



Technical Assistance Report

Project Number: 51434-002
Transaction Technical Assistance (TRTA)
September 2018

People's Republic of China: Jiangxi Shangrao Early Childhood Education Demonstration Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 7 September 2018)

Currency unit	=	yuan (CNY)
CNY1.00	=	\$0.146
\$1.00	=	CNY6.835

ABBREVIATIONS

ADB	–	Asian Development Bank
ECE	–	early childhood education
GER	–	gross enrollment ratio
PRC	–	People's Republic of China
TA	–	technical assistance

NOTE

In this report, "\$" refers to United States dollars.

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CONTENTS

	Page
TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE	
I. THE TECHNICAL ASSISTANCE	
A. Justification	1
B. Outputs and Activities	1
C. Cost and Financing	2
D. Implementation Arrangements	3

TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 51434-002	
Project Name	Jiangxi Shangrao Early Childhood Education Demonstration Project	Department/Division	EARD/EASS
Nature of Activity	Project Preparation	Executing Agency	Shangrao Municipal Government
Modality	Regular		
Country	China, People's Republic of		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Education	Pre-primary and primary		0.35
Information and communication technology	ICT industries and ICT-enabled services		0.05
		Total	0.40
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change Civil society participation Institutional development Organizational development	Effective gender mainstreaming (EGM)	✓
Knowledge solutions (KNS)	Pilot-testing innovation and learning		
Partnerships (PAR)	Civil society organizations Implementation		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	No	Rural	High
Household Targeting	No	Urban	Low
SDG Targeting	Yes		
SDG Goals	SDG1, SDG4, SDG10		
6. Risk Categorization	Complex		
7. Safeguard Categorization	Safeguard Policy Statement does not apply		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.40	
Transaction technical assistance: Technical Assistance Special Fund		0.40	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		0.40	

TRANSACTION TECHNICAL ASSISTANCE

A. Justification

1. The government has requested a loan of \$100 million from the ordinary capital resources of the Asian Development Bank (ADB) to improve access to three-year early childhood education (ECE) of quality in Shangrao, Jiangxi Province of the People's Republic of China (PRC). The proposed transaction technical assistance (TA) will support the preparation of the project through technical and sector assessments; economic and financial analyses; financial management and procurement capacity assessments; poverty, social, and gender analysis; climate risk; and environmental and social impact assessments. It will also build the capacity of the Shangrao Municipal Government; the Poyang, Shangrao, Yanshan, Yushan, Wannian, and Wuyuan county governments; and the Shangrao ECE Normal College to implement the ensuing project.¹

B. Outputs and Activities

2. **Output 1: Environmental and social impact assessments and environmental and involuntary resettlement planning documents prepared.** The TA will support environment and social impact assessments and preparation of environmental management and resettlement plans. Under output 1, the project will support the construction of, indicatively, 15 village-level kindergartens in Poyang, Shangrao, and Wannian counties; 12 township center kindergartens in Poyang and Yanshan counties; and 8 urban kindergartens in Poyang, Yanshan, Yushan, Wannian, and Wuyuan counties; as well as the upgrading of 48 village-level and township center kindergartens in Yanshan, Yushan, Wannian, and Wuyuan counties. It will also support the construction of an ECE training center and a kindergarten affiliated with the Shangrao ECE Normal College under output 2. These will have temporary and site-specific environmental impacts. Such impacts will be reviewed and an initial environmental examination report and environmental management plan will be prepared. Involuntary resettlement impacts are also expected, and resettlement plans will be prepared to address land acquisition and resettlement issues and to integrate suitable livelihood and development opportunities for the affected persons in the project design.

3. **Output 2: Due diligence and project documents completed.** The TA will support technical and sector assessments; economic and financial analyses; financial management and procurement capacity assessments; poverty, social, and gender analysis; and the preparation of project documents. Under outputs 1 and 2, kindergartens and ECE training center to be constructed will conform to green building standards, and adopt energy and water saving measures. The TA will support assessments of climate change risks and impacts, and possible climate mitigation and/or adaptation interventions. A climate risk and vulnerability assessment report will be prepared. Assessments will also be conducted to review structural quality of ECE at different types of kindergartens (public, private, urban, township center, and village-level) in various geographical locations, including internet connectivity, the implementation of the national curriculum guidelines, and the compliance with the national construction standards for kindergartens; and international and national ECE good practices and lessons learned; as well as to identify education and training needs of pre- and in-service kindergarten teachers and principals; and key issues of policy and practice to be researched systematically for improving the quality of ECE. A detailed ECE sector assessment in Shangrao and a technical note on international and national ECE good practices and lessons learned will be prepared. The existing systems and capacity of the Shangrao Municipal Government; the Shangrao, Yushan, Yanshan,

¹ The TA first appeared in the business opportunities section of ADB's website on 3 September 2018.

Wuyuan, Wannian, and Poyang county governments; and the Shangrao ECE Normal College for financial management and procurement will be assessed, and potential risks and mitigating measures will be identified. Of the six counties involved in the project, Poyang and Shangrao counties are classified as national poverty-stricken counties, whereas Shangrao and Yanshan counties have townships resided by the She ethnic minority group. Data on poverty, gender, ethnic minorities, and other social aspects of ECE will be collected and analyzed to assess the current situation of children and their parents; kindergarten teachers and principals; students, teachers, and management of the Shangrao ECE Normal College; and other direct and indirect project beneficiaries and stakeholders as well as potential negative and positive impacts of the project on various stakeholders. A social development, ethnic minority, and gender action plan will be prepared for the project. Moreover, cost-benefit analysis and analysis of fiscal impacts and financial sustainability of the project will be conducted. Based on these assessments and analyses, the report and recommendation of the President, the project administration manual, and other linked documents will be prepared.

4. **Output 3: Capacity for project management and procurement strengthened.** The capacity of the executing and implementing agencies, and their project management offices to manage and implement the project in accordance with ADB's policies and guidelines, and relevant PRC laws and regulations will be strengthened through training. The TA will also help the Shangrao Municipal Government, the county governments, and the Shangrao ECE Normal College prepare technical and bidding documents for advance procurement. If appropriate, advance procurement will be conducted by the Shangrao Municipal Government.

5. The major outputs and delivery dates are summarized in Table 1.

Table 1: Summary of Major Outputs and Activities

Major Output	Delivery Date
Resettlement plans	January 2019
Initial environmental examination and environmental management plan	January 2019
Climate risk and vulnerability assessment report	January 2019
Financial management and procurement capacity assessments	February 2019
ECE sector assessment	March 2019
Poverty, social, and gender analysis; and social development, ethnic minority, and gender action plan	April 2019
Economic and financial analyses	April 2019
RRP, PAM, and other linked documents	May 2019
Technical and bidding documents for advance procurement	September 2019

ECE = early childhood education, PAM = project administration manual, RRP = report and recommendation of the President.

Source: Asian Development Bank.

C. Cost and Financing

6. The TA is estimated to cost \$450,000, of which \$400,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The key expenditure items are listed in Table 2. The government will provide counterpart support in the form of counterpart staff, office space, relevant data, and other in-kind contributions. The government was informed that approval of the TA does not commit ADB to finance any ensuing project.

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

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	146.4
ii. National consultants	185.3
b. Out-of-pocket expenditures	
i. International and local travel	23.4
ii. Surveys	8.0
iii. Training, seminars, and conferences	21.0
iv. Reports and communications	10.0
2. Contingencies	5.9
Total	400.0

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

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

Source: Asian Development Bank estimates.

D. Implementation Arrangements

7. The Asian Development Bank (ADB) will administer the TA. ADB will select, supervise, and evaluate consultants during implementation of the TA. The Shangrao Municipal Government will be the executing agency of the TA. It will establish a project leading group to provide overall coordination, guidance, and support in preparing the ensuing project. The Shangrao Municipal Bureau of Education will establish a project management office to guide and support the consultants engaged under the TA in coordination with the Poyang, Shangrao, Yanshan, Yushan, Wannian, and Wuyuan county governments; and the Shangrao ECE Normal College. The Shangrao Municipal Bureau of Education, along with the county governments and Shangrao ECE Normal College, will be the implementing agencies. The implementation arrangements are summarized in Table 3.

Table 3: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	September 2018–February 2020		
Executing agency	Shangrao Municipal Government		
Implementing agencies	Shangrao Municipal Bureau of Education; Poyang County Government; Shangrao County Government; Yanshan County Government; Yushan County Government; Wannian County Government; Wuyuan County Government; Shangrao ECE Normal College		
Consultants	To be selected and engaged by ADB		
	Quality- and cost-based selection	Consulting firm for project design, due diligence, and capacity development (20 person-months)	\$309,100
	Individual consultant selection	International environment specialist (2 person-months)	\$37,900
	Individual consultant selection	National environment, resettlement, climate change specialists (7 person-months)	\$49,400

Aspects	Arrangements
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).

8. **Consulting services.** ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.² ADB will recruit one international consulting firm for project design, due diligence, and capacity development to provide 20 person-months of consulting services (international, 5.5 person-months; national, 14.5 person-months), using the quality- and cost-based selection method with a quality–cost ratio of 90:10 and simplified technical proposal. ADB will also recruit four individual consultants (international, 2 person-months; national, 7 person-months) to prepare safeguards planning documents and climate risk and vulnerability assessment report. Lump-sum payments and/or output-based contracts will be considered. The required consulting services are summarized in Table 4.

Table 4: Summary of Consulting Services Requirement

International	Person-months	National	Person-months
Engaged as individual			
Environment specialist	2.0	Environment specialist	3.0
		Resettlement specialist	3.0
		Climate change specialist	1.0
Subtotal	2.0	Subtotal	7.0
Engaged through consulting firm			
Early childhood education specialist/team leader	3.0	Early childhood education specialist/deputy team leader	4.0
Social development and gender specialist	1.5	Social development and gender specialist	2.0
		Civil engineer	2.0
		Procurement specialist	2.0
		Financial management specialist	3.0
Economist	1.0	Economist	1.5
Subtotal	5.5	Subtotal	14.5
Total	7.5		21.5

² Terms of Reference for Consultants (Supplementary Appendix) are available upon request.