

Project Administration Manual

Project Number: 47071-002
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People's Republic of China: Fujian Farmland
Sustainable Utilization and Demonstration Project

ABBREVIATIONS

ADB	–	Asian Development Bank
CAB	–	county agriculture bureau
CFB	–	county financial bureau
DMF	–	design and monitoring framework
EGM	–	effective gender mainstreaming
EIRR	–	economic internal rate of return
EMP	–	environmental management plan
EMS	–	environmental monitoring stations
FAD	–	Fujian Provincial Agriculture Department
FDRC	–	Fujian Development and Reform Commission
FEPD	–	Fujian Environmental Protection Department
FFD	–	Fujian Finance Department
FIRR	–	financial internal rate of return
FMA	–	financial management assessment
FPAO	–	Fujian Poverty Alleviation Office
FPG	–	Fujian Provincial Government
FWRD	–	Fujian Water Resources Department
GAP	–	gender action plan
GDP	–	gross domestic product
GRM	–	grievance redress mechanism
ICB	–	international competitive bidding
IEE	–	initial environmental examination
LIBOR	–	London interbank-offered rate
MAB	–	municipal agriculture bureau
MOA	–	Ministry of Agriculture
MOF	–	Ministry of Finance
NCB	–	national competitive bidding
O&M	–	operation and maintenance
PAM	–	project administration manual
PIU	–	project implementation unit
PMO	–	project management office
PPE	–	participating private enterprise
PPMS	–	project performance management system
PRC	–	People's Republic of China
RRP	–	report and recommendation of the President
SDAP	–	social development action plan
SOE	–	state-owned enterprise
SPRSS	–	summary poverty reduction and social strategy
SPS	–	ADB Safeguard Policy Statement (2009)
WA	–	withdrawal application
WACC	–	weighted average cost of capital

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Fujian Provincial Government (FPG), the project executing agency; and the implementing agencies, namely Wuyishan City (county-level city) and Guangze County; Datian County, Youxi County and Ninghua County; Yongding District and Xinluo District; Zhangpu County and Pinghe County; Fu'an City (county-level city), Jiaocheng District, Dongqiao District, and Zherong County governments are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by FPG, Nanping, Sanming, Longyan, Zhangzhou, and Ningde municipal governments and 13 project county governments of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. The project will improve rural farmland infrastructure and demonstrate sustainable farming practices in 13 project counties of Fujian Province to reduce land and environmental degradation.¹ Sustainable farming systems simultaneously maintain agricultural productivity; enhance the natural environment; promote more efficient use of key inputs, including water, crop nutrients, pesticides, energy, land, and labor; and contribute to better ecosystem services.²

2. Agriculture development has increased productivity yet caused high levels of land degradation. In the People's Republic of China (PRC), 70%-80% of croplands, forestlands, and grasslands are degraded.³ Major problems are water and wind erosion of soils, reduced soil fertility, over-exploited water resources, nonpoint source pollution, and deforestation. Driven by inefficient irrigation, overuse of chemical fertilizers and pesticides, improper waste treatment, and poor land use practices, land degradation is now the most limiting factor to agriculture production and poses a serious threat to food security, rural livelihoods, and rural economic growth. Reduced agriculture productivity due to land degradation was \$37.09 billion in the PRC or about 1% of the gross domestic product in 2007 (footnote 3). Yet land degradation can be prevented and reversed with soil conditions improved and productivity restored. The cost of reversing land degradation and applying sustainable land management practices is considerably lower than the loss caused by land degradation.

3. In line with this approach, the National Agricultural Sustainable Development Plan, 2015–2030 focuses on tackling the major causes of degradation and promoting sustainable land and resource use.⁴ Key targets are to reduce chemical fertilizer and pesticide use, improve soil health, control soil erosion, and promote ecological, featured, and high-efficiency agriculture based on high-quality products and production systems. To achieve these targets, the focus is on investment in (i) water and soil resource protection,⁵ (ii) agricultural and rural environmental control,⁶ and (iii) ecological rehabilitation. To implement this plan, the government will pilot and demonstrate sustainable agricultural production practices in selected provinces based on the urgency of their rehabilitation needs. Fujian Province has been designated as a priority province.

4. Fujian Province is mostly mountainous and supports an agrarian rural economy that accounts for 75.9% of the output of the primary sector and supports 39.2% of the total provincial

¹ The 13 project counties are Wuyishan, Guangze, Datian, Youxi, Ninghua, Yongding, Xinluo, Pinghe, Zhangpu (Hua'an), Jiaocheng, Zherong, Dongqiao, and Fu'an. These counties were selected based on demand for sustainable agriculture practices and poverty alleviation priority counties. The selection criteria and process are summarized in Annex 2 of the project administration manual (accessible from the list of linked documents in Appendix 2).

² The Asian Development Bank (ADB) provided project preparatory technical assistance for the Fujian Farmland Sustainable Utilization and Demonstration Project (TA 8741-PRC).

³ X. Deng and Z. Li. 2016. Economics of Land Degradation in China. In E. Nkonya, et al. ed. Economics of Land Degradation and Improvement: A Global Assessment for Sustainable Development. Springer International Publishing.

⁴ Released by the Ministry of Agriculture, National Development and Reform Commission, Ministry of Science and Technology, Ministry of Finance, Ministry of Land and Resources, Ministry of Environmental Protection, Ministry of Water Resources, and State Forestry Administration on 20 May 2015.

⁵ Such as high-standard farmland construction, protection and improvement of cultivated farmland, high-efficiency water saving (promoting sprinkler irrigation, micro irrigation, rainfall collection and irrigation, and integral control of water and fertilization), and monitoring of agricultural resources.

⁶ Specifically, waste management, chemical fertilizer and pesticide control, recycling and reuse of agricultural film and pesticide packaging, straw utilization, and rural environmental integrated management.

population (14.81 million people living in rural areas).⁷ Because of the topography, agriculture produces either perennial tree crops on sloping land or annual crops grown in the valley floor, such as tea, tea oil, pomelo, rice, Chinese pearl barley, and lotus.⁸ The difficult terrain and poor land management practices have caused widespread land and environmental degradation, which is further exacerbated by a changing climate and extreme weather conditions. This makes agricultural production and rural livelihoods difficult to sustain. Per capita income in the rural areas of Fujian is CNY11,184, or only 36.3% of urban per capita income (CNY30,816)—the rural–urban disparity. Farmers need additional support to have a viable livelihood option based on sustainable agriculture rather than turn to urban migration for an alternative livelihood. As a leading province for ecological civilization, Fujian is required to manage its environment, safeguard ecological security, adapt to climate change, improve resource conservation, undertake environmentally friendly development, and use and manage more sustainably land, water, and other natural resources to provide sustainable livelihood opportunities.⁹

5. **Land degradation.** Land resources in Fujian Province are limited, allowing an average of 0.058 hectares (0.88 *mu*) of farmland per rural person, which is only about 65% of the national average.¹⁰ Moreover, the land is typically of poor quality and low crop productivity—78.1% of the province's arable land is rated as low to medium quality because of poor soil health, high rates of soil erosion, and outdated agricultural infrastructure, all of which constrains production. The infrastructure also has low resilience to natural disasters. The narrow dirt roads are not suited for motorized agricultural traffic and are inaccessible during the rainy season. Irrigation systems are generally old, made of earthen channels and ditches that are dilapidated by sedimentation or otherwise in disrepair, resulting in low irrigation efficiency of about 40%, lower than the national average. Effective irrigation in the dry season and drainage in the wet season is not possible. Efficient and productive water use would require rehabilitation and modernization of irrigation and drainage infrastructure. The soils erode easily, especially when coupled with poor land management practices and infrastructure as well as seasonal high-intensity rainfall. Loss of soil resources, reduced fertility, and poor soil condition make remedial actions imperative. These include proper field design with terraces, and irrigation and drainage canals to minimize erosion, and the application of organic matter and fertilizers to restore soil health, which in turn will restore degraded land resources and increase productivity.

6. **Polluting and unproductive cropping systems.** Inefficient water use, overuse of chemical fertilizers and pesticides, and lack of capacity among farmers are the main constraints to crop productivity. In 2013, total fertilizer and pesticide application per unit area in Fujian Province was 4.13 million tons, 15% higher than the national average.¹¹ Limited guidance on proper use rates caused an overuse of fertilizers and pesticides leading to nonpoint source pollution and soil degradation, reduced profits to farmers, and increased concerns about food safety. Solving this problem requires (i) precise fertilizer application through soil and water testing, improved soil and crop management, and use of organic fertilizers; (ii) capacity building

⁷ National Bureau of Statistics of China. National Data. <http://data.stats.gov.cn/easyquery.htm?cn=E0103> (accessed 31 August 2016). The province's gross domestic product was CNY2,405.58 billion in 2014; the primary sector's contribution was 8.38% (CNY201.48 billion), to which the agriculture sector contributed CNY152.96 billion.

⁸ Fujian Province is the biggest tea producer in the PRC, contributing 18.5% to national production. Tea production reached 347,000 tons in 2013, involving 10% of the provincial population.

⁹ According to the PRC government, "ecological civilization" refers to achieving harmony between growth, people, and nature, requiring people to respect, protect, and maintain a harmonious relationship with nature. It includes activities to mitigate ecological damage, relieve pressures on natural resources, and improve the balance between the environment and the economy.

¹⁰ A *mu* is a Chinese unit of measurement (1 *mu* = 666.67 square meters).

¹¹ Government of the PRC, Fujian Provincial Government. 2014. *Fujian Provincial Statistic Book*. Fuzhou.

of farmers; and (iii) the promotion of organic, green, and nonpolluting products, as well as institutional interventions. Water use efficiency will hinge on adequate operation and maintenance of irrigation systems, e.g., by setting up dedicated water user groups, water-saving irrigation techniques, and better agricultural water management practices.

7. Agriculture is highly vulnerable to climate change. Coping with the significant variability of future climatic impacts requires efficient water resource management, boosting the capacity of agricultural support institutions and related stakeholders, and improving the support services to farmers as well as building resilience into production systems and the ecosystem.

8. **Inefficient smallholder agriculture.** Smallholder farmers struggle to earn a decent income from farming, which causes rural–urban income disparity and limits socioeconomic development. Key hurdles are the large number of smallholder farmers, skilled labor shortage, and the lack of adequate training to improve farmers’ technical knowledge and environmental awareness. Moreover, farmers do not always benefit from the adoption of sustainable practices because they lack access to quality-certification schemes that would boost recognition of their organic or green produce. Fujian Province is promoting land consolidation¹² and cooperation models¹³ to establish links between state-owned enterprises (SOEs), private enterprises, cooperatives, and farmers as a means to organize farmers, facilitate access to markets, increase large-scale purchasing of inputs at lower prices, and transfer knowledge and services to their members as a means to increase rural economic development. Cooperation models can provide training in modern agricultural practices, including proper fertilizer and pesticide applications, organic and green production practices, land management, and on-farm guidance. This would result in better-quality products, product certification, and greater market competitiveness.¹⁴ However, concerns have emerged about the development, performance, and governance of SOE, private enterprises, and farmers’ cooperatives, and whether benefits are shared equitably. Additional support is required to ensure that technical and management capacities are up to the task and to promote equitable and inclusive economic and rural livelihood development opportunities.

9. As the PRC strives to build an “ecological civilization,” managing the environment is of paramount concern as is improving rural livelihoods, and are the basis for sustainable agriculture systems. These multifaceted systems will be piloted in Fujian Province to demonstrate (i) protection of arable land resources and optimal development; (ii) enhanced agricultural productivity and promotion of sustainable utilization through efficient water use and less environmental pollution; and (iii) cooperation models between enterprises, cooperatives, and farmers.

10. **Strategic fit.** The project supports the government’s overarching strategic goal of building a harmonious and prosperous society through regionally balanced, inclusive, and environmentally sustainable growth. The project supports the National Agricultural Sustainable Development Plan, 2015–2030 (footnote 4) and the State Council No. 1 Document (2016) promoting agriculture reform and modernization. The project is in line with the priorities of the

¹² Government of the PRC, State Council. 2014. *Opinion on Taking Measures to Guide Orderly Transfer of Rural Land Use Rights for Developing Scaled Agriculture*. Beijing.

¹³ Government of the PRC, State Council. 2012. *Opinion on Supporting the Development of Agricultural Industrialization Leading Enterprises No. 10*. Beijing.

¹⁴ Green food is certified as pollution-free, safe, high-quality food with the green food trademark. Organic products are produced according to organic agricultural production requirements and related standards, and certified through a legitimate, independent organic food certification organization.

country partnership strategy, 2016–2020 of the Asian Development Bank (ADB) for the PRC—i.e., to manage climate change and the environment, support inclusive economic growth under the “new normal,” and achieve an “ecological civilization”¹⁵—and ADB’s Operational Plan for Agriculture and Natural Resources, which promotes greater productivity and stronger efficiency in resource use, agribusiness development, and enhanced food safety and quality.¹⁶ It is also in line with the Sustainable Development Goals 8, 13, 15, and 17.¹⁷

11. **Lessons.** The project design incorporates lessons from international and national best practices in agriculture, environment, and ecosystem improvement, focusing on the development, participation, and empowerment of farmers and farmer organizations for improved production bases and equitable benefit sharing. The project will work through enterprises¹⁸ to help farmers organize themselves and apply new technologies, provide extension services, and open up access to markets. Lessons from the Fujian Soil Conservation and Rural Development I and II projects were also incorporated,¹⁹ which focused on soil conservation and value chain development resulting in reduced soil erosion and specialized agriculture products being promoted. The proposed project focuses on rehabilitation of already degraded land by demonstrating sustainable land development and rehabilitation practices and by implementing sustainable, climate-resilient farming practices. The capacity and knowledge gained from these projects will ensure that Fujian Province has the capacity to halt degradation, rehabilitate degraded lands, and promote sustainable agriculture development that brings benefits to farmers, stimulates the rural economy, and is climate-resilient.

A. Impact and Outcome

12. The project impact will be reduced land and environmental degradation and improved rural livelihoods in Fujian Province. The project outcome will be long-term farmland productivity and better climate resilience.

B. Outputs

13. **Output 1: Productive farmland established.** This output will rehabilitate 63,700 *mu* of valley-floor cropland and 200,000 *mu* of sloping land. Valley-floor improvements will comprise land leveling and development of farm infrastructure, such as roads that are suited to tractors and water-conserving facilities (25 kilometers of dikes and embankments for flood prevention, drainage ditches, irrigation canals, and irrigation facilities), for cropping grains, vegetables, and lotus seeds. Rehabilitation of sloping land, which is used for growing tea, tea oil, and orchards, includes the repair of existing terracing, farm infrastructure such as tractor roads, and water-conserving facilities such as storage ponds, and spray and/or drip irrigation equipment.

¹⁵ ADB. 2016. *Transforming Partnership: People's Republic of China and Asian Development Bank (2016–2020)*. Manila.

¹⁶ ADB. 2015. *Operational Plan for Agriculture and Natural Resources: Promoting Sustainable Food Security in Asia and the Pacific in 2015–2020*. Manila.

¹⁷ United Nations. Sustainable Development Goals. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

¹⁸ Selection criteria for SOEs and PPEs were business operations in project related agri-value chains and interest to cooperate with and provide equitable benefit sharing to farmers. The selection criteria and process are summarized in Annex 2 of the project administration manual (accessible from the list of linked documents in Appendix 2).

¹⁹ ADB. 1995. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grants to the People's Republic of China for Fujian Soil Conservation and Rural Development Project*. Manila; ADB. 2004. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the People's Republic of China for Fujian Soil Conservation and Rural Development Project II*. Manila.

14. **Output 2: Sustainable farming technology and practices adopted.** This output will support farmers and cooperatives to improve access to resources and technology through cooperation with SOEs and private enterprises and demonstrate improved and climate-resilient cropping practices. It includes the provision of agricultural equipment and materials to implement sustainable farming techniques such as soil conservation (e.g., applying organic fertilizer, implementing zero or low tillage, new crop varieties, and establishing tree plantations for windbreaks and shade), integrated pest management, improved cropping practices (e.g., intercropping and crop rotation), and equipment to test the quality of soil and water. The output will also assist the certification process for green and organic tea, and tea oil products.

15. **Output 3: Institutional, technical, and management capacity strengthened.** This output includes (i) training for farmers' cooperatives on cooperative operation, production technology, and marketing; (ii) training for project implementation units (PIUs) and farmers on good agricultural practices and technology, including certification of green and organic products; (iii) establishment and capacity development of farmland infrastructure management and maintenance associations; and (iv) training on gender and development to ensure inclusion of women and the poor in project activities.

16. **Demonstration features.** The project will demonstrate sustainable farming systems and practices that will offer a range of productivity, socioeconomic, and environmental benefits to farmers and to society in general—e.g., high and stable productivity and profitability, adaptation and resilience to climate change, and a better environment and less degradation. These systems are replicable throughout the PRC to combat land and soil degradation. Key demonstration features are:

- (i) **Private sector-led development.** Promotion of farmer-cooperative-enterprise cooperation models based on mutually beneficial mechanisms that allow farmers access to new technologies and practices combined with extension services and training, better infrastructure and market access, guaranteed prices for their products, and improved due process for land leasing to increase the scale of farm systems. This approach is promoted by the government to supplement regular government services that cannot reach and benefit all farmers.
- (ii) **Climate-resilient agriculture.** The project (a) applies water management practices that capture and store water for irrigation, offer potential for energy, water, and money savings, and boost crop yields by reducing drought impacts, maintaining soil health, and reducing runoff to minimize soil erosion and transfer of pollutants; (b) selects crops and varieties that are well adapted, high-yielding, and resistant to biotic and abiotic stresses; and (c) provides good-quality seeds and seedlings to ensure high-quality varieties.
- (iii) **Integrated pest management.** The project applies integrated management of pests, diseases, and weeds by using suitable physical and biological measures, and selective and low-risk pesticides. This will reduce the use of chemical pesticides, environmental pollution, and improve product quality and food safety.
- (iv) **Better crop nutrition thanks to healthy soils.** Healthy soils can be achieved through crop rotations and by using organic fertilizer while minimizing inorganic fertilizer. The project will provide soil-testing and water-testing equipment to enable fertilizing recommendations based on crop and soil needs, and promote the use of organic matter to maintain, improve, and rebuild soils. This will improve nutrient supply, water-retention, soil structure, and erosion prevention.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative Activities	2015		2016			2017		Responsibility
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Approval of domestic subproject FSRs	■	■						CDRC, CPMOs, PIUs
Loan Fact Finding mission		■						FPG, ADB
Approval of domestic project FSR				■				PDRC, PPMO, PIUs
Advance contracting actions				■	■	■	■	PPMO, PIUs, ADB
Retroactive financing actions				■	■	■	■	PPMO, PIUs, ADB
Approval of FCUP				■	■	■	■	NDRC, FPG
Loan negotiations					■	■	■	MOF, FPG, ADB
Procurement agent recruited						■	■	
ADB Board approval							■	ADB
Government budget inclusion							■	FPG
Loan signing							■	MOF, FPG, ADB
Finalization of onlending agreements							■	FPG, County Governments
Government legal opinion provided							■	MOF, FPG
Loan effectiveness							■	MOF, FPG, ADB

ADB = Asian Development Bank, CDRC = county development and reform commission, CPMOs = county project management offices, FCUP = financial capital utilization plan, FPG = Fujian Provincial Government, FSRs= feasibility study reports, MOF = Ministry of Finance, NDRC = National Development and Reform Commission, PDRC = provincial development and reform commission, PIUs = project implementation units, PPMO = provincial project management office.

Source: Asian Development Bank estimates.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

17. The project implementation organization, identifying the roles and responsibilities of the participating agencies, is shown below:

Table 3: Project Implementation Organizations' Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing Agency Fujian Provincial Government (FPG)	Provide overall guidance, coordination, supervision, and management for project preparation and implementation; and Responsible for coordinating project implementation activities among government agencies such as Agriculture Department (Fujian Agriculture Affair Office), Finance Department, Provincial Development and Reform Commission, Environmental Protection Department, Water Resource Department, Forestry Department, Poverty Reduction Office, Women's Federation, etc.
Provincial Project Leading Group (PLG) Municipal Project Coordinating Group County Project Working Group	Provide policy guidance during implementation; Facilitate interagency coordination and coordinate with other involved parties at concerned level; and Resolve institutional problems affecting project preparation and implementation at concerned level.
Fujian Agriculture Department (FAD)	Provide overall coordination of project preparation, and comprehensive supervision of project implementation; On behalf of FPG, enter into project implementation agreements for the project with municipal governments; Supervise implementation of the project implementation agreements; and Promote replication of the demonstrated technologies in the province.
Fujian Finance Department (FFD)	On behalf of FPG, responsible for overall project financial management, including: Open and manage the project imprest account, and liquidation and replenishment of advances made; Review, approval, and submission of loan withdrawal applications to ADB on behalf of FPG; Sign relending agreement with the county finance bureaus; Monitor implementation of the onlending agreements under the project; and Prepare and monitor repayment plan of ADB loan and repayment works.
Provincial Project Management Office [PPMO; Agriculture Department (Agriculture Affair Office)]	On behalf of the executing agency, the PPMO will be responsible for overall coordination and supervision of project preparation and implementation, including: Direct project preparation and implementation activities; Facilitate engagement of procurement agent and design institutes; Prepare annual work programs and budgets; Guide project procurement activities, including the review and submission of bidding documents, bid evaluation reports, and other necessary documentations to ADB for necessary approval; Review and confirm RRs from respective project

Project Implementation Organizations	Management Roles and Responsibilities
	<p>municipalities;</p> <p>Engage project implementation consultants;</p> <p>Coordinate training and capacity development activities;</p> <p>Establish PPMS to monitor project progress, including regular monitoring of physical and financial progress, and safeguards compliance;</p> <p>Consolidate and submit (a) quarterly project progress reports, (b) semi-annual environmental and social safeguard monitoring progress report, (c) annual audit reports, (d) annual consolidated project financial statements, and (e) midterm and project completion reports to ADB and FPG with assistance from the project implementation consultant;</p> <p>Ensure project implementation compliance with loan agreement and project agreement;</p> <p>Cooperate with provincial audit department for audit of project accounts;</p> <p>Summarize the project experience and facilitate project replication over the province.</p>
<p>Municipal Project Management Offices (Municipal agriculture bureau):</p> <p>Nanping Municipality</p> <p>Sanming Municipality</p> <p>Longyan Municipality</p> <p>Zhangzhou Municipality</p> <p>Ningde Municipality</p>	<p>Responsible for project coordination at the municipal level:</p> <p>Facilitate engagement of the procurement agency to facilitate project procurement;</p> <p>Coordinate procurement process, including participating in bid opening, supervising the bid evaluation process, and endorsing bid evaluation reports for all NCB procurement packages;</p> <p>Review WAs from respective county financial bureaus and submit the reviewed and consolidated county-wise RRs to PPMO;</p> <p>Prepare and submit (a) quarterly project progress report, (b) semi-annual environmental and social safeguard monitoring progress report, and (c) subproject financial statements to PPMO;</p> <p>Monitor subproject implementation and achievement of output indicators within the municipality;</p> <p>Sign project implementation agreement with county governments; and</p> <p>Summarize the project experience and facilitate project replication in the municipality.</p>
<p>County Finance Bureaus</p> <p>County Finance Bureaus of 13 project counties</p>	<p>Prepare county-wise RRs and submit to MPMO;</p> <p>Ensure timely provision of counterpart funds; and</p> <p>Sign onlending arrangement with the PIUs.</p>
<p>Implementing Agencies:</p> <p>County Project Management Offices</p> <p>County Agriculture Bureaus of 13 project counties</p>	<p>Coordinate procurement for the subprojects;</p> <p>Undertake day-to-day management activities during project preparation and implementation;</p> <p>Review, confirm, and consolidate RRs from respective PIU(s);</p> <p>Provide quality assurance and quality control for the project construction and check and review construction supervision works by the supervision agency;</p> <p>Ensure PIUs are in compliance with EMP, GAP, RF/RPs, SDAP, etc.;</p> <p>Prepare (a) quarterly project progress report, (b) semi-annual environmental and social safeguard monitoring progress report, and (c) subproject financial statements to MPMO; and</p> <p>Summarize project experience and promote project</p>

Project Implementation Organizations	Management Roles and Responsibilities
Project Implementation Units Established in 19 PIUs (9 SOEs and 10 PPEs)	<p>replication in the county.</p> <p>Recruit design institutes for detailed designs; Participate in bidding, bid evaluation, and signing and administration of contracts with the aid of procurement agents; Ensure environmental and social safeguards are complied with based on ADB's Safeguard Policy Statement (2009); Provide CPMO with inputs to (a) quarterly project progress report, mid-term report and project completion report (b) semi-annual environmental and social safeguard monitoring progress report, and (c) annual subproject financial statements; Establish and maintain the required project accounting arrangement and other implementation recording systems; Prepare RRs and submit to CPMO for review and confirmation; Retain supporting documents under RR procedure; Maintain the project's financial records, making them ready for inspection by ADB missions; Operate and maintain the facilities constructed or improved under the project; and Implement the contracts signed with village committees/farmer cooperatives/farmer households.</p>
ADB	<p>Provide guidance to FPG to ensure compliance with loan and project agreements; Conduct regular loan review missions, a midterm review, and a project completion review mission; Review and/or approve procurement actions for ADB-financed procurement packages; Process withdrawal applications and release loan funds; Monitor project implementation progress; Review annual audit reports and follow up on audit recommendations; Update regularly the project performance review reports with the assistance of EA and IA; Update regularly the project information documents for public disclosure at ADB website, including the safeguard documents; and Monitor implementation of ADB's anticorruption policies.</p>

ADB = Asian Development Bank, CPMO = county project management office, EA = executing agency, EMP = environmental management plan, FPG = Fujian Provincial Government, FAD = Fujian Agriculture Department, FFD = Fujian Finance Department, GAP = gender action plan, IA = implementing agency, MPMO = municipal project management office, NCB = national competitive bidding, PPMO = provincial project management office, RF = resettlement framework, RP = resettlement plan, RR = reimbursement request, SDAP = social development action plan, WA = withdrawal application, O&M = operation and maintenance, PIUs = project implementation units, PPE = participating private enterprise.

Source: Asian Development Bank estimates.

B. Key Persons Involved in Implementation

Executing Agency

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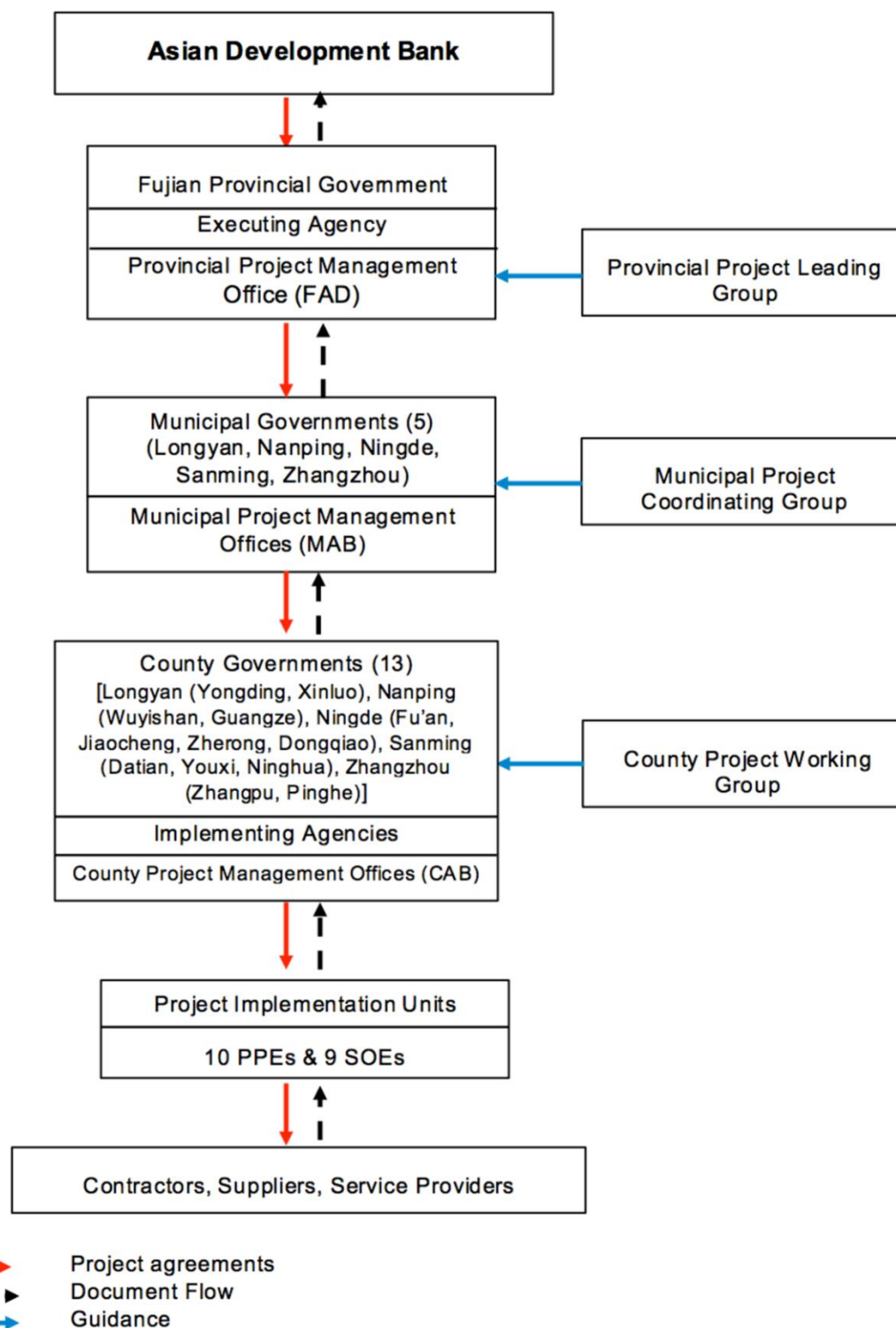
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C. Project Organization Structure



FAD = Fujian Agriculture Department, MAB = municipal agriculture bureau, CAB = county agriculture bureau, PPE = participating private enterprise, SOE = state-owned enterprise.
Source: Asian Development Bank.

IV. COSTS AND FINANCING

A. Cost Estimates Preparation and Revisions

18. The project investment costs include goods, works, and consulting services to support the rehabilitation and sustainable development of farmland, and equipment and materials as well as capacity building and training. Cost categories include:

Category	Description
Productive farmland established	Land rehabilitation, farm infrastructure such as tractor roads, irrigation canals and drainage, and irrigation equipment.
Sustainable farming technology and practices adopted	Establish crop model demonstration sites including providing agricultural equipment and materials, integrated pest management, and improved cropping practices.
Institutional capacity strengthened	Training for farmers, cooperatives, PIUs staff, and management and maintenance associations in cooperation mechanisms and good agricultural practices and technology, including green and organic product certification.
Project management	Includes project management capacity building, office equipment, workshops, project monitoring and evaluation, knowledge management, and operations of PPMO and CPMOs as well as loan implementation consultants.

CPMOs = country project management offices, PIUs = project implementation units, PPMO = provincial project management office.

Source: Asian Development Bank.

19. **Preparation.** The cost estimates were prepared jointly by the design institutes, provincial project management office (PPMO), and ADB with assistance from the project preparatory technical assistance (PPTA) consultant. The sources and basis for cost estimates were reviewed during the project preparation and had been confirmed by related parties. The process was facilitated by a model in excel software which enabled easy updating or revision, if necessary. The model is maintained by both PPMO and ADB.

20. **Revisions.** Revision of cost estimates will be conducted when deemed necessary during implementation. The PPMO will be responsible in proposing and drafting the revision which will be subject to ADB's approval.

B. Key Assumptions

21. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: \$1.00 = CNY 6.5646 (as of 7 January 2016).
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 4: Escalation Rates for Price Contingency Calculation

Item	2017	2018	2019	2020	2021	Average
Foreign rate of price inflation	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%
Domestic rate of price inflation	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%

Source: Asian Development Bank estimates.

- (iii) In-kind contributions were not calculated in this project.

C. Summary Cost Estimates and Financing Plan

22. The project is estimated to cost \$191.42 million (Table 5).

Table 5: Project Investment Plan (\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Productive farmland established	110.45
2. Sustainable farming technology and practices adopted	38.44
3. Institutional, technical, and management capacity strengthened	2.66
Project Management	18.12
Subtotal (A)	169.68
B. Contingencies^c	15.93
C. Financing Charges During Implementation^d	5.81
Total (A+B+C)	191.42

Note: Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of \$4.44 million to be financed from the Asian Development Bank (ADB) loan, \$0.85 million from the participating private enterprises, \$3.09 million from state-owned enterprises, and \$0.12 million from government resources. The estimated taxes and duties to be incurred under the project do not represent an excessive share of the project cost.

^b In mid-2015 prices. Of the base cost, 67.6% will finance civil works; 19.1%, equipment and materials; 2.6%, research and development and training; 0.3%, consulting services; and 5.5%, project management and others.

^c Physical contingencies computed at 5% for all expenditure categories. Price contingencies computed based on escalation factors at 2.4% on local currency costs in 2017 and 2.5% thereafter, and 1.4% on foreign exchange costs in 2017 and 1.5% thereafter.

^d Includes interest and commitment charges. Interest during construction for ADB loan has been computed at the 5-year United States dollar swap rate plus a spread of 0.5% and an average loan maturity premium of 0.1%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

23. The Government of the PRC has requested a loan of \$100 million from ADB's ordinary capital resources to help finance the project. The loan will have a 26-year term, including a grace period of 5 years, an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility, a commitment charge of 0.15% per year, and such other terms and conditions set forth in the draft loan and project agreements.²⁰ The Fujian Provincial Government (FPG) will bear the foreign exchange and interest rate risk of the loan. FPG will in turn onlend all the loan proceeds to project county governments, which will make the loan proceeds available to nine state-owned enterprises (SOEs) on the same terms and conditions as those of the ADB loan to the national government, and to 10 participating private enterprises (PPEs) on the terms and conditions set in the relending agreement with the FPG, which will be the same other than the amortization period of no more than 15 years, including a grace period of 5 years.

24. The ADB loan will finance 52.24% of the project costs, including civil works, goods, and taxes and duties for eligible ADB-financed expenditures. The FPG will make counterpart funds available for project management. The SOEs and PPEs will finance their own costs related to research and development, training, project management, physical and price contingencies, and financing charges during implementation.²¹

²⁰ The interest and commitment charges during implementation will not be capitalized in the loan.

²¹ State-owned enterprises and PPEs will provide contributions from their own budgetary resources (no commercial bank loans).

Table 6: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (loan)	100.00	52.24
Government	2.66	1.39
State-owned enterprises	69.69	36.41
Participating private enterprises	19.07	9.96
Total	191.42	100.00

Source: Asian Development Bank estimates.

D. Detailed Cost Estimates by Expenditure Category**Table 7: Detailed Cost Estimates by Expenditure Category**

Item	CNY Million	\$ million	% of Total Base Cost
	Total	Total	
A. Investment Costs			
1. Civil Works	755.1	114.76	67.63
2. Equipment	43.0	6.53	3.85
3. Materials	172.1	26.16	15.42
4. Research and Development	15.8	2.39	1.41
5. Consulting Services	2.9	0.44	0.26
6. Training	13.3	2.03	1.20
7. Working Capital	42.1	6.39	3.77
8. Project Management	61.2	9.30	5.48
Subtotal (A)	1,103.4	167.7	98.83
B. Recurrent Costs			
1. Recurrent Costs	13.1	1.99	1.17
Subtotal (B)	13.1	1.99	1.17
Total Base Cost (A+B)	1,116.5	169.68	100.00
C. Contingencies			
Physical Contingency	53.7	8.16	4.81
Price Contingency	69.0	7.76	4.58
Sub-total (C)	122.7	15.93	9.39
D. Financing Charges During Implementation	39.2	5.81	3.43
Total Project Cost (A+B+C+D)	1,278.4	191.42	112.81

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

E. Allocation and Withdrawal of Loan Proceeds

Number	Item	Total Amount Allocated for ADB Financing (\$)		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1.	Civil Works ^{a c}	84,133,122		
a.	Wuyishan Zhuzi Ecological Agriculture Co., Ltd		4,658,055	96.6% of eligible expenditures
b.	Fujian Zhengyuan Ecological Food Town Co., Ltd		1,526,643	48.2% of eligible expenditures
c.	Fujian Datian County Golden Phoenix Agr Dev Co., Ltd		13,338,906	81.8% of eligible expenditures
d.	Youxi Cty Yangzhong Xingkaicheng Urb Cons Co., Ltd		4,015,395	99.9% of eligible expenditures
e.	Youxi County Shenlang Edible Oil Co., Ltd		3,243,345	85.7% of eligible expenditures
f.	Ninghua State-owned Ecological Forestry Co., Ltd		8,533,435	92.4% of eligible expenditures
g.	Fujian Ninghua County Ninghua S & T Co., Ltd		886,121	94.5% of eligible expenditures
h.	Fujian Chunhui Tea Co., Ltd		985,117	65.8% of eligible expenditures
i.	Fujian Cuiyun Tea Co., Ltd		1,115,955	92.4% of eligible expenditures
j.	Ninghua Jinxi Tea Co., Ltd		1,055,486	80.5% of eligible expenditures
k.	Fujian Ninghua County Houde Agro-forestry Ecol. Co., Ltd		739,210	46.4% of eligible expenditures
l.	Longyan Municipality Longyu Ecol Ind Dev Co. Ltd		9,154,859	98.1% of eligible expenditures
m.	Longyan Municipality Greenland Ecological Ag Dev Co. Ltd		7,733,587	79.0% of eligible expenditures
n.	Fujian Xinghe Investment Development Co. Ltd		14,200,527	89.1% of eligible expenditures
o.	Fujian Hongsheng Gardening Co. Ltd		2,941,283	88.8% of eligible expenditures
p.	Fujian Lvyin Agriculture Co., Ltd		1,368,131	77.3% of eligible expenditures
q.	Fujian Jianye Agro-forestry Comprehensive Invest Co. Ltd		2,568,024	87.2% of eligible expenditures
r.	Ningde Qilongxiang Agriculture Co. Ltd		1,644,073	84.7% of eligible expenditures
s.	Fujian Farms Agribusiness Tea Co. Ltd.		4,424,970	95.0% of eligible expenditures
2.	Equipment ^{a b}	4,804,360		100% of eligible expenditures
3.	Materials ^{a b}	11,062,518		100% of eligible expenditures
	Total	100,000,000		

^a Includes taxes and duties.

^b ADB will finance separate contracts or items from state-owned enterprises/participating private enterprises based on the procurement plan.

^c Withdrawals shall be made from the loan account for category 1A–1S (works) when relevant PPE or relevant SOE has entered into the authorized onlending agreement and project implementation agreement with the relevant project county.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

F. Detailed Cost Estimates by Financier

Table 8: Detailed Cost Estimates by Financier
(\$ million)

Item	ADB		SOEs		PPEs		Government		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount (Total)	% of Cost Category	
A. Investment Costs									
1. Civil works: ADB financed	84.13	86.2%	9.68	9.9%	3.75	3.8%	-	0.0%	97.57
a. CW: Nanping: Wuyishan: Wuyishan Zhuzi Ecological Agriculture Co., Ltd	4.66	96.6%	0.17	3.4%	-	0.0%	-	0.0%	4.82
b. CW: Nanping: Guangze:Fujian Zhengyuan Ecological Food Town Co., Ltd	1.53	48.2%	1.64	51.8%	-	0.0%	-	0.0%	3.17
c. CW: Sanming: Datian: Fujian Datian County Golden Phoenix Agr Dev Co., Ltd	13.34	81.8%	2.96	18.2%	-	0.0%	-	0.0%	16.30
d. CW: Sanming: Youxi: Youxi Cty Yangzhong Xingkaicheng Urb Cons Co., Ltd	4.02	99.9%	0.00	0.1%	-	0.0%	-	0.0%	4.02
e. CW: Sanming: Youxi: Youxi County Shenlang Edible Oil Co., Ltd	3.24	85.7%	-	0.0%	0.54	14.3%	-	0.0%	3.79
f. CW: Sanming: Ninghua: Ninghua State-owned Ecological Forestry Co., Ltd	8.53	92.4%	0.70	7.6%	-	0.0%	-	0.0%	9.24
g. CW: Sanming: Ninghua: Fujian Ninghua County Ninghua S & T Co., Ltd	0.89	94.5%	-	0.0%	0.05	5.5%	-	0.0%	0.94
h. CW: Sanming: Ninghua: Fujian Chunhui Tea Co., Ltd	0.99	65.8%	-	0.0%	0.51	34.2%	-	0.0%	1.50
i. CW: Sanming: Ninghua: Fujian Cuiyun Tea Co., Ltd	1.12	92.4%	-	0.0%	0.09	7.6%	-	0.0%	1.21
j. CW: Sanming: Ninghua: Ninghua Jinxi Tea Co., Ltd	1.06	80.5%	-	0.0%	0.26	19.5%	-	0.0%	1.31
k. CW: Sanming: Ninghua: Fujian Ninghua County Houde Agro-forestry Ecol. Co., Ltd	0.74	46.4%	-	0.0%	0.85	53.6%	-	0.0%	1.59
l. CW: Longyan: Yongding: Longyan Municipality Longyu Ecol Ind Dev Co. Ltd	9.15	98.1%	0.17	1.9%	-	0.0%	-	0.0%	9.33
m. CW: Longyan: Xinluo: Longyan Municipality Greenland Ecological Ag Dev Co. Ltd	7.73	79.0%	2.06	21.0%	-	0.0%	-	0.0%	9.79
n. CW: Zhangzhou: Pinghe: Fujian Xinghe Investment Development Co. Ltd	14.20	89.1%	1.74	10.9%	-	0.0%	-	0.0%	15.94
o. CW: Zhangzhou: Zhangpu (Hua'an): Fujian Hongsheng Gardening Co. Ltd	2.94	88.8%	-	0.0%	0.37	11.2%	-	0.0%	3.31
p. CW: Ningde: Jiaocheng: Fujian Lvyin Agriculture Co., Ltd	1.37	77.3%	-	0.0%	0.40	22.7%	-	0.0%	1.77
q. CW: Ningde: Zherong: Fujian Jianye Agro-forestry Comprehensive Invest Co. Ltd	2.57	87.2%	-	0.0%	0.38	12.8%	-	0.0%	2.94
r. CW: Ningde: Dongqiao: Ningde Qilongxiang Agriculture Co. Ltd	1.64	84.7%	-	0.0%	0.30	15.3%	-	0.0%	1.94
s. CW: Ningde: Fu'an: Fujian Farms Agribusiness Tea Co. Ltd.	4.42	95.0%	0.23	5.0%	-	0.0%	-	0.0%	4.66
2. Civil Works: non-ADB financed	-	0.0%	14.18	82.5%	3.01	17.5%	-	0.0%	17.19
3. Equipment: ADB Financed	4.80	100.0%	-	0.0%	-	0.0%	-	0.0%	4.80
4. Equipment: non-ADB financed	-	0.0%	1.36	96.1%	0.05	3.9%	-	0.0%	1.41
5. Materials: ADB Financed	11.06	100.0%	-	0.0%	-	0.0%	-	0.0%	11.06
6. Materials: non-ADB financed	-	0.0%	11.96	79.2%	3.14	20.8%	-	0.0%	15.10
7. Research and Development	-	0.0%	2.1	86.2%	0.3	13.8%	-	0.0%	2.4
8. Consulting Services	-	0.0%	-	0.0%	-	0.0%	0.44	100.0%	0.44
9. Training	-	0.0%	1.7	84.6%	0.3	15.4%	-	0.0%	2.0
10. Working Capital	-	0.0%	4.8	74.9%	1.6	25.1%	-	0.0%	6.4
11. Project Management	-	0.0%	6.9	74.6%	2.4	25.4%	-	0.0%	9.3
Subtotal (A)	100.00	59.6%	52.7	31.4%	14.6	8.7%	0.44	0.3%	167.69
B. Recurrent Costs									
1. Recurrent Costs	0.00	0.0%	-	0.0%	-	0.0%	1.99	100.0%	1.99
Subtotal (B)	0.00	0.0%	-	0.0%	-	0.0%	1.99	100.0%	1.99
Total Base Cost (A+B)	100.00	58.9%	52.69	31.1%	14.57	8.6%	2.42	1.4%	169.68
C. Contingencies									
Physical Contingency	0.00	0.0%	6.37	78.0%	1.67	20.5%	0.12		8.16
Price Contingency	0.00	0.0%	6.33	81.5%	1.32	17.0%	0.12	1.5%	7.76
Subtotal (C)	0.00	0.0%	12.70	79.7%	2.99	18.8%	0.24	1.5%	15.93
D. Financing Charges During Implementation									
	0.00	0.0%	4.30	74.0%	1.51	26.0%	-	0.0%	5.81
Total Project Cost (A+B+C+D)	100.00	52.2%	69.69	36.4%	19.07	10.0%	2.66	1.4%	191.42
% Total Project Cost		52.2%		36.4%		10.0%		1.4%	100.0%

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

G. Detailed Cost Estimates by Outputs

Table 9: Detailed Cost Estimates by Outputs
(\$ million)

Item	Total Cost	Productive Farmland Established		Sustainable Farming Technology and Practices Adopted		Institutional, Technical, and Management Capacity Strengthened		Project Management	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs									
1. Civil Works	114.76	105.26	92%	9.50	8%	-	0%	-	0%
2. Equipment	6.22	0.44	7%	5.60	90%	0.18	3%	-	0%
3. Materials	26.16	4.75	18%	21.41	82%	-	0%	-	0%
4. Research and Development	2.39	-	0%	1.94	81%	0.45	19%	-	0%
5. Consulting Services	0.44	-	0%	-	0%	-	0%	0.44	100%
6. Training	2.03	-	0%	-	0%	2.03	100%	-	0%
7. Working Capital	6.39	-	0%	-	0%	-	0%	6.39	100%
8. Project Management	9.30	-	0%	-	0%	-	0%	9.30	100%
Subtotal (A)	167.7	110.4	66%	38.4	23%	2.7	2%	16.1	10%
B. Recurrent Costs									
1. Recurrent Costs	1.99	-	0%	-	0%	-	0%	1.99	100%
Subtotal (B)	1.99	-	0%	-	0%	-	0%	1.99	100%
Total Base Cost (A+B)	169.68	110.45	65%	38.44	23%	2.66	2%	18.12	11%
C. Contingencies									
Physical Contingency	8.16	5.52	68%	1.92	68%	0.13	2%	0.59	7%
Price Contingency	7.76	5.62	72%	1.59	20%	0.13	2%	0.43	6%
Sub-total (C)	15.93	11.14	70%	3.51	22%	0.26	2%	1.02	6%
D. Financing Charges During Implementation	5.81	5.10	88%	0.69	12%	0.01	0%	-	0%
Total Project Cost (A+B+C+D)	191.42	126.69	66%	42.65	22%	2.93	2%	19.14	10%

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

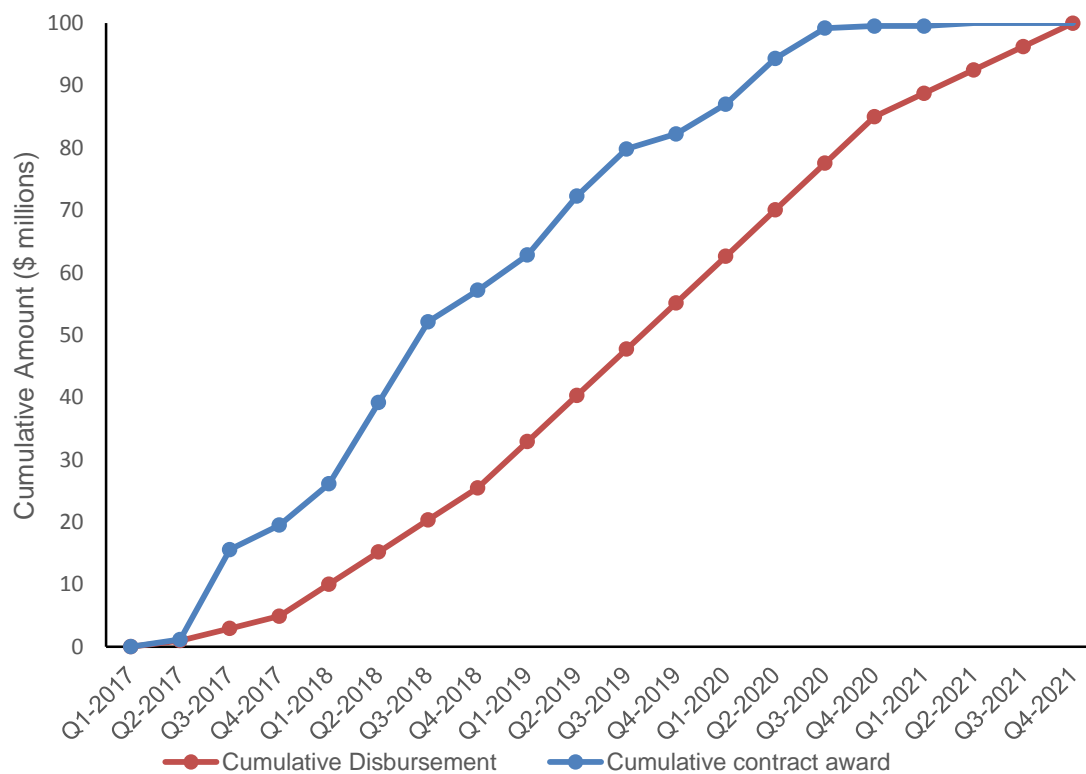
H. Detailed Cost Estimates by Year

Table 10: Detailed Cost Estimates by Year
(\$ million)

Item	Total Cost	2017	2018	2019	2020	2021
A. Investment Costs						
1. Civil Works	114.76	9.69	26.85	31.73	31.50	14.99
2. Equipment	6.22	0.75	2.35	2.90	0.19	0.03
3. Materials	26.16	1.38	10.40	7.44	4.48	2.45
4. Research and Development	2.39	0.23	0.73	0.45	0.84	0.15
5. Consulting Services	0.44	0.16	0.08	0.07	0.07	0.07
6. Training	2.03	0.23	0.52	0.51	0.49	0.28
7. Working Capital	6.39	2.56	1.92	1.92	-	-
8. Project Management	9.30	4.09	1.71	1.71	1.31	0.48
Subtotal (A)	167.7	19.1	44.5	46.7	38.9	18.4
B. Recurrent Costs						
1. Recurrent Costs	1.99	0.40	0.40	0.40	0.40	0.40
Subtotal (B)	1.99	0.40	0.40	0.40	0.40	0.40
Total Base Cost (A+B)	169.68	19.49	44.94	47.12	39.29	18.84
C. Contingencies						
Physical Contingency	8.16	0.85	2.15	2.26	1.96	0.94
Price Contingency	7.76	0.20	1.35	2.15	2.53	1.54
Sub-total (C)	15.93	1.04	3.51	4.41	4.49	2.48
D. Financing Charges During Implementation	5.81	0.21	0.50	1.08	1.76	2.27
Total Project Cost (A+B+C+D)	191.42	20.74	48.95	52.60	45.54	23.59
% Total Project Cost		10.84%	25.57%	27.48%	23.79%	12.32%

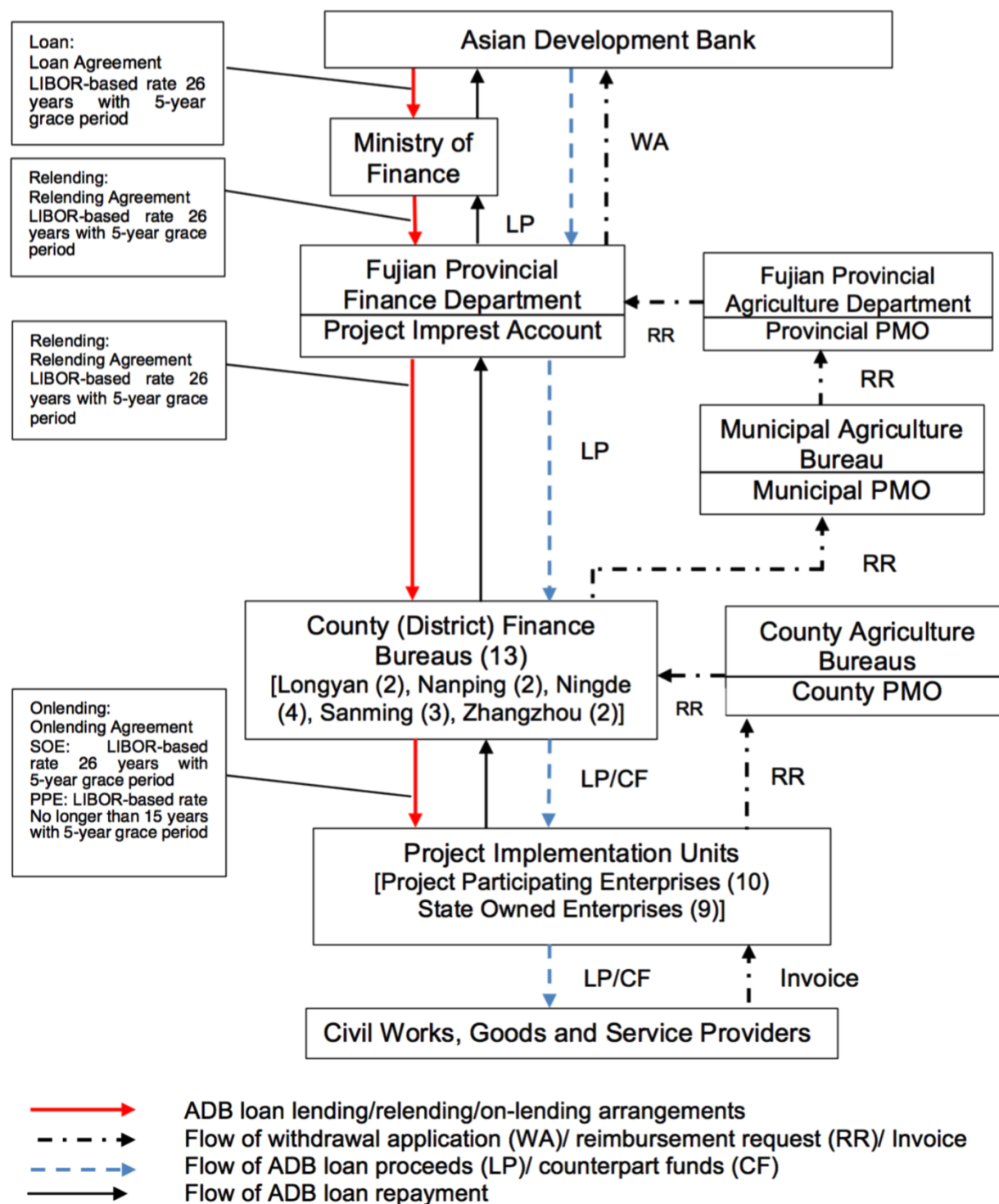
Note: Numbers may not sum precisely because of rounding.
Source: Asian Development Bank estimates.

I. Contract and Disbursement S-Curve



	Disbursement					Contract Award				
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL
2017	0.00	0.98	1.96	1.96	4.89	0.00	1.16	14.42	3.93	19.51
2018	5.15	5.15	5.15	5.15	20.60	6.62	13.03	12.96	5.06	37.67
2019	7.42	7.42	7.42	7.42	29.66	5.65	9.45	7.55	2.42	25.07
2020	7.46	7.46	7.46	7.46	29.86	4.76	7.34	4.86	0.34	17.29
2021	3.75	3.75	3.75	3.75	14.99	0.00	0.46	0.00	0.00	0.46
TOTAL					100.00					100.00

J. Fund Flow Diagram



PMO = Project Management Office

Sources: Asian Development Bank estimates.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

25. The financial management assessment (FMA) was conducted in September 2015 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects, Financial Due Diligence: a Methodology Note, and Technical Guidance Note: Financial Management Assessment. The FMA considered the financial management capacity of the Fujian Finance Department and PPMO, the executing agency, and the 13 CPMOs, the implementing agency, as well as the 19 project implementation units. The assessment covered funds-flow arrangements, staffing, accounting and financial reporting systems, internal and external auditing arrangements, and financial information systems.

26. The overall financial management risk rating of the project is moderate. FFD has adequate financial staff, accounting policies and procedures, internal and external controls, audit arrangements, and reporting system. It has experience with World Bank and ADB projects. Additional training and support will still be required on ADB policies and procedures, including procurement, disbursement and project management.

27. The IAs have adequate financial management systems which can meet the minimum financial management requirements for their current activities. The IA's have staff in the planning and financial department. Eight of the 13 CPMOs have experience with ADB funded projects. Training and support will be required at the IA level on ADB policies and procedures, including procurement, disbursement and project management. Loan Implementation Consultants (LICs) recruited by the PPMO will provide financial management assistance, in addition to assistance from the PPMO.

28. The assessment identified the main financial management risks as: (i) implementation risk - lack of familiarity with ADB disbursement procedures and requirements which could delay project implementation, (ii) compliance risk - lack of familiarity with ADB financial management requirements, particularly on accounting, reporting, and auditing, which may delay project reporting and derail identification of issues on the use of loan proceeds, and (iii) financing risk – delays in provision of or inadequate counterpart funding which could delay project implementation.

29. The identified financial management risks will be closely monitored during project implementation. The financial management action plan is as follows:

Table 11: Financial Management Action Plan

Action	Responsibility	Timing
Training on ADB disbursement procedures and requirements	PPMO/Provincial Finance Dept.	1 month before first disbursement
PPMO, MPMOs and IAs to recruit financial staff	PPMO/MPMOs/IAs	3 months before effectiveness
Training on ADB financial management requirements, including accounting and auditing	PPMO	3 months before effectiveness
Recruitment of LIC with TOR acceptable to ADB	PPMO	3 months before effectiveness
The EA and PIUs will set up the project accounts 3 months after effectiveness.	PPMO	3 months after effectiveness

Action	Responsibility	Timing
Preparation of unified financial management guideline	PPMO	3 months after effectiveness

ADB = Asian Development Bank, EA = executing agency, IAs = implementing agencies, LIC = loan implementation consultants, MPMO = municipal project management office, PIU = project implementation unit, PPMO = provincial project management office, TOR = terms of reference.

Source: Asian Development Bank.

B. Disbursement

1. Disbursement Arrangements for ADB

30. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time), and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.²² Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

31. **Imprest fund procedure.** An imprest account will be set up for the project by FFD in a commercial bank acceptable to ADB. FFD will be responsible for the management, monitoring, and reconciliation of the imprest account. The total outstanding advance to the imprest account will not exceed the estimate of ADB's share of expenditures to be paid through the imprest account for the forthcoming 6 months. The executing agency may request for initial and additional advances to the imprest account based on an estimate of expenditure sheet available in Appendix 10B of ADB's *Loan Disbursement Handbook* (2015, as amended from time to time), setting out the estimated expenditures to be financed through the account for the forthcoming 6 months. Supporting documents will be submitted to ADB or retained by the PIUs in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time) when liquidating or replenishing the imprest account. The currency of the imprest account is US dollar.

32. **Statement of expenditure procedure.**²³ The statement of expenditure procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the imprest account. The ceiling of the statement of expenditure procedure is the equivalent of US\$200,000 per individual payment. Supporting documents and records for the expenditures claimed under the statement of expenditure should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.²⁴ Reimbursement and liquidation of individual payments in excess of the statement of expenditure ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

33. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is US\$100,000 equivalent. Individual payments below this amount should be paid (i) by the FFD and

²² Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

²³ SOE forms are available in Appendix 9B and 9C of ADB's *Loan Disbursement Handbook* (2015, as amended from time to time).

²⁴ Checklists for SOE procedures and formats are in Appendices 9A and 9B of the *Loan Disbursement Handbook* (2015, as amended from time to time). Available at: <http://www.adb.org/documents/loan-disbursement-handbook>

subsequently claimed to ADB through reimbursement, or (ii) through the imprest fund procedure, unless otherwise accepted by ADB.

34. FFD will not onlend any proceeds of the ADB loan to PPEs and SOEs until they have entered into an onlending agreements and project implementing agreements.

2. Disbursement Arrangements for Counterpart Fund

35. The PPEs will use their own resources to provide counterpart funds. SOEs are government financed enterprises with counterpart funds coming from SOE and county government budget allocations. The SOEs and PPEs will prepare an annual financing plan, based from the procurement plan covering an 18 month period of contract awards and disbursements, SOEs and PPEs will provide counterpart funds accordingly. CPMOs will monitor SOE and PPE counterpart contribution and provide consolidated reports to the PPMO and ADB for their review.

C. Accounting

36. The PPMO, on behalf of the FPG, will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project by adopting the Accounting Methods for Projects Financed by the World Bank (reference No. 2000 [13]).²⁵ The PPMO will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing and Public Disclosure

37. PPMO, on behalf of FPG, will cause the 10 PPEs to have their general financial statements and the financial statements for the project audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB. The audited project financial statements together with the auditors' opinion will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the PPMO.

38. The annual audit report for the project will include an audit management letter and auditor's opinions, which cover (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; and (ii) whether loan proceeds were used only for the purposes of the project.

39. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

40. The executing agency, implementing agencies, and the PIUs have been made aware of ADB's policy on delayed submission,²⁶ and the requirements for satisfactory and acceptable

²⁵ Accounting regulations issued by the Ministry of Finance for all foreign aid-funded projects.

²⁶ When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.

quality of the audited project financial statements. ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

41. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).²⁷ After review, ADB will disclose the financial statements for the project and the opinion of the auditors on the financial statements within 14 days of the date of their receipt by posting them on the ADB website. The audit management letter will not be disclosed.²⁸

E. Financial Performance of the Participating Private Enterprises

42. The ten PPEs shall submit audited entity financial statements in English to ADB within 6 months after the end of each financial year. The annual audit report will include the level of compliance for each financial covenant contained in the loan and project agreements. FPG will submit to ADB a brief review of the PPEs' financial performance with key financial ratios as part of project progress reporting for the second quarter of every year during project implementation. The PPEs shall maintain a debt–equity ratio not exceeding 1.5 (60:40), a debt service coverage ratio of at least 1.2, and a current ratio of at least 1.0. When FPG identifies poor financial performance of any PPE, the PPMO on behalf of FPG, shall consult with ADB regarding measures to be taken to resolve the problem, if deemed necessary.

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- When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions, and (ii) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
 - When audited project financial statements have not been received within 12 months after the due date, ADB may suspend the loan.

²⁷ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>.

²⁸ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

43. All advance contracting and retroactive financing will be undertaken in conformity with ADB's *Procurement Guidelines* (2015, as amended from time to time) (ADB's *Procurement Guidelines*)²⁹ and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time) (ADB's *Guidelines on the Use of Consultants*).³⁰ The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. It was explained to the executing agency, implementing agencies, and PIUs that (i) advance contracting includes the advertisement, bidding documents, (not prequalification), evaluation of bids and up to the recommendation of contracts award, and that all steps will require ADB's no objection; (ii) approval of advance contracting and retroactive financing does not commit ADB to finance the project; and (iii) where advance contracting is approved, ADB's approval must be sought for the draft prequalification and bidding documents before they are issued.

44. **Advance contracting.** Advance contracting will include (i) tendering and bid evaluation for civil works and goods contract packages; and (ii) awarding of contracts. The advance contracting includes 5 civil work contract packages and 3 goods supply contract packages.

45. **Retroactive financing.** Under retroactive financing, the PIUs would implement project activities using their own funds. The government was informed that as a general rule, retroactive financing is permitted only if (i) the activities are required to be part of the detailed project description and have been fully appraised by the ADB; (ii) the goods and works, for which it is requested are on the basis of the approved procurement plan and are procured in accordance with ADB's *Procurement Guidelines* (2015, as amended from time to time) and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time); (iii) the amount to be retroactively financed does not exceed 20% of the loan amount; (iv) the due diligence on the proposed contracts for advance contracting and retroactive financing on engineering, environmental, financial, social and other safeguard requirements has completed to the satisfactory of the project preparation requirements; and (v) the expenditures must have been incurred before the loan effectiveness of the relevant loan but, generally, no earlier than 12 months before signing of the Loan Agreement. In either instance, detailed assessments (due diligence) on each retroactive financing proposal must demonstrate that (i) the expenditures incurred are genuine, reasonable, and material to getting the project off the ground; and (ii) they were incurred for proper reasons, in a transparent manner over a reasonable period of time. The government has been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

B. Procurement of Goods, Works, and Consulting Services

46. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines* (2015, as amended from time to time).

47. International competitive bidding (ICB) will be used for civil works contracts estimated to cost \$40 million and above. National competitive bidding (NCB) will be used for civil works contracts estimated to cost over \$200,000 equivalent up to \$40 million. For goods and

²⁹ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

³⁰ Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

equipment, ICB will be used for values exceeding \$3 million, while NCB will be used for goods and equipment from over \$100,000 to below \$3 million equivalent. Contracts for goods and works estimated to cost less than the above NCB values will be procured using shopping procedures. For ICB, all invitations for bids, bidding documents, bid evaluation reports, and draft negotiated contracts need ADB's prior review and approval. For NCB, invitations for bids, bidding documents, bid evaluation reports, and draft negotiated contracts for the first NCB for civil works and the first NCB for goods regardless of the estimated contract amount need ADB's prior review and approval. For subsequent NCB packages, invitations for bids, bidding documents, bid evaluation reports, and signed contracts provided they are consistent with previously approved documents will not require ADB's prior review. However, such documents will be subject to post-review and must be submitted to ADB as soon as they are completed and issued, but no later than one month after their issuance. The relevant sections of ADB's Anticorruption Policy (1998, as amended from time to time)³¹ will be included in all procurement documents and contracts.

48. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Guidelines (2015, as amended from time to time).

49. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

50. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).³²

51. An estimated 62 person-months of consulting services during the whole implementation period are also required to (i) facilitate project management and implementation, (ii) provide capacity building and institutional strengthening, and (iii) required external monitoring. Consulting services will be financed by the local counterpart funds, and the consultants are to be engaged through the government procedures. Loan Implementation Consultants (LIC), which will be financed by FPG, will be recruited to assist the PMO in managing the project implementation. The terms of reference of the LIC are in Annex 1.³³

C. Procurement Plan

52. The project procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines are detailed as follows.

Procurement Plan

Basic Data

Project Name: Fujian Farmland Sustainable Utilization and Demonstration Project	
Project Number: 47071-001	Approval Number:
Country: PEOPLE'S REPUBLIC OF CHINA	Executing Agency: Fujian Provincial Government (FPG)

³¹ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/default.asp>

³² Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

³³ Project implementation consultants and loan implementation consultants are used interchangeably.

Project Procurement Classification:	Implementing Agency: (i) Wuyishan City (county-level city) and Guangze County in Nanping Municipality; (ii) Datian County, Youxi County and Ninghua County in Sanming Municipality; (iii) Yongding District and Xinluo District in Longyan Municipality; (iv) Zhangpu County and Pinghe County in Zhangzhou Municipality; (v) Fu'an City (county-level city), Jiaocheng District, Dongqiao District and Zherong in Ningde Municipality.
Procurement Risk: Moderate	
Project Financing Amount: \$191.42 million ADB Financing: \$100 million Co-financing (ADB Administered): NA Non-ADB Financing: \$91.42 million	Project Closing Date: 31 May 2022
Date of First Procurement Plan: 6 November 2015	Date of this Procurement Plan: 29 January 2016

A. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

53. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works				
Method	Threshold		Comments	
International Competitive Bidding (ICB) for Works	\$40,000,000		Invitation for bids, bidding documents, and bid evaluation and recommendation for contract awards will be subject to ADB's prior review.	
International Competitive Bidding for Goods	\$3,000,000 and above		Invitation for bids, bidding documents, and bid evaluation and recommendation for contract awards will be subject to ADB's prior review.	
National Competitive Bidding (NCB) for Works	Between \$39,999,999	\$200,001 and	The first NCB procurement documents for works should be submitted for prior ADB review and approval. Subsequent NCB procurement documents will be subject to post-review.	
National Competitive Bidding for Goods	Between \$2,999,999	\$100,000 and	The first NCB procurement documents for goods should be submitted for prior ADB review and approval. Subsequent NCB procurement documents will be subject to post-review.	
Shopping for Works	Below \$200,000			
Shopping for Goods	Below \$100,000			

54. Except as the ADB may otherwise agree, the following process thresholds shall apply to consultant recruitments.

Consulting Services Method	Comments
Others for Consulting firm	Recruitment method follows the PRC government procedures

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

55. The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package No.	General description	Estimated Value (\$'000)	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Bidding Procedure	Comments
Civil works							
FJ-JCLY-CW-02	Construction of Water Conservancy Facilities in the Oil tea Plantations under Jiaocheng Lvyin Subproject	1,049.81	NCB	Q4 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-FANK-CW-01	Land Rehabilitation and Construction of Farm Infrastructures in 8000 mu Tea Gardens under Fujian Farms Subproject	4,582.74	NCB	Q3 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-NDQLX-CW-01	Rehabilitation of 4000 mu Slope land, Construction of Irrigation/Drainage Facilities, Farming Machine Access Roads and Working Access Roads in the 6000mu Tea Gardens under Ningde Qilongxiang Subproject	1,940.83	NCB	Q1 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-	Construction of		NCB	Q4 2017	Post	1S1E	Prequalification

Package No.	General description	Estimated Value (\$'000)	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Bidding Procedure	Comments
ZRJY-CW-02	Irrigation Facilities and Other Farm Infrastructures in 11,500mu Oil-tea Plantations under Fujian Jianye Subproject	1,738.44					of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-GZ-CW-02	Construction of Water Conservancy Facilities and Farm Infrastructures in the Tea Garden under Fujian Zhenyuan Subproject	1,984.41	NCB	Q4 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-WYS-CW-01	Construction of 4.321km Irrigation/Drainage Canals, 1.66km Flood Drainage Ditch and 14.978km Field Access Roads in Wufu Demonstration Base under Wuyishan Subproject	2,238.31	NCB	Q2 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-WYS-CW-02	Construction of 5 Farming Bridges and 3.2km Tan River Protection Dike in Wufu Demonstration Base under Wuyishan Subproject	2,585.15	NCB	Q1 2018	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
HSZP-CW-01	Construction of Nursery Infrastructures in Zhangpu under Fujian Hongsheng	1,179.73	NCB	Q1 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N

Package No.	General description	Estimated Value (\$'000)	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Bidding Procedure	Comments
	Subproject						Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-PH-CW-01	Construction of Farm Infrastructures in 12,691 mu Ecological Pomelo Orchards under Fujian Xinghe Subproject	3,572.58	NCB	Q1 2018	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-PH-CW-03	Construction of Farm Infrastructures in 6,651 mu organic tea and 3,428 mu green garden under Fujian Xinghe Subproject	2,955.54	NCB	Q4 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-XLLD-CW-01	Construction of Water Conservancy Facilities and Farming Machine Access Roads in Paddy Land Base in Shezhong under Longyan Greenland Subproject	2,031.09	NCB	Q1 2017	Prior	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-YDLY-CW-01	Land Levelling and Construction of Water Conservancy Facilities in the Paddy Lands under Yongdi Longyu Subproject	3,316.98	NCB	Q1 2018	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for

Package No.	General description	Estimated Value (\$'000)	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Bidding Procedure	Comments
							works under NCB
FJ-YDLY-CW-02	Construction of 4.3km of ecological dike under Yongding Longyu Subproject	1,306.99	NCB	Q3 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-NHCH-CW-01	Rehabilitation of Slope land and Construction of Irrigation/Drainage Facilities and Field Access Roads for 3454mu Low Productive Tea Gardens Rehabilitation under Fujian Chunhui Subproject	1,496.34	NCB	Q1 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-NHCY-CW-01	Rehabilitation of 2,499 mu Slope land, Construction of Irrigation/Drainage Systems and Access Roads in the Tea Gardens under Fujian Cuiyun Subproject	1,207.53	NCB	Q1 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-NHHD-CW-01	Rehabilitation of 9,600 mu Slope lands, Construction of Irrigation/Drainage Systems and Farming Machine/Working Access Roads in the Oil-tea Plantations under Ninghua Houde Subproject	1,591.69	NCB	Q1 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-	Rehabilitation of		NCB	Q1 2017	Post	1S1E	Prequalification

Package No.	General description	Estimated Value (\$'000)	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Bidding Procedure	Comments
NHJX-CW-01	3,700 mu Slope land, Construction of Irrigation/Drainage Systems and Farming Machine/Working Access Roads in the Tea Gardens under Ninghua Jinxi Subproject	1,311.55					of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-NHLC-CW-01	Rehabilitation of 15,331 mu Slope land for the Oil-tea Plantations in Huatou Township under Ninghua Linchang Subproject	1,923.60	NCB	Q1 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-NHLC-CW-02	Rehabilitation of 9,201 mu Slope land for the Oil-tea Plantations in Shibi Township under Ninghua Linchang Subproject	1,154.59	NCB	Q2 2018	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-YXSL-CW-01	Rehabilitation of 8,018mu Slope land and Construction of 24km long Farming Machine Access Roads and 24km long Working Access Roads in the Oil-tea Plantations under Youxi Shenlang Subproject	1,682.72	NCB	Q1 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-YXSL-CW-02	Construction of Irrigation/Drainage Systems in the Oil-tea Plantation	2,102.65	NCB	Q1 2018	Post	1S1E	Prequalification of bidders: N Domestic Preference

Package No.	General description	Estimated Value (\$'000)	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Bidding Procedure	Comments
	under Youxi Shenlang Subproject						Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-YXYZ-CW-01	Rehabilitation of 10,198mu Slope land for the Oil-tea Plantations under Yangzhong Xingkaicheng Subproject	1,105.94	NCB	Q1 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-DT-CW-01	Reclamation and Levelling of 18,000 mu Paddy Field, and Construction of Farming Access Roads in 20 villages under Datian Subproject	1,817.30	Shopping	Q3 2017	Post		Consists of 20 shopping contracts
Goods							
FJ-GZ-GS-04	Supply of 6.66million Tea Saplings for Fujian Zhengyuan Subproject	1,618.72	NCB	Q4 2017	Post	1S1E	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

56. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None							

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

57. The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
Civil works							
FJ-JCLY-CW-01	Rehabilitation of 2500mu Slope land Construction of 13.38km Farming Machine Access Roads and 13.38km Working Access Roads in the Oil-tea Plantations under Jiaocheng Lvyin Subproject	720.33	1	NCB	Q4 2016	Prior	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: Y Bidding document: PRC BD for works under NCB
FJ-ZRJY-CW-01	Construction of Irrigation Facilities and Other Farm Infrastructures in 500mu Lowlands under Fujian Jianye Subproject	249.60	1	NCB	Q1 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-GZ-CW-01	Construction and Rehabilitation of 351mu Paddy Farmland Infrastructure under Fujian Zhengyuan Subproject	210.41	1	NCB	Q1 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
FJ-GZ-CW-03	Rehabilitation of 821mu Tea Garden in 3 Villages under Fujian Zhenyuan Subproject	182.71	1	Shopping	Q4 2017	Post	
FJ-GZ-CW-05	Rehabilitation of 742mu Tea Garden in 3 Villages under Fujian Zhenyuan Subproject	211.44	1	NCB	Q2 2018	Post	
HSHA-CW-01	Land Leveling and Construction of Water Conservancy Facilities in the Oil-tea Plantations in HuaAn under Fujian Hongsheng Subproject	791.07	1	NCB	Q1 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-XLLD-CW-02	Construction of one Hilly Water Pond and 12.876km Flood Drainage Ditch in 2000mu Ratooning Rice Production Base under Longyan Greenland Subproject	359.17	1	NCB	Q1 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-YDLY-CW-06	4140 mu lowland levelization	200.97	1	NCB	Q2 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
							document: PRC BD for works under NCB
FJ-NHNH-CW-01	Rehabilitation of 2,394 mu Slope land, Construction of Irrigation/Drainage Systems and Farming Machine/Working Access Roads in the Oil-tea Plantations under Ninghua Ninghuai Subproject	937.21	1	NCB	Q1 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-NHLC-CW-07	Land Leveling and Construction of Irrigation/Drainage Systems and Access Roads in the 273 mu Oil-tea Plantations in Jicun Township under Ninghua Linchang Subproject	100.00	1	Shopping	Q2 2018	Post	
FJ-YXYZ-CW-02	Construction of 30.6km Farming Machine Access Roads and 30.6km Working Access Roads in the Oil-tea Plantations under Yangzhong Xingkaicheng Subproject	863.47	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for works under NCB
FJ-DT-CW-07	Construction of 13 Weirs and 0.94km Protection Dike under Datian Subproject	374.00	1	NCB	Q1 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
							Advanced Contracting: N Bidding document: PRC BD for works under NCB
Goods							
FJ-JCLY-GS-01	Supply of 17,500 Shelter Tree Saplings for Jiaocheng Lvyin Subproject	64.59	1	Shopping	Q3 2017	Post	
FJ-JCLY-GS-02	Supply of 90,000 Oil-tea Saplings for Jiaocheng Lvyin Subproject	205.17	1	NCB	Q3 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-JCLY-GS-03	Supply of Pest Control Equipment for Jiaocheng Lvyin Subproject	62.11	1	Shopping	Q1 2018	Post	
FJ-FANK-GS-01	Supply of 3 million High Quality Tea Saplings for Fujian Farms Subproject	113.98	1	NCB	Q1 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-FANK-GS-02	Supply of Pest Control Remote Monitoring and Alarming	405.02	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
	Equipment for Fujian Farms Subproject						Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-FANK-GS-03	Supply of 10 Set Water and Fertilizer Integration Machine for Fujian Farms Subproject	91.19	1	Shopping	Q3 2017	Post	
FJ-NDQLX-GS-01	Supply of 5.4million Tea Saplings for Ningde Qilongxiang Subproject	205.17	1	NCB	Q2 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-NDQLX-GS-02	Supply of 12,000 Shelter Tree Saplings for Ningde Qilongxiang Subproject	91.19	1	Shopping	Q1 2017	Post	
FJ-NDQLX-GS-03	Supply of Pest Control Equipment for Ningde Qilongxiang Subproject	59.57	1	Shopping	Q1 2017	Post	
FJ-ZRJY-GS-01	Supply of 0.46million High Quality Oil-tea Saplings for Fujian Jianye Subproject	699.09	1	NCB	Q2 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
							Contracting: N Bidding document: PRC BD for goods under NCB
FJ-ZRJY-GS-03	Supply of Pest Control Equipment for Fujian Jianye Subproject	186.99	1	NCB	Q1 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-GZ-GS-01	Supply of Pest Control Equipment for Fujian Zhengyuan Subproject	82.84	1	Shopping	Q3 2017	Post	
FJ-GZ-GS-02	Supply of Soil Testing Equipment and Agricultural Product Quality Testing Equipment for Fujian Zhengyuan Subproject	26.72	1	Shopping	Q3 2017	Post	
FJ-GZ-GS-03	Supply of Omni-directional Field Weather Monitoring Equipment for Fujian Zhengyuan Subproject	15.59	1	Shopping	Q3 2017	Post	
FJ-GZ-GS-05	Supply of 60,000 Shelter Tree Saplings for Fujian Zhengyuan Subproject	729.48	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
							Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-WYS-GS-01	Supply of 60000 Farmland Shelter Tree Saplings in Wufu Demonstration Base under Wuyishan Subproject	455.93	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-WYS-GS-02	Supply of Agricultural Product Quality Testing Equipment for Wuyishan Subproject	536.47	1	NCB	Q3 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-WYS-GS-03	Supply of Electronic Trading Platform Equipment for Wuyishan Subproject	349.54	1	NCB	Q1 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
HSZP-GS-01	Supply of 0.07million Oil-tea Saplings and 0.734million Tea Saplings for Fujian Hongsheng Subproject	21.35	1	Shopping	Q4 2017	Post	
HSZA-GS-01	Supply of Pest Control Equipment for Fujian Hongsheng Subproject	45.55	1	Shopping	Q2 2018	Post	
HSZA-GS-02	Supply of Watering wit Fertilizing Equipment for Fujian Hongsheng Subproject	18.24	1	Shopping	Q1 2018	Post	
HSZA-GS-03	Supply of Windbreak Shelter Tree Saplings for Fujian Hongsheng Subproject	573.58	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-PH-GS-01	Supply of 0.15million Shelter Tree Saplings for Fujian Xinghe Subproject	841.32	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-XLLD-	Supply of Agricultural	5.47	1	Shopping	Q2 2018	Post	

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
GS-01	Product Quality Testing Equipment for Longyan Greenland Subproject						
FJ-XLLD-GS-03	Supply of 45,000 Shelter Tree Saplings for Longyan Greenland Subproject	94.98	1	Shopping	Q1 2018	Post	
FJ-YDLY-GS-02	Supply of Soil Testing Equipment and Agricultural Product Quality Testing Equipment for Yongding Longyu Subproject	133.97	1	NCB	Q1 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-NHCH-GS-01	Supply of 0.923million Tea Saplings for Fujian Chunhui Subproject	113.38	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-NHCH-GS-02	Supply of Pest Control Equipment for Fujian Chunhui Subproject	22.76	1	Shopping	Q1 2018	Post	
FJ-NHCY-GS-01	Supply of 0.56million Tea Saplings for Fujian Cuiyun Subproject	85.45	1	Shopping	Q4 2017	Post	

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
FJ-NHCY-GS-03	Supply of Pest Control Equipment for Fujian Cuiyun Subproject	3.65	1	Shopping	Q3 2017	Post	
FJ-NHHD-GS-01	Supply of Pest Control Equipment and Soil Testing Equipment for Ninghua Houde Subproject	13.68	1	Shopping	Q1 2018	Post	
FJ-NHHD-GS-02	Supply of 0.36million Oil-tea Saplings for Ninghua Houde Subproject	547.11	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-NHNH-GS-01	Supply of 95,800 Oil-tea Saplings for Ninghua Ninghuai Subproject	43.66	1	Shopping	Q4 2017	Post	
FJ-NHNH-GS-02	Supply of Sustainable Farming Technology (Apply of Organic Fertilization and Bio-Fertilization) in Ninghua Ninghua Subproject	70.22	1	Shopping	Q1 2018	Post	
FJ-NHJX-GS-01	Supply of 0.835million Tea Saplings for Ninghua Jinxi Subproject	126.52	1	NCB	Q1 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
							document: PRC BD for goods under NCB
FJ-NHLC-GS-01	Supply of 1.294 million Oil-tea Saplings for 16,175mu Oil-tea Plantations under Ninghua Linchang Subproject	589.97	1	NCB	Q4 2017	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-YXSL-GS-01	Supply of 0.321million High Quality Oil-tea Saplings for Youxi Shenlang Subproject	146.22	1	NCB	Q1 2017	Prior	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-YXSL-GS-03	Supply of Pest Control Equipment for Youxi Shenlang Subproject	95.23	1	Shopping	Q1 2018	Post	
FJ-YXSL-GS-04	Supply of Agricultural Product Quality Testing Equipment for Youxi Shenlang Subproject	7.29	1	Shopping	Q2 2018	Post	
FJ-YXYZ-GS-03	Electricity Transmission Componentt of Yangzhong Xingkaicheng Subproject	29.03	1	Shopping	Q1 2017	Post	
FJ-	Supply of Shelter	141.34	1	NCB	Q1 2018	Post	Prequalification

Package No.	General description	Estimated Value (\$'000)	Number of Contracts	Procurement method	Date of Advertisement (quarter/year)	Review (Prior/Post)	Comments
YXYZ-GS-04	Tree Saplings for Yangzhong Xingkaicheng Subproject						ion of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-YXYZ-GS-05	Supply of 0.41million High Quality Oil-tea Saplings for Yangzhong Xingkaicheng Subproject	185.98	1	NCB	Q1 2018	Post	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: N Bidding document: PRC BD for goods under NCB
FJ-DT-GS-02	Supply of Soil Testing Equipment and Agricultural Product Quality Testing Equipment for Datian Subproject	420.97	1	NCB	Q4 2016	Prior	Prequalification of bidders: N Domestic Preference Applicable: N Advanced Contracting: Y Bidding document: PRC BD for goods under NCB

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None								

B. Indicative List of Packages Required Under the Project

58. The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Package No.	General Description	Estimated Value (\$'000)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
Civil works							
FJ-FANK-CW-02	Land Rehabilitation of 500mu Nursery under Fujian Farms Subproject	75.99	1	Shopping	Post		
FJ-ZRJY-CW-03	Construction of Irrigation Facilities and Other Farm Infrastructures in 3,200mu Tea Gardens under Fujian Jianye Subproject	956.09	1	NCB	Post	1S1E	
FJ-GZ-CW-04	Rehabilitation of 1,207mu Tea Garden in 4 Villages under Fujian Zhenyuan Subproject	183.53	1	Shopping	Post		
FJ-GZ-CW-06	Rehabilitation of 1,307mu Tea Garden in 3 Villages under Fujian Zhenyuan Subproject	207.91	1	NCB	Post		
FJ-GZ-CW-07	Rehabilitation of 1,461mu Tea Garden in 3 Villages under Fujian Zhenyuan Subproject	194.87	1	Shopping	Post		
HSJA-CW-02	Land Leveling and Construction of Water Conservancy Facilities in the Tea Gardens in Hua'an under Fujian Hongsheng Subproject	1,342.11	1	NCB	Post	1S1E	
FJ-PH-CW-02	Construction of Farm Infrastructures in 6,328 mu oil tea camellia garden under Fujian Xinghe Subproject	1,781.39	1	NCB	Post	1S1E	

Package No.	General Description	Estimated Value (\$'000)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
FJ-PH-CW-04	Construction of drip irrigation facilities in 12,691 mu Ecological Pomelo Orchards under Fujian Xinghe Subproject	3,471.70	1	NCB	Post	1S1E	
FJ-PH-CW-05	Construction of drip irrigation facilities in 6,328 mu oil tea camellia garden under Fujian Xinghe Subproject	1,731.06	1	NCB	Post	1S1E	
FJ-PH-CW-06	Construction of sprinkler irrigation facilities in 6,651 mu organic tea and 3,428 mu green garden under Fujian Xinghe Subproject	2,425.41	1	NCB	Post	1S1E	
FJ-XLLD-CW-03	Rehabilitation of 2,690mu Lowland for Barley Production under Longyan Greenland Subproject	881.26	1	NCB	Post	1S1E	
FJ-XLLD-CW-04	Rehabilitation of Terraces and Construction of Water Conservancy Facilities in the Oil-tea Plantations under Longyan Greenland Subproject	301.58	1	NCB	Post	1S1E	
FJ-XLLD-CW-05	Rehabilitation of Terraces and Construction of Water Conservancy Facilities in the Tea Gardens under Longyan Greenland Subproject	192.25	1	Shopping	Post		
FJ-XLLD-CW-06	Construction of Flood Protection Facilities in the Paddy Lands under Longyan Greenland Subproject	6,026.64	1	NCB	Post	1S1E	
FJ-YDLY-CW-03	Land Levelling and Construction of Farm	323.85	1	NCB	Post	1S1E	

Package No.	General Description	Estimated Value (\$'000)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
	Infrastructures in the 608 mu Vegetable/Nursery Fields under Yongding Longyu Subproject						
FJ-YDLY-CW-04	Rehabilitation of Slope lands, Construction of Farm Infrastructures in the 5,565 mu Oil-tea Plantations under Yongding Longyu Subproject	2,121.43	1	NCB	Post	1S1E	
FJ-YDLY-CW-05	Rehabilitation of Slope lands, Construction of Farm Infrastructures in the 3,592 mu Tea Gardens under Yongding Longyu Subproject	2,059.05	1	NCB	Post	1S1E	
FJ-NHLC-CW-03	Construction of Irrigation/Drainage Systems and Access Roads in the 15,331 mu Oil-tea Plantations in Huatou Township under Ninghua Linchang Subproject	3,237.36	1	NCB	Post	1S1E	
FJ-NHLC-CW-04	Construction of Irrigation/Drainage Systems and Access Roads in the 9,202 mu Oil-tea Plantations in Shibi Township under Ninghua Linchang Subproject	1,864.08	1	NCB	Post	1S1E	
FJ-NHLC-CW-05	Land Leveling and Construction of Irrigation/Drainage Systems and Access Roads in the 850 mu Oil-tea Plantations in Anle Township under Ninghua Linchang	464.15	1	NCB	Post	1S1E	

Package No.	General Description	Estimated Value (\$'000)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
	Subproject						
FJ-NHLC-CW-06	Land Leveling and Construction of Irrigation/Drainage Systems and Access Roads in the 844 mu Oil-tea Plantations in Zhongsai Township under Ninghua Linchang Subproject	494.47	1	NCB	Post	1S1E	
FJ-YXYZ-CW-03	Construction of Irrigation/Drainage Systems in the Oil-tea Plantation under Yangzhong Xingkaicheng Subproject	2,050.78	1	NCB	Post	1S1E	
FJ-DT-CW-02	Rehabilitation of Terraces and Construction of Farming Access Roads in 30,000 mu Tea Gardens in 13 villages under Datian Subproject	3,210.21	26	Shopping	Post		
FJ-DT-CW-03	Construction of Farming Access Roads in 20,000mu Oil-tea Plantations in 30 villages under Datian Subproject	3,797.23	30	Shopping	Post		
FJ-DT-CW-04	Construction of Irrigation/Drainage Systems in Dongfen Farm of 3,000 mu Paddy Farmland under Datian Subproject	464.61	1	NCB	Post	1S1E	
FJ-DT-CW-05	Construction of Irrigation/Drainage Systems in 20,000 mu Oil-tea Plantations under Datian Subproject	1,815.19	1	NCB	Post	1S1E	
FJ-DT-CW-06	Construction of Irrigation Systems and Drainage Systems in 14,000 mu Tea Gardens in Pingshan Township under Datian	543.85	1	NCB	Post	1S1E	

Package No.	General Description	Estimated Value (\$'000)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
	Subproject						
FJ-DT-CW-08	Construction of Irrigation/Drainage Systems in 15,000 mu Paddy Farmlands in 9 Townships for Datian Subproject	1,112.00	5	NCB	Post	1S1E	
FJ-DT-CW-09	Construction of Irrigation Systems and Drainage Systems in 16,000 mu Tea Gardens under Datian Subproject	3,165.24	4	NCB	Post	1S1E	
Goods							
FJ-FANK-GS-04	Supply of Tea Safety Monitorin and Quality Tracing Equipment for Fujian Farms Subproject	964.85	1	NCB	Post	1S1E	
FJ-ZRJY-GS-02	Supply of 3.84 million Tea Saplings for Fujian Jianye Subproject	145.90	1	NCB	Post	1S1E	
FJ-PH-GS-02	Supply of 0.32 million Oil-tea Saplings for Fujian Xinghe Subproject	384.68	1	NCB	Post	1S1E	
FJ-PH-GS-03	Supply of Pest Control Equipment for Fujian Xinghe Subproject	389.14	1	NCB	Post	1S1E	
FJ-PH-GS-04	Supply of Agricultural Product Quality Testing Equipment and Soil Testing Equipment for Fujian Xinghe Subproject	184.33	1	NCB	Post	1S1E	
FJ-XLLD-GS-02	Supply of 54,600 Oil-tea Saplings for Longyan Greenland Subproject	165.96	1	NCB	Post	1S1E	
FJ-YDLY-GS-01	Supply of Pest Control Equipment for Yongding Longyu Subproject	30.70	1	Shopping	Post		
FJ-YDLY-GS-03	Supply of 0.167 million Oil-tea Saplings for Yongding Longyu	126.86	1	NCB	Post	1S1E	

Package No.	General Description	Estimated Value (\$'000)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
	Subproject						
FJ-YDLY-GS-04	Supply of 9million Tea Saplings for Yongding Longyu Subproject	342.17	1	NCB	Post	1S1E	
FJ-YDLY-GS-05	Supply of 27800 Shelter Tree Saplings for Yongding Longyu Subproject	211.44	1	NCB	Post	1S1E	
FJ-NHCH-GS-03	Supply of 20070 Shelter Tree Saplings for Fujian Chunhui Subproject	78.74	1	Shopping	Post		
FJ-NHCY-GS-02	Supply of 12,500 Shelter Tree Saplings for Fujian Cuiyun Subproject	94.95	1	Shopping	Post		
FJ-NHJX-GS-02	Supply of Pest Control Equipment for Ninghua Jinxi Subproject	17.99	1	Shopping	Post		
FJ-NHLC-GS-02	Supply of 0.826 million Oil-tea Saplings for 15,331mu Oil-tea Plantations under Ninghua Linchang Subproject	376.60	1	NCB	Post	1S1E	
FJ-YXSL-GS-02	Supply of 38000 Shelter Tree Saplings for Youxi Shenlang Subproject	107.90	1	NCB	Post	1S1E	
FJ-YXYZ-GS-01	Supply of Pest Control Equipment for Yangzhong Xingkaicheng Subproject	120.96	1	NCB	Post	1S1E	
FJ-YXYZ-GS-02	Supply of Agricultural Product Quality Testing Equipment for Yangzhong Xingkaicheng Subproject	7.29	1	Shopping	Post		
FJ-DT-GS-01	Supply of Pest Control Equipment for Datian Subproject	477.20	1	NCB	Post	1S1E	
FJ-DT-GS-03	Supply of Paddy Field Shelterbelt Tree Saplings for	123.10	1	Shopping	Post		

Package No.	General Description	Estimated Value (\$'000)	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
	Datian Subproject						
FJ-DT-GS-04	Supply of Tea Gardens and Oil-tea Plantations Shelter Tree Saplings for Datian Subproject	1,139.82	1	NCB	Post	1S1E	

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments
None							

C. Non-ADB Financing

59. The following table lists goods, works and consulting services contracts over the life of the project, financed by Non-ADB sources.

No.	General Description	Estimated Value (\$'000)	Estimated Number of Contracts	Procurement Method	Comments
1	Construction of Farm Infrastructures in Paddy Land, Tea Gardens, Farming Activities etc. under Wuyishan Subproject	2,865	4	PRC Standard	
2	Supply of Organic Fertilizers and Soil Testing Equipment for Wuyishan Zhuzi Subproject	342	2	PRC Standard	
3	Trainings, Extension and Product Certification under Wuyishan Zhuzi Subproject	446	Various	PRC Standard	
4	Supply of Seeds and Composed Fertilizers for Fujian Zhengyuan Subproject	619	3	PRC Standard	Private Sector
5	Planting Activities for Fujian Zhengyuan Subproject	277	Various	PRC Standard	Private Sector
6	Trainings, Extension and Product Certification under Fujian Zhengyuan Subproject	181	Various	PRC Standard	Private Sector
7	Power Supply Works and Equipment Supply for Datian Subproject	682	Various	PRC Standard	
8	Supply of Organic Fertilizers and Seeds for Datian Subproject	3,012	Various	PRC Standard	
9	Trainings, Extension and Product Certification under Datian Subproject	287	Various	PRC Standard	
10	Planting Activities for Yangzhong Xingkaicheng Subproject	450	Various	PRC Standard	
11	Supply of Power Supply Equipment, Organic Fertilizers and Green Manure Seeds for Yangzhong Xingkaicheng Subproject	737	3	PRC Standard	
12	Trainings, Extension and Product Certification under Yangzhong Xingkaicheng Subproject	369	3	PRC Standard	
13	Planting Activities for Youxi Shenlang Subproject	354	1	PRC Standard	Private Sector
14	Supply of Organic Fertilizers for Youxi Shenlang Subproject	404	1	PRC Standard	Private Sector
15	Trainings, Extension and Product Certification under Youxi Shenlang Subproject	259	Various	PRC Standard	Private Sector
16	Planting Activities for Ninghua SOE Subproject	2,671	Various	PRC Standard	

No.	General Description	Estimated Value (\$'000)	Estimated Number of Contracts	Procurement Method	Comments
17	Supply of Organic Fertilizers and Green Manure Seeds for Ninghua SOE Subproject	2,028	Various	PRC Standard	
18	Trainings under Ninghua SOE Subproject	83	1	PRC Standard	
19	Planting Activities for Ninghua SOE Subproject	121	Various	PRC Standard	Private Sector
20	Supply of Organic Fertilizers, Composed Fertilizers and Green Manure Seeds for Ninghua S&T Subproject	110	Various	PRC Standard	Private Sector
21	Trainings under Ninghua S&T Subproject	17	Various	PRC Standard	Private Sector
22	Planting Activities for Fujian Chunhui Subproject	131	Various	PRC Standard	Private Sector
23	Supply of Organic Fertilizers, Composed Fertilizers and Green Manure Seeds for Fujian Chunhui Subproject	178	Various	PRC Standard	Private Sector
24	Trainings under Fujian Chunhui Subproject	9	Various	PRC Standard	Private Sector
25	Planting Activities for Fujian Cuiyun Subproject	177	Various	PRC Standard	Private Sector
26	Supply of Organic Fertilizers and Green Manure Seeds for Fujian Cuiyun Subproject	117	2	PRC Standard	Private Sector
27	Trainings and Product Certification under Fujian Cuiyun Subproject	18	Various	PRC Standard	Private Sector
28	Planting Activities for Ninghua Jinxi Subproject	131	Various	PRC Standard	Private Sector
29	Supply of Organic Fertilizers, Composed Fertilizers and Green Manure Seeds for Ninghua Jinxi Subproject	191	2	PRC Standard	Private Sector
30	Trainings under Ninghua Jinxi Subproject	8	Various	PRC Standard	Private Sector
31	Planting Activities for Ninghua Houde Subproject	454	1	PRC Standard	Private Sector
32	Supply of Organic Fertilizers, Composed Fertilizers and Green Manure Seeds for Ninghua Houde Subproject	510	Various	PRC Standard	Private Sector
33	Trainings and Product Certification under Ninghua Houde Subproject	36	Various	PRC Standard	Private Sector
34	Construction of Farm Infrastructures in Paddy Land, Tea Gardens and Oil-tea Plantation, Farming Activities etc. under Yongding Longyu Subproject	1,854	Various	PRC Standard	
35	Supply of Organic Fertilizers, Composed Fertilizers and Green Manure Seeds for Yongding Longyu Subproject	1,566	Various	PRC Standard	
36	Trainings/Extension and Product Certification under Yongding Longyu Subproject	315	Various	PRC Standard	
37	Construction of Farm Infrastructures in Paddy Land, Tea Gardens and Oil-tea Plantation, Farming Activities etc under Longyan Greenland Subproject	3,552	3	PRC Standard	
38	Supply of Organic Fertilizers for Longyan Greenland Subproject	1,316	Various	PRC Standard	
39	Trainings/Extension and Product Certification under Longyan Greenland Subproject	542	Various	PRC Standard	
40	Terrace Rehabilitation and Planting Activities under Fujian Xinghe Subproject	3,080	Various	PRC Standard	
41	Supply of Organic Fertilizers and Green Manure Seeds for Fujian Xinghe Subproject	4,712	Various	PRC Standard	
42	Trainings/Extension and Product Certification under Fujian Xinghe Subproject	509	Various	PRC Standard	
43	Power Supply Works and Farming Activities under Fujian Hongsheng Subproject	269	Various	PRC Standard	Private Sector
44	Supply of Composed Fertilizers and Green Manure Seeds for Fujian Hongsheng Subproject	332	Various	PRC Standard	Private Sector
45	Trainings/Extension under Fujian Hongsheng	133	Various	PRC Standard	Private Sector

No.	General Description	Estimated Value (\$'000)	Estimated Number of Contracts	Procurement Method	Comments
	Subproject				
46	Construction of Pump Station and Planting Activities under Fujian Farms Subproject	690	5	PRC Standard	
47	Supply of Pumps, Organic Fertilizers, Composed Fertilizers and Green Manure Seeds for Fujian Farms Subproject	998	Various	PRC Standard	
48	Trainings/Extension and Product Certification under Fujian Farms Subproject	1,136	Various	PRC Standard	
49	Planting Activities under Jiaocheng Lvyin Subproject	220	1	PRC Standard	Private Sector
50	Supply of Farming Machine, Organic Fertilizers, Composed Fertilizers and Green Manure Seeds for Jiaocheng Lvyin Subproject	148	3	PRC Standard	Private Sector
51	Trainings/Extension and Product Certification under Jiaocheng Lvyin Subproject	200	Various	PRC Standard	Private Sector
52	Planting Activities under Zherong Jianye Subproject	829	Various	PRC Standard	Private Sector
53	Supply of Organic Fertilizers, Composed Fertilizers and Rice Seeds for Zherong Jianye Subproject	13	Various	PRC Standard	Private Sector
54	Trainings/Extension and Product Certification under Zherong Jianye Subproject	3	Various	PRC Standard	Private Sector
55	Planting Activities under Ningde Qilongxiang Subproject	255	Various	PRC Standard	Private Sector
56	Supply of Organic Fertilizers, Composed Fertilizers and Green Manure Seeds for Ningde Qilongxiang Subproject	238	Various	PRC Standard	Private Sector
57	Trainings/Extension and Product Certification under Ningde Qilongxiang Subproject	37.01	Various	PRC Standard	Private Sector

Consulting Services				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Comments
Recruitment of loan implementation consultants (Totally 62 person-months for 5 national LICs)	USD\$ 330,000	1	PRC government procurement methods	CNY 2.17 million
PPMS software development and maintenance	USD\$ 106,000	1	PRC government procurement methods	CNY 0.7 million

D. National Competitive Bidding

60. The Borrower's *Law of Tendering and Bidding of the People's Republic of China* promulgated by Order No. 21 of the President of the People's Republic of China on August 30, 1999, are subject to the following clarifications required for compliance with the Guidelines:

- (i) All invitations to prequalify or to bid shall be advertised in the national press, or official gazette, or a free and open access website in the Borrower's country. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum preparation period of twenty eight (28) days shall be given. The

- preparation period shall count (a) from the date of advertisement, or (b) when the documents are available for issue, whichever date is later. The advertisement and the prequalification and bidding documents shall specify the deadline for such submission.
- (ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents, and in the prequalification documents if the bidding is preceded by a prequalification process.
 - (iii) If bidding is preceded by a prequalification process, all bidders that meet the qualification criteria set out in the prequalification document shall be allowed to bid and there shall be no limit on the number of pre-qualified bidders.
 - (iv) All bidders shall be required to provide a performance security in an amount sufficient to protect the Borrower/Project Executing Agency in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such performance security.
 - (v) Bidders shall be allowed to submit bids by mail or by hand.
 - (vi) All bids shall be opened in public; all bidders shall be afforded an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening.
 - (vii) All bid evaluation criteria shall be disclosed in the bidding documents and quantified in monetary terms or expressed in the form of pass/fail requirements.
 - (viii) No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower/Project Executing Agency.
 - (ix) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (a) to be substantially responsive to the bidding documents and (b) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.
 - (x) Each contract financed with the proceeds of the Loan shall provide that the suppliers and contractors shall permit ADB, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by ADB.
 - (xi) Government owned enterprises in the Borrower's country may be permitted to bid if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law and (c) are not a dependent agency of the Borrower/Project Executing Agency.
 - (xii) Re-bidding shall not be allowed solely because the number of bids is less than three (3).

VII. SAFEGUARDS

61. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009). All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list (Appendix 5) to subprojects financed by ADB.

A. Environment

62. **Domestic EIAs and consolidated IEE.** The project is classified as environmental category B. Environmental impact tables (EITs) were prepared for each of the subprojects and were reviewed and approved by the respective district/county environmental protection bureaus (EPBs). The methods and standards applied in the preparation of EITs for the project components are in accordance with the guidelines of the Ministry of Environmental Protection, and also meet national and provincial laws and regulations. A consolidated initial environmental examination (IEE), including an environmental management plan (EMP) and environmental monitoring program, was prepared which complies with ADB's policies and requirements including ADB's *Safeguard Policy Statement* (2009). The IEE was disclosed in ADB website on February 2016.³⁴

63. **Environmental Management Plan (EMP).** An EMP has been developed covering all subprojects. The EMP defines all potential impacts of the project components, mitigation measures to avoid or reduce these impacts to acceptable levels, and defines the responsibilities, procedures and budgets for implementation of the environmental management.

64. **EMP Implementation Responsibilities.** The FPG will have the overall accountability for the overall project and its subprojects for ensuring compliance with the PRC's laws and regulations as well as the provisions of ADB's *Safeguard Policy Statement* (2009). As the implementing agencies, each municipal government will be accountable for ensuring the implementation of the environmental management plan and coordinating the environmental audit and monitoring of the subproject(s) in the respective district/county. The district/county governments (CPMOs) will be responsible for ensuring the implementation of the specific mitigation measures in cooperation with PIUs as prescribed in the EMP.

65. The PPMO, through the environmental officer, and in coordination with the Loan Implementation Environmental Consultant (LIEC) will prepare and provide the following specification clauses for incorporation in the contract documents for project implementation: (i) environmental management requirements to be budgeted by PIUs and their construction contractors; (ii) environmental clauses for contractual terms and conditions; and (iii) the EMP.

66. A LIEC will be contracted by the PPMO to provide assistance during the pre-construction, construction and initial operational periods. The LIEC should be contracted as soon as possible after loan approval so that the LIEC can assist in the important pre-construction activities listed in the EMP. The LIEC will advise the PMO, the CPMOs, and PIUs on all aspects of environmental management and monitoring for the Project. The LIEC will

³⁴ <http://www.adb.org/projects/documents/prc-fujian-farmland-sustainable-utilization-and-demonstration-project-iee>

ensure the compliance of construction and initial operation activities with the mitigation and management measures in the EMP and report to the ADB.

67. Each PIU will be responsible for (i) implementing the EMP and developing further implementation details; (ii) supervising their staff and contractors' implementation of mitigation measures during construction; (iii) implementing training programs for construction crews; (iv) incorporating environmental management, monitoring, and mitigation measures into construction and operation management plans; (v) developing and implementing internal regular environmental monitoring; (vi) redressing public grievances; and (vii) reporting performance of the EMP to CPMOs.

68. The environment performance of the project will be verified by external environmental monitoring stations (EMS). The EMSs will be contracted by the PIUs using proceeds from the counterpart funds. The EMSs will conduct the external monitoring of EMP implementation. The results will be forwarded to the CPMOs and to the EPBs at the district/county level, delegated by provincial EPD, who will ensure compliance with the PRC and local environmental regulations.

69. **Training.** Environmental officers in PPMO, and CPMOs will receive training in environmental management, environmental monitoring and supervision, mitigation planning, emergency response, environmental policy-making, and other environmental management techniques. PPMO will ensure that the training plan defined in the EMP is implemented. The LIEC will facilitate training. The scope of training will also include the efficient and effective environmental monitoring at the project operation phase.

70. **EMP Costs.** Cost estimates for mitigation measures, environmental monitoring, and training in EMP procedures are estimated in the EMP. The PIUs will bear the internal monitoring costs as part of their implementation functions, and the cost of external monitoring by the EMSs. Before implementing a monitoring plan, responsible agencies will present a more detailed breakdown of the estimated budget. During project implementation, the budgets will be adjusted based on actual requirements. PIUs and their contractors will bear the costs for all mitigation measures during construction, which will be included in the contract documents. The PIUs will also bear the costs related to mitigation measures during operation.

B. Involuntary Resettlement

71. The project will not require land expropriation and will not involve residential house demolition activities. That is because any activities involved with land expropriation and house demolition were excluded from the project during the stage of pre-feasibility study review. Some farm land may be impacted permanently or temporarily, requiring land readjustment and/or compensation within the village, during the construction of farming facilities.

72. A Resettlement Framework (RF) has been prepared and agreed by ADB and the PPMO (i) to ensure that all subprojects comply with ADB safeguard objectives, principles, and requirements, and (ii) to provide guidance on screening and categorization, assessment, planning, institutional arrangements, grievance mechanism, and processes to be followed for subprojects that are prepared after Board approval. The results of subproject screening will be submitted to ADB for review and concurrence. During the detail design stage, if there are involuntary resettlement impacts, detailed impact assessments will be undertaken and a subproject resettlement plan (RP) will be prepared in conformity with the RF and will be submitted to ADB for review and approval prior to award of the related civil works. RPs will also

be disclosed to affected villages and posted on ADB website in accordance with ADB's Public Communication Policy (2011).

73. The FPG/PPMO will have the overall accountability for the overall project and its subprojects for ensuring compliance with the PRC's laws and regulations as well as the provisions of ADB's *Safeguard Policy Statement* (2009). As the implementing agencies, municipal/county governments and their PMOs (CPMOs) will be responsible for ensuring screening resettlement impacts and preparation of subproject RPs based on the detailed design in accordance with the RF.

74. The PPMO social officer supported by a resettlement consultant will provide necessary technical support and guidance to the CPMOs and coordinate their activities on resettlement. Each CPMO will be responsible for (i) implementing the RF, and RPs; (ii) supervising their staff; (iii) implementing training programs; (v) implementing internal regular monitoring; (vi) redressing public grievances; and (vii) reporting progress to PPMO. The PPMO will compile and submit the monitoring reports to ADB. The resettlement consultant's TOR included in Annex 1.

C. Land Use Rights Transfer Contracts and Land Cooperation Agreements

75. The total land rehabilitation and development area under 19 project enterprises is 269,128.50 mu, including: (i) 5,098.50 mu state-owned land; (ii) 37,536 mu land leased by seven PPEs from villages/farmers; (iii) 70,314 mu land under cooperation arrangements with villages/farmers by six PPEs and four SOEs; and (iv) 156,180 mu village land to be supported by five SOEs as public welfares. The PPTA has undertaken the due diligence on land leases and cooperation contracts and has concluded that these do not trigger IR.³⁵ The due diligence has also concluded that legal procedures were followed, parties were informed and consulted, agreements were voluntary, and farmers will benefit from land rents, jobs, trainings and other benefits under the contracts. A few procedural deficiencies identified have been corrected and a follow-up action plan has been prepared. Although the IR safeguard is not triggered, there are still concerns related to the implementation of land transfer contracts and benefit sharing. Therefore, an independent monitoring agency will be engaged by PPMO to continue to verify and monitor implementation of these contracts and agreements during the project implementation up until project completion. Reports will be submitted to ADB and PPMO semi-annually.

D. Ethnic Minorities

76. According to the PPTA survey, none of the 19 ethnic minority townships in Fujian are located in the 13 project counties. There are also no ethnic minority villages or ethnic minority populations in the 122 project villages and 51 towns/townships. Therefore, the project has been classified as C on Indigenous Peoples and no further action is required.

E. Grievance Redress Mechanism.

77. A grievance redress mechanism (GRM) has been established to prevent and address community concerns, reduce risks, and assist the project to maximize environmental and social benefits. The PPMO will act as head office for the GRM, establishing a tracking and

³⁵ The Due Diligence Report on Land Use Rights Transfers and Cooperation Agreements as supplementary linked document available on request.

documentation system of complaints and responses. The CPMOs will operate the GRM at the local level through their Environment and Social Officers. The CPMOs will ensure that all complaints received and immediately resolved by PIUs are reported, and that more difficult issues are referred to the CPMO for coordinated response. The CPMO will pass all GRM records to the PPMO.

VIII. GENDER AND SOCIAL DIMENSIONS

78. **Social and poverty dimensions.** A poverty and social analysis (PSA) that included a household survey, community, and focus group discussions, and key informant interviews, was conducted during the PPTA. The proposed project through demonstration of sustainable utilization of farmland resources will benefit the local population in 122 villages in 51 project towns/townships. The contribution to poverty alleviation will be largely due to: (i) developing demonstration productive farmland including land leveling, soil improvement, access road, and irrigation systems, which will directly benefit about 16,397 households and 62,507 persons, and indirectly benefit the remainder of the rural households in the 51 project towns/townships; (ii) promoting modern farming practices and locally-adapted, higher-yielding varieties, which will increase production and incomes of the local population; (iii) providing training and technical support to beneficiary villagers; and (iv) generating about 3,200 permanent jobs and 58,400 temporary unskilled job opportunities during construction and operation.³⁶ In addition, indirect benefits relating to promotion of more sustainable farming practices in nearby villages will narrow the disparities in similar regions of Fujian Province.

79. **Gender dimension.** The project is classified by ADB as effective gender mainstreaming and anticipated to directly benefit about 26,826 women from their involvement in on-farm activities and off-farm based waged employment opportunities provided by the PIUs. Through the social survey, it was found that since more men go out for work during the off-peak farm period, women's participation in the village conference is higher. Female farmers will be trained in modern agricultural and farming technologies.

80. **Social Development and Gender action plans.** The gender action plan (GAP, Table IX.1) and the social development action plan (SDAP, Table IX.2) were prepared jointly by the PMO and the participating local governments, with the assistance of the PPTA social and gender specialists. The purpose of GAP and SDAP is to ensure that relevant gender and social issues are addressed by specific actions/measures during the project implementation, and implementation of these mitigates potential negative impacts and enhances project benefits for women, poor and other vulnerable people. The GAP and SDAP ensure suitable avenues will be available for participation of women, poor and vulnerable people and include realistic measures for maximizing their participation in local decision-making. Additionally, the GAP and SDAP put in place measures to mitigate possible negative impacts and reduce risks of the project. The tables below provide details of the GAP and SDAP, including specific actions, target indicators and responsibilities. The costs for these actions are included in the Project management budget.

³⁶ The rural poverty rate in 13 project counties is 3.4%, which is already quite low.

Table 12: Gender Action Plan

Project Output	Activities and Performance Indicators/Targets	Target and Indicators	Budget	Responsible Agency	Time
Output 1: Productive Farmland Established	Prior to project implementation, conduct consultations and information-disclosure meeting in the project area to inform local population on the details of the project, and at same time collect views, opinions, and desires of local farmers, including females and poor households	<ul style="list-style-type: none"> Female participants will be no less than 50% of participants. (The current ratio is about 30%) Poor household participants will be no less than 10% of the participants 	Project management budget	CPMO, SOEs, and PPEs	2016–2021
	In recruiting temporary laborers during project implementation and operation, give priority to female and poor laborers under the same conditions	<ul style="list-style-type: none"> Employment of female temporary laborers will be no less than 35% of the total workers (58,200) Employment of poor temporary laborers will be no less than 10% of the total workers 	Construction budget and enterprises' daily operation budget	CPMO, SOEs, PPEs and contractors	2016–2021
	The land use cooperation agreements will be endorsed by both spouses	<ul style="list-style-type: none"> At least 75% of such agreements under project implementation are endorsed by both couples, in writing or through other ways (to be verified during the first year monitoring survey) 	No budget required	CPMO, SOEs, and PPEs	2016–2021
Output 2: Sustainable Farming Technology and Practices Adopted	Provide training for management staff for a total of 1,520 person-days	<ul style="list-style-type: none"> Female management staff should be trained for no less than 532 person-days or 35% of the total person-days allotted for the training 	Project capacity-building budget	CPMO, SOEs, and PPEs	2016–2021
	Participating enterprises should give priority to employ female and poor when recruiting from the local population	<ul style="list-style-type: none"> Employment of female temporary laborers will be no less than 35% of total employed (3,200) Employment of poor temporary laborers will be no less than 10% of total employed 	Enterprises' daily operation budget	CPMO, SOEs, and PPEs	2016–2021
Output 3: Institutional, Technical, and Management Capacity Strengthened	Each CPMO assign one female staff to work on social and gender issues and internal monitoring	<ul style="list-style-type: none"> At least 13 female staff assigned by CPMOs working on social and gender monitoring 	Project management budget	PPMO and CPMOs	2016–2021
	In 62,990 person-days training provided for farmers, certain proportion of these days should be allocated for female and poor households	<ul style="list-style-type: none"> No less than 31,495 person-days (50%) allotted for female participants and up to 6,300 person-days (10%) to rural poor 	Project capacity building budget	CPMOs, SOEs, and PPEs	2016–2021
	Offer training on gender and development for PPMO, MPMO, CPMOs, and participating	<ul style="list-style-type: none"> Number of those who will participate in such training 	Project capacity building budget	PPMO and CPMOs	2016–2021

Project Output	Activities and Performance Indicators/Targets	Target and Indicators	Budget	Responsible Agency	Time
	enterprises				
	Training to PIUs, farmer cooperatives, agricultural infrastructure maintenance units and water use association on management, maintenance, improved production technology and marketing	<ul style="list-style-type: none"> At least 7,500 person-days, of which 30% are allotted for women 	Project capacity building budget	PPMO and CPMOs	2016–2021
	According to the project design and monitoring framework and project management requirement, PPMO will recruit external monitoring team to carry out monitoring on the implementation of GAP and SDAP	<ul style="list-style-type: none"> Assign special staff to work on collecting relevant data and figures on gender affairs 	Project consultant service budget	PPMO, CPMOs, and monitoring agency	2016–2021

CPMO = county project management office, GAP = gender action plan, MPMO = municipal project management office, PPE = participating private enterprises, PPMO = provincial project management office, SDAP = social development action plan, SOE = state-owned enterprise.

Source: Asian Development Bank

Table 13: Social Development Action Plan

Action and Measures	Proposed Actions	Target Population	Monitoring Indicators/Data source	Budget	Responsible Agency	Time
A. Measures to Strengthen Project Management						
Training for staff	Provide project management training to staff of PPMO, MPMOs, CPMOs, township, and villages Provide training to staff of CPMOs on content of GAP and SDAP	PPMO, MPMOs, CPMOs, township and village officials	About 50 person days in project management training About 200 person days in GAP and SDAP content training About 20 staff to be responsible for implementing GAP and SDAP Relevant photo and table records of training participants	Project capacity building training budget	PPMO, MPMOs, CPMOs, and Project Management Consultant	2016-2021
Ensure implementation of GAP, SDAP, resettlement planning documents and social aspects in EMP	PPMO, MPMOs, CPMOs assigns staff to be responsible for GAP, SDAP and resettlement planning, implementation and monitoring	All enterprises and farmer households in project area	20 staff assigned on this work Monitoring report for all social and safeguard measures	Project capacity building budget	PPMO, MPMOs CPMOs, and relevant agencies	2016-2021
Consult and Disclose project construction information	Prior to project construction, CPMO and township to hold meeting in villages to disclose project details, location, scope, time beginning and time completion	All farmer households and villages in project area	Number and times of persons participate in disclosure meeting Relevant photo and records of meeting notices	Project management budget	CPMOs, enterprises, and contractors	2016-2021
B. Measures to Mitigate Project Potential Negative Impact						
To reduce Project construction impacts on farm production that will affect farmer households in project area	The CPMOs will select construction time for rural road and irrigation facilities properly to avoid peak season and reduce impacts on local farmers To set up waste deposit spot to avoid pollution in the project construction site	All farmer households and villages in project area	No. of complaints received on construction impacts Degree of satisfaction on environment management by local people in the project area	Project budget	CPMOs, enterprises, and contractors	2016-2021
Manage any disputes caused by land occupation for access road construction and irrigation improvement	Before construction, CPMO will hold meeting to resolve any issues concerning land occupation for construction of road and irrigation, and formulate mitigation measures	CPMO, and all villages and household in project area	Number and times of persons participate in such meeting, and records, photo, and minutes of meeting Effectiveness of grievance redress mechanism No. of disputes and outcome of resolution, and monitoring report	Project budget	PPMO MPMOs CPMOs, enterprises, and contractors	2016-2021
Avoid any conflicts	To introduce project detail to non-	Non-project	No. of additional households	Project	PPMO	2016-

Action and Measures	Proposed Actions	Target Population	Monitoring Indicators/Data source	Budget	Responsible Agency	Time
with surrounding villages and household (outside project)	project households and encourage them to accept project enterprises cooperation model and participate in the project through new planting technique and selling farm products; Provide same training and technical support to them	households and enterprise, and project households and enterprises	and cooperatives included through cooperation with enterprises No. of training received by non-project households and outcome of such support Benefits by non-project household through such cooperation (case analysis)	capacity building budget	MPMOs CPMOs, enterprises,	2021
Reduce risks to cooperation between enterprises and farmer households	Before cooperation between enterprises and households, type of cooperation will be clarified, such as land input as equity or ordering farm products. It should be reflected in agreement signed between two parties based on extensive consultations. At least 75% of households will have both couples endorsed such agreements in written or other ways. CPMO and village committees will participate in process of agreement signing process, and due diligence on land use An independent monitoring agency will review cooperation agreements and report on compliance in the social safeguards reports	Total households and villages in project area	No. of persons participated in consultation meetings; photo and records of such meetings. Degree of satisfaction of such cooperation by local farmer households	Project Management budget	PPMO CPMOs, enterprises, and villages	2016-2021
C. Measures to Enhance Project Benefits						
Support the farmer cooperatives in project area	Support 73 farmer cooperatives in project area to promote its development.	Project area	73 farmer cooperatives and their details (name, established time, location, nature, scale, etc.)	Project capacity building budget	PPMO, CPMOs, Enterprises , Village Committee	2016-2021
Strengthening the technical training and guidance	Training farmers in a total of 62,990 person days, including 50% of female, and 10% poor family in 5 years.	Female and poor family in project area.	Number of trainees, training materials, semi-annual report, training plan, and data.	Project capacity building budget	PPMO, CPMOs, Enterprises	2016-2021
To attract local laborers to participate in project construction	During project implementation, to hire local laborers to participate in project construction;	Farmer households in project area including female	No. of persons participate in construction, and income change due to employment	Project management budget and	CPMO, County labor and social	2016-2021

Action and Measures	Proposed Actions	Target Population	Monitoring Indicators/Data source	Budget	Responsible Agency	Time
	Contractors will provide information on temporary labor recruitment and their qualification requirement to villages in project area Local county labor and social security bureau will review contract of such employment Villages will recommend those who are willing to participate including female and poor villagers in order to increase income for local villagers during project construction	and poor household	Information record and photo No. of labor disputes and no. of complaints received during construction	construction budget	security bureau, enterprises, villages	
Encourage females and poor to participate in Project	During project implementation, focus discussions will be conducted to collect opinions and desires on the project by local population. Among them, at least 50% of participants will be female, and 10% will be poor households. During project implementation, temporary employment, particularly non-skill laborers will be given priority to women and poor. In general, if there is willingness, such employment will be at least 35% for females and 10% for poor in the project area Women's federation and poverty alleviation office will organize females and poor to participate in training to improve their capacity which are not covered under the Project	Total households, female households and poor households in the project area	No. of persons participated in meetings, photo, records, meeting minutes Proportion of females participated in the meeting Proportion of poor households participated in the meeting No. of total employment provided No. of employment positions provided to women No. of employment positions provided to poor No. of training and no. of females participated on training provided by local women federation	Project management budget and working capital in Women Federation and poverty alleviation office allocated by the state	CPMOs, Contractors, Local Women Federation, and Poverty Alleviation Office	2016-2021
Project enterprises to provide employment to local population	Due to expansion of planting area enterprises full time and part employment will be created. Priority will be given to female and poor households. Female should be no less than 35% and poor no less than 10%.	Total households, female households and poor households in the project area	No. of temporary position provided by enterprises No. of permanent positions provided by enterprises No. of positions provided to females No. of positions provided to poor households	Regular budget of enterprises	CPMOs and enterprises	2016-2021
Utilize local construction materials and transport capacity	Try to utilize local produced construction materials and local transport capacity	All enterprises and villages in the project area	No. of local enterprises participate in project construction	Construction budget	CPMOs, Enterprises, and	2016-2021

Action and Measures	Proposed Actions	Target Population	Monitoring Indicators/Data source	Budget	Responsible Agency	Time
			Amount of local construction materials purchased Cost of local transport capacity utilized by project Related income and opportunities		contractors	
D. Monitoring and Evaluation						
Carry out monitoring and evaluation on GAP and SDAP	Internal monitoring on GAP and SDAP will be reported semi-annually; and external monitoring will be conducted every year by independent monitoring agency.	Project monitoring report on GAP and SDAP	Quality of monitoring report Time and schedule of monitoring report submission	Project consulting service budget	PPMO, CPMOs and external monitoring agency	2016-2021

ADB = Asian Development Bank, CPMO = county project management office, GAP = gender action plan, IA = implementing agency, MPMO = municipal project management office, PPMO = provincial project management office, SDAP = social development action plan.

Source: Asian Development Bank.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

Impacts the Project is Aligned with Land and environmental degradation in Fujian Province reduced Rural livelihoods in Fujian Province improved (National Agricultural Sustainable Development Plan, 2015–2030) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Long-term farmland productivity and climate resilience improved	By end of 2023 within the 13 project counties: a. 4 sustainable and environment-friendly farmland development and utilization models (farmland restoration, efficient irrigation water use, soil health improvement, and integrated pest management) demonstrated (2016 baseline: 0) b. Overall irrigation water use efficiency increased to 65% (2016 baseline: 40%) c. Overall soil health improved, measured by 2% increase in soil organic matter levels (2016 baseline: <1%) d. Pesticide use reduced by 5% (2016 baseline: 100%) e. Area of green and organic agricultural production bases increased to 50,517 <i>mu</i> (2016 baseline: 4,291 <i>mu</i>)	a–e. Quarterly project progress report; PPMO a–e. Project completion report: PPMO b and e. County annual statistics books; county bureaus of statistics	Farmers are reluctant to adopt sustainable farming technology and practices.
Outputs 1. Productive farmland established	By end of 2022: 1a. At least 200,000 <i>mu</i> of slope land rehabilitated and/or established (2016 baseline: 0) 1b. At least 63,700 <i>mu</i> of valley-floor cropland rehabilitated and/or established (2016 baseline: 0) 1c. At least 250,000 <i>mu</i> of farmland with irrigation systems established (2016 baseline: 0) 1d. At least for 63,700 <i>mu</i> of valley-floor cropland with irrigation and drainage facilities improved (2016 baseline: 0) 1e. At least 1,000 km of farm access roads built (2016 baseline: 0) 1f. At least 25 km of dikes and/or embankment protection established	1a–1h. Project progress and completion reports, and loan review missions	SOEs and PPEs fail to develop and implement appropriate training programs in a timely manner. Implementation delays due to limited experience of county project management offices and implementing agencies.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>(2016 baseline: 0)</p> <p>1g. Community participation in detailed design and implementation of project activities, including 50% women (2016 baseline: 0)</p> <p>1h. Employment of local people (58,200) during construction, including at least 35% women (2016 baseline: 0)</p>		
2. Sustainable farming technology and practices adopted	<p>2a. 4 participating enterprises equipped with soil nutrient base testing equipment (2016 baseline: 0)</p> <p>2b. Balanced fertilization application rates adopted on at least 63,700 <i>mu</i> of valley-floor cropland (2016 baseline: 0 <i>mu</i>)</p> <p>2c. Organic fertilizer adopted on at least 250,000 <i>mu</i> of farmland (2016 baseline: 90,000 <i>mu</i>)</p> <p>2d. Integrated pest management practices adopted on at least 80,000 <i>mu</i> of tea and tea oil gardens, and pomelo orchards (2016 baseline: 0 <i>mu</i>)</p> <p>2e. 8 participating enterprises equipped with product quality testing equipment (2016 baseline: 0)</p> <p>2f. PPEs provide employment to local people (3,200), including at least 35% women (2016 baseline: 0)</p>	2a–2f. Project progress and completion reports, and loan review missions	
3. Institutional, technical, and management capacity strengthened	<p>3a. 70 farmer institutions (including farmers' cooperatives and agricultural infrastructure maintenance units) collaborating with participating enterprises (2016 baseline: 2)</p> <p>3b. At least 60,000 person-days of training on sustainable farming technologies conducted for farmers, of which 50% are women (2016 baseline: 0)</p> <p>3c. At least 7,500 person-days of training provided to PIUs, farmers' cooperatives, agricultural infrastructure maintenance units, and water user associations on management, maintenance, improved production technology, and marketing; 30% of training participants are women (2016 baseline: 0)</p> <p>3d. At least 42 government officials, of</p>	3a–3d. Project progress and completion reports, and loan review missions	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	which 50% are women, trained on project management, agricultural technology, safeguards, and gender issues (2016 baseline: 0)		
Key Activities with Milestones 1. Productive farmland established 1.1 Prepare detailed designs for valley-floor farmland preparation, slope land terrace rehabilitation, irrigation facility improvement, rainfall collection tanks for slope land, and dike rehabilitation (Q3 2016–Q3 2020). 1.2 Prepare and approve the resettlement plans prior to related civil works award (Q3 2016–Q4 2016). 1.3 Upgrade and rehabilitate slope land (terrace rehabilitation with drainage ditches) (Q1 2017–Q4 2021). 1.4 Upgrade and rehabilitate valley-floor cropland (land leveling and terrace reconstruction) (Q1 2017–Q4 2021). 1.5 Upgrade and construct irrigation, water conservation, and drainage facilities for valley-floor croplands (Q1 2017–Q2 2021). 1.6 Install water-conservation and irrigation facilities for slope land (Q1 2017–Q2 2021). 1.7 Construct and improve farm access roads (Q1 2017–Q3 2020). 1.8 Rehabilitate 25 km of dike and embankments (Q1 2017–Q1 2021). 2. Sustainable farming technology and practices adopted 2.1 Procure agricultural machinery, and equipment to test soil and water, and the quality of agricultural products (Q3 2016–Q4 2019). 2.2 Implement the balanced fertilizer program with fertilizer application rate recommendations based on results of soil tests and crop demand (Q3 2016–Q2 2021). 2.3 Implement the soil improvement program through promotion of organic matter and organic fertilizer application on the rehabilitated farmland (Q1 2017–Q2 2021). 2.4 Implement and promote improved agricultural practices (no-tillage, variety selection, soil cover crops, tending practices, intercropping, and forest shelterbelts) for soil management in the rehabilitated slope land (Q1 2017–Q2 2021). 2.5 Implement integrated pest management technologies for disease and insect control in rehabilitated tea and tea oil gardens and pomelo orchards (Q1 2017–Q2 2021). 2.6 Implement improved agricultural practices (reduced tillage, crop rotation, water use-efficient irrigation, crop and soil nutrient management, and pest management) in valley-floor crop production systems (Q1 2017–Q4 2021). 2.7 Initiate national standard certification for green and organic agro-food products (Q2 2018–Q2 2021). 3. Institutional, technical, and management capacity strengthened 3.1 Establish and train farmer institutions, including farmers' cooperatives and agricultural infrastructure maintenance units (Q3 2016–Q3 2018). 3.2 Train farmers on improved agricultural practices for slope land and valley-floor crop production systems (Q3 2016–Q2 2021). 3.3 Train provincial and local government officials on project management, improved agricultural technology and practices, safeguards, and social and gender issues (IEE/EMP, GRM, SDAP, GAP, and resettlement framework) (Q2 2016–Q4 2021). Project Management Activities Mobilize project implementation consultants (Q4 2016). Establish PPMS, monitor project implementation progress, and submit semiannual project progress reports to ADB (Q4 2016–Q4 2021). Implement environmental management plan and submit semiannual environmental safeguard monitoring reports to ADB (Q3 2016–Q4 2021). Implement resettlement framework, resettlement plans, SDAP, and GAP, and submit semiannual social safeguard monitoring reports to ADB (Q2 2016–Q4 2021).			
Inputs ADB: \$100 million (loan) Government: \$2.66 million SOEs: \$69.69 million PPEs: \$19.07 million			
Assumptions for Partner Financing Not applicable.			

ADB = Asian Development Bank, EMP = environmental management plan, GAP = gender action plan, GRM = grievance redress mechanism, IEE = initial environmental examination, km = kilometer, PIU = project implementation unit, PPE = participating private enterprise, PPMO = provincial project management office, PPMS = project performance management system, Q = quarter, SDAP = social development action plan, SOE = state-owned enterprise.

Note: A *mu* is a Chinese unit of measurement (1 *mu* = 666.67 square meters).

^a Government of the People's Republic of China. 2015. *National Agricultural Sustainable Development Plan, 2015–2030*. Beijing.

Source: Asian Development Bank.

B. Monitoring

81. **Project performance monitoring.**³⁷ To monitor the progress of the project in achieving the planned outcome and outputs, the PPMO will establish a project performance monitoring system (PPMS) before the project implementation starts (before the loan effectiveness), and will maintain accordingly. The basis for project performance monitoring and reporting will be the DMF, which identifies performance targets for the outcomes and outputs of the project. It will be designed to permit adequate flexibility to adopt remedial action regarding project design, schedules, activities, and development impacts. The PPMS will cover the following aspects of the project implementation: (i) project physical and financial progress; (ii) progress and results of capacity development; (iii) farmer institutions establishment; (iv) implementation of EMP; (v) implementation of GAP, SDAP, RF; and (vi) compliance with loan covenants (policy, financial, economic, sector, and others). The PPMO agreed and confirmed that they will (i) establish the PPMS before the loan effectiveness; (ii) recruit the LICs before the loan effectiveness to facilitate the project start-up and provide consulting service as described in Annex 1; (iii) confirm that targets are achievable; and (iv) develop recording, monitoring and reporting arrangements.

82. With inputs from the MPMOs, CPMOs, PIUs, and other stakeholders, the PPMO will prepare the project progress report quarterly. Disaggregated baseline data for output and outcome indicators gathered during project preparation will be updated and reported in the quarterly reports and after each ADB review mission. At the start of project implementation, the PPMO, MPMOs, CPMOs, PIUs and ADB will develop integrated PPMS procedures to generate data systematically on the inputs and outputs, as well as the indicators to be used to measure the project's impact and outcome taking into account the project scope.

83. **Safeguards monitoring.** Three types of project monitoring will be conducted under the EMP: (i) internal monitoring and supervision and reporting by each PIU; (ii) EMP implementation monitoring and progress reporting by the loan implementation environmental consultant (LIEC); and (iii) environmental compliance monitoring by local EMSs.

84. The project monitoring program focuses on the environment in the project areas of influence in the 13 project counties (Tables A1.3a and A1.3b in the EMP). The program covers the scope of monitoring, monitoring parameters, time and frequency, implementing and supervising agencies, and estimated costs. The monitoring shall comply with the methodology provided in the relevant national environmental monitoring standards and national environmental quality standards of air, surface water, groundwater and noise, and the pollutant discharge standards (Table A1.4 in the EMP).

85. **Internal monitoring and supervision.** During construction, the PIUs will be responsible

³⁷ ADB's project performance reporting system is available at <http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

for conducting internal environmental monitoring in accordance with the monitoring plan (Table A1.3a in the EMP). Results will be reported through the PIU reports to the CPMOs.

86. EMP implementation monitoring and progress reporting. The LIEC will review project progress and compliance with the EMP based on field visits, and the review of the environmental monitoring conducted by the EMS. The findings of the LIECs will be reported to ADB through the semiannual EMP monitoring and progress reports. The reports will include (i) progress made in EMP implementation, (ii) overall effectiveness of the EMP implementation (including public and occupational health and safety), (iii) environmental monitoring and compliance, (iv) institutional strengthening and training, (v) public consultation (including GRM), and (vi) any problems encountered during construction and operation, and the relevant corrective actions undertaken. The LIEC will help PMO prepare the reports and submit the English report to ADB for appraisal and disclosure.

87. Environmental compliance monitoring by local EMS. The PIUs in each city or county will contract the city or county EMS to conduct environmental monitoring in accordance with the monitoring program (Table A1.3b in the EMP). A detailed cost breakdown will be provided by the county environmental monitoring station (EMS) when the environmental monitoring program is updated at the start of each component implementation. Monitoring will be conducted during construction and operation period, until a PCR is issued. Semi-annual monitoring reports will be prepared by the EMSs and submitted to CPMOs and the PIUs.

88. The environmental monitoring results will be compared with relevant PRC performance standards (Table A1.4 in the EMP). Non-compliance with these standards will be highlighted in the monitoring reports. Monitoring results will be submitted to the CPMOs and then reported by the PPMO to ADB in semi-annual environmental monitoring reports (prepared with the support of the LIEC; Table A1.5 in the EMP).

89. Resettlement Monitoring. During the project implementation, the PPMO will submit to ADB semi-annual resettlement monitoring reports. The PPMO will conduct internal monitoring and engage an external monitor to verify compliance and evaluate results. The external monitor will verify and monitor (i) LURT and cooperation contracts, (ii) internal land adjustments, and (iii) implementation of the resettlement framework (screening process) and subproject resettlement plans. Assistance will be provided for the PPMO and CPMOs by the social consultant. The reporting requirements are included in the Resettlement Framework and will be specified in each subproject resettlement plan.

90. Gender and social dimensions monitoring.³⁸ Project activities will be monitored for impacts on gender and social dimensions with the assistance of a consultant/external monitor. In particular, the activities laid out in the GAP and SDAP will be monitored, and sex-disaggregated data on project activities collected. GAP and SDAP monitoring information will be included in the semi-annual social monitoring reports and will describe the progress on GAP and SDAP implementation against the targets. The format of social monitoring report will be finalized and agreed between ADB and the PPMO during the project inception.

³⁸ ADB's Handbook on Social Analysis: A Working Document, is available at: <http://www.adb.org/Documents/Handbooks/social-analysis/default.asp>, *Staff Guide to Consultation and Participation*: <http://www.adb.org/participation/toolkit-staff-guide.asp>, and, *CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

C. Evaluation

91. In addition to regular monitoring, project performance will be reviewed at least once a year jointly by ADB and FPG. The review will assess implementation performance and achievement of project outcomes and outputs, assess financial progress, identify issues and constraints affecting implementation, and work out a time-bound action plan for their solution. ADB will undertake annual project reviews during the project period. Additionally, ADB and HPG will undertake a midterm review of the project in 2019, covering all institutional, administrative, organizational, technical, environmental, social, poverty reduction, economic, financial, procurement, and other relevant aspects that may have an impact on the performance of the project and its continuing viability. The review will (i) examine the progress in implementing project outputs; (ii) evaluate environment, social, and poverty impact; (iii) ensure compliance with assurances in the loan agreement; and (iv) evaluate effectiveness of the procurement implementation activities of the executing agency and tendering company using procurement review for effective implementation evaluation. The review shall also undertake a comprehensive review of potential loan savings, identify areas for reallocation of loan proceeds, and change disbursement percentages, as appropriate. Within 6 months of physical completion of the Project, FPG will submit a project completion report to ADB.³⁹

D. Reporting

92. The FPG will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system, including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (ii) updated procurement plan and updated implementation plan for next 18 months; (iii) semi-annually safeguards monitoring reports in a format agreed between ADB and the PPMO; and (iv) a project completion report within 6 months of physical completion of the Project. To ensure projects continue to be both viable and sustainable, project accounts and the executing agency audited financial statements, together with the associated auditor's report, should be adequately reviewed.

93. FPG has agreed on the following reporting commitments:

Report	Timing	Reference
Quarterly project progress reports	Quarterly, within 1 month after the end of each quarter (April, July, October, January)	Project agreement, schedule
Audited financial statements	Not later than 6 months after the closure of fiscal year	Project agreement, schedule
Social:		Project agreement, schedule
➤ Resettlement screening results	Upon completion of the detailed design for each subproject	
➤ Resettlement and LURT contract monitoring and evaluation reports	Semiannually, within 1 month after the end of half year (July, January)	
➤ GAP & SDAP implementation progress & results	Semiannually, within 1 month after the	

³⁹ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

Report	Timing	Reference
	end of half year (July, January)	
Environmental safeguard Construction phase		Project agreement, schedule
➤ Environmental safeguard monitoring reports	Semiannually, within 1 month after the end of half year (July, January)	
➤ Environmental acceptance reports	Within 3 months after each subproject completion	
Operations phase		
➤ Environmental safeguard monitoring reports	Semiannually, within 1 month after the end of half year (July, January)	
Project completion report	Not later than 6 months after the physical completion of the project	Project agreement, schedule

GAP = gender action plan, SDAP = social development action plan

E. Stakeholder Communication Strategy

94. In accordance with ADB's Public Communications Policy 2011, project information will be disseminated by way of public consultation, the Government and the ADB website disclosure mechanisms, conferences, interviews, focus group discussions and community consultation meetings, and communication. During the consultation meetings, CPMOs will provide necessary information such as grievance mechanism and other information to participants, including male, female, poor, vulnerable groups and other individuals.

95. During preparation of SDAP, GAP, RF and EMP, consultation meetings were carried out at different times and locations, not only to introduce specific plan contents, but also to encourage villagers to voice their own opinions and suggestions, and their concerns; in addition, more consultation activities will be held during detailed design and project implementation with a focus on female, poor, and other vulnerable groups. The stakeholder communication strategy is provided in Table 14.

96. **Consultation and Participation during Project Implementation.** To ensure meaningful participation by project stakeholders and effective implementation of project activities, further consultations and participation will be undertaken. This will include consultations with local villages on detailed scope and schedule of proposed construction activities and detailed discussions on terms of cooperation between enterprises and local villagers. The purpose of such consultations is to ensure local farmers have a clear understanding of the proposed project activities and to obtain their agreement for carrying out such activities.

97. The following measures will be implemented to ensure the participation of farmers:

- (i) Consultation with farmers will be held on a regular basis. This is to understand their problems, needs, and priority issues during project implementation, and to provide help timely;
- (ii) Farmers will actively participate during the design stage to ensure proposed facilities are properly sited and minimize involuntary resettlement impacts and land adjustments.

- (iii) Before activity implementation, convening village forums or release of project information, including location, content and scope of the project activity, start time, and finish time;
- (iv) At the construction site, establishment of bulletin or sign boards to display project information;
- (v) In cooperation with farmers, the appropriate modalities of cooperation (such as agricultural cooperation, orders) will be further finalized/updated, as needed, based on consultation with villagers, including women and the poor. The CPMO and village committee will participate in consultations and agreement signing.
- (vi) Providing training and capacity building related to project activities.
- (vii) Encourage participation of women and vulnerable groups in all activities.
- (viii) Consulting with farmers (men, women, and the poor), enterprises, and cooperatives during the internal and external monitoring and evaluation process.

Table 14: Stakeholders Communication Strategy

Objective	Main task	Main stakeholders	Information	Way of communication	Time	Agency	Funds resource
Ensure regular information disclosure and implementation progress	<p>Project contents and information disclosure</p> <p>Participation of farmers and enterprises in project area in the implementation of the project</p> <p>Cooperation mechanism between the farmers and enterprises</p> <p>Disclosure on employment opportunities</p> <p>Project training and information</p>	<p>Farmers, Enterprises and staff</p> <p>Local government and village committee</p> <p>County/city/district agricultural bureau</p> <p>County/city/district television station</p> <p>PPMO</p> <p>Agricultural bureau</p> <p>ADB</p>	<p>National policies to support and promote the development of agriculture</p> <p>Subproject detailed design proposals</p> <p>Measures in GAP, SDAP, RF, RPs and EMP</p> <p>Farmers to participate and work with enterprises to generate higher income</p> <p>The project to provide employment opportunities to the poor families and vulnerable groups to increase their income</p> <p>The project to provide more training on planting and management.</p>	<p>Propagate the project and its information to the local farmers</p> <p>Disclose project information to the public by media</p> <p>Hold village meetings with the local villagers</p> <p>Prepare project information and print into booklets and give out to the local villagers</p>	During project implementation	<p>19 PIUs</p> <p>51 Township governments and related officials</p> <p>122 Village committees</p> <p>13 CPMOs and related county agencies</p>	<p>Participating enterprises and project funds</p> <p>Local government administrative budgets</p>
Establish information sharing mechanism	<p>Ensure acceptance of enterprise and farmer household in cooperative mode</p> <p>Full information disclosure and participation</p> <p>Hold village level meetings in appropriate time, so that all people can participate in, including women, the poor and vulnerable groups</p> <p>use understandable message language</p>	Same as above	<p>Put the views of stakeholders into project</p> <p>Adopt the suggestions of the local people</p>	<p>Hold public participation activities in consultation with local farmers</p> <p>Inform stakeholders of all the information timely</p> <p>Establishment of effective complaints channel and ensure smooth channels for grievance redress.</p>	During the project implementation	<p>Project enterprises</p> <p>Local government and village committee</p> <p>Local PMO and agencies</p>	Same as above

ADB = Asian Development Bank, CPMOs = country project management offices, EMP = environmental management plan, GAP = gender action plan, PPMO = provincial project management office, RF = resettlement framework, RP= resettlement plan, SDAP = social development action plan.

Source: Asian Development Bank.

X. ANTICORRUPTION POLICY

98. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.⁴⁰ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.⁴¹

99. To support these efforts, relevant provisions are included in the loan and project agreement and the bidding documents for the Project. The project design and implementation arrangements provide for mitigating corruption risks. Risks associated with project management will be mitigated by (i) training of the executing and implementing agencies' staff in the procurement of civil works, goods, and services under the project; and (ii) periodic inspection of contractors' activities related to fund withdrawals and settlements by the executing agency's staff.

XI. ACCOUNTABILITY MECHANISM

100. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.⁴²

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

101. All revisions/updates during the course of implementation will be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.

No.	Description of Revision	Date
1	Initial draft for discussion prepared	November 2015
2	Discussed during loan fact-finding mission	January 2016
3	Discussed and agreed during loan negotiations	September 2016

⁴⁰ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

⁴¹ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

⁴² For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

ANNEX 1: OUTLINE TERMS OF REFERENCE FOR PROJECT IMPLEMENTATION CONSULTANTS

1. For implementing the ADB-financed Fujian Farmland Sustainable Utilization and Demonstration Project, the provincial project management office (PPMO) will be assisted by the commissioning of a project implementation consultant (PIC) team, which comprises five national consultants for 62 person-months (pm) during the project implementation period. Expected consultant inputs are indicated in below table.

Category	Unit	Quantities						
Item		Sub-total	2016 Q4	2017	2018	2019	2020	2021 Q3
National Consultants	PM	62	6	15	12	12	6	11
Environmental Safeguard Specialist	PM	15	1	3	3	3	2	3
Social/Resettlement Specialist	PM	15	1	3	3	3	2	3
Farmer Institution Specialist	PM	5	1	1	1	1		1
Project Management Specialist	PM	12	2	3	2	2	1	2
Financial Management Specialist	PM	15	1	5	3	3	1	2

PM = person months

2. All consultants will have (i) ability to communicate and work effectively with local communities, contractors, and government agencies; (ii) ability to analyze data and prepare technical reports; (iii) proficiency in spoken and written English; and (iv) willingness and good health to regularly visit the rural subproject sites.

3. **Environmental Safeguards Specialist (15 person-months, intermittent).** The specialist will have: (i) an undergraduate degree or higher in environmental management or related field; (ii) at least five years of experience in environmental management, monitoring, and/or impact assessment; (iii) familiarity with ADB project management requirements and national environmental management procedures; (iv) ability to communicate and work effectively with local communities, contractors, and government agencies; (v) ability to analyze data and prepare technical reports; (vi) willingness and health to regularly visit the subproject sites; and (vii) proficiency in spoken and written English. The specialist will particularly:

A. Before construction

- (i) Ensure project environmental readiness, including: (i) checklist in Table A1.1. of the environmental management plan (EMP) is achieved; (ii) all contractor contracts include, and will comply with, the EMP; and (iii) relevant sections of the EMP are incorporated in construction plans and contracts.
- (ii) Ensure that relevant sections of the project EMP are incorporated in the construction contract documents.
- (iii) Assist the PPMO to implement the grievance redress mechanism (GRM), including: (i) establish and publicize the GRM; and (ii) collate and evaluate grievances received.
- (iv) Develop procedures to: (i) monitor EMP implementation progress; (ii) collate and evaluate data collected in the EMP environmental monitoring program; and (iii) prepare and submit the semi-annual environmental monitoring reports to ADB (until Project

Completion Report).

- (v) Provide hands-on support and on-the-job training to the county project management offices (CPMOs), PIUs and contractors on the specific requirements of the EMP as required.

B. During project implementation

- (i) Undertake site visits to all PIUs during subproject construction and operating phase.
- (ii) Conduct EMP compliance assessments, identify any environment-related implementation issues, and propose necessary responses in corrective action plans.
- (iii) Assist PPMO to prepare semi-annual environmental monitoring progress reports for submission to ADB.

4. **Social/Resettlement Specialist (15 person-months, intermittent).** The specialist will have: (i) a graduate degree or higher in social science or related field; (ii) at least five years of experience in social development and social safeguards; (iii) familiarity with ADB projects and ADB's involuntary resettlement requirements; and (iv) proficiency in spoken and written English, including an ability to prepare reports meeting ADB requirements. The specialist will ensure compliance with the resettlement framework (RF), preparation of resettlement plans (RPs), and guidance and monitoring the implementation of RPs, gender action plan (GAP), and social development action plan (SDAP) and ensure the project activities meet the requirements of SPS and other applicable social development policies of ADB. The specialist will particularly:

- (i) Maintain an up-to-date information and ongoing review of implementation of the RF/RP, GAP and SDAP through document review, fieldwork and attending project meetings;
- (ii) Assist CPMOs to prepare a detailed participation plan;
- (iii) Screen and assess social impacts during the detailed design and assist PIUs to prepare RPs for subjects with IR impacts according to the RF and in compliance with ADB's SPS (2009);
- (iv) Formulate and deliver training as well as regular advice to staff of the PMOs, PIUs, and all relevant staff employed under the project to implement the project's SDAP and GAP and comply with ADB SPS with respect to the RF and subsequent RPs;
- (v) Assist the PMOs and PIUs on overall monitoring and reporting on social dimensions, including resettlement implementation for subprojects with IR impacts and implementation of LURT contracts and cooperation agreements;
- (vi) Assist the PPMO in preparing semi-annual resettlement/social monitoring reports to ADB.
- (vii) Assist the PMOs and PIUs and maintain overall coordination and supervision for implementation of the RF/RPs, the SDAP, the GAP and other relevant plans. Organize meetings with/among the PPMO, implementing agencies and PIUs to discuss and resolve problems, or establish additional monitoring if necessary;
- (viii) Assist PMOs to prepare resettlement and social monitoring reports for timely submission to ADB semi-annually, with a good quality of reports meeting ADB standards, and issues are resolved promptly; and
- (ix) Ensure that the grievance redress mechanism is correctly established and functioning well.

5. **Farmer Institution Specialist (5 person-months, intermittent).** The specialist will have (i) a graduate degree in community development, or a relevant discipline; and (ii) work

experience with farmer's institutions, particularly cooperatives and village committees in a rural context. The specialist will particularly:

- (i) At the beginning of project implementation, make training plan in view of the cooperative counselors, cooperative director, and financial management personnel. Training content includes cooperative laws, regulations and policies, land cooperation mechanism, base construction and internal operation mechanism;
- (ii) Guide PIUs and farmer institutions on marketing capacity building, help them to formulate strategy and plans of products marketing;
- (iii) Guide farmer cooperatives to establish and improve internal governance mechanisms;
- (iv) Support PMO to monitor the implementation of cooperation contract between PIUs and farmer institutions/farmers

6. **Project Management Specialist** (12 person-months, intermittent). The Specialist shall have a bachelor degree or above in related major. He/She should have a minimum of 15 years working experience in natural resources and agriculture sectors or related sectors and 10 years of experience in procurement and contract management of international funded projects and is preferred to be able to communication with ADB directly. The specialist will be responsible to provide technical and management supports for bidding document review, procurement assistance, contract bid review and evaluation, and other procurement/project management related tasks. The specific tasks may include:

- (i) Assist PPMO and/or PMOs and PIUs to carry out procurement on civil work, equipment purchase, and other contracts in accordance with the PRC and ADB policies and procedure requirements;
- (ii) Assist PMOs/PIUs in updating the procurement plan;
- (iii) Provide technical support in design review and bidding document review, technical specification review, and other procurement documents review. Provide bidding and procurement process assistance; coordinate with procurement agencies and other involved agencies, provide assistance in bids review and bid evaluation, bid evaluation report preparation, and other bidding related tasks;
- (iv) Develop project performance management system with jointly support from other consultants and provide project management assistance including procurement plan updating, contract award and disbursement monitoring and management, procurement planning and projection, and other project management tasks;
- (v) Oversee the procurement activities with the exceptional methods including community participation and force account carried out by the PIUs, assess the construction facilities are efficient and PIUs are capable of undertaking the works quickly and to the required quality, at reasonable cost, and prepare the independent auditing reports on the loan withdrawal applications for the activities carried out on basis of community participation and force account;
- (vi) Provide overall guidance to project-wide construction supervision, contract management, financial and disbursement management, project management, conduct regular site inspections and discussions with contractors to assist the PMOs and PIUs for construction supervision;
- (vii) Provide inputs for project management and procurement to progress reports, project midterm and completion reports, and other relevant reports as required;
- (viii) Provide project implementation support on technical review, procurement documents review, and contract variation requests review, due diligence report, contractor's claims, and other project management support;

- (ix) Provide input for the training and capacity development, coordinate with other team specialists to carry out training program and provide support to the capacity development activities;
- (x) Perform other tasks required by the PPMO and the ADB;

7. **Financial Management (15 person-months, intermittent).** The specialist will have (i) a relevant master degree; (ii) professional accountancy or finance qualification such as a CFA, CA, CPA or ACCA and (iii) at least 10 years of professional experience with similar projects and assignments in the PRC, preferably with international development banks such as ADB. The specialist will be responsible for assisting the executing and implementing agencies in meeting the financial reporting and financial management requirements of ADB. The specialist will particularly:

- (i) Assist the executing agency and project implementing units to develop or introduce financial management information system and asset transaction and management system for this project;
- (ii) Assist the executing agency to set up the project accounts through IT electric accounting system;
- (iii) Compile and prepare project financial statements;
- (iv) Review audited entity financial statements of the PIUs and compute financial ratios to be included in the progress reports;
- (v) Regularly update the project cost estimate and financing plan, including counterpart funding, ADB funding, and other source of financing;
- (vi) Prepare quarterly contract awards and disbursement targets and monitor closely with the progress to ensure timely contract awards and disbursement;
- (vii) Financially manage the disbursement/withdrawal application on each contract package (e.g., contract variations);
- (viii) Collect necessary information for ADB loan administration missions;
- (ix) Assist to conduct economic and financial analyses during the loan midterm review and after the project completion;
- (x) Assist the executing agency in preparing financial parts of the progress reports; and
- (xi) Organize and provide training on effective project financial management.

ANNEX 2: SUBPROJECT SELECTION CRITERIA AND GUIDING PRINCIPLES

A. Introduction

1. The provincial project management offices' (PPMO) main focus on selection criteria relates to: (i) meeting essential requirements for government supporting policies in the midwest of the People's Republic of China (PRC); (ii) continuing to focus on, and involve, key soil erosion-prone counties, and poverty alleviation counties; and (iii) including integrated demonstration of sustainable farmland development, modern agriculture development, environmental benefits, and poverty alleviation.

2. Discussion of project area and subproject selection criteria started between Asian Development Bank (ADB) and PPMO in early 2014. Following project preparatory technical assistance (PPTA) commencement, selection criteria have been further discussed between the PPTA team, PPMO and the ADB team. A key conclusion was that selection criteria should be separated into selection criteria, which would be used to select participating counties and subprojects, and guiding principles, which would need to be followed to ensure sound subproject design and implementation. Selection criteria and guiding principles are outlined below.

B. Selection Criteria

i. Project County Selection Criteria

3. Project counties should meet both the following poverty and technical criteria:

- (i) Poverty criteria: Counties must be key provincial-level poverty alleviation counties and/or less developed counties eligible for the central government's support for the middle and western provinces in the PRC;
- (ii) Priority should be given to key soil erosion-prone counties with demonstrable erosion problems; and/or
- (iii) Counties in modern agriculture demonstration zones complying with ADB's project design which follows the principles of (a) sustainable development of agricultural land for economic purposes; (b) emphasis on environment, soil and water resource protection; and (c) ensuring there is opportunity to participate in equitable benefit sharing from the project which promotes cooperation between farmer households, cooperatives and project enterprises.

ii. Subproject Selection Criteria

4. Subproject selection criteria comprise those related to site, activities, community's acceptance, and participating project enterprises' (PPE) requirements, in particular:

- (i) Subprojects should avoid all ecologically sensitive areas, including protected areas (all types of national and provincial reserves, reservoirs, etc.), wetlands protected areas, water resources protection areas, documented sites for rare or threatened flora and fauna (including nationally protected species), and rare, threatened, or restricted-range habitats. It is assumed that these areas are identified and clearly described by the local (county) government. In the event that such sites are only detected in the PPTA stage, PMO and ADB would also review the need to remove the proposed site from the project.

- (ii) Land with a slope of $>25^{\circ}$ should not be chosen for crop production. For these slopes, although the soil and water conservation law indicates that planting perennials in combination with adequate erosion control measures is allowed, only sites that have been used before should be considered for rehabilitation. Design of these sloping sites should be such that risk of failure (e.g. collapse of terrace walls) is minimal. Otherwise, the area will be kept as is, or improved as natural forest area with minimum disturbance.
- (iii) Activities proposed for support by the project should focus on farmland preparation and its related infrastructure, and related green and sustainable production activities. Activities that will not be supported by the project include investment for (a) processing, (b) construction of new reservoirs (capacity over 100,000 m³ and/or dam wall height greater than 15 meters), and (c) civil works for training and/or testing centers. Road construction activities should be classified by use, size and road surface. Selection of road construction activities to be supported by the project will be assessed on the need for, fit with the project objectives as well as economic and financial viability.
- (iv) Subprojects must be favorable to villagers in sharing potential benefits: in particular they must support close cooperation among PPEs and cooperatives/villagers, with an emphasis on land areas under various cooperative management arrangements between PPEs and village cooperatives.
- (v) Subproject PPEs must be willing to invest in farmland reclamation, ecological construction with demonstration and technical piloting.
- (vi) For any sub-projects with "associated facilities" (as defined by ADB's SPS), those facilities will already have all relevant domestic environmental and/or social approvals. Associated facilities are facilities that are not funded as part of the project (funding may be provided separately by the borrower/client or by third parties), and whose viability and existence depend exclusively on the project and whose goods or services are essential for successful operation of the project, e.g. processing facilities.
- (vii) Revenue-generating PPEs must have sufficient collateral to match requested ADB financing.
- (viii) Revenue-generating PPEs must have adequate financial capacity for repayment based on key financial ratios, including a current and projected debt–equity ratio not exceeding 1.5 (60:40), a debt service coverage ratio of at least 1.2, and a current ratio of at least 1.0.
- (ix) PPEs must have clear use rights of land without disputes and contracts meeting the willingness of land rights entities.
- (x) PPEs must have stable cooperation mechanisms between the lead enterprise and farmers through contracts/collaboration/ownership.
- (xi) All subprojects should meet the financial and economic viability assessment requirements (i.e., positive net present value or internal rate of return higher than the cost of capital).

C. Technical Guiding Principles – Subprojects

5. Technical guiding principles relate to those practices that are required to ensure that the subprojects meet the requirements for reduced soil erosion and sustainable farming systems, in particular:

- (i) All activities for the modification of land use, including preparation for either cropland or forest plantation, should comply with strict regulations in order that exposure to erosive forces is kept to a minimum. Land clearing must be conducted according to technical specifications of soil and water conservation for slope land. Building terraces and soil tillage have to be carried out along contours and keeping vegetation between contour terraces to prevent soil erosion.
- (ii) In the choice of new crops or new farming systems, the protection of the soil must be ensured. For any new system or crop, the time and degree of exposure to erosive forces must be taken into consideration. This is critical for crops that develop slowly or form little canopy (such as onions) or farming/cultivation systems where soil has to be tilled intensively for seedbed preparation.
- (iii) Recommendations of fertilizer application (rates) based on local soil and crop conditions **MUST** be followed to avoid non-point source pollution.
- (iv) Subprojects involving transfer of contracted land must not include either land-lease arrangements against current laws and regulations concerning land or land-lease arrangements signed by village officials without knowledge and consent of village members. For transfer of un-contracted land, village representatives meeting records and signatures are required.
- (v) Participating PPEs and farmer cooperatives must be committed to adopting international best-practices for soil and water management and conservation within their project designs.

6. The selection of project counties and project participating enterprises in compliance with selection criteria are shown in Table 1 and Table 2.

Table 1: Project County Selection

No.	Selection criteria		Poverty alleviation		Agricultural Sustainable Demonstration	
	Project municipality	Project county	Enjoy government support policy for mid-west in the PRC	Key poverty alleviation county	Key water and soil conservation county	Modern agricultural demonstration area
1	Nanping	Wuyishan	Original Soviet Area			
		Guangze	Original Soviet Area			
2	Sanming	Datian	Original Soviet Area			
		Youxi	Original Soviet Area			
		Ninghua	Original Soviet Area			
3	Longyan	Yongding	Original Soviet Area			
		Xinluo	Original Soviet Area			
4	Zhangzhou	Pinghe	Original Soviet Area			
		Hua'an ^a	Original Soviet Area			
5	Ningde	Fu'an	Old Revolutionary Area			
		Jiaocheng	Old Revolutionary Area			
		Zherong	Old Revolutionary Area			
		Dongqiao ^b	Old Revolutionary Area			

Note: State Council Opinions on Supporting Fujian Province to speed up the Development of West Coast Economic Zone [Guofa (2009) No.24], the old revolutionary areas of Fujian enjoy government support policy for middle PRC; the original soviet areas of Fujian enjoy government support policy for western PRC.

^a The project sites will be located in Hua'an and Zhangpu. The ADB loan will be on-lent through Zhangpu County Financial Bureau.

^b The project sites will be located in Jiaocheng and Shouning, while the register location of the PPE is in Dongqiao District of Ningde Municipality

Table 2: Subproject selection criteria

S/N	Project Municipality	Project County	Project Implementing Unit	Nature of PIU		Registered under Industrial and Business Bureau	Registered time	Registered funds (CNYmillion)	Away from sensitive area	Away from water bodies	No annual crop plantation for slope more than 25°	Suitable project activity	Cooperation with farmers or farmer institution	Potential Farm Income Impact	Willingness	EIA approval for existing processing facilities	Financial guarantee provided by local Financial Bureau	Debt-to-equity ratio (<1.5)	Debt service coverage (>1.2)	Current ratio (>1.0)	Land user right or ownership	Remark
1	Nanping	Wuyishan	Wuyishan Zhuzi Ecological Agriculture Development Co., Ltd	√	√	√	2015/5/25	10	√	√	√	√	Public service	√	√	NA	√	NA	NA	NA	NA	New registered
2		Guangze	Fujian Zhengyuan Ecological Food Town Co., Ltd	√	√	√	2014/12/28	20	√	√	√	√	Cooperation with village committee	√	√	NA	√	NA	NA	NA	NA	2015/4/30
3	Sanming	Datian	Fujian Datian County Golden Phoenix Agricultural Development Co., Ltd	√	√	√	2013/6/1	5	√	√	√	√	Public service	√	√	√	√	NA	NA	NA	NA	2014/12/31
4		Youxi	Youxi County Yangzhong Xinkaicheng Urban Construction Co., Ltd	√	√	√	2010/9/16	10	√	√	√	√	Cooperation with village committee	√	√	NA	√	NA	NA	NA	NA	2014/12/31
5			Youxi County Shenlang Edible Oil Co., Ltd	√	√	√	2003/12/1	80	√	√	√	√	Cooperation with farmers	√	√	√	√	0.4	6.7	1.5	√	2014/12/31
6		Ninghua	Ninghua State-owned Ecological Forestry Co., Ltd	√	√	√	2012/7/12	5	√	√	√	√	Cooperation with village committee	√	√	NA	√	NA	NA	NA	NA	2014/12/31
7			Fujian Ninghua County Ninghua Science and Technology Co., Ltd	√	√	√	2004/2/18	7.7	√	√	√	√	Cooperation with farmers	√	√	√	√	1.0	9.5	1.5	√	2015/5/30
8			Fujian Chunhui Tea Co., Ltd	√	√	√	2001/6/1	50	√	√	√	√	Cooperation with farmers	√	√	√	√	0.6	10.7	1.0	√	2014/12/31
9			Fujian Cuiyun Tea Co., Ltd	√	√	√	1905/6/28	16	√	√	√	√	NA	√	√	√	√	0.8	3.4	1.5	√	2014/12/31
10			Fujian Jinxi Tea Co., Ltd	√	√	√	2010/12/1	5	√	√	√	√	Cooperation with farmers	√	√	NA	√	0.3	(3515.4)	2.3	√	2014/12/31
11			Fujian Houde Agro-forestry Ecological Co., Ltd	√	√	√	2012/12/2	5	√	√	√	√	√	Cooperation with village committee	√	√	NA	√	0.8	(10433.1)	12.5	√
12	Longyan	Yongding	Longyu Ecological Industry Development Co. Ltd	√	√	√	2014/3/1	10	√	√	√	√	Cooperation with village committee	√	√	NA	√	NA	NA	NA	NA	2014/12/31
13		Xinluo	Longyan Greenland Ecological Agriculture Development Co. Ltd	√	√	√	2013/7/12	10	√	√	√	√	Public service	√	√	NA	√	NA	NA	NA	NA	2014/12/31
14	Zhangzhou	Pinghe	Fujian Xinghe Investment Development Co. Ltd	√	√	√	2012/3/16	200	√	√	√	√	Public service	√	√	NA	√	NA	NA	NA	NA	2014/12/31
15		Zhangpu (Hua'an)	Fujian Hongsheng Gardening Co. Ltd	√	√	√	2009/6/1	60	√	√	√	√	NA	√	√	√	√	0.1	47.8	6.4	√	2013/12/31
16	Ningde	Fu'an	Fujian Farms Agribusiness Tea Co. Ltd.	√	√	√	1997/4/15	10	√	√	√	√	Cooperation with farmer cooperative	√	√	NA	√	0.1	(1359.2)	5.21	√	2015/5/31
17		Jiaocheng	Fujian Lvvin Agriculture Co., Ltd	√	√	√	2008/4/1	13.06	√	√	√	√	Cooperation with village committee	√	√	NA	√	0.7	19.4	3.4	√	2014/12/31
18		Zherong	Fujian Jianye Agro-forestry Comprehensive Investment Co. Ltd	√	√	√	2006/3/28	92	√	√	√	√	NA	√	√	√	√	0.4	3.7	2.3	√	2014/12/31
19		Dongqiao	Ningde Qilongxiang Agriculture Co. Ltd	√	√	√	1996/7/4	16	√	√	√	√	Cooperation with farmer cooperative	√	√	√	√	0.4	3.3	1.9	√	2014/12/31
Total	5	13	19	9	10																	

NA = Not applicable

NA=Not applicable;

Financial indicators are calculated from the PPEs' financial statement (showing in the Remark).

Negative debt service coverages of Fujian Jinxi Tea Co., Ltd, Fujian Houde Agro-forestry Ecological Co., Ltd and Fujian Farm Business Tea Co., Ltd are caused by interest earning of PIUs' bank deposit which is more than its interest payment. These 3 PIUs had no any liabilities in 2014.

ANNEX 3: SUBPROJECT DETAILED ACTIVITIES

Table 1: Subproject Crops and Land Area

Project Municipality	Project county (District, county -level city)	Name of PIU	Nature of PIU		Land application											
			SOE	PPE	Slope land				Valley floor land							Total
					Tea Garden	Tea oil camellia	Pomelo garden	Sub-total	Rice	Vegetable	Grassland	Chinese pearl barley	Lotus	Seedling nursery	Subtotal	
Nanping	Wuyishan	Wuyishan Zhuzi Ecological Agriculture Co., Ltd	√		2,000			2,000	10,000				3,000		13,000	15,000
	Guangze	Fujian Zhengyuan Ecological Food Town Co., Ltd	√		6,657			6,657	361						361	7,018
Sanming	Datian	Fujian Datian County Golden Phoenix Agricultural Development Co., Ltd	√		30,000	20,000		50,000	18,000						18,000	68,000
	Youxi	Youxi County Yangzhong Xingkaicheng Urban Construction Co., Ltd	√			10,198		10,198							-	10,198
		Youxi County Shenlang Edible Oil Co., Ltd		√		8,018		8,018						14.5	15	8,032.5
	Ninghua	Ninghua State-owned Ecological Forestry Co., Ltd	√			26,500		26,500							-	26,500
		Fujian Ninghua County Ninghua Science and Technology Co., Ltd		√		2,394		2,394							-	2,394
		Fujian Chunhui Tea Co., Ltd		√	3,454			3,454							-	3,454
		Fujian Cuiyun Tea Co., Ltd		√	2,499			2,499							-	2,499
		Ninghua Jinxi Tea Co., Ltd		√	3,700			3,700							-	3,700
		Fujian Ninghua County Houde Agro-forestry Ecological Co., Ltd		√		9,600		9,600							-	9,600
Longyan	Yongding	Longyan Municipality Longyu Ecological Industry Development Co. Ltd	√		3,592	5,565		9,157	8,395	608	4,140				13,143	22,300
	Xinluo	Longyan Municipality Greenland Ecological Agriculture Development Co. Ltd	√		1,200	1,820		3,020	14,008	2,064		2,690			18,762	21,782
Zhangzhou	Pinghe	Fujian Xinghe Investment Development Co. Ltd	√		10,079	6,328	12,691	29,098							-	29,098
	Zhangpu (Hua'an)	Fujian Hongsheng Gardening Co. Ltd		√	3,210	1,756		4,966						427	427	5,393
Ningde	Jiaocheng	Fujian Lvyin Agriculture Co., Ltd		√		4,460		4,460							-	4,460
	Zherong	Fujian Jianye Agro-forestry Comprehensive Investment Co. Ltd		√	3,200	11,500		14,700	500						500	15,200
	Dongqiao	Ningde Qilongxiang Agriculture Co. Ltd		√	6,000			6,000							-	6,000
	Fu'an	Fujian Farms Agribusiness Tea Co. Ltd.	√		8,000			8,000						500	500	8,500
5	13	19	9	10	83,591	108,139	12,691	204,421	51,264	2,672	4,140	2,690	3,000	941.5	64,708	269,128.5

Table 2: Subproject Irrigation, Drainage and Water Collection and Storage

S/N	Project Municipality	Project county (District, county -level city) County	Project Implementing Unit	Weir (No.)	Pond	Water collection tank	Water supply engineer	Drainage ditches and irrigation channels						Piped irrigation (mu)	Sprinkler irrigation (mu)	Drip irrigation and/or micro-irrigation (mu)
					No.	No.	Channel (km)	Open ditches (km)	Pump station	Farm bridge	Culvert	Drainage canals (km)	Water interpreting ditches (km)			
1	Nanping	Wuyishan	Wuyishan Zhuzi Ecological Agriculture Co., Ltd				6.295			5		4.555				
2		Guangze	Fujian Zhengyuan Ecological Food Town Co., Ltd	1		27			1			5.604	7.681		5679	978
3	Sanming	Datian	Fujian Datian County Golden Phoenix Agricultural Development Co., Ltd	13	5	180	43	14.74	40			36.97		5000	8500	
4		Youxi	Youxi County Yangzhong Xingkaicheng Urban Construction Co., Ltd			300	32			10		15	25	10198		
5			Youxi County Shenlang Edible Oil Co., Ltd			300	22			4		12				
6		Ninghua	Ninghua State-owned Ecological Forestry Co., Ltd			240						30		24105		2395
7			Fujian Ninghua County Ninghua Science and Technology Co., Ltd			54						11.55		763		651
8			Fujian Chunhui Tea Co., Ltd			103						9		2094	1360	
9			Fujian Cuiyun Tea Co., Ltd	1	9	44										1280
10			Ninghua Jinxi Tea Co., Ltd			3		4	1			4				
11			Fujian Ninghua County Houde Agro-forestry Ecological Co., Ltd											9600		
12	Longyan	Yongding	Longyan Municipality Longyu Ecological Industry Development Co. Ltd		8	55	26.3	6.8	4		6			5565	3592	608
13		Xinluo	Longyan Municipality Greenland Ecological Agriculture Development Co. Ltd		3	24	23.568	35		6	34	1.375		2920	100	200
14	Zhangzhou	Pinghe	Fujian Xinghe Investment Development Co. Ltd			2910						74.76			10079	19019
15		Zhangpu (Hua'an)	Fujian Hongsheng Gardening Co. Ltd			12	1.43		1			2.812			2287	
16	Ningde	Fu'an	Fujian Farms Agribusiness Tea Co., Ltd	8	1	90	6.6	9.1	10			14.56			500	8000
17		Jiaocheng	Fujian Lvyin Agriculture Co., Ltd			40		5				13.38		1960	2500	
18		Zherong	Fujian Jianye Agro-forestry Comprehensive Investment Co. Ltd	5	2	60		5.045			25	15.72		8050	2560	
19		Dongqiao	Ningde Qilongxiang Agriculture Co. Ltd			160								4000		
			Total	28	28	4,602	161.19	79.69	57	25	65	251.29	32.681	74,255	37,157	33,131

Table 3: Subproject farm access road infrastructure and forestry

S/N	Project Municipality	Project county (District, county - level city) County	Project Implementing Unit	Tractor road (km)		Farmland access road (km)	Farm road (km)	Farmland prevention engineering	Farmland forest network engineering	
				<4m	>4m			Dike and embankment protection (km)	Terrace protection shelter forest	Road Shelter forest
1	Nanping	Wuyishan	Wuyishan Zhuzi Ecological Agriculture Co., Ltd	6.914	14.978	3.5		4.25		62500
2		Guangze	Fujian Zhengyuan Ecological Food Town Co., Ltd	9.001		14.389	1.347		60000	
3	Sanming	Datian	Fujian Datian County Golden Phoenix Agricultural Development Co., Ltd	204.00				0.94	150000	
4		Youxi	Youxi County Yangzhong Xingkaicheng Urban Construction Co., Ltd	30.59			30.594		48000	
5			Youxi County Shenlang Edible Oil Co., Ltd	24.00			24		37400	
6		Ninghua	Ninghua State-owned Ecological Forestry Co., Ltd	79.50		40				
7			Fujian Ninghua County Ninghua Science and Technology Co., Ltd	7.18		2.394				
8			Fujian Chunhui Tea Co., Ltd	10.36		7				20724
9			Fujian Cuiyun Tea Co., Ltd	7.50		7.497			12495	
10			Ninghua Jinxi Tea Co., Ltd	6.00		5	5			
11			Fujian Ninghua County Houde Agro-forestry Ecological Co., Ltd	10.80						
12	Longyan	Yongding	Longyan Municipality Longyu Ecological Industry Development Co. Ltd	66.90				4.3	27825	
13		Xinluo	Longyan Municipality Greenland Ecological Agriculture Development Co. Ltd	50.10		24.968		17.5	44500	
14	Zhangzhou	Pinghe	Fujian Xinghe Investment Development Co. Ltd	74.46			77.01		100790	49640
15		Zhangpu (Hua'an)	Fujian Hongsheng Gardening Co. Ltd	16.70	1.86	14.432			188708	
16	Ningde	Fu'an	Fujian Farms Agribusiness Tea Co., Ltd	17.06		35.074				
17		Jiaocheng	Fujian Lyin Agriculture Co., Ltd	13.38		13.38			15000	2500
18		Zherong	Fujian Jianye Agro-forestry Comprehensive Investment Co. Ltd	45.18		30.68				
19		Dongqiao	Ningde Qilongxiang Agriculture Co. Ltd	12.00		12			6000	6000
			Total	691.63	16.84	210.31	137.95	26.99	690,718	141,364

Table 4: Subproject sustainable farming activities

S/N	County	Project Implementing Units	Soil Improvement, Water and Soil Erosion Control	Balanced Fertilization	Organic Fertilizer	Pest Prevention and Control	Demonstration of New Variety of Crops	Seedling nursery	Green food	Organic food	Intercropping
1	Wuyishan	Wuyishan Zhuzi Ecological Agriculture Development Co., Ltd	√	√	√		√		√	√	
2	Guangze	Fujian Zhengyuan Ecological Food Town Co., Ltd	√	√	√	√	√		√	√	
3	Datian	Fujian Datian County Golden Phoenix Agricultural Development Co., Ltd	√	√	√	√	√		√	√	
4	Youxi	Youxi County Yangzhong Xinkaicheng Urban Construction Co., Ltd	√		√	√				√	√
5		Youxi County Shenlang Edible Oil Co., Ltd	√		√	√		√		√	√
6	Ninghua	Ninghua State-owned Ecological Forestry Co., Ltd	√	√		√	√				√
7		Fujian Ninghua County Ninghua Science and Technology Co., Ltd	√	√		√	√		√	√	
8		Fujian Chunhui Tea Co., Ltd	√			√	√				√
9		Fujian Cuiyun Tea Co., Ltd	√		√	√	√		√	√	√
10		Fujian Jinxi Tea Co., Ltd	√	√		√	√				√
11		Fujian Houde Agro-forestry Ecological Co., Ltd	√		√	√	√		√	√	√
12	Yongding	Longyu Ecological Industry Development Co. Ltd	√	√	√	√	√	√		√	√
13	Xinluo	Longyan Greenland Ecological Agriculture Development Co. Ltd	√	√	√	√	√		√	√	√
14	Pinghe	Fujian Xinghe Investment Development Co. Ltd	√	√	√	√	√		√	√	√
15	Hua'an	Fujian Hongsheng Gardening Co. Ltd	√	√		√	√	√	√	√	√
16	Fu'an	Fujian Farms Agribusiness Tea Co., Ltd	√	√	√	√	√	√		√	√
17	Jiaocheng	Fujian Lvyin Agriculture Co., Ltd	√	√	√	√	√		√	√	√
18	Zherong	Fujian Jianye Agro-forestry Comprehensive Investment Co. Ltd	√		√	√	√		√	√	√
19	Dongqiao	Ningde Qilongxiang Agriculture Co. Ltd	√		√	√	√		√	√	√