



# Technical Assistance Report

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Project Number: 50005-001  
Policy and Advisory Technical Assistance (PATA)  
October 2016

## People's Republic of China: Research on Innovative Mechanism for Open Agricultural Investment

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Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 25 August 2016)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1501
\$1.00	=	CNY6.6602

## ABBREVIATIONS

ADB	–	Asian Development Bank
ALE	–	agriculture-leading enterprise
FECC	–	Foreign Economic Cooperation Center
MOA	–	Ministry of Agriculture
PPP	–	public–private partnership
PRC	–	People’s Republic of China
SOE	–	state-owned enterprise
TA	–	technical assistance

## NOTE

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

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## POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 50005-001</b>	
<b>Project Name</b>	Research on Innovative Mechanism for Open Agricultural Investment	<b>Department /Division</b>	EARD/EAER
<b>Country</b>	China, People's Republic of	<b>Executing Agency</b>	Ministry of Agriculture
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ Agriculture, natural resources and rural development	Agricultural policy, institutional and capacity development		0.20
	Agriculture research and application		0.20
		<b>Total</b>	<b>0.40</b>
<b>3. Strategic Agenda</b>		<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>		<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development	No gender elements (NGE)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	No	Rural	High
<b>6. TA Category:</b>	B		
<b>7. Safeguard Categorization</b> Not Applicable			
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.40</b>	
Policy and advisory technical assistance: Technical Assistance Special Fund		0.40	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>0.40</b>	
<b>9. Effective Development Cooperation</b>			
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 the Research on Innovative Mechanism for Open Agricultural Investment. The TA is included in ADB's country operations business plan, 2016–2018 for the PRC.<sup>1</sup> A TA reconnaissance mission was conducted on 10–11 March 2016. Government concurrence with the impact, outcome, outputs, implementation arrangements, cost, financing arrangements, and terms of reference was obtained. The design and monitoring framework is in Appendix 1.<sup>2</sup>

## II. ISSUES

2. Agriculture has made significant contributions to the overall economic development of and has been the principal driver to alleviating rural poverty in the PRC. Once a key sector for the rural economy, agriculture now lags far behind industrial production, resulting in a widening disparity in rural–urban livelihoods. The sector's decline can be attributed to insufficient and poor agricultural infrastructure, climate-related disasters, overutilization of natural resources, pollution and degradation of ecosystems, low levels of technological development and adoption of technology, and inadequate finance and marketing mechanisms. The agriculture sector needs reform. Modernizing the sector to strengthen agricultural productivity and market connectivity to generate employment, increase incomes, and reduce inequality between rural and urban areas is a key action of the 13th Five-Year Plan, 2016–2020, of the PRC.<sup>3</sup>

3. Because the government has limited resources and expertise to meet growing demand for investment from the agriculture sector, new approaches are required to stimulate growth and modernize the sector. The government's National Agriculture and Rural Economic Development Plan, under the 13th Five-Year Plan, 2016–2020 states that opening the agriculture sector is key to agricultural modernization.<sup>4</sup> Modernizing and opening agriculture requires an enhanced introduction of investment, the involvement of private enterprises and leading state enterprises with both capital and intellectual resources, the optimization of foreign and domestic investment, and the adoption and adaptation of advanced technology and equipment.

4. Innovative partnerships that bring together business, government, and civil society actors are increasingly being promoted as a mechanism to improve productivity and stimulate growth in the agriculture and food sectors. One such example is public–private partnership (PPP), a mechanism for improving the delivery of public goods and services by forming a partnership with the private sector while retaining an active role for the government to ensure that national socioeconomic objectives can be achieved.<sup>5</sup> PPPs can promote agricultural development through a potential leveraging of finances and risk sharing, and by providing innovation and market access, and contributing to food security and inclusion.

5. PPP initiatives are common in sectors such as infrastructure, health, and education. Their application in agriculture is relatively new and has been driven by the government's inability to deliver public services such as food security, infrastructure, environmental protection,

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<sup>1</sup> ADB. 2016. *Country Operations Business Plan: People's Republic of China, 2016–2018*. Manila.

<sup>2</sup> The TA first appeared in the business opportunities section of ADB's website on 22 August 2016.

<sup>3</sup> Government of the People's Republic of China. 2016. *Outline of the 13th Five-Year Plan for the National Economic and Social Development of the People's Republic of China*. Beijing.

<sup>4</sup> Government of the People's Republic of China. 2015. *National Agricultural and Rural Economic Development Plan, 2016–2020*. Beijing.

<sup>5</sup> ADB. 2008. *Public–Private Partnership Handbook*. Manila.

and agricultural viability in rural areas. The PPP framework has been used to design market incentives to encourage private sector participation in activities that would otherwise be considered to have marginal commercial value and/or to be high risk. In such situations where the resources and complementary capacities of both public and private partners are combined under a well-defined legal and regulatory framework, governments can obtain economic and social benefits from public investments that they could not achieve on their own because of limited technical expertise, management skills and/or lack of resources.

6. State-owned enterprise (SOE) reform, such as consolidation, commercialization, privatization, or partial privatization, also offers additional opportunities to improve enterprise efficiency and competitiveness, reduce costs, improve service delivery, and provide better outcomes for the economy in terms of resource allocation and productivity. SOE reform can improve competitiveness in overseas markets and open potential partnerships with governments and foreign companies. It can also be seen as a process with increasing accountability, management independence, and profit orientation, which in turn can lead to agricultural modernization and stimulate sector growth. State and non-state agriculture-leading enterprises have important roles in agricultural modernization in the PRC, but more research is needed to determine how they can best contribute to the process.<sup>6</sup>

7. The agriculture sector needs to explore new partnerships, including opportunities for PPPs, SOE reform, and agriculture-leading enterprises, and how they can best be utilized to help stimulate the growth of and investment in the sector. Opening investment and promoting innovative partnerships in agriculture would potentially help modernize the sector and deliver multiple benefits that can contribute toward sustainable agricultural development, including for smallholder farmers. The four common agricultural project types are partnerships for (i) developing agriculture value chains; (ii) joint agricultural research, innovation, and technology transfer; (iii) building and upgrading market infrastructure; and (iv) the delivery of business development services to farmers and small- and medium-sized enterprises.

8. While research has shown evidence that opening the sector can promote investment and that innovative partnerships can have positive contributions to sustainable agricultural development objectives, several outstanding issues associated with the impact of such partnerships on poverty reduction and inclusion remain and need to be addressed. These key issues include the need to (i) provide sufficient evidence on innovative financial products; (ii) have risk management strategies and inclusive investment models; (iii) have supporting policy recommendations; (iv) increase the capacity of the public and private actors; (v) have a network of influential international investors; (vi) form closer links between private and public investors to enhance their development impact; and (vii) disseminate knowledge management for more effective interventions through websites, international forums, and technical events.

9. To understand the potential benefits and challenges of open agricultural investment and innovative partnerships, this policy and advisory TA will review opportunities to increase agricultural investments through innovative partnerships in the PRC, and propose sound policy recommendations on how to improve agricultural investment and growth through innovative investment and a partnership mechanism. The TA will also prepare a road map to guide and describe the steps to be taken to prepare for and implement open investment and promote innovative agricultural partnerships, and identify potential initiatives for investment projects.

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<sup>6</sup> Agriculture-leading enterprises are agro-enterprises that have an important role in promoting the transition of agricultural development, promoting farmers' employment, and increasing incomes. They work with farmers to develop agricultural production with emphasis on specialization, standardization, scale, and intensification.



Aside from the Ministry of Agriculture (MOA), the TA's target policy audience may include planning and sector regulation agencies such as the National Development and Reform Commission and the Ministry of Commerce.

10. **Government policy and ADB's country partnership strategy.** The TA supports key issues of the PRC's 13th Five-Year Plan, emphasizing the importance of development for rural areas to improve agricultural productivity, markets, and rural incomes. In line with ADB's country partnership strategy, 2016–2020 for the PRC, the TA supports inclusive economic growth as one of the five strategic priorities.<sup>7</sup> Support for rural development by improving access to finance and to private sector participation is a key action area. The TA aims to promote investments from private entities and partnerships, which represent an important source of capital and intellectual resources for agricultural development, to complement government and domestic private investments. The TA will address important objectives of ADB's Operational Plan for Agriculture and Natural Resources, 2015–2020 to improve (i) market connectivity and value chain links through agribusiness investment, and (ii) value chain development through financial intermediaries and direct investment.<sup>8</sup> In line with the Public–Private Partnership Operational Plan, 2012–2020, promoting private sector development as a driver of change in Asia and the Pacific can generate greater economic growth in the region.<sup>9</sup>

11. This proposed TA builds on previous studies on agricultural modernization and foreign investment in the PRC, which found that the main constraints to agricultural investments were the lack of a partnership exchange platform and supporting policies. This TA will build upon this previous work to study and propose pilot activities for innovative agricultural partnerships in the PRC, to stimulate agricultural investments and promote rural development.<sup>10</sup>

### III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

#### A. Impact and Outcome

12. The impact will be an increased investment in the agriculture sector. The outcome will be a strengthened mechanism and policy framework to improve open agricultural investment.

#### B. Methodology and Key Activities

13. **Output 1: Agriculture sector diagnostic assessment conducted.** This diagnostic assessment will cover (i) technical issues; (ii) legal, regulatory, and policy frameworks; (iii) institutional and capacity status; and (iv) commercial, financial, and economic issues. The diagnostic will assess the status quo and identify gaps and weaknesses in implementing agricultural partnerships. Stakeholder consultation will be a key component of the diagnostic assessment, which will include international and national experiences. The assessment will allow the government to evaluate its current environment for partnerships and will be the basis for determining what activities are required to promote agricultural partnerships. The diagnostic report will form the basis for work to be carried out under outputs 2 and 3.

<sup>7</sup> ADB. 2016. *Country Partnership Strategy: Transforming Partnership: People's Republic of China and Asian Development Bank, 2016–2020*. Manila.

<sup>8</sup> ADB. 2015. *Operational Plan for Agriculture and Natural Resources: Promoting Sustainable Food Security in Asia and the Pacific in 2015–2020*. Manila.

<sup>9</sup> ADB. 2012. *Public–Private Partnership Operational Plan 2012–2020—Realizing the Vision for Strategy 2020: The Transformational Role of Public–Private Partnerships in Asian Development Bank Operations*. Manila.

<sup>10</sup> ADB. 2014. *Technical Assistance to the People's Republic of China for Promoting Foreign Investment to Support Agricultural Modernization*; and 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.

14. **Output 2: Recommendations for the design and implementation of an open investment mechanism created.** Using the diagnostic assessment, a strategy to guide the direction for an investment road map will be developed. The strategy will set out how proposed partnerships can help achieve sector goals and will describe the steps to be taken to prepare for and implement partnerships. The investment road map will clarify the operating environment to private sector operators and the required commitment from the government. The final product will be the agricultural partnership road map.

15. **Output 3: Policy recommendations for open investment and partnerships in agriculture formulated.** To support the implementation of the proposed open investment and partnerships, an enabling environment where policies and regulations are in place to allow and support partnerships is required. This output will be an integral component of the road map and will propose recommendations for policy and regulatory requirements that will support the implementation of various partnerships to increase agricultural investments.

16. **Output 4: Awareness about and capacity to implement open investment and partnerships in agriculture enhanced.** Stakeholder understanding, buy-in, and acceptance of various forms of partnerships, including PPPs, are crucial requirements to implement partnerships successfully. Workshops will be held to engage stakeholders, seek their input and feedback on analytical work, and introduce them to the role and benefits of various forms of agricultural partnerships. The findings of the TA research will be presented at a conference to raise awareness and build capacity, and will be captured in a knowledge product report that will be widely disseminated.

17. The design of the proposed TA assumes that the government is committed to pursuing the market economy approach and opening the agriculture sector to attract private investment and engage in partnerships, and therefore is willing to assess the role of the public sector as an important strategy to achieve agricultural modernization. To address the risk of limited government commitment, the TA project design includes awareness raising and capacity building for government agencies to implement open investment and partnerships in agriculture.

### **C. Cost and Financing**

18. 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 remuneration and travel expenses of counterpart staff (including a translator); local transport for TA consultants to government offices in Beijing; provision of available relevant government data and studies for the TA consultants' use; provision of meeting rooms, office facilities, and geographic information system maps; and other in-kind contributions. The cost estimates and financing plan is in Appendix 2.

### **D. Implementation Arrangements**

19. MOA will be the executing agency and its Foreign Economic Cooperation Center (FECC) will be the implementing agency. FECC will be responsible for (i) coordinating with other MOA departments, such as the Department of Planning and Development and the Department of International Cooperation; other government agencies, such as the National Development and Reform Commission and the Ministry of Commerce; and provincial agriculture departments 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; and (iii) organizing a conference for output dissemination and knowledge sharing.

20. The TA will be implemented over 16 months, tentatively from 1 November 2016 to 28 February 2018. A consulting firm will provide 24 person-months of national inputs (agricultural economist and team leader, agribusiness and value chain specialist, agricultural policy specialist, investment and finance specialist, and institutional and planning specialist) and 3 person-months of international inputs (investment and partnership specialist). The consultants will submit progress reports, which will be reviewed by ADB and the government. All reports will be written in English and translated into Chinese. The outline terms of reference for consultants is in Appendix 3. Resource persons may be invited to review the consultants' outputs and share knowledge during workshops and conferences.

21. The consulting firm will be engaged following 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 by inviting biodata technical proposals. In line with the action plan for the Midterm Review of Strategy 2020,<sup>11</sup> an output-based contract will be offered. The proceeds of the TA will be disbursed following ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

22. The TA results will be disseminated through project reports, workshops, and ADB and FECC media releases. A knowledge product will be developed and electronic copies will be disseminated by ADB, ADB's PRC Resident Mission, and FECC, as well as through posting on the ADB website. A conference with about 60 participants will be organized to disseminate the TA outputs and share knowledge. The target participants include government officials from MOA, the National Development and Reform Commission, the Ministry of Commerce, and local agriculture departments; representatives from domestic and foreign enterprises in the PRC; and national and international experts on open agricultural investment. The policy note will be submitted to relevant government agencies for their awareness and for policy reform. Evaluation of the TA outcome will follow ADB guidelines and will be provided to FECC.

#### **IV. THE PRESIDENT'S DECISION**

23. 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 the Research on Innovative Mechanism for Open Agricultural Investment, and hereby reports this action to the Board.

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<sup>11</sup> ADB. 2014. *Midterm Review of Strategy 2020: Action Plan*. Manila.

## DESIGN AND MONITORING FRAMEWORK

<b>Impact the TA is Aligned with</b>			
Investment in the agriculture sector increased (National Agricultural Sustainable Development Plan, 2015–2030) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<b>Outcome</b> Mechanism and policy framework to improve open agricultural investment strengthened	By 2019: a. An open agricultural investment mechanism and policy framework document supported by MOA (2016 baseline: 0)	a. MOA annual report	Limited commitment from the public and private sectors to pursue the market economy approach to open the agriculture sector to attract additional investment
<b>Outputs</b> 1. Agriculture sector diagnostic assessment conducted  2. Recommendations for the design and implementation of an open investment mechanism created  3. Policy recommendations for open investment and partnerships in agriculture formulated  4. Awareness about and capacity to implement open investment and partnerships in agriculture enhanced	By 2018: 1. Agriculture sector analysis report assessing (i) technical issues; (ii) legal, regulatory, and policy frameworks; (iii) institutional and capacity status; and (iv) commercial, financial, and economic issues produced (2016 baseline: 0)  2a. Recommendations report on the design and implementation of an open investment mechanism created (2016 baseline: 0)  2b. Sector strategy and road map report produced (2016 baseline: 0)  3. Policy recommendation paper formulated (2016 baseline: 0)  4a. Knowledge product on open agricultural investment prepared (2016 baseline: 0)  4b. Open agricultural investment conference held with 60 participants (2016 baseline: 0)	1. Interim and final technical and progress reports of the TA project  2a–b. Interim and final technical and progress reports of the TA project  3. Final technical report of the TA project  4a–b. Final technical report of the TA project	Data required for the assessment is not available  Unable to reach consensus on strategies required for implementing partnership activities and policy framework

## Key Activities with Milestones

### 1. Agriculture sector diagnostic assessment conducted

- 1.1 Assess current constraints in agriculture based on (i) technical issues; (ii) legal, regulatory, and policy frameworks; (iii) institutional and capacity status; and (iv) commercial, financial, and economic issues by month 8 [KNS]
- 1.2 Review literature on international and national experiences in promoting partnerships, including PPPs, and open agricultural investment; and prepare the first draft of this work in the inception report by month 5
- 1.3 Facilitate multiple working group sessions for stakeholder consultation, including relevant experts and CSOs, to contribute to the diagnostic review and analysis by month 8
- 1.4 Prepare the draft agriculture sector diagnostic analysis report (draft interim report) by month 9
- 1.5 Conduct a stakeholder consultation workshop (interim TA review workshop) to review and validate the results of the agriculture sector diagnostic analysis by month 10 [GCD]
- 1.6 Revise the draft interim report to incorporate stakeholders' and reviewers' feedback; and finalize the report by month 11

### 2. Recommendations for the design and implementation of an open investment mechanism created

- 2.1 Prepare a sector strategy for agricultural investment based on the diagnostic assessment from output 1 by month 13
- 2.2 Prepare the road map describing the high-level action plan for (i) technical issues; (ii) legal, regulatory, and policy frameworks; (iii) institutional and capacity status; and (iv) commercial, financial, and economic issues by month 13
- 2.3 Facilitate multiple working group sessions for stakeholder consultation, including relevant experts and CSOs, to contribute to the diagnostic review and analysis by month 14 [GCD]
- 2.4 Prepare the draft agricultural partnership mechanism, sector strategy, and road map; and document in the draft final report by month 15 [KNS]
- 2.5 Conduct a stakeholder consultation workshop (final review workshop) to review and validate the results of the agricultural partnership mechanism by month 15 [GCD]
- 2.6 Revise the draft final report to incorporate stakeholders' and reviewers' feedback; and finalize the report by month 16

### 3. Policy recommendations for open investment and partnerships in agriculture formulated

- 3.1 Prepare the policy framework and recommendations required to create an enabling environment for partnerships and investment in agriculture by month 13
- 3.2 Prepare a draft policy note summarizing the policy recommendations on investment and partnerships in agriculture by month 14 [KNS]
- 3.3 Validate the policy recommendations for implementing open agricultural investment by month 15 (final review workshop) [GCD]
- 3.4 Finalize the policy note report to incorporate stakeholders' and reviewers' feedback by month 16

### 4. Awareness about and capacity to implement open investment and partnerships in agriculture enhanced

- 4.1 Prepare a draft knowledge product that summarizes issues identified in output 1 and in the road map from output 2 by month 16
- 4.2 Conduct workshops to inform and jointly review TA results from the inception (month 5), interim (month 10), and final phases (month 15)
- 4.3 Hold a conference to present the open investment and partnerships road map for agriculture by month 15 [KNS]
- 4.4 Revise the knowledge product based on reviewers' feedback by month 16 [KNS]

### TA Management Activities

Mobilize the consultant team by month 3

Develop the study framework, prepare the inception report, and conduct the inception workshop by month 5

Prepare the interim report and conduct the interim workshop by month 10 Prepare the draft final report and conduct the final workshop by month 15 Finalize the TA outputs by month 16 Disseminate the outputs at a conference by month 15
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<b>Inputs</b>
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ADB: \$400,000
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Note: The government will provide counterpart support in the form of remuneration and travel expenses of counterpart staff (including a translator); local transport for TA consultants to government offices in Beijing; provision of available relevant government data and studies for the TA consultants' use; provision of meeting rooms, office facilities, and geographic information system maps; and other in-kind contributions.
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<b>Assumptions for Partner Financing</b>
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Not Applicable
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ADB = Asian Development Bank, CSO = civil society organization, GCD = governance and capacity development, KNS = knowledge solutions, MOA = Ministry of Agriculture, PPP = public-private partnership, TA = technical assistance.

<sup>a</sup> Government of the People's Republic of China. 2015. *National Agricultural and Rural Economic Development Plan, 2016–2020*. Beijing.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**

(\$'000)

<b>Item</b>	<b>Amount</b>
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	81.2
ii. National consultants	142.1
b. International and local travel	23.0
c. Reports and communications	5.0
2. Workshops and conferences <sup>b</sup>	
a. Facilitators	8.4
b. Workshops and meetings	42.0
c. Conference	40.0
3. Data and surveys	30.0
4. Miscellaneous administration and support costs <sup>c</sup>	14.3
5. Contingencies	14.0
<b>Total</b>	<b>400.0</b>

Note: The technical assistance (TA) is estimated to cost \$500,000, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of remuneration and travel expenses of counterpart staff (including a translator); local transport for TA consultants to government offices in Beijing; provision of available relevant government data and studies for the TA consultants' use; provision of meeting rooms, office facilities, and geographic information system maps; and other in-kind contributions. The value of government contribution is estimated to account for 20% of the total TA cost.

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

<sup>b</sup> Includes insurance costs for workshop participants.

<sup>c</sup> Includes workshop translation and interpretation costs, office supplies, administration, and logistics costs.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. Introduction

1. The Asian Development Bank (ADB) will engage a consulting firm following its 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 biodata technical proposal approach will be used. An output-based contract will be offered.

### B. Terms of Reference

2. **Agricultural economist and team leader** (national, 6 person-months). The team leader and agricultural economist will be responsible for the overall coordination and supervision of the technical assistance (TA) activities and outputs, and for ensuring the technical quality of the key deliverables. The team leader should have (i) a postgraduate degree in agricultural economics or other relevant fields; (ii) 10 or more years of research and policy experience in agricultural investment, agricultural industrial organization, and/or value chain development; and (iii) demonstrated ability to manage a team, prepare reports, lead meetings, and work with civil society organizations, government, and the private sector. Previous work experience in international organizations is highly desirable. Knowledge about agriculture-related World Trade Organization rules and experience with the private sector are desirable. The specialist must be fluent in English and have demonstrated project-related experience, such as leading teams and promoting agricultural development. The team leader will undertake the following tasks:

- (i) develop the detailed study framework and methodology in consultation with the executing agency and implementing agency, ADB, and team members;
- (ii) develop outlines of the TA inception, interim, and final reports; assign work to the team specialists; compile inputs; and finalize inception, interim, and final reports;
- (iii) manage and ensure the timely implementation of TA activities, including (a) collecting data through surveys and interviews; (b) organizing inception, interim, and final workshops; and (c) supporting the executing agency in organizing a conference on open agricultural investment;
- (iv) with the assistance of team members, conduct a comprehensive review of (a) domestic policies and procedures, status, experiences, and lessons with respect to open agricultural investment, including inflows of capital and intellectual resources; and (b) the changing structure of trade, trade agreements, investment rules, and economic reforms to promote agricultural development and modernization in the People's Republic of China (PRC);
- (v) lead the preparation of TA reports based on literature review, investigations, and data analysis;
- (vi) lead and coordinate the agriculture sector diagnostic assessment and reporting;
- (vii) lead and coordinate the assessment and formulation of the sector strategy and road map describing the high-level action plan for (a) technical issues; (b) legal, regulatory, and policy frameworks; (c) institutional and capacity status; and (d) commercial, financial, and economic issues;
- (viii) with the agricultural policy specialist, coordinate the formulation of the policy recommendations;
- (ix) lead and coordinate the drafting and finalization of the TA knowledge product summarizing the experience and recommendations from the TA;
- (x) with the executing agency, organize the conference on open agricultural investment;



- (xi) present project results and findings in the TA workshops and at the conference; and
- (xii) carry out other tasks related to the project as assigned by the ADB project officer.

3. **Agribusiness and value chain specialist** (national, 5 person-months). The specialist must be fluent in English and should have (i) a postgraduate degree in agribusiness, agricultural economics, or other relevant fields; and (ii) 8 or more years of experience in agribusiness, agricultural marketing, and/or agro-enterprise management. Work experience in international organizations is highly desired. The specialist will undertake the following tasks:

- (i) provide inputs to the development of the study framework and methodology for implementing the TA in consultation with the executing agency, key stakeholders, and other experts;
- (ii) under the team leader's guidance, contribute to the agriculture sector diagnostic assessment and reporting;
- (iii) review the agricultural development and modernization progress within the PRC;
- (iv) assess and review agribusiness constraints through key value chains, and propose recommendations for promoting agribusiness;
- (v) review the role, performance, and function of state-owned enterprises (SOEs) and agriculture-leading enterprises (ALEs); and provide recommendations for enhancing efficiency and competitiveness to promote reform and partnerships;<sup>1</sup>
- (vi) with the investment and finance specialist, assess and identify key agricultural investment constraints;
- (vii) with the investment and partnership specialist, identify areas where foreign and domestic SOEs and ALEs can collaborate, and assess the willingness of both sides;
- (viii) under the team leader's guidance, contribute to the formulation of the sector strategy and road map describing the high-level action plan for (a) technical issues; (b) legal, regulatory, and policy frameworks; (c) institutional and capacity status; and (d) commercial, financial, and economic issues;
- (ix) provide substantial inputs to the TA reports and participate in presenting the study findings in the TA review workshops, stakeholder consultation workshops, knowledge product, and conference; and
- (x) conduct other related work assigned by the team leader.

4. **Agricultural policy specialist** (national, 5 person-months). The specialist must be fluent in English and 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 and law. Work experience in international organizations is highly desired. The specialist will undertake the following tasks:

- (i) provide inputs to the development of the study framework, methodology, and reporting requirements in consultation with the executing agency, key stakeholders, and other experts;
- (ii) under the team leader's guidance, contribute to the agriculture sector diagnostic assessment and reporting;
- (iii) carry out a comprehensive review of domestic policies, status, experiences, and lessons with respect to agricultural development, modernizing agriculture, SOE

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<sup>1</sup> Agriculture-leading enterprises are agro-enterprises that have an important role in promoting the transition of agricultural development, promoting farmers' employment, and increasing incomes. They work with farmers to develop agricultural production with emphasis on specialization, standardization, scale, and intensification.

- and ALE reform and promotion, and innovative partnerships, including inflows of capital and intellectual resources for open agricultural investment in the PRC;
- (iv) review the impacts of domestic policies, regulations, and legal risks related to the promotion of open investment for foreign and domestic (SOE, ALE, and private) agro-enterprises on public-private partnerships (PPPs) and SOE reform in the PRC;
  - (v) recommend policy reforms needed to increase and optimize open agricultural investment; and policy measures to promote market development for healthy competition and more collaboration between foreign and domestic (SOE, ALE, and private) agro-enterprises and the public sector;
  - (vi) under the team leader's guidance, contribute to the formulation of the sector strategy and road map describing the high-level action plan for (a) technical issues; (b) legal, regulatory, and policy frameworks; (c) institutional and capacity status; and (d) commercial, financial, and economic issues;
  - (vii) conduct consultations with experts, stakeholders, and policy makers on the draft reports; and incorporate their feedback into the revised drafts;
  - (viii) prepare a policy note based on the TA outputs, highlighting the most policy-relevant findings and recommendations;
  - (ix) provide substantial inputs to the TA reports and participate in presenting the study findings in the TA review workshops, stakeholder consultation workshops, knowledge product, and conference; and
  - (x) conduct other related work assigned by the team leader.

5. **Investment and finance specialist** (national, 4 person-months). The specialist must be fluent in English and should have (i) a postgraduate degree in finance, international trade, or other relevant fields, with a focus on agriculture; (ii) 10 or more years of experience in the policy and practice of agricultural investment (public and private); and (iii) demonstrated experience with financial modeling, risk analysis, and value for money analysis. Work experience in international organizations is highly desired. The specialist will undertake the following tasks:

- (i) provide inputs to the development of the study framework, methodology, and reporting requirements in consultation with the executing agency, key stakeholders, and other experts;
- (ii) under the team leader's guidance, contribute to the agriculture sector diagnostic assessment and reporting;
- (iii) review experiences and the status of financial support for agricultural development and modern agriculture, identifying good practices for policies and approaches;
- (iv) review the current status of data, information, and demand for investment in and financial services for agricultural development and modern agriculture;
- (v) review and provide feedback on the current funding sources for agricultural development, including SOEs and ALEs, and funding support for agricultural development and modern agriculture development areas; and assist in identifying additional appropriate funding sources;
- (vi) with the agribusiness and value chain specialist, assess and identify key agricultural investment constraints;
- (vii) with the investment and partnership specialist, advise on the process of determining the commercial attractiveness of projects and evaluating project feasibility, specifically on financial viability;
- (viii) under the team leader's guidance, contribute to the formulation of the sector strategy and road map describing the high-level action plan for (a) technical

- issues; (b) legal, regulatory, and policy frameworks; (c) institutional and capacity status; and (d) commercial, financial, and economic issues;
- (ix) conduct consultations with experts, stakeholders, and policy makers on the draft reports; and incorporate their feedback into the revised drafts;
- (x) provide substantial inputs to the TA reports and participate in presenting the study findings in the TA review workshops, stakeholder consultation workshops, knowledge product, and conference; and
- (xi) conduct other related work assigned by the team leader.

6. **Institutional and planning specialist** (national, 4 person-months). The specialist must be fluent in English and should have (i) a postgraduate degree in agricultural planning, institutional and organizational development, or other relevant fields; and (ii) more than 8 years of experience in agricultural development. Work experience in international organizations is highly desired. The specialist will undertake the following tasks:

- (i) provide inputs to the development of the study framework, methodology, and reporting requirements in consultation with the executing agency, key stakeholders, and other experts;
- (ii) under the team leader's guidance, contribute to the agriculture sector diagnostic assessment, draft report, and final report;
- (iii) review the implementation progress for the modern agriculture demonstration area program, focusing on agricultural planning, organizational, and institutional requirements; and propose strategic and institutional innovative reform recommendations;
- (iv) review status and reform opportunities for agriculture SOEs and ALEs, and propose strategic and institutional innovative reform recommendations;
- (v) conduct a comprehensive review of the current status of the strategic planning of agricultural modernization through the modern agriculture demonstration area approach;
- (vi) review the institutional and capacity status for enhancing agricultural investments and partnerships, and propose recommendations for enhancement and required capacity;
- (vii) under the team leader's guidance, contribute to the formulation of the sector strategy and road map describing the high-level action plan for (a) technical issues; (b) legal, regulatory, and policy frameworks; (c) institutional and capacity status; and (d) commercial, financial, and economic issues;
- (viii) provide substantial inputs to the to the policy note and strategic plan and road map for open agricultural investment, focusing on institutional innovations and measuring evaluation issues;
- (ix) conduct consultations with experts, stakeholders, and policy makers on the draft report; and incorporate their feedback into the revised drafts;
- (x) provide substantial inputs to the TA reports and participate in presenting the study findings in the TA review workshops, stakeholder consultation workshops, knowledge product, and conference; and
- (xi) conduct other related work assigned by the team leader.

7. **Investment and partnership specialist** (international, 3 person-months). The specialist should have (i) a postgraduate degree in agribusiness, agricultural development management, or other relevant fields; (ii) 8 or more years of experience in agricultural development, promoting investment and partnerships, and PPPs; (iii) work experience in international organizations; and (iv) previous experience in the PRC, which would be beneficial. The specialist must be fluent in English and will undertake the following tasks:

- (i) provide inputs to the development of the study framework, methodology, and reporting requirements in consultation with the executing agency, key stakeholders, and other experts;
- (ii) under the team leader's guidance, contribute to the agriculture sector diagnostic assessment and reporting;
- (iii) conduct a comprehensive review of international best practices and experiences on promoting agricultural investments and partnerships, including private sector investments, SOE reform, and PPPs;
- (iv) with the agricultural economist and the agricultural policy specialist, review PRC PPP laws and regulations on agricultural investments, and provide recommendations for creating an enabling environment for agricultural PPPs;
- (v) provide criteria for and an assessment of possible PPP projects; identify a pipeline of potential, viable PPP agriculture projects that can be implemented based on economic significance and commercial attractiveness;
- (vi) under the team leader's guidance, contribute to the formulation of the sector strategy and road map describing the high-level action plan for (a) technical issues; (b) legal, regulatory, and policy frameworks; (c) institutional and capacity status; and (d) commercial, financial, and economic issues;
- (vii) contribute to the content and development of the knowledge product, and provide technical editorial support to the final draft of the report;
- (viii) conduct consultations with experts, stakeholders, and policy makers on the draft reports; and incorporate their feedback into the revised drafts;
- (ix) provide substantial inputs to the TA reports and participate in presenting the study findings in the TA review workshops, stakeholder consultation workshops, knowledge product, and conference; and
- (x) conduct other related work assigned by the team leader.

### **C. Reporting**

8. After mobilization, the consulting team will submit (i) a draft inception TA report, which includes the approach and methodology, work plan, and review of literature on international experiences in promoting partnerships, including PPPs; and open agricultural investment within 8 weeks; (ii) a revised inception report within 2 weeks after the inception workshop to be held in month 2; (iii) a draft interim TA report based on the agriculture diagnostic study (output 1) within 6 months; (iv) a revised interim report within 1 month after the interim workshop to be held in month 7; (v) a draft final report, including the recommendations for the design and implementation of an open investment mechanism (output 2) and policy recommendations (output 3) within 11 months after mobilization; (vi) a final report 1 month after the final workshop held within month 12; (vii) a draft knowledge product summarizing the key outputs of the TA within month 13; and (viii) a final knowledge product within month 15. The revised inception report, revised interim report, knowledge product, and the final report should incorporate and address comments from the executing agency and implementing agency, ADB, and other invited reviewers.

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