



Technical Assistance Report

Project Number: 54026-001
Knowledge and Support Technical Assistance Cluster (C-KSTA)
October 2020

People's Republic of China: Strengthening Capacity, Institutions, and Policies for Enabling High-Quality, Green Development in the Yellow River Ecological Corridor

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CURRENCY EQUIVALENTS

(as of 30 September 2020)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1467
\$1.00	=	CNY6.8160

ABBREVIATIONS

ADB	–	Asian Development Bank
EARD	–	East Asia Department
PRC	–	People's Republic of China
TA	–	technical assistance
YREB	–	Yangtze River Economic Belt
YREC	–	Yellow River Ecological Corridor

NOTE

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

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CONTENTS

	Page
KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	1
III. JUSTIFICATION FOR CLUSTER MODALITY	4
IV. THE TECHNICAL ASSISTANCE CLUSTER	4
A. Impact, Outcome, and Outputs	4
B. Cost and Financing	5
C. Implementation Arrangements	6
V. THE PRESIDENT'S DECISION	7
APPENDIXES	
1. Design and Monitoring Framework	8
2. Subproject Descriptions	10

KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 54026-001
Project Name	Strengthening Capacity, Institutions, and Policies for Enabling High-Quality, Green Development in the Yellow River Ecological Corridor	Department/Division EARD/EAER
Nature of Activity	Capacity Development, Policy Advice, Research and Development	Executing Agency National Development and Reform Commission
Modality	Cluster	
Country	China, People's Republic of	
2. Sector		ADB Financing (\$ million)
✓ Agriculture, natural resources and rural development	Agricultural policy, institutional and capacity development	0.64
	Agricultural production	0.42
	Land-based natural resources management	0.44
	Water-based natural resources management	0.44
	Total	1.94
3. Operational Priorities		Climate Change Information
✓ Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum) 0
✓ Accelerating progress in gender equality		Climate Change impact on the Project Low
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		ADB Financing
✓ Promoting rural development and food security		Adaptation (\$ million) 0.00
✓ Strengthening governance and institutional capacity		Mitigation (\$ million) 0.00
		Cofinancing
		Adaptation (\$ million) 0.00
		Mitigation (\$ million) 0.00
Sustainable Development Goals		Gender Equity and Mainstreaming
SDG 2.4		Some gender elements (SGE) ✓
SDG 6.5		
SDG 12.2		
SDG 15.3		
SDG 16.6		
4. Risk Categorization Complex		Poverty Targeting
		General Intervention on Poverty ✓
5. Safeguard Categorization Safeguard Policy Statement does not apply		
6. Financing		
Modality and Sources		Amount (\$ million)
ADB		1.93
Knowledge and Support technical assistance: Technical Assistance Special Fund		1.93
Cofinancing		0.00
None		0.00
Counterpart		0.00
None		0.00
Total		1.93
Currency of ADB Financing: US Dollar		

I. INTRODUCTION

1. The knowledge and support technical assistance (TA) cluster will support the achievement of resilient ecological protection and high-quality development goals in the Yellow River basin in the People's Republic of China (PRC). The TA cluster will design and implement approaches to support natural, human, social, and physical capitals required to enable high-quality, green development and ecological protection via (i) informing strategic institutional, policy and governance reforms on key development issues; (ii) demonstrating innovative technologies and integrated nature-positive solutions; and (iii) promoting knowledge sharing and strategic partnerships for multi-stakeholder and private sector engagement.

2. The TA cluster subprojects were developed on the request of the Government of the PRC. The TA cluster is aligned with the Asian Development Bank's (ADB) Strategy 2030's operational priorities¹ and the strategic operational focus of ADB's assistance to the PRC towards environmental protection, inclusive and sustainable growth with knowledge at the center of its operations.²

II. ISSUES

3. **Yellow River supports multipurpose development in a fragile human-nature system.** Granting its name from the "loess" fine-grained sediments coloring its waters, the Yellow River runs for 5,464 kilometers, from its source in Bayan Har mountains on the Tibetan Plateau to the Bohai sea. It is the second largest river in the PRC, after the Yangtze, and the sixth longest river in the world. The river covers a basin area of 752,400 square kilometers, crosses nine provinces, is home to around 150 million people.³ Agriculture output contributes to feeding about 12% of the PRC's population, irrigates about 15% of arable land, accounts for 8% of national gross domestic product,⁴ and supplies water to 66 prefectural-level cities and 340 counties. The river is an important ecological corridor and arterial connection among the Qinghai-Tibet plateau, the Loess plateau, and the Northern Plain, playing an irreplaceable role for national ecological, water, and food security. Considered one of the most hydrologically complex rivers in the world, its waters carry and deposit about 1.6 billion tons of sediments on the riverbed yearly. This generates the phenomenon of the "hanging river," with the bed reaching 10 meters above the adjacent plain in the downstream valley. Accounting for only 2% of the country's water resources, the region is severely water scarce and faces extreme climatic conditions, causing destructive droughts and floods.⁵ In the past 30 years, the total water resources have reduced by 13.4% (footnote 4). With permafrost ice in the Hindu Kush Himalayas region rapidly melting due to global warming,⁶ the Yellow River's long-term freshwater availability, vital for drinking water and socio-economic development in the basin,⁷ is highly under threat. The increase in frequency and intensity of devastating floods, destroying land and livelihoods, is an immediate and visible consequence of climate change impacts in the short-term. Water stress and scarcity have been further

¹ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

² ADB. 2016. *Country Partnership Strategy: People's Republic of China, 2016–2020—Transforming Partnership: People's Republic of China and Asian Development Bank*. Manila.

³ China Water Risk. 2020. [Greening the Yellow River for a Beautiful China](#).

⁴ Yellow River Conservancy Commission (YRCC), Ministry of Water Resources, People's Republic of China. Unpublished.

⁵ About 50 major floods have occurred during the last centuries, with 1,500 dike breaks and over 20 course changes. The 1997 drought recorded the largest number of zero-flow days (226 days). Wang et al. 2019, *Yellow River Water Rebalanced by Human Regulation*. <https://www.nature.com/articles/s41598-019-46063-5>.

⁶ The Hindu Kush Himalayas (HKH) region (the planet's "third pole") is the "water tower of Asia", source of 10 of the world's largest rivers, including the Ganges, Brahmaputra, Yellow, Mekong and Indus. Since the 1970s, about 15% of the ice in the HKH region has disappeared as temperature have risen. Intergovernmental Panel on Climate Change Special Report 2019 <https://www.ipcc.ch/srocc/>.

⁷ Nearly 40% of the Yellow River's flow generates from the Tibetan Plateau, home to the vast HKH ice sheet.

exacerbated due to extensive human development and associated land cover change and extreme soil erosion. Agriculture accounts for about 69.6% of total withdrawal and is the largest consumer of water in the basin. Water resources are further strained due to pollution from agricultural runoff, township and village enterprises, and rural and industrial wastewater discharged into the water streams. In terms of ecological security, more than three-fourths of the total basin area is defined as ecologically fragile.⁸

4. The Yellow River basin is an important economic hub for the PRC, but it has been facing ever increasing constraints to maintain its current economic function as well as striving to meet its sustainable development potential. Balancing economy, ecology, and community in the Yellow River basin is becoming more challenging which is often further compounded by climate change. The complex and integrated relationship between ecosystems, natural resources, climate change, biodiversity, and human interaction is fragile, and imbalance can result in extreme situations such as the coronavirus disease pandemic. Balanced health of people, animals, and environment are important and crucial precursor for sustainable development. Investing in and promoting high productivity of natural, human, social, and physical capitals, as the building blocks for sustainable development, are crucial to enabling high-quality growth and ecological protection.

5. **Water underpins social and economic development.** Achieving water security, through balancing the resource as a human basic need and a socio-economic good, is the entry point for high-quality, green development and equitable growth across the basin and within the PRC. Despite progresses made in the last 20 years,⁹ complex development issues remain unaddressed and have contributed to ongoing severe pressures on the basin's ecology, including pollution and overexploitation of ecosystem services; inadequate provision of clean water supply and sanitation services posing the most vulnerable groups (i.e., urban poor, women, and elders) at risk of contracting water-borne diseases; and widening of rural-urban disparity in the less developed provinces. The underpinning causes can be grouped into three macro areas: (i) lack of strategic basin-wide scale planning, policy incoherence, poor coordination mechanisms across institutions and regions, compounded by lack of economic and financial incentives; (ii) untapped potential for innovation, skills development, and integrated approaches for sustainable and inclusive rural-urban development; and (iii) inadequate "knowledge spillover" of national, regional, and international best practices.

6. **Government strategy.** Recognizing these development challenges, the government has promoted its vision of "ecological civilization"¹⁰ to reinforce the symbiosis between economic development and environmental protection. Ongoing national programs such as the Yangtze River Economic Belt (YREB) Development Plan, Rural Vitalization Strategy, and the upcoming 14th Five-Year Plan (2021–2025) are the main pillars to keep shaping the PRC's objective for ecological civilization and overall green transformation. This form of green transformation has a stronger focus on high-quality development, people's broader well-being, innovation, urban-rural development cooperation, improved natural resources management and policy reforms for balancing environmental protection and economic growth. Yet, river basin management remains a development challenge due to the inherent complexity and need for integrated approaches that are multisectoral and inclusive. While the Yellow River basin has been earmarked as a

⁸ YRCC, Ministry of Water Resources, PRC. Unpublished.

⁹ The central government formulated and adopted a wide array of policy reforms and structural solutions, ranging from hard-infrastructure development for flood management and storage, to water pollution control, allocation, and price reforms. Compared to 2015, water quality in 2018 has improved by 5.2% and the proportion of level V (the worst water quality in the scale) water areas have decreased by 0.5% to 12.4%. The areas of forests and wetlands have also enlarged.

¹⁰ A. Hanson. 2019. Ecological Civilization in the People's Republic of China: Values, Action, and Future Needs. *ADB East Asia Working Paper Series*. No. 21. Manila: Asian Development Bank.

strategically important core region for supporting long-term sustained green development in the PRC,¹¹ the health of the river and its ecosystem need prompt action to enable the desired high-quality, green development in the PRC.

7. **Learning from the YREB programmatic approach and rural vitalization.** Building on over \$10 billion investment demonstration projects in the YREB during 2000–2015, ADB has historically played a catalytic role in the Yangtze River. In order to maximize its limited resources and institutional advantages, ADB set up the YREB programmatic approach (phase one 2017–2020) to support the PRC’s YREB Plan with cross-sector and knowledge-driven integrated projects.¹² The fundamental innovation of this approach is its geographic concept of “corridor” encompassing economic, social, and ecological multidimensional linkages. This is a step beyond traditional watershed management towards a more holistic protection of regional public goods. This approach was expanded to support the rural vitalization strategy¹³ and is ongoing both in the YREB and other regions.¹⁴ The core principles of these interventions provide highly relevant lessons for addressing the Yellow River basin’s complex development challenges. These include the adoption of a whole-of-ecosystem approach by planning across the basin; multi-stakeholder engagement to carefully identify and address impacts on communities and livelihoods; and the design of institutional frameworks to incentivize long-term financial sustainability for eco-compensation programs and facilitate creation of an enabling environment to achieve the desired social, economic, and environmental outcomes across the basin.¹⁵

8. Building on these lessons learnt,¹⁶ ADB is proposing a new programmatic approach to support the PRC to address the development challenges in the Yellow River basin.¹⁷ The Yellow River Ecological Corridor (YREC) program proposes to restore and enhance the basin’s ecological security by addressing the conflicting and competing demands for natural capital from all users, agriculture, urban, and industry, to reduce the resulting degradation of ecosystems and overuse of natural resources for more transformative high-quality, green development. The YREC approach will target three priority areas for ADB support: (i) institutional strengthening with governance and policy reforms; (ii) demonstrating innovative technologies through new models and integrated solutions; and (iii) deriving experiences and lessons learned to promote knowledge sharing and strategic partnership, including private sector engagement to scale up and sustain successful actions. These priorities will promote a comprehensive whole-of-ecosystem approach and integrated river basin management. The YREC program will be applied across sectors and thematic areas through a One-ADB multi-department approach focusing interventions on (i) natural capital and agro-ecological development (namely, water security, natural resources

¹¹ President Xi Jinping speech at the “Symposium on Ecological Protection and High-Quality Development in the Yellow River Basin” (September 2019), highlighted the focus on ecological protection, comprehensive management landscapes, water, forests, lakes, grasslands, and deserts to ensure the river’s long-term stability and promote high-quality development in the whole basin from mountains to sea.

¹² The YREB programmatic approach focused on four strategic priority areas: (i) Ecosystem restoration, environmental protection, and management of water resources; (ii) Green and inclusive industrial development; (iii) Integrated multimodal corridor; (iv) Institutional strengthening and policy reform. ADB invested an indicative budget of \$2 billion.

¹³ ADB support to rural vitalization was formalized through a memorandum of understanding signed with the PRC government PRC (29 August 2018) and focuses on environmental and natural resource security, rural wastewater and solid waste management, sustainable and resilient modern agriculture, rural economy development, integrated rural-urban development, and rural social development. ADB with other development partners are investing about \$6 billion.

¹⁴ ADB. 2019. *Preparing Environmental and Rural Development Projects*. Manila. and ADB. 2019. *Policy Research on Ecological Protection and Rural Vitalization for Supporting Green Development in the YREB*. Manila.

¹⁵ China Council for International Cooperation on Environment and Development (CCICED). [Ecological Compensation and Green Development Institutional Reform in the YREB, Research Report, Special Policy Study \(SPS\) Team](#).

¹⁶ ADB. 2020. [Enabling Positive Growth in the People’s Republic of China’s Yangtze River Economic Belt and Beyond, Case Study](#). Manila.

¹⁷ J. Lynch. 2020. *Yellow River Can Lead the Way to Greener Recovery*. China Daily. 6 September.

management and biodiversity conservation; land-use management; sustainable and resilient modern agriculture; integrated rural-urban development and eco-tourism); (ii) urban development through resilient livable cities; (iii) emerging social issues, education, elderly care, health security and social protection; (iv) low-carbon high-technology infrastructure; (v) sustainable financing and finance sector reform; and (vi) private sector engagement and public sector reform. This TA's knowledge work will inform the upcoming YREC program, currently under design with broader interdepartmental engagement.

9. **ADB value addition in supporting strategic policy reforms, scaling innovation, and facilitating knowledge spillover.** This TA is the first to support the YREC program and is a flagship for PRC-ADB cooperation and partnership,¹⁸ building on the lessons learnt from the broad-based ADB assistance in the YREB and rural vitalization (footnotes 12 and 13). Maximizing high-quality, green development and resilient ecological protection impacts in the Yellow River requires systems-thinking. Strengthening the institutional capacity, policy reforms and governance will facilitate coherence and better incentives to generate social, economic, and ecological co-benefits in the longer-term. Scaling innovation can improve system management and respond to client needs more efficiently while reaching the last mile. Integrated models promoting rural-urban linkages and zero-waste green initiatives is beneficial for the economy, the environment and people's well-being. Strategic partnerships and multi-stakeholder platforms have the potential to leverage private finance and promote nature-positive recovery approaches as a long-term response to the coronavirus disease pandemic. Knowledge services are paramount to inform high-quality investments and multi-sector approaches.

III. JUSTIFICATION FOR CLUSTER MODALITY

10. The TA cluster modality is the most relevant and efficient and comprehensive way to deliver the proposed solutions with a holistic approach. This modality will provide the required technical assistance to meet the PRC-ADB's strategic and development priorities by maximizing impacts under a limited budget environment, with complementary support for future ADB investments. Also, the TA cluster will support strategic priority needs linked to ADB lending and non-lending programs and leverage additional co-financing resources from ADB and external trust funds, enabling greater knowledge sharing within and beyond the cluster's subprojects. Due to limited budget resources the first phase of the TA cluster will address the sector and thematic priorities for rural development and vitalization and ecosystem restoration, environmental protection, and integrated water resources management. Subproject descriptions are provided in Appendix 2. Additional subprojects may be added to the TA cluster when financing resources are available to support complementary interventions and enable policy and regulatory frameworks across multiple sectors and thematic areas to deliver development solutions aligned with the other YREC sector and thematic priorities.

IV. THE TECHNICAL ASSISTANCE CLUSTER

A. Impact, Outcome, and Outputs

11. The TA cluster is aligned with the following impact: resilient ecological protection and security in the Yellow River basin achieved.¹⁹ The TA cluster will have the following outcome: high-quality, green development opportunities in the Yellow River basin increased.

¹⁸ ADB. 2018. *A Partnership Transformed: Three Decades of Cooperation between the Asian Development Bank and the People's Republic of China in Support of Reform and Opening Up*. Manila.

¹⁹ The design and monitoring framework is in Appendix 1.

12. **Output 1: Policy advice on strategic institutional, policy and governance reforms on key Yellow River development issues finalized.** Output 1 will support the development of an enabling environment by proposing improved policies, regulations, and incentive mechanisms. Institutional frameworks and strengthening for effective high-quality, green development, including environmental protection, finance, and social dimensions, in the Yellow river will be designed through subprojects.

13. **Output 2: Innovative technologies, approaches, and nature-positive solutions to address development constraints in the Yellow River basin proposed.** Output 2 will assess the feasibility of digital technology tools, including innovative modelling tools, system management platforms, and e-commerce, as well as new technology and approaches for sector development including waste, wastewater and sanitation management, pollution control, financial sector reform and social services. This output will prepare roadmaps to pilot and scale up relevant technologies, approaches, and solutions.

14. **Output 3: Knowledge sharing, strategic partnerships for multi-stakeholder and private sector engagement with nature-positive recovery approaches enhanced.** Output 3 will support preparation of high-quality knowledge products to advance policy dialogue and develop external partnerships including with private sector and civil society, such as policy briefs, case study reports, op-eds, and multimedia contents to share lessons learnt in the Asia-Pacific region and promote the PRC's best practices as a model to protect regional public goods. Strategic collaborations through regional²⁰ and international platforms²¹ will be consolidated under the Natural Capital Lab (footnote 21), which will expand opportunities and serve as an important knowledge transfer hub for sharing of lessons from the TA Cluster and for innovations both to the subprojects and to the Asia Pacific region

15. Knowledge sharing will be coordinated within the subprojects and the TA cluster through the overarching YREC program, with the East Asia Regional Department (EARD) providing oversight and guidance to all knowledge activities. A One-ADB approach will be applied to build on ADB knowledge strengths through the Sustainable Development and Climate Change Department thematic and sector groups and the Department of Communications to enable cross regional department coordination and cooperation for wide scale dissemination to ADB's developing member countries.

B. Cost and Financing

16. The TA cluster is estimated to cost \$2.18 million, of which \$1.93 million will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). Detailed cost estimates and financing arrangements will be presented in each TA subproject proposal submitted for approval. During TA implementation additional financing resources will be identified for cofinancing and will be mobilized to support ongoing TA subproject activities or additional TA subprojects. Cofinancing will be sought to enhance knowledge dissemination and capacity building to further complement output 3 and contribute to regional knowledge sharing.²²

²⁰ Regional Knowledge Sharing Initiative <http://rksi.org/>.

²¹ Through the establishment of a Natural Capital Lab as a regional digital platform for sharing knowledge and building partnerships in the Asia-Pacific region. Central Asia Regional Economic Cooperation and Greater Mekong Subregion are potential knowledge sharing targets to enhance exchanges on integrated river basin management to balance high-quality development and environmental protection. The platform is expected to be launched in May 2021 during the 15th conference of the parties (COP15) of the Conference on Biological Diversity (CBD).

²² The PRC Poverty Reduction and Regional Cooperation Fund (PRCF) was identified as a possible cofinancing source to establish the Natural Capital Lab.

17. For each TA subproject, the government will provide counterpart support in the form of remuneration and travel expenses of counterpart staff, domestic transportation, available relevant government data and studies for the TA consultants' use, office accommodation and facilities, including use of meeting rooms, administrative assistance, and other in-kind contributions.

C. Implementation Arrangements

18. The Environment, Natural Resources, and Agriculture Division of ADB's EARD will administer, coordinate implementation and monitor TA measures to assess accomplishment towards TA objectives and enhance knowledge capture and dissemination for the TA cluster. The National Development and Reform Commission, the leading agency for strategic development in the PRC, will be the executing agency. It will play a leading role to support knowledge sharing and coordinate with ADB for alignment of ADB lending and non-lending assistance in the Yellow River. Each TA subproject proposal will be submitted for approval to the Director General, EARD, in accordance with the business process for knowledge and support TA cluster processing. Subproject activities will start only after approval.

Table 1: Implementation Arrangements for the Technical Assistance Cluster

Aspects	Arrangements		
Indicative implementation period for the TA cluster	November 2020–November 2023		
Executing agency	National Development and Reform Commission		
Implementing agencies	Subproject 1: Yellow River Conservancy Commission, Ministry of Water Resources Subproject 2: Foreign Economic Cooperation Office, Ministry of Ecology and Environment Subproject 3: Foreign Economic Cooperation Center, Ministry of Agriculture and Rural Affairs Subproject 4: Department of Regional Revitalization, National Development and Reform Commission Subproject 5: Bureau of Forest and Grassland Department Subproject 6: Qinghai Engineering Consulting Center, Qinghai Province Subproject 7: Agriculture, Animal Husbandry, Water Conservancy Science and Technology Bureau of Haiyan County, Qinghai Province		
Consultants	Package title	Selection method	Engaged by
	To be determined by each subproject	QCBS or individual consultant selection	ADB
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		

ADB = Asian Development Bank, QCBS = quality- and cost-based selection, TA = technical assistance.

^a Lump sum payments/output-based contracts and framework consultant agreements if required will be considered for consulting services under this TA.

Source: Asian Development Bank.

19. **Subprojects.** The TA cluster will be implemented in multiple phases with the first phase through seven subprojects (Appendix 2). Each subproject will be designed to support the achievement of the cluster outputs (paras. 12–14) as and when needed during the implementation period.²³

²³ Detailed implementation arrangements, including consultant terms of reference, will be presented in each subproject report processed under the cluster.

Table 2: Indicative Implementation Period and Budget Allocation for Subprojects

Item	Subproject Title	Implementation Period	Budget (\$'000)
Subproject 1	Strategic Research of Promoting Ecological Protection and High-Quality Development in the Yellow River Basin through Economic and Intensive Water Use	December 2020–December 2023	300
Subproject 2	Developing Legislative and Planning Mechanisms for Ecological Protection in the Yellow River Basin	December 2020–December 2023	300
Subproject 3	Green Farmland Construction and Agricultural High-Quality Development in the Yellow River Basin	November 2020–December 2023	300
Subproject 4	Yellow River Eco-Compensation Mechanism	November 2020–December 2023	258
Subproject 5	Ecological Evaluation and Compensation Mechanism in Kubuqi Desert	December 2020–December 2023	258
Subproject 6	Research on Comprehensive Management Planning Policy of Huangshui Basin in Qinghai Province	December 2020–December 2023	258
Subproject 7	Study on the Planning and Policy of Comprehensive Ecological Control of the Source of Huangshui River in Haiyan County	December 2020–December 2023	258

Source: Asian Development Bank.

20. **Consulting services.** ADB will engage the consultants, which may be individuals or firms, both national and international, with use of framework consultant agreements if required. Recruitment of firms will be via the quality- and cost-based selection method with a 90:10 quality-cost ratio. The consultants will be engaged in accordance with the ADB Procurement Policy (2017, as amended from time to time) and the associated procurement staff instructions. The estimated cost and requisite fields of expertise will be finalized prior to the approval of each TA subproject in consultation with the government during follow-up missions.

21. **ADB's procurement.** Detailed implementation arrangements of ADB procurement will be finalized prior to approval of each TA subproject in consultation with the government during follow-up missions. Procurement will follow the ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

V. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,932,000 on a grant basis to the Government of the People's Republic of China for Strengthening Capacity, Institutions, and Policies for Enabling High-Quality, Green Development in the Yellow River Ecological Corridor, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned with Resilient ecological protection and security in the Yellow River basin achieved (PRC's Outline of the Rural Vitalization Plan, 2018–2022; ADB Strategy 2030) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>Outcome High-quality, green development opportunities in the Yellow River basin increased.</p>	<p>By 2024: a. Innovative solutions incorporating TA recommendations were accepted for implementation in \$2.4 billion of ADB loan and grant operations in the Yellow River basin (2020 baseline: 0)</p>	<p>Government announcements, publications, and reports</p> <p>Relevant ADB reports such as COBP, RRP, and TCRs</p>	<p>A: Change in government priorities may prevent the government from taking timely and well-coordinated necessary actions.</p>
<p>Outputs</p> <p>1. Policy advice on strategic institutional, policy and governance reforms on key Yellow River development issues finalized.</p> <p>2. Innovative technologies, approaches, and nature-positive solutions to address development constraints in the Yellow River basin proposed.</p> <p>3. Knowledge sharing, strategic partnerships for multi-stakeholder and private sector engagement with nature-positive recovery approaches enhanced.</p>	<p>By 2023: 1a. At least seven diagnostic sector (and subsector) assessments covering (i) legal, regulatory and policy frameworks; (ii) institutional and capacity status; (iii) financial and economic issues; and (iv) private sector issues produced (2020 baseline: 0) 1b. At least seven sets of policy, institutional and capacity building recommendations for Yellow River development prepared (2020 baseline: 0)</p> <p>2a. At least seven innovative solutions proposed. (2020 baseline: 0) 2b. At least seven road maps prepared to pilot proposed solutions (2020 baseline: 0)</p> <p>3a. At least 21 knowledge products sharing experiences and lessons from the TA cluster subprojects prepared and published (2020 baseline: 0) 3b. At least 80% of participants in training programs, tour or event activities and webinars have</p>	<p>1a.–1b. Subproject TA progress reports</p> <p>1b. Government announcement and publication</p> <p>2a.–2b. Subproject TA progress reports</p> <p>3a. Published knowledge products (including reports, policy briefs, blogs, op-eds)</p> <p>3a.–3b. Subproject TA progress reports</p> <p>3b. Training, study tour, event reports and</p>	<p>A: Aligning priorities and policies for environmental protection with development and economic growth leads to conflicting interests.</p>

	improved understanding of lessons and findings from TA cluster subprojects; at least two strategic partnerships launched (2020 baseline: 0)	participant feedback survey administered after training, study tour, or event/webinar activities.	
<p>Key Activities with Milestones</p> <p>1. Policy advice on strategic institutional, policy and governance reforms on key Yellow River development issues finalized</p> <p>1.1 Conduct diagnostic studies to assess strengths, opportunities, and remaining challenges for Yellow River Basin development (Q4 2020–Q2 2023)</p> <p>1.2 Identify and assess key policies and existing guidelines, instruments, and mechanisms, including frameworks for private sector participation to identify existing bottle necks and constraints (Q4 2020–Q2 2023)</p> <p>1.3 Make recommendations for improved policies, coordination, and consistency of existing programs, including measures for supporting long-term funding (Q3 2021–Q3 2023)</p> <p>2. Innovative technologies, approaches, and nature-positive solutions to address development constraints in the Yellow River basin proposed</p> <p>2.1 Assess potential technologies, approaches and solutions and prepare report (Q4 2020–Q2 2023)</p> <p>2.2 Prepare the road map describing the high-level action plan for (i) technical issues; (ii) legal, regulatory, and policy frameworks; (iii) institutional and capacity status; and (iv) commercial, financial, and economic issues from the TA cluster subprojects (Q2 2021–Q3 2023)</p> <p>3. Knowledge sharing, strategic partnerships for multi-stakeholder and private sector engagement with nature-positive recovery approaches enhanced</p> <p>3.1 Conduct a series of study tours and training programs aligned with the TA cluster subproject activities for local officials and include participatory and stakeholder engagement elements to improve program quality and effectiveness and support partnerships (Q2 2021–Q3 2023)</p> <p>3.2 Facilitate knowledge sharing and dissemination through events such as workshops, seminars participation at conferences, including knowledge sharing among DMCs (Q2 2021–Q3 2023)</p> <p>3.3 Prepare knowledge products with knowledge dissemination plans to share knowledge from TA cluster subproject activities and outputs (Q2 2021–Q3 2023)</p>			
<p>Inputs</p> <p>ADB: \$1.932 million (TASF-Others)</p> <p>Note: For each TA cluster subproject, the government and the respective implementing agency will provide counterpart support in the form of remuneration and travel expenses of counterpart staff, domestic transportation, available relevant government data and studies for the TA consultants' use, office accommodation and facilities, including use of meeting rooms, administrative assistance, and other in-kind contributions. This counterpart support is estimated to account for 15% of each TA cluster subproject cost.</p>			
<p>Assumptions for Partner Financing</p> <p>Not Applicable</p>			

ADB = Asian Development Bank, COBP = country operations business plan, DMC = developing member countries, MOU = memorandum of understanding, RRP = report and recommendation of the President, TA = technical assistance, TCR = technical assistance completion report.

Note: Contribution to Strategy 2030 Operational Priority indicators to be determined under each subproject.

^a Government of the People's Republic of China. 2018. *Outline of the Rural Vitalization Plan, 2018–2022*. Beijing and ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

Contribution to Strategy 2030 Operational Priorities:

All OP indicators to which this TA will contribute results will be detailed in the individual subprojects.

Source: Asian Development Bank.

SUBPROJECT DESCRIPTIONS

Subproject 1	Strategic Research of Promoting Ecological Protection and High-Quality Development in the Yellow River Basin through Economic and Intensive Water Use
Indicative outputs and activities	<ol style="list-style-type: none"> 1. Water sector assessment in Yellow River basin conducted: Integrated river basin (Hydro-meteorological, climate change, land use etc.) modelling, demand-supply analysis; institutional and policy gaps assessment. 2. Strategic directions recommended: Soil and water conservation measures, water efficiency improvement measures, water trading and other business models, water stewardship. 3. Capacity of Yellow River Conservancy Commission enhanced: Skills development, stakeholder participation, institutional capacity development, knowledge sharing.
Indicative implementation arrangements	Yellow River Conservancy Commission, Ministry of Water Resources
Implementation schedule	December 2020–December 2023
Subproject 2	Developing Legislative and Planning Mechanisms for Ecological Protection in the Yellow River Basin
Indicative outputs and activities	<ol style="list-style-type: none"> 1. Ecological and environmental legal framework for the Yellow River Protection proposed 2. Policy integration and institutional coordination for the implementation of the Yellow River Basin Master Plan recommended
Indicative implementation arrangements	Foreign Economic Cooperation Office, Ministry of Ecology and Environment
Implementation schedule	December 2020–December 2023
Subproject 3	Green Farmland Construction and Agricultural High-Quality Development in the Yellow River Basin
Indicative outputs and activities	<p>The TA proposes to set forward a sustainable development pathway for the agriculture sector in the Yellow River Basin. TA outputs are:</p> <ol style="list-style-type: none"> 1. Evaluate the current situation to identify constraining factors related to green farmland construction and agricultural green high-quality development. 2. Provide recommendations for institutional, technical, policy and regulatory framework for green farmland construction in the Yellow river basin to promote high-quality development of regional agriculture. 3. Prepare a conceptual framework to guide future development and investment in the agriculture sector for the Yellow River basin.
Indicative implementation arrangements	Foreign Economic Cooperation Center, Ministry of Agriculture and Rural Affairs
Implementation schedule	November 2020–December 2023

Subproject 4	Yellow River Eco-Compensation Mechanism
Indicative outputs and activities	<ol style="list-style-type: none"> 1. Eco-compensation policy framework developed, integrating a market-based water rights trading system for addressing: (i) comprehensive water conservation, (ii) soil conservation, and (iii) overall ecological and biodiversity protection through a whole of ecosystem approach from source to sea. 2. Capacity building and training on best practice watershed management and application of eco-compensation and payment for ecosystem services approaches for basin-wide environmental protection and institutional coordination across ministries and provinces.
Indicative implementation arrangements	Department of Regional Revitalization, National Development and Reform Commission. A project leading group chaired by the Ecological Rehabilitation Division will provide oversight, ensure coordination, and provide guidance to subproject preparation and implementation.
Implementation schedule	November 2020–December 2023
Subproject 5	Ecological Evaluation and Compensation Mechanism in Kubuqi Desert
Indicative outputs and activities	<ol style="list-style-type: none"> 1. Prepare an overview of international and national framework and methodology on the valuation of ecological assets and public infrastructure and organize an international training workshop. 2. Conduct a case study on the cost-benefits of the Kubuqi model of industry-based eco-restoration for its sustainability and replication in Central Asian countries. 3. Develop government compensation principles, policies, mechanism, and accounting tools for the public goods of large-scale ecosystem restoration led by the private sector. 4. Share project results at the high level Kubuqi Desert Forum.
Indicative implementation arrangements	Bureau of Forest and Grassland Department
Implementation schedule	December 2020–December 2023
Subproject 6	Research on Comprehensive Management Planning Policy of Huangshui Basin in Qinghai Province
Indicative outputs and activities	<ol style="list-style-type: none"> 1. Review relevant national and provincial policies on water environmental protection and comprehensive remediation. 2. Make the policy planning based on the development goals of the integrated river basin management. 3. Develop the direction in combination with the actual situation, and policy recommendations for the implementation of comprehensive management of the Huangshui River basin. 4. Enhance the capacity of Huangshui River basin (Qinghai Province) in policy planning and management of ecological protection project.
Indicative implementation arrangements	Qinghai Engineering Consulting Center, Qinghai Province
Implementation schedule	December 2020–December 2023

Subproject 7	Study on the Planning and Policy of Comprehensive Ecological Control of the Source of Huangshui River in Haiyan County
Indicative outputs and activities	<ol style="list-style-type: none"> 1. Report on comprehensive approach to ecological protection of the Huangshui River source area. 2. Feasibility study report of investment for protection of ecology of the Huangshui River source. 3. Enhanced capacity of Haiyan County in planning and management of ecological protection project.
Indicative implementation arrangements	Agriculture and Animal Husbandry, Water Conservancy and Science and Technology Bureau of Haiyan County, Qinghai Province
Implementation schedule	December 2020–December 2023

Source: Asian Development Bank.