specialists** (international, 3.0 person-months; national, 8.0 person-months, team leader). The international specialist should have a postgraduate degree in social sciences and more than 10 years of experience conducting research in rural areas. Research experience in the People's Republic of China (PRC) as well as knowledge of the rural migrant issues, household registration system, land management system, poverty reduction policies and programs, and ethnic minority issues in the PRC is required. The national specialist should have a postgraduate degree in social sciences and at least 8 years of experience conducting research on rural migrant and related systemic issues as well as ethnic minority issues in the PRC. Experience leading a team of researchers and proficiency in written and oral English are required. The specialists will:

- (i) conduct a desk review of legal and regulatory frameworks on creating enabling environments for rural migrant integration into urban areas;
- (ii) develop the design of the study, including the methodology, sampling plan, survey questionnaires and tools, focus group discussion and interview guidelines, survey administration procedures, and quality assurance mechanisms, to investigate (a) rural migrants and returnees' sociodemographic and socioeconomic profile, purposes and motivation of migration including environmental drivers, living and working experiences, impacts of migration on household incomes and families (including married women, children, and the elderly in home villages), lifestyles, identities, social networks, future plans, needs for basic public services (employment services, social security, education, healthcare, affordable housing) in their urban residences and home villages, reasons for maintaining the rural household registration and the land use rights, and for returning to home villages; and (b) experiences with working in and/or starting businesses in agro- or non-farming industries and adapting to different lifestyles and communities in urban areas, challenges, and needs including for basic public services of rural migrants who have settled in small towns and engage in agro- or non-farming industries, as well as financial and other support for them from the government and elsewhere;
- (iii) train county-level survey questionnaire administrators;
- (iv) provide quality assurance for the conduct of survey questionnaires;
- (v) engage, train, and provide quality assurance for those who process survey, focus group discussion, and interview data;
- (vi) analyze survey, focus group discussion, and interview data to better understand (a) rural migrants' voluntary transfer of rural household registration to urban areas; (b) rural migrants' voluntary surrender of the land use rights; (c) rural migrants' issues with access to employment, social security (social insurance and social assistance), education (pre-primary, primary, and junior secondary, in particular), healthcare, and affordable housing; and (d) rural migrants' difficulties with adapting to the urban area lifestyle;
- (vii) carry out key informant interviews at the national, provincial, and local levels to investigate the degree to which relevant laws and regulations have been

- implemented, and obstacles encountered by rural migrants, the government, and others inside and outside Chuxiong Prefecture;
- (viii) develop the criteria and procedures to identify good practice cases as well as the structure of case studies in the following three areas: (a) development of agro- and non-farming industries and small towns based on non-farming industries to ensure stable employment for rural migrants in urban areas; (b) land valuation system and unified land market between urban and rural areas; and (c) reform of the household registration system and equalization of basic public services between urban and rural areas by establishing a unified labor market and social security systems and sustainable financing mechanisms;
 - (ix) prepare case studies in the three areas (task viii) together with the other specialists;
 - (x) based on the case studies, develop policy recommendations in the three areas with the other specialists;
 - (xi) with the other specialists, organize policy seminars for bureaus and institutions in Chuxiong Prefecture at which policy recommendations in the three areas are presented and discussed; and
 - (xii) develop policy notes on the three areas, which summarize issues and present policy recommendations.

3. As the team leader, the national specialist will ensure (i) close communication and coordination in the design and conduct of the study and the development of policy notes with the Chuxiong Prefecture government's Policy Research and Legislative Advisory Office and other bureaus and institutions; (ii) the timely completion and submission of milestone reports (para. 11) with clearly defined team inputs; and (iii) the efficient preparation and organization of policy seminars, workshops, and domestic and international study visits in collaboration with the Chuxiong Prefecture government's Policy Research and Legislative Advisory Office and other bureaus and institutions, including the Government of the PRC.

4. **Industry development specialists** (international, 1.5 person-months; national, 3.0 person-months). The international specialist should have a postgraduate degree in industrial economics and other relevant discipline and more than 10 years of experience conducting policy-oriented research on industrial development in advanced and developing economies. Research experience in the PRC as well as knowledge of the PRC's economic and political systems is required. The national specialist should have a postgraduate degree in industrial economics and other relevant discipline and at least 8 years of experience conducting policy-oriented research on industrial development in the PRC and other countries. Proficiency in written and oral English is required.

5. The specialists will (i) collect and analyze data on enterprises (micro-, small-, medium-, and large-sized) and employment by industrial sector and subsector, ownership type, area (rural, urban), county, and other relevant parameters in Chuxiong Prefecture and other Yunnan Province municipalities; (ii) review laws, policies, and regulations for agro- and non-farming industries, enterprises, the labor market, taxes, research and development, human resource development, and others; (iii) identify labor-intensive, resource-based manufacturing with low entry barriers, possibly drawing on local cultures and traditions, in Chuxiong and other Yunnan Province municipalities, and design surveys, interviews, and case studies on enterprises (small- and medium-sized, in particular) in the identified industries to investigate positive and negative factors affecting the creation and growth of enterprises, including technology and innovation, human resources, policies, and programs targeting the industries and enterprises in Chuxiong and other Yunnan Province municipalities; (iv) conduct surveys, interviews, and case studies on

enterprises—or engage, train, and provide quality assurance for those who conduct and process survey and interview data—and analyze data; (v) review policies and systems for education and skills development (especially secondary and tertiary technical and vocational education and training institutions, higher education institutions, and in-company training systems) in Chuxiong and other Yunnan Province municipalities; (vi) review fiscal incentives, subsidies, and financial products and services for enterprises in agro- and non-farming industries, including industrial projects, in Chuxiong and other Yunnan Province municipalities; (vii) review business development services, technology services, and other services for startups and small- and medium-sized enterprises in Chuxiong and other Yunnan Province municipalities; (viii) provide inputs in developing the criteria and procedures to identify good practice cases, as well as the structure of case studies, in the development of agro- and non-farming industries and small towns based on non-farming industries to ensure stable employment for rural migrants; (ix) prepare at least one case study of good practice in the development of agro- and non-farming industries and small towns; (x) based on the study, develop policy recommendations in the development of agro- and non-farming industries and small towns; (xi) organize a policy seminar for relevant bureaus and institutions in Chuxiong Prefecture at which policy recommendations in the development of agro- and non-farming industries and small towns are presented and discussed; and (xii) develop a policy note in the development of agro- and non-farming industries and small towns, which summarizes the issues and presents policy recommendations.

6. **Public finance specialist** (national, 2.0 person-months). The specialist should have a postgraduate degree in public finance or economics and at least 8 years of experience conducting research on financing mechanisms for urban development, and/or basic public services in urban and rural areas. Proficiency in written and oral English is required. The specialist will (i) review the public and private financing mechanisms for urban development and basic public services (employment and social security, education, healthcare, and housing) in urban and rural areas at the local and central levels; (ii) provide inputs in developing the criteria and procedures for identifying good practice cases and the structure of case studies in the following three areas (a) development of agro- and non-farming industries and small towns based on non-farming industries to ensure stable employment for rural migrants in urban areas; (b) land valuation system and unified land market between urban and rural areas; and (c) reform of the household registration system and equalization of basic public services between urban and rural areas by establishing a unified labor market and social security systems and sustainable financing mechanisms; (iii) provide inputs on financing mechanisms in preparing case studies in the three areas; (iv) develop policy recommendations for financing mechanisms in the three areas; (v) together with the other specialists, organize policy seminars for bureaus and institutions in Chuxiong Prefecture, at which policy recommendations in the three areas are presented and discussed; and (vi) develop sections on financing of policy notes in the three areas, which summarize issues and present policy recommendations.

7. **Land management system specialist** (national, 2.0 person-months). The specialist should have a postgraduate degree in land management, land tenure, land economy, and other relevant discipline, and at least 8 years of experience conducting policy-oriented research on urban and rural land management systems in the PRC and other countries. Proficiency in written and oral English is required.

8. The specialist will (i) review laws, policies, and regulations on urban and rural land management at the local and central levels; (ii) collect data and information on different ways of managing (allocating, transferring, renewing, and leasing) the land use rights in rural areas by geographical area, community, industry, and other relevant parameters in Chuxiong Prefecture

and other Yunnan Province municipalities; (iii) review urban and rural land registration systems in Chuxiong and other Yunnan Province municipalities; (iv) review land valuation systems and urban and rural land markets, as well as farmland transfer systems in Chuxiong and other Yunnan Province municipalities; (v) develop the criteria and procedures for identifying good practice cases in establishing a land valuation system and unified urban and rural land market management system, as well as the structure of the case study; (vi) prepare at least one good practice case study on establishing a land valuation system and unified urban and rural land market; (vii) develop policy recommendations for improving the land management system in Chuxiong Prefecture; (viii) organize a policy seminar for bureaus and institutions in Chuxiong at which policy recommendations for improving the land management system are presented and discussed; and (ix) develop a policy note, which summarizes issues and presents policy recommendations for improved land management systems in Chuxiong.

9. Employment and social security system specialist (national, 3.0 person-months). The specialist should have a postgraduate degree in social sciences and at least 8 years of experience conducting policy-oriented research on employment regulations, active labor market programs, and social security system reform in the PRC and other countries. Proficiency in written and oral English is required.

10. The specialist will (i) review laws, policies, and regulations on employment, labor activation, and social security at the local and central levels; (ii) collect data on employment and social security service centers, as well as the services provided at those centers, in Chuxiong Prefecture and other Yunnan Province municipalities; (iii) review progress on social security system reform in Chuxiong and other Yunnan Province municipalities; (iv) review employment regulations, active labor market programs, and rural and urban social security systems for aspects including contribution, subsidies, level of benefits and coverage, social security cards, and information technology systems in Chuxiong and other Yunnan Province municipalities; (v) provide inputs in developing the criteria and procedures for identifying good practice cases in the reform of the household registration system and the equalization of employment opportunities and basic public services (employment and social security services) in urban and rural areas, and the structure of the good practice case study; (vi) provide inputs on employment and social security services in preparing a good practice case study in the reform of the household registration system and the urban–rural equalization of employment opportunities and basic public services; (vii) develop policy recommendations for equalizing employment opportunities and employment and social security services in urban and rural areas, and for advancing the social security system reform in Chuxiong Prefecture; (viii) with the other specialists, organize a policy seminar for relevant bureaus and institutions in Chuxiong Prefecture at which policy recommendations in the reform of the household registration system and the urban–rural equalization of employment opportunities and basic public services are presented and discussed; and (ix) develop sections for the reform of the household registration system and the equalization of employment opportunities and employment and social security services in the policy note, which summarize issues and present policy recommendations.

11. Reporting requirements. The team leader will ensure the timely completion and submission of the following milestone reports, with clearly defined inputs from the team:

- (i) An inception report that will include (a) a desk review of legal and regulatory frameworks on creating enabling environments for rural migrant integration into urban areas; (b) the design of the study on rural migrants, returnees, and those who have settled in small towns, including the methodology, sampling plan, survey questionnaires and tools, focus group discussion and interview guidelines, survey administration procedures, and quality assurance mechanisms; (c) the

methodology and plan for collecting and analyzing data on enterprises and employment, and conducting reviews, surveys, interviews, and case studies on agro- and non-farming industry development; (d) a review of laws, policies, and regulations for the agro- and non-farming industries, enterprises, labor market, taxes, research and development, human resource development, and others; (e) the methodology and plan for reviewing the public and private financing mechanisms for urban development and basic public services in urban and rural areas at the local and central levels; (f) a review of laws, policies, and regulations on urban and rural land management at the local and central levels; (g) a methodology and plan for collecting data and information on ways of managing the land use rights in rural areas, including reviewing urban and rural land registration systems, land valuation systems, urban and rural land markets, and farmland transfer systems; (h) a review of laws, policies, and regulations on employment, labor activation, and social security at the local and central levels; and (i) the methodology and plan for collecting data on employment and social security service centers and the range of services provided at the centers, progress in social security system reform, employment regulations, active labor market programs, and rural and urban social security systems.

- (ii) An interim report that will include (a) an analysis of survey, focus group discussion, and interview data and findings on rural migrants, returnees, and those who have settled in small towns; (b) an analysis of survey and interview data and case studies on enterprises in the identified industries; (c) a review of policies and systems for education and skills development; (d) a review of fiscal incentives, subsidies, industrial projects, business development services, technology services, and other services and financial products for enterprises in agro- and non-farming industries; (e) a review of public and private financing mechanisms for urban development and basic public services in urban and rural areas at the local and central levels; (f) a review of ways to manage the land use rights in rural areas, urban and rural land registration systems, land valuation systems, urban and rural land markets, and farmland transfer systems; (g) a review of employment and social security service centers and the services provided at those centers, progress in social security system reform, employment regulations, active labor market programs, and rural and urban social security systems; and (h) the criteria and procedures for identifying good practice cases as well as the structure of case studies.
- (iii) A draft final report that will include (a) at least three good practice case studies in the three areas (development of agro- and non-farming industries and small towns based on non-farming industries to ensure stable employment for rural migrants in urban areas; land valuation system and unified land market between urban and rural areas; and reform of the household registration system and equalization of basic public services between urban and rural areas by establishing a unified labor market and social security systems and sustainable financing mechanisms), (b) policy recommendations in the three areas, (c) policy seminar materials and participant feedback, and (d) policy notes in the three areas.
- (iv) A final report that will include the technical assistance final workshop materials and feedback and incorporate comments from the Chuxiong Prefecture government and ADB.