



ADB Project Document

# TA–9036: Strategy for Liaoning North Yellow Sea Regional Cooperation and Development

## Inception Report

August 2017

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We are grateful to Wang Lin and Zhang Bingnan for expert implementation support.

Special thanks to Edith Joan Nacpil and Zhuang Jian, for comments and insights.

Zhifeng Wang provide indispensable research assistance.

# **ASIAN DEVELOPMENT BANK**

Asian Development Bank

6 ADB Avenue, Mandaluyong City

1550 Metro Manila, Philippines

[www.adb.org](http://www.adb.org)

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April 2015

ISSN 2313-6537 (Print), 2313-6545 (e-ISSN)

Publication Stock No. WPSXXXXXX-X

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## **Abbreviations**

ADB – Asian Development Bank  
ASEAN – Association of Southeast Asian Nations  
CV – Curriculum Vitae  
DOF – Department of Finance  
EA – Executing Agency  
GHG – greenhouse gas  
IA – Implementing Agency  
ICT – information and communication technology  
ICTI – Internet Content, Technology, and Infrastructure  
JMEPA - Japan–Mongolia Economic Partnership Agreement  
LCEBDP - Liaoning Coastal Economic Belt Development Plan  
LPDF – Liaoning Province Department of Finance  
MDGs – Millennium Development Goals  
MOC - Ministry of Commerce  
MOFA - Ministry of Foreign Affairs  
NDRC - National Development and Reform Commission  
NEA – Northeast Asia  
NSCP – North-South Corridor Plan  
NSR – New Silk Road  
OBOR – One Belt One Road  
PFRIL - Provincial Financial Research Institute in Laioning  
PRC – People’s Republic of China  
RCI – Regional Cooperation and Integration  
SDGS – Sustainable Development Goals  
SME – small and medium-sized enterprise  
SOE – State Owned Enterprise  
TA – Technical Assistance Plan  
TIRC - Transports Internationaux Routiers Convention  
WTO – World Trade Organization

## **I. Executive Summary**

1. This Inception Report summarizes the objectives and general implementation strategy for ADB Technical Assistance project 9036, a Regional Cooperation and Integration (RCI) needs assessment, development strategy, and implementation action plan for Liaoning Province, People's Republic of China (PRC). The TA focuses on priorities for reducing barriers to trade, commerce, and investment with the rest of the PRC and with Northeast Asia generally. The overall objective of the project is to deliver a roadmap for Liaoning Province to implement its obligations under a variety of PRC national, regional, and global economic initiatives. In the first phase of the project, an Inception Workshop was held to agree on the issues to be covered, the direction and implementation arrangements of the project (including work plan, deadlines of deliverables, and coordination arrangements). These are all covered in the present document.

## **II. Introduction**

### **A. Project Background**

2. Liaoning Province is a gateway to Northeast Asia, including the Jilin and Heilongjiang provinces, part of Inner Mongolia, and beyond PRC borders to other Northeast Asian economies. Because of these geographic links, Liaoning was one of the first provinces in China to industrialize, with substantial external investments starting in the Nineteenth Century. This industrial development accelerated in the decades after the founding of the PRC, facilitated by the presence of iron and energy deposits in the province. The large industrial complexes that still flourish across Liaoning, as in the city of Ashan, home to one of the largest iron and steel complex in China.
3. While these enterprises were flagship assets in China's early push for industrialization, in the new century they no longer provide significant momentum to growth, employment, and living standards. Acknowledging the difficulties faced by provinces with legacy dependence on heavy industry, the Central Government launched the Northeast China Revitalization Plan in 2004. Later, and after noting some progress, a revised plan was included in the 11th 5yr Plan (2006-2010). The economic situation, as we argue in more detail in the project Inception Report, has deteriorated significantly and new assessments and strategies are now required.
4. The current technical assistance (TA-9036), agreed between the Government of the PRC and ADB in January 2016 is intended to address these challenges with a Regional Cooperation and Integration (RCI) needs assessment, development strategy, and implementation action plan for Liaoning Province. It will include a focus on priorities for reducing barriers to trade, commerce, and financial integration with the rest of the PRC and Northeast Asia generally. The assessment is intended to deliver a roadmap for Liaoning Province to implement its obligations under a variety of PRC domestic, regional, and global commercial initiatives. Background research for this TA suggests that RCI can make substantial contributions to renewing the momentum of inclusive and sustainable growth for Liaoning province. To reach its full potential, however, will require determined central and provincial government commitments to enabling policies that facilitate trade and transport, regulatory transparency, and a favorable investment climate.

## **B. Project Impacts and Outcome**

5. The project impact is intended to support a new generation of policy initiatives that can renew Liaoning province's economic momentum by facilitating and more effectively leveraging regional cooperation and economic integration (RCI). It will include a focus on priorities for reducing barriers to trade, commerce, and investment with the rest of the PRC and with Northeast Asia generally. The assessment is intended to deliver a roadmap for Liaoning Province to implement its obligations under national programs such as the "New Silk Road Economic Belt" and "21<sup>st</sup> Century Maritime Silk Road," as well as a variety of other PRC domestic, regional, and global commercial initiatives. Background research for this TA suggests that RCI can make substantial contributions to more sustained and inclusive growth for Liaoning province. To reach its full potential, however, will require determined central and provincial government commitments to enabling policies that facilitate trade and transport, regulatory transparency, and a favorable investment climate.
6. The proposed TA is in line with ADB's core objectives of regional economic integration in the Asia-Pacific region. Supporting inclusive economic growth and regional cooperation and integration are 2 key strategic priorities of the ADB-PRC Country Partnership Strategy (2016–2020), which supports regional development with a broad range of commitments to facilitation of trade and market access.
7. The project design and monitoring framework is summarized in Appendix 1, the current work schedule in Appendix 2. Generally, the project comprises policy research and advisory support, delivered to central and provincial government decision makers, including a variety of knowledge products and capacity building services designed to facilitate Liaoning provincial economic development. A series of consultative meetings, technical reports, dissemination and capacity building activities will be undertaken to facilitate public and private stakeholder engagement, policy dialog, and a rigorous, evidence-based approach to support a new generation of policies directed at economic diversification, renewal, and inclusive growth. These initiatives will build on precedence from central government policy and experiences in other regions, addressing (but not limited to) the following policy priorities:

- i. Liaoning-specific initiatives that can support robust implementation of the WTO's Trade Facilitation Agreement,
- ii. How Liaoning can benefit from the recently enacted Economic Partnership Agreement between Japan and Mongolia, and
- iii. Through proactive engagement with PRC Customs authorities, how to establish Liaoning as an efficient transit and trade corridor as the PRC accedes to the Transports Internationaux Routiers Convention (TIR Convention). Because Liaoning has limited international border area, the primary contribution of the TIR will be indirect, through secondary trade linkages and by example for provincial boundaries.
- iv. Assess implementation of earlier regional development programs, including the 5+1 Program, the Liaoning Coastal Economic Belt Development Plan, and the Northeast Revitalization Plan.

### **C. Project Outputs and Tasks<sup>1</sup>**

**This TA will deliver outputs in three categories:**

**Output1:** Local counterpart and stakeholder consultations supported by dedicated outreach, communication, and dissemination activities;

**Output2:** Knowledge products comprising reviews of policy evidence, local and regional baseline and historical assessment, and strategic analysis;

**Output3:** Project reporting documents.

**Output 1: Local counterpart and stakeholder consultations supported by dedicated outreach, communication, and dissemination activities.**

- i. Briefing with interested national offices and counterpart Liaoning provincial offices. The official local project activities will begin with a mission by the consultants to Liaoning province. Highest priority will be given to project orientation and dialog with local institutional counterparts. The Implementing Agency for the TA will be the Provincial Financial Research Institute in Liaoning, but engagement with other interested provincial departments and

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<sup>1</sup> As currently specified in the TOR – to be discussed and confirmed with the Implementing Agency.



local offices may be advisable if their interests and responsibilities are relevant to the project.

- ii. An Inception Workshop. This was held during the last week of May, 2017, with the general purpose of reviewing project technical details, include issues, methodology, and data. The workshop also offered an opportunity to introduce other relevant official counterparts to the project, including representatives from the provincial government and ADB.
- iii. Capacity Development Workshop. Based on the Technical Studies, consultations will be held with local and national stakeholders to promote awareness of emerging opportunities to increase sub-regional, regional, and international trade. Research team members, supported by comments from local counterparts, will present the overall objectives of the TA. The Capacity Development Workshop should be scheduled for the fourth quarter of 2017 or the first quarter of 2018. Since discussing this component in Shenyang, we have also been considering an alternative capacity building activity. This would entail a study tour of a leading global trade and logistics hub such as Singapore, Rotterdam, or San Francisco Bay Area.
- iv. RCI Strategy Dissemination Workshop. This workshop will be a higher visibility event for sharing TA knowledge products and strategic messages with public and private stakeholders. It should be scheduled for the first or second quarter of 2018.

**Output 2: Knowledge products comprising reviews of evidence, local and regional economic and policy assessment, strategic analysis. Six reports will be produced, five discrete technical studies and one overall needs assessment.**

- i. Investment and financing problems of public infrastructure of Liaoning Province under the background of ‘the Belt and Road Initiative’, to include an examination of how to promote the infrastructure construction of Liaoning Province under public–private partnership model.
- ii. Policy framework for supporting the international expansion of Liaoning Province’s equipment manufacturing industry, to include reducing risks facing outward investment and creating more a hospitable environment to attract foreign investment.

- iii. Liaoning Province's sea-rail multimodal transportation potential and its fiscal implications, to include an examination of relevant policy-based obstacles and key nodes carefully and offer workable policy proposal from the public finance perspective based on them.
- iv. Seaport resource management of Liaoning Province, to include an assessment of provincial seaport capacity, current markets and trade flows served (both domestic and international), infrastructure asset management practices, and the competitive environment within and among seaports, and recommendations on how to maximize capacity utilization and ensure that regional demand (including that generated by implementation of the Japan-Mongolia Economic Partnership Agreement) is fully served.
- v. Relevant domestic and international experience in designing and implementing regional cooperation programs, to include an examination of the experience and practices of other countries and other provinces and cities of PRC. This study will examine analogous initiatives 'North-South Corridor Plan' of countries including Russia and India etc., 'New Silk Road Plan' of the United States and 'Silk Road Diplomatic Strategy' of Japan. Moreover, the experience and practices of other PRC provinces in attracting inward investment, managing infrastructure assets, and supporting international expansion of companies based in these provinces may be instructive and will be examined to identify good practice.
- vi. A Draft RCI Needs Assessment, Development Strategy, and Implementation Action Plan

### **Output 3: Project reporting documents.**

- i. Concept Note. The present document, summarizing overall objectives, resources, and scheduling of TA implementation.
- ii. Inception Report. The present document, presenting a more detailed overview of project objectives and methods, including review of regional trade research literature, and discussion of implementation strategies.

- iii. Progress Reports. Regular reporting on implementation events and milestones, including mission reports, quarterly progress summaries, and incidental briefing, consultation, and advisory notes.
- iv. Final Report. A summation of the project, including an overview of project activities, recommendations, achievements, and lessons learned. Complete review of project experience, achievements, and lessons learned. The Final Report will incorporate the Government's and ADB's comments.

### **III. Project Management Plan**

#### **A. Project Management Structure**

- 8. The Liaoning Provincial Financial Department is the Executing Agency (EA) for this TA. The Provincial Financial Research Institute in Liaoning is the Implementing Agency (IA) for this TA. The EA, IA and ADB will liaise during project implementation and provide overall guidance. ADB recruited a consulting team through the public bidding. The team consists of six experts, three international and three domestic, each has decades of individual experience in related policy research and economic assessment.
- 9. The ADB project team comprises Ying Qian, Director of Public Management, Finance and Regional Cooperation Division (EAPF), East Asia Department; Philip Chang, Task Manager; Zhuang Jian (Alternate Task Manager), Senior Economics Officer; and Edith Joan Nacpil, Economics Officer.

#### **B. Task Allocation for Consultants**

- 10. The TOR calls for all six consultants to be involved to some degree in all project activities. The Team Leader will organize and arrange the consulting team work and has primary responsibility for detailed task allocation and monitoring deliverables. During the project, ADB and PRC government counterparts may accompany project staff at their discretion and according to their interest, but at least one key team member must be present at all formal events associated with the project. The six consultants may organize individual or group missions to the

region, but all are expected to attend all dissemination events. Table 2-1 summarizes the team members and their responsibilities.

**Table 2-1 Consulting Team and Responsibilities**

Team Members	Roles and Responsibilities
<p><b>David Roland-Holst</b></p>	<p><b>Team leader/trade and development specialist</b></p> <p>The team leader is a trade and development economist with extensive knowledge of Northeast Asia, regional agreements, and the WTO. He is responsible for ensuring the coherence, complementarity, quality, and punctual submission of all deliverables.</p> <p>The team leader is also responsible for conducting the following activities in a manner that helps foster government ownership of the TA:</p> <ul style="list-style-type: none"> <li>(i) implementing the TA under the guidance of the LPDF and the ADB project officer in accordance with the terms and conditions specified in the TA paper and the agreement between the government and ADB;</li> <li>(ii) coordinating and managing the inputs, activities, and outputs of the TA consultants, including allocating responsibilities to consultants and monitoring their performance to achieve the expected TA results outlined in the specified timeframes; initiating and leading discussions of key implementation issues; and managing TA quality control and assurance;</li> <li>(iii) guiding the analytical work, identifying key issues, presenting and analyzing alternative responses, and effectively using related ADB TA; identifying relevant literature and international experience and factoring those into the analysis; and explaining and justifying the responses recommended by the consultant team;</li> <li>(iv) establishing reporting arrangements with the LPDF and ADB, and ensuring that they and other stakeholders are regularly informed of progress and developments in the work;</li> </ul>

	<p>(v) on the basis of the technical studies produced, preparing material suitable for publication and for use in other information releases; the material should be in Chinese and English, as appropriate for the intended audiences, and in accordance with the needs identified by the LPDF and ADB (all main project deliverables will be translated into Chinese);</p> <p>(vi) organizing the workshops and stakeholder consultations with the LPDF and other relevant stakeholders;</p> <p>(vii) preparing and submitting all TA reports on time, and assisting with TA reviews undertaken by the LPDF and ADB; and</p> <p>(viii) consulting with development partners working on related activities to inform them of activities and to maintain a high level of coordination in order to avoid duplication or overlap of work.</p>
<p><b>Jean-Francois Gautrin</b></p>	<p><b>Infrastructure finance specialist (Transport):</b></p> <p>The consultant has extensive experience in the development of multimodal infrastructure investment plans in the context of regional development strategies; thorough knowledge of transport infrastructure assets, their functionality, capacity, and interoperable compatibility in the Northeast PRC and Northeast Asia; and intimate familiarity with infrastructure financing alternatives as applied to date in the Northeast PRC and Northeast Asia.</p> <p>The consultant is responsible for the following:</p> <p>(i) preparing a series of technical studies pertaining to transport infrastructure development and financing in Liaoning Province to support regional cooperation and integration;</p> <p>(ii) working closely with the LPDF to prioritize needs and identify sources of finance (both public and private);</p> <p>(iii) ensuring that proposed investments serve the needs of major industries and complement existing assets within the region to support expanded trade and increase competitiveness; and</p> <p>(iv) proposing operational improvements that will lead to optimal use of existing and future transport infrastructure assets. The consultant will work closely with the team leader and economic</p>

	<p>analyst to formulate the Liaoning RCI needs assessment and development strategy.</p> <p>(v) support in organizing and moderating the inception, interim, and final workshop;</p> <p>(v) Primary authorship of Technical Study 1 – “Investment and financing problems of public infrastructure of Liaoning Province”</p>
<p><b>LI Shantong</b></p> <p>- - -</p> <p><b>Vice- president of Academic Committee of the China Development Research Foundation</b></p>	<p><b>Economic Policy Analyst:</b></p> <p>The consultant has an advanced degree (doctorate, master’s degree or equivalent qualification) in the economic policy of attracting direct foreign investment, or industrial expansion and development; decades of experience in the formulation and assessment of regional development strategies; an excellent knowledge of trade and investment data sources; and a deep and thorough knowledge of the industrial bases of the Northeast PRC and Northeast Asia, their origins, comparative advantages, and future prospects.</p> <p>The consultant will be responsible for the following:</p> <ul style="list-style-type: none"> <li>i. Validating baselines from which to assess the achievement of TA impact;</li> <li>ii. Helping to prepare a series of financial and economic studies that will support preparation of the Liaoning RCI needs assessment, development strategy, and implementation action plan;</li> <li>iii. Primary authorship of Technical Study 2– “The policy framework for supporting the international expansion of Liaoning Province’s equipment manufacturing industry”</li> <li>iv. Identifying possible new markets that may emerge as a direct result of the regional development strategy; and</li> <li>v. Designing, developing the substance for, and conducting the workshops and stakeholder consultations described above. The consultant will work closely with the team leader and international experts to formulate the regional needs assessment and development strategy.</li> </ul> <p>Deliverables for this consultant will include the following:</p> <ul style="list-style-type: none"> <li>i. Inputs to baseline assessment as needed.</li> <li>ii. Inputs to and participate in each of the 3 workshops.</li> </ul>

	<ul style="list-style-type: none"> <li>iii. Authoring 1 of the 5 technical studies: Technical Study 2 – “The policy framework for supporting the international expansion of Liaoning Province’s equipment manufacturing industry”</li> <li>iv. Provide inputs to other 4 technical studies as needed.</li> <li>v. Provide inputs to strategy reports as needed</li> <li>vi. Provide inputs to final report as needed</li> </ul>
<p><b>Wang Weiguang</b></p> <p>---</p> <p><b>Professor of Economics, Liaoning University</b></p>	<p><b>Economic Policy Analyst:</b></p> <p>The consultant has an advanced degree (doctorate, master’s degree or equivalent qualification) in the economic policy of attracting direct foreign investment, or industrial expansion and development; at least 10 years of experience in the formulation and assessment of regional development strategies; an excellent knowledge of trade and investment data sources; and a deep and thorough knowledge of the industrial bases of the Northeast PRC and Northeast Asia, their origins, comparative advantages, and future prospects.</p> <p>The consultant will be responsible for the following:</p> <ul style="list-style-type: none"> <li>i. Validating baselines from which to assess the achievement of TA impact;</li> <li>ii. Helping to prepare a series of financial and economic studies that will support preparation of the Liaoning RCI needs assessment, development strategy, and implementation action plan;</li> <li>iii. Primary authorship of Technical Study 4 – “Seaport resource management of Liaoning Province”</li> <li>iv. Identifying possible new markets that may emerge as a direct result of the regional development strategy; and</li> <li>v. Designing, developing the substance for, and conducting the workshops and stakeholder consultations described above. The consultant will work closely with the team leader and international experts to formulate the regional needs assessment and development strategy.</li> </ul> <p>Deliverables for this consultant will include the following:</p> <ul style="list-style-type: none"> <li>i. Inputs to baseline assessment as needed.</li> <li>ii. Inputs to and participate in each of the 3 workshops.</li> <li>iii. Authoring 1 of the 5 technical studies: Technical Study 4 – “Seaport resource management of Liaoning Province”</li> <li>iv. Provide inputs to other 4 technical studies as needed.</li> </ul>

	<p>v. Provide inputs to strategy reports as needed</p> <p>Provide inputs to final report as needed</p>
<p><b>Yang</b></p> <p><b>Song</b></p> <p><b>- - -</b></p> <p><b>Dean of the Law School, Liaoning University</b></p>	<p><b>Economic Policy Analyst:</b></p> <p>The consultant has an advanced degree (doctorate, master's degree or equivalent qualification) in the law and legal policy; decades of experience in the formulation and assessment of regional development strategies; an excellent knowledge of legal aspects of trade and investment; and a deep and thorough knowledge of the industrial bases of the Northeast PRC and Northeast Asia, their origins, comparative advantages, and future prospects.</p> <p>The consultant will be responsible for the following:</p> <ul style="list-style-type: none"> <li>i. Validating baselines from which to assess the achievement of TA impact;</li> <li>ii. Helping to prepare a series of financial and economic studies that will support preparation of the Liaoning RCI needs assessment, development strategy, and implementation action plan;</li> <li>iii. Primary authorship of Technical Study 3 – “Liaoning Province’s sea–rail multimodal transportation potential and its fiscal implications”</li> <li>iv. Identifying possible new markets that may emerge as a direct result of the regional development strategy; and</li> <li>v. Designing, developing the substance for, and conducting the workshops and stakeholder consultations described above. The consultant will work closely with the team leader and international experts to formulate the regional needs assessment and development strategy.</li> </ul> <p>Deliverables for this consultant will include the following:</p> <p>Inputs to baseline assessment as needed.</p> <p>Inputs to and participate in each of the 3 workshops.</p> <p>Authoring 1 of the 5 technical studies: Technical Study 3 – “Liaoning Province’s sea–rail multimodal transportation potential and its fiscal implications”</p> <p>Provide inputs to other 4 technical studies as needed.</p> <p>Provide inputs to strategy reports as needed</p> <p>Provide inputs to final report as needed</p>





### **C. Work Plan and Timetable for Consultants**

11. This TA timeline is originally scheduled from September 2016 to February 2018. Based upon the project cycle and the tasks, the preliminary work plan and the timetable have been developed (see also Appendices 2 and 3, respectively).

#### ***Draft Work Plan***

12. The work plan provides a detailed timeline for the main activities in the project. This also provides task allocation as the basis for management, coordination, and supervision of the project, and offers a clear framework for the consulting team to report progress to supporting and collaborating institutions. Throughout the TA, the consulting team will monitor and update plans so as to adapt to changes and facilitate timely progress of the project.
13. Overall project implementation is divided into two phases with several sub-tasks in each phase:

#### **Phase 1 - Project Organization and Inception**

- Carry out the preparatory work of the project
- Produce a Concept Note and TA Implementation Schedule
- Conduct Baseline Impact Assessment
- Field Missions to Liaoning Province
- Produce Interim Report
- Conduct Inception Workshop
- Produce Inception Report
- Initiate Technical Studies

#### **Phase 2 – Capacity Development and Strategic Assessment**

- Conduct Capacity Development Workshop

- Review National and Regional Policy Experience
- Formulate Strategic Proposals for Facilitating Trade and Attracting Investment
- Formulate Proposals for Increasing Trade by Improving Infrastructure

### **Phase 3 - Project Organization and Inception**

- Draft Final Report
- TA Completion Workshop
- Revision and Submission of Final Report

**14.** The documentary reporting for this project (apart from progress reports) will comprise the following nine titles (responsible authors in parentheses):

1. Concept Note
2. Inception Report
3. Technical Study 1 – Investment and financing problems of public infrastructure of Liaoning Province (Jean Francois Gautrin)
4. Technical Study 2 – The policy framework for supporting the international expansion of Liaoning Province’s equipment manufacturing industry (LI Shantong)
5. Technical Study 3 – Liaoning Province’s sea–rail multimodal transportation potential and its fiscal implications (YANG Song)
6. Technical Study 4 – Seaport resource management of Liaoning Province (WANG Weiguang)
7. Technical Study 5 – Relevant domestic and international experience in designing and implementing regional cooperation programs (David Roland-Holst)

8. A Draft RCI Needs Assessment, Development Strategy, and Implementation Action Plan (Entire consultant team)
9. Final Report (Entire consultant team)

The time schedule and reporting requirements are indicated in Table 2-2.

**Table 2-2 Time Schedule and Reporting Requirements**

No.	Contents of reports	Submission Date	Recipients	Format
1	Concept Note	Dec-16	ADB and PRC/EA	3 copies each in English and Chinese
2	Inception report	Aug-17	ADB and PRC/EA	3 copies each in English and Chinese
3	Technical Study 1	Sep-17	ADB and PRC/EA	3 copies each in English and Chinese
4	Technical Study 2	Sep-17	ADB and PRC/EA	3 copies each in English and Chinese
5	Technical Study 3	Sep-17	ADB and PRC/EA	3 copies each in English and Chinese
6	Technical Study 4	Sep-17	ADB and PRC/EA	3 copies each in English and Chinese
7	Technical Study 5	Sep-17	ADB and PRC/EA	3 copies each in English and Chinese
8	Draft RCI Needs Assessment	Nov-17	ADB and PRC/EA	3 copies each in English and Chinese
9	Final Project Report	Feb-18	ADB and PRC/EA	3 copies each in English and Chinese

## **D. Communication Mechanisms**

15. Close cooperation among the EA, IA, ADB, and the consulting team is essential for the success of the project. For sufficient communication and coordination among different parties, a communication mechanism is being implemented from inception of the project.

### ***Establish Coordination Mechanism***

16. According to the work plan, the EA, IA, ADB, and consulting team will collaborate to carry out both project research and workshops.

### ***Research Coordination***

17. For project research activities, consultants are primarily responsible for executing the research, including data gathering, analysis, and exposition. The primary coordination role of the EA in the research function is to facilitate local access and provide logistical support for the consultants. In particular, the EA and IA are responsible for enhancing the communications with the local government in the research areas to facilitate smooth implementation. The consulting team is responsible for planning and implementing field research, stakeholder interviews, and data gathering. The local government in the field research localities will help facilitate field trips and provide relevant information and data.

### ***Workshop Coordination***

18. The three Workshops each have different purposes as described elsewhere in this document. Based on the policy priorities set forth in the TA, the consulting team will have primary responsibility for developing the programs and content for these workshops, although close communication with the EA, IA, and ADB is needed to assure timely organization, recruitment, and smooth logistical execution.

### ***Specific Assurances***

19. The original TOR for this TA stipulates what the Government of the PRC will provide free for the Consultants to help them complete the TA. At the Inception Workshop, these assurances were clarified and agreed as follows:

The Government of the PRC will provide free the following facilities, services, equipment, materials, documents, and information that the Consultants require for the Technical Assistance:

- documents, data, statistics, information, and maps from the Government;
- appoint counterpart staff within the Executing Agency, as needed, who will work with the Consultant for the successful accomplishment of the Services;
- appoint counterpart staff within the Implementing Agency to work with the Consultant and join the Evaluation Team;
- remuneration, per diem and other provisions necessary for the EA and IA counterpart staff

**20.** More generally, on the basis of the Inception Workshop, our experts have improved their awareness of local issues and priorities for policy analysis and dialog. For our part, the consultant team has more fully communicated its goals for supporting the EA and IA with relevant and timely knowledge products. The sum of these activities has established a more constructive and mutually supportive basis for TA implementation and results communication. Now we will work to extend this across public and private stakeholder groups in Liaoning province.

### ***Establish Evaluation Mechanism***

**21.** An internal project evaluation mechanism has been set up. The evaluation team will include representatives of both the IA and ADB. The evaluation team will review and provide suggestions on the project reports and policy recommendations. On the advice of the evaluation team, the project outputs will be revised and improved.

### ***Establish Regular Reporting Mechanism***

**22.** Reporting arrangements have been directly established with the IA and ADB counterparts. The consulting team will ensure that they and other stakeholders are regularly informed of progress and developments in the work

**23.** The consultants will have at least one regular (face-to-face or virtual) meeting each month, and in accordance with requirements of the project time schedule, finish the project inception report, mid-term report and final report, and submit

them to the IA and ADB. Based on feedback from these reviewers in each case, project outputs will be revised and improved before wider dissemination.

### **Progress of Inception Stage**

#### **A. General Overview of the Inception Stage**

24. In late September, 2016, the contract for services was formally signed between the consultants and ADB. The project was officially launched in October with a visit of the Team Leader to Manila, and it is currently scheduled to end in February of 2018.

#### **The work completed in the inception stage is as follows:**

- On October 18-22, the Team Leader visited Beijing to meet with national consultant project staff (see 10/31/16 BTOR).
- On November 26-27, the three Chinese consultants met in Shenyang to discuss strategies for local engagement and economic assessment (see 12/7/16 BTOR).
- Established communication mechanism and coordination mechanism between ADB/MNL, ADB/RM Beijing, consulting teams, and the key research areas.
- Consulting team deepened understanding on project framework document, project expected objectives and achievements, outputs and tasks.
- Determined specific responsibilities and tasks of each consultant.
- Developed work plan.
- Consultant team divided responsibilities and cooperated with each other and prepared the inception report.
- Designed the draft project research approach.
- Initiated data collection.
- In November, an attempt was made to coordinate initial team visits to Shenyang for briefing and coordination with the Executing Agency (LPDF), but they requested that this be deferred to the second quarter of 2017.

- In late May, 2017, the Inception Workshop was successfully completed in Shenyang (detailed discussion below).

## **B. Goals for the Inception Workshop**

**25.** In accordance with the consulting service agreement, after submitting this inception report the consulting team organized the rest of Phase 1, with special attention to the Inception Workshop. This event (see Section VI below for details) introduced the TA and presented the initial concept, Phase 1 findings, and discussed preparations for the five discrete technical studies (details in Section V below), focusing on the following topics:

- (a) Investment and financing problems of public infrastructure of Liaoning Province,
- (b) The policy framework for supporting the international expansion of Liaoning Province's equipment manufacturing industry,
- (c) Liaoning Province's sea-rail multimodal transportation potential and its fiscal implications,
- (d) Seaport resource management of Liaoning Province, and
- (e) Relevant domestic and international experience in designing and implementing regional cooperation programs.

The primary goal of the workshop was to agree on the issues to be covered, and direction and implementation arrangements of the project (including work plan, deadlines of deliverables, and coordination arrangements) between the consulting team and local supporting institutions, including representatives of the EA, IA, local public and private stakeholders, and ADB. At this meeting, the overall goals of the TA were reaffirmed and implementation strategy for the project was finalized.



## C. Analysis of Intraregional (Northeast Asia) trade

### Baseline

- 26.** Liaoning Province plays an important role in the regional economic cooperation in Northeast Asia, and this kind of cooperation is of great importance to Liaoning Province itself. On the basis of the relative statistics from 2000 to 2006, a recent empirical study analyzes trade complementarities between Liaoning Province and the North—Eastern Asian countries.<sup>2</sup> Based On the calculation, the RCA and the trade potential of Liaoning in the North—Eastern Asian region is analyzed, which confirmed the effect of the markets of North-Eastern Asian countries on the economy of Liaoning. Major directions are proposed of the further cooperation with those countries.
- 27.** In terms of trade, Japan and Korea are the two biggest regional foreign trading partners of Liaoning province. These two countries essential partners in traditional manufacturing supply chains moving in both directions (import and export), and they are primary contributors to current growth. On the basis of recent statistic data, Zhang (2007) uses linear regression models show how bilateral trade and investment from Korea is accelerating growth for Liaoning's economy. In particular, imports of Korean capital goods are increasing Liaoning productivity while Korea grows as a market for Liaoning manufactures and services.
- 28.** Compared with South Korea and Japan, Liaoning's trade with Mongolia, Russia and North Korea is relatively small in scale but has great potential to increase.
- 29.** In terms of investment, FDI into Liaoning is mainly focused on manufacturing and real estate, which is bad for its industrial structure adjustment.<sup>3</sup> Liaoning should introduce some supporting policies to attract more investment for emerging industries.
- 30.** The Dalian area of the Liaoning Pilot Free Trade Zone aims to become an important area opening-up to and cooperating with Northeast Asia. In the first month after the Dalian FTZ billion yuan (\$730.9 million).<sup>4</sup>

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<sup>2</sup> See Zhang and Zhou, 2008.

<sup>3</sup> See Diao and Zhang, 2011a

<sup>4</sup> China Daily. 2017.

**31.** In a detailed analysis of 2001-2012 data of foreign trade in Northeast China and Northeast Asia, Chinese researchers evaluated the baseline situation for regional economic cooperation linking the established industrial base in Northeast China and Northeast Asia.<sup>5</sup> They focused on the opportunity for regional economic cooperation to act as a catalyst for upgrading and optimization of Liaoning's old industrial base. The authors recommend a series of reforms to support this pro-growth agenda, several of which are also recommended by our team.

**32.** At present, the overall situation of trade between China's old northeastern industrial base and the countries of Northeast Asia remains reasonably favorable (Pan Hong. 2014), but there are also some problems, including the following:

- ❖ The scale of trade is no longer large by global standards, limiting economies of scale and the attractiveness of the region as a logistical and supply chain integration hub;
- ❖ Development status in different provincial sub-regions is unbalanced;
- ❖ Northeast China hasn't achieved a relatively unified regional market;
- ❖ Low global recognition of local brands. This is part of a larger national challenge - eighty percent of PRC manufacturing exports still carry foreign brand names;
- ❖ Relatively large share of low value-added (primary) products in exports;
- ❖ Relatively large share of resource-intensive exports;
- ❖ Relatively small share of more skill/technology intensive (mechanical and electrical manufacturing) exports;
- ❖ The dominant SOEs in this province does not seem to represent technology or market leadership.

In the future, cooperation between the northeastern old industrial base and the countries of Northeast Asian needs to focus more on science and technology cooperation, environmental cooperation, and cultural exchanges that facilitate market

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<sup>5</sup> See Fu, Song, and Li, 2016.

and supply chain access and integration. To effectively support this process, political trust must be strengthened.

### Trade Promotion Initiatives

**33.** The latest and more ambitious regional trade promotion initiative is a modern system of free trade zones in Liaoning Province. The general goal of Liaoning pilot free trade zone construction is to accelerate market-oriented reform of institutional mechanisms. This will promote structural economic adjustment and build a modern growth dynamic, improving local competitiveness and promoting opening of the old Northeast industrial base. These initiatives will require strong legal support and safeguards for orderly progress of reform and the healthy development of the pilot free trade zone. Three pillars of reform, legislative, legal, and judicial, will be essential to successful realization of these new and much more dynamic market opportunities. A white paper on this issue enunciates the goal of legal safeguards for piloting a Liaoning free trade zone.<sup>6</sup> The issues to be immediately resolved and the specifics of necessary legal safeguards are set forth here, including substantive suggestions regarding design and implementation of the Liaoning pilot free trade zone.

**34.** In addition to its core supply chain capacity in manufacturing, Liaoning has enormous potential to mediate regional and global trade to and from the rest of the PRC. A recent SWOT analysis for Liaoning Province<sup>7</sup> clearly revealed its potential to become the logistics center for Northeast China and part of a larger Northeast Asian regional trade center. This expansion would be technology and skill intensive, promoting information, distribution, and expediting services that support the larger provincial and regional industrial base for equipment manufacturing, as well as rapidly expanding trade in services.

## **D. Involvement of Liaoning Province in initiatives to revitalize Northeast PRC)**

### National Government Initiative

**35.** In a bid to more rapidly open up and revitalize the Northeast region, the State Council of the PRC released a guidance document on the piloting of free trade zones in Liaoning Province (State Council. 2017). The free trade zone will be built into a trade park with high-end industries, convenient investment and trade

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<sup>6</sup> Wang and Wang, 2017.

<sup>7</sup> See Diao and Zhang, 2011b

facilities, improved finance services, and highly efficient supervision methods within three to five years. The initial free trade zone area is planned to encompass Dalian, Shenyang and Yingkou.

- 36.** All supporting branches of the central government agree that Liaoning must rely on the fundamentals of the real economy, including supply chain and marketing services, to achieve rejuvenation. Meanwhile, on the supply-side, it is clear that structural reform is inevitable and state-owned companies should provide leadership for the rest of the economy in this process.<sup>8</sup>
- 37.** Tax and financial support were important external forces to revitalize the northeast; industrial development and enterprise reform were the key and subject to revitalize the northeast.<sup>9</sup> It should be emphasized, however, that excessive reliance on property and other nonproductive asset investment, particularly when financed by credit, can undermine the real side fundamentals of sustainable productivity and employment growth. Policies have sometimes been formulated that have significant financial cycles because they rely on debt finance, and the fluctuations contribute to systemic market risk for private actors.
- 38.** National Development and Reform Commission (NDRC: 2017), China Development Bank, and China Construction Bank have all committed to help Liaoning conduct 12 PPP demonstration projects, including construction of new hospitals, school campuses, bridges, reservoirs, at least one subway and several tourism projects.
- 39.** The NDRC plan lists 137 key tasks for upgrading the economy, improving social welfare, creating job opportunities and simplifying administrative procedures in Northeast. To better accomplish the tasks, the State Council has mandated (State Council: 2016) that a total of 127 fixed-asset projects be launched, covering fields such as transportation, energy construction, waterworks, agriculture, and urban and rural construction in the next three years.

### *Liaoning Provincial Government Initiatives*

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<sup>8</sup> China Daily, 2017.

<sup>9</sup> Jin and Chen, 2010.

**40.**The Implementation Plan for Liaoning Province to Strengthen Emerging Industries of Strategic Importance (GOLP: 2015a) affirms that, in recognition of the basic conditions and economic characteristics in Liaoning, Liaoning should renew and sharpen on the development and innovation in seven priority industries:

1. High-end equipment manufacturing,
2. New information technology,
3. Biotechnology,
4. Energy saving and environmental friendly equipment and technology,
5. New energy,
6. New materials and
7. New energy vehicle technologies.

**41.**The document also listed key enterprises in Liaoning related to the above industries and a series of policy measures to help their development.

**42.**Another provincial government planning document (GOLP: 2015) enunciates overall provincial objectives and initiatives for Liaoning to promote growth and development of the private market economy, including as simplification of administrative procedures, tax reductions, building more enterprise incubators, helping private companies obtain financing, letting private companies participate in the SOE reform process, etc.

#### *Legacy Challenges and Structural Transition for Liaoning Industry*

**43.**From 2003 to 2007, the overall (national and provincial) policies for Liaoning economic revitalization policy were ineffective. According a to detailed comparison analysis of the three provinces in Northeast China and the rest of PRC provinces<sup>10</sup>, this situation can only be changed with revitalization measures that contain more determined commitments to R&D, innovation, and higher labor, technological, and resource productivity.

**44.**There are four salient aspects of current industrial structure of Liaoning.

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<sup>10</sup> These issues are being studied by capable national researchers (e.g. Xing: 2015), who could make important contributions to the policy dialog.

1. The development of secondary industry is accelerating and heavy industry is still dominant.
2. The proportion of third industry is declining, but its contribution to economic growth rate is rising.
3. The labor productivity of secondary industry is rising, but the comparative labor productivities among the three industries are diverging.
4. Employment is shifting from primary industry to the tertiary (service) sector. Services have become the main channel of opportunity for employment growth, but productivity (and therefore real wage potential) remains low.

The main existing challenges are:

1. The current industrial structure cannot fully support the Liaoning economy's needs for modernization for global competitiveness;
2. The levels of productivity and market integration in industry have not kept pace with global standards;
3. The service sector has not attracted sufficient investment to support its own modernization or that of the industrial base. This sector should be the core of skill intensive employment development.

#### Preliminary Policy Insights

45. The collective impression of authoritative public and private opinion is that the historical economic advantages of Liaoning Province, focused on heavy, resource intensive industry, have steadily become less effective as guarantors of competitiveness and growth momentum. For this reason, expert opinion is in general agreement that provincial development strategy needs to reorient investment and support public and private investment commitments in new directions.
46. Studies by respected national experts emphasize the essential need for promoting evolution of the old industrial base of Northeast China. They analyze the main reasons for the decline, giving a preliminary evaluation of the revitalizing policies in recent years, and pointing out major long-term challenges

for future revitalization. The main conclusions are that, for Northeast China to avoid continued relative economic decline:

- 1) It is indispensable to get the long-term policy support from the central government;
- 2) Systemic economic reform and structural adjustment are the crucial strategies, particularly the reform of SOEs; and developing new industries is as important as upgrading traditional (advantaged) industries;
- 3) Local governments should play an indirect role, avoiding unnecessary intervention in the market economy and asset markets (including property); and
- 4) Social security and the investment climate must be improved simultaneously.

**47.** Beyond these priorities, it should be stressed that, in the past, lack of accurate information and/or unwillingness to acknowledge weaknesses of old the industrial base led to failures for past initiatives. Going forward, revitalization of the old industrial base should be approached with renewed determination, national partnership, and as a holistic regional project encompassing economic growth, social progress, and environmental improvement.

## **V. Research Organization**

- 48.** As capstone products of the TA, the consultants will produce an RCI needs assessment, development strategy, and implementation action plan for Liaoning Province. It will focus in part on issues that reduce barriers to interprovincial trade and commerce and to trade and commerce within northeast Asia generally. It will provide a roadmap for Liaoning Province to implement its obligations under national programs so that RCI benefits are maximized. The basis for these policy advisory activities will be independent policy research.
- 49.** Research is being carried out by the consultants recruited by ADB for this purpose, with ongoing consultation and support from the Executing and Implementing Agencies. In the inception phase, the consulting team has reviewed the literature related to the policies, programs, models, results, opportunities, and challenges for RCI and related strategies for economic revitalization as these are relevant to Liaoning Province, the PRC, and Northeast Asia generally (see section IV.C above). The recent stages of the project include consultation with local counterparts, implementation of research activities, and intensive data gathering. Research activity for the project will be carried out across six interlinked channels.

### **A. Baseline Assessment**

- 50.** To elucidate relevant initial economic conditions in Liaoning Province from an historical perspective, a detailed baseline assessment will be produced as a synthesis of individual baselines from each of the five Technical Reports (Phase 2 of the project). This will include research on the scope and coverage of PRC initiatives to revitalize Northeast PRC and an assessment of the potential for RCI to serve as a confidence-building measure that can increase trade and investment in Northeast Asia.

### **B. Technical Studies**

- 51.** A set of five technical studies will be carried out as part of the TA, each addressing an essential characteristic of RCI-oriented regional development. These reports will inform both the overall project and the Capacity Building Workshop, ultimately being publically disseminated in both English and Chinese. Each technical report will be supervised by an individual consultant, but all consultants on the team will contribute to all reports in some capacity.



52. Individual report topics were first outlined in the original TOR for this TA. After extended discussion with local counterparts, it was determined that these topics needed to be updated to make their coverage and focal points more timely and relevant to the emergent development priorities of Liaoning Province. Seeing an opportunity to strengthen local engagement and address issues of broader interest to our Executing and Implementing agencies, the Team Leader proposed that the Inception Workshop be used to review our Technical Report research agenda by locally designated policy specialists.

53. As the Workshop agenda in Appendix 3 indicates, we scheduled five presentations by Technical Report authors, each followed by local expert commentary on how they might be better adapted to local policy priorities, issues, and stakeholder audiences. The resulting comments were translated and circulated to each of the five expert authors with a request that they revise their own TOR to take account of local interests. In this section, we summarize the initial and revised TORs for all five Technical Reports. Absent recommendations to the contrary, each author will proceed on the basis of their revised TOR, detailed below.

### ***Technical Report - Investment and Financing Problems for Infrastructure in Liaoning Province***

#### ***TR 1 - Original TOR***

Study on investment and financing problems of public infrastructure of Liaoning Province under the background of 'the Belt and Road Initiative', to include an examination of how to promote the infrastructure construction of Liaoning Province under public-private partnership model;

#### ***TR1 – Local Expert Comments***

It's very nice that ADB and the project team are interested in the regional cooperation and development issue of Liaoning Province. I agree with Mr. Jean Francois Gautrin's basic ideas and framework plan for Technical Study: Investment and Financing of Public Infrastructure for Liaoning Province. Below are some of my personal suggestions:

1. Liaoning has many state-owned infrastructure assets. In order to integrate the assets and diversify the financing of infrastructure investment, Liaoning Province set

up a company called Liaoning Traffic Construction Group Co. Ltd. I hope that Mr. Jean Francois Gautrin can make his theory closely integrated with practice, and further explore some effective financing channels of public infrastructure investment in Liaoning.

2. As one of the important infrastructures, there are many coastal ports in Liaoning. However, the ports are usually managed separately without cooperation. I hope that Mr. Jean Francois Gautrin can focus on port management innovation and promote maximum utilization efficiency of Liaoning port resources. This will not only make regional cooperation more effective, but also help with the revitalization of the old industrial base.

3. In the future, Public Private Partnership (PPP) will be one of the most important modes in infrastructure investment and financing. However, it's quite difficult to conduct PPP project in Liaoning right now. I hope Mr. Jean Francois Gautrin can focus on this issue and provide some possible suggestions. It's better to add some case studies.

### TR1 Revised TOR

The main objective of the Technical Report is, as part of the revitalization strategy, to recommend alternative ways of managing and financing infrastructure investments to better respond to the prevailing economic situation.

The study will have 3 distinct parts. The first part would be the Base Line or Due Diligence of the transport sector in the context of the current economic situation. The second part would be an Analysis of PPP cases studies and experiences as they apply to infrastructure investments in Liaoning, with the third part being Recommendations on the implementation of PPP financing to infrastructure projects.

The *Base Line Assessment* will first contain a comprehensive review of the present Liaoning economic situation drawn from a team effort to understand all the complex aspects behind the current revitalization program. Secondly, the Base Line Assessment will contain a specific section on problems faced by infrastructure investments.

The expected conclusion of Part 1 would be that for infrastructure investments alternative managing and financing structures are needed with the PPP model meriting investigation. Liaoning has limited experience with PPP; therefore Part 2 would

present an extensive review of PPP projects and PPP financing, based mostly on international experience and case studies. Not all PPP projects have been successful and Part 2 will review best practices and conditions for success.

Focusing on the Transport Sector, and taking account of the particularities in Liaoning Province, the aim of Part 3 would be first to highlight legal and regulatory changes required to guarantee success on PPP projects. Secondly, for each particular mode, the most appropriate PPP model and financing structure would be recommended. The proposed recommendations should be practical and implementable and would therefore need to be tested among stakeholders.

## **Technical Report TR2 – Policy framework for supporting the international expansion of Liaoning Province’s equipment manufacturing industry**

### *TR 2 – Original TOR*

Study on policy framework for supporting the international expansion of Liaoning Province’s equipment manufacturing industry, to include reducing risks facing outward investment and creating more a hospitable environment to attract foreign investment;

### *TR 2 - Local Expert Comments*

This research topic is very realistic and has its practical value. It has important strategic significance for economic development in both Liaoning and the country as a whole.

1. The report has the following characteristics:

- a. The research has a broad framework. By reviewing and evaluating the development of Liaoning equipment manufacturing industry in the world’s equipment manufacturing industry framework, we can analyze its systematic feature.
- b. The research is in the right direction. By putting the development of Liaoning equipment manufacturing industry under the Belt and Road initiative, the researcher presented the advantages and disadvantages of development in Liaoning, which are very to the point.
- c. The research highlights its key points. It clearly points out the key tasks, development path and policy framework in the future, which is very practical.

d. The research is rich in contents. The research thought is clear. The technical route is reasonable. The subject is integrated.

2. A few suggestions:

a. Further highlight the fourth industrial revolution and intelligent manufacturing in the research. Make some reference to "Made in China 2025", "Made in China 2025 Executive Framework for Liaoning" and the "Three-Year Action Plan for Accelerating the Development of Emerging Industries in Liaoning". Integrate industrialization and information technology. Use big data to integrate the industry chain and value chain of equipment manufacturing sector. Improve core technology and develop new materials, so that manufacturing sector in Liaoning can enter the high-end market.

b. In the fourth part, "The Development Environment of Liaoning's Equipment Manufacturing Industry", add some contents for "Liaoning Free Trade Experimental Zone", since a lot of new ideas and bold attempts can be tried out there.

c. About the research framework, there's no problem to design it like this as an inception report. For the final report, I suggest you put the first four parts into the last part "main contents for the research", and name them as research background, basic concepts, world pattern, conditions in Liaoning and its development path.

d. For the third part "Liaoning Equipment Manufacturing Industry Status Quo", I suggest after the "existing problems" part, you can add a "reason analysis" part to talk about why these problems happen. For example, institutional mechanisms, public views and values, innovative power, business environment, finance and capacity support, etc.

e. Change the title of second part from "The Development Status of Equipment Manufacturing Industry" to "The Development Status of Domestic and International Equipment Manufacturing Industry".

f. Under the fifth point "policy support" of the fifth part, replace "strengthening organization and leadership" with "business environment optimization" and "build innovation platform".

TR 2 – Revised TOR

The report will be revised in three parts of the Second Technical Report (hereinafter TR) in accordance with the comments and discussion of the inception workshop. The revisions are as follows:

1. In the first part of the TR, ‘The analysis of the current development of Liaoning equipment manufacturing industry’, based on the analysis of the present situation of equipment manufacturing industry in Liaoning, we will further analyse the causes of the problems existing in the development of equipment manufacturing industry in Liaoning. We would like to focus on the causes from following aspects, such as institution system, thinking concept, business environment, finance and fiscal policy, human capital and others.

2. In the second part of the TR, ‘The analysis of Liaoning equipment manufacturing industry development environment’, we will add the pattern of the national and global equipment manufacturing industry, and further clarify the position of Liaoning equipment manufacturing industry in the national and the global equipment manufacturing industry.

3. In the fifth part of the TR, ‘The policy analysis of the internationalization development of Liaoning equipment manufacturing industry’, we will analyze how the Central Government support the revitalization of the equipment manufacturing industry in Liaoning and promote its internationalization development. Especially, we would also to clarify the role of state-owned enterprises in Liaoning equipment manufacturing industry and how to promote the reform of state-owned enterprises in Liaoning.

In this part, we would focus on how to improve the business environment and build innovative platforms in Liaoning, and consider how to use the policy for Liaoning free trade pilot zone and other existing policies.

### ***Technical Report 3 – Sea–Rail Multimodal Transportation Potential and its Fiscal Implications***

#### ***TR 3 – Original TOR***

Study on Liaoning Province’s sea-rail multimodal transportation potential and its fiscal implications, to include an examination of relevant policy-based obstacles and key nodes carefully and offer workable policy proposal from the public finance perspective based on them;

### TR3 – Local Expert Comments

Thanks Prof YANG Song for choosing this topic about sea-rail multimodal transportation. This is not a new concept, but for many reasons, we haven't done enough research on this. And the development of sea-rail multimodal transportation in Liaoning doesn't have much progress.

Under the Belt and Road Initiative, sea-rail multimodal transportation has strategic importance. Because it can stimulate trade among China, Japan, Korea, Russia and Mongolia. And Liaoning can act like a connection point in this trade process. So, I'm really excited about this Technical Report.

A few suggestions are as follows:

1. In the analysis, market demand and industrial structure shall be taken into account. This will determine what type of commodities are we going to trade (container or bulk cargo). Thus, we can choose the best transportation method.
2. Under the current condition, Internet is playing a very important role in transportation and logistics. How to integrate Internet plus into the sea-rail multimodal transportation is an important research topic.
3. Suggestions for institutional reforms are needed. Now the sea transportation and rail transportation are poorly connected. Institutional reforms and scientific policies are crucial for connecting them together.

### TR 3 – Revised TOR

The paper will be revised in three parts of the Technical Report (hereinafter TR) in accordance with the comments and discussion at the Inception Workshop including:

1. In the second part of the TR, 'Contents and objectives of the research', Section 3, we would add the research on the impact of promoting the collaboration among countries in Northeast Asia. The objective of the research is to place Liaoning Multimodal Sea-rail Transport upon promoting the collaboration between China and Northeast Asia and to make it the hub of the Northeast Asia.
2. Conduct additional research as the 5<sup>th</sup> section in the second part of the TR on Internet plus multimodal sea-rail transportation to analyze the potential and the impact of such transport pattern.

3. Modify the former section 5 ‘feasible policy construction’ to section 6 and add new research on how to regulate creatively the issues on segmentation of the ‘Sea, land and air system’ under the overlapping policy related to, among others, the Liaoning Free-trade zone and the old Northeastern industrial bases.

### ***Technical Report 4 – Seaport resource management of Liaoning Province***

#### ***TR 4 - Original TOR***

Study on seaport resource management of Liaoning Province, to include an assessment of provincial seaport capacity, current markets and trade flows served (both domestic and international), infrastructure asset management practices, and the competitive environment within and among seaports, and recommendations on how to maximize capacity utilization and ensure that regional demand (including that generated by implementation of the Japan-Mongolia Economic Partnership Agreement) is fully served;

#### ***TR 4 - Local Expert Comments***

Change the title to “Port Resources Management Innovation in Liaoning Province” or “Improve Port Resources Management in Liaoning Province”.

About the framework of inception report

(1) Research Significance and Background

(2) Add “innovation points”

(3) In the “Research Significance and Background” part, data in 2014 was used. Maybe it’s better to use data in 2015 due to the data fraud from 2011 to 2014.

(4) In the Research Significance and Background part, the last paragraph “this report has 6 parts, the first part is introduction...” should be put in the second part, Research Content and Framework.

(5) In the Research Content and Framework part, under “Introduction”, maybe it’s better to add “Emphasis of the Research”.

(6) In chapter 1, before “1.4 Issues existing in the management of port resources in Liaoning province”, it’s better to add “The advantages of port resources in Liaoning province”.

(7) In chapter 4 “Suggestions on improving the management of port resources in Liaoning province”:

(8) Title “4.1 Innovate existing institution and mechanism to promote port privatization and diversification in port operation” should be changed to “Accelerate the establishment of Liaoning Free Trade Experimental Zone, promote port privatization and diversification in port operation by mechanism innovation”.

(9) “4.7 Improve the level of port information utilization and strengthen talent team cultivation” should be separated into two parts: “4.7 Promote ‘Internet + Foreign Trade’ as a New Model of Service Industry” and “4.8 Take Effective Measures to Attract Talented People, Optimize Capacity Building Process”.

#### TR 4 - Revised TOR 4

The paper will be revised in four parts of the Technical Report (hereinafter TR) in accordance with the comments and discussion of the inception workshop including:

1. In the introduction of TR, we will add narrative on the necessity and importance of port resource management in Northeast Asia with the background of “One Belt One Road” and the revitalization policy in Northeast China .
2. In the chapter 1 of TR, we will add the history of the development of Liaoning port to supplement the perspective of vertical integration, as well as the Dalian Port as a leader, Dandong Port, Jinzhou Port and other ports to support the port system, and port industry development and so on .
3. Modify the first part of chapter 2 of TR with the location of the ports of the main hub station of Dalian Northeast Asia Shipping Center, expands the opening and the area integration of Bohai Rim, to seize the commanding heights for the development of Northeast Asia.
4. Conduct new research in chapter 4 of TR on the objectives, ideas and principles of Liaoning port resource management, and the integration of Liaoning port function. In the future, with the port management internationalization trend, the port resource management plus Internet, social financing, and joint-stock system financing.



## ***Technical Report 5 – Relevant Domestic and International Regional Cooperation Experience***

### ***TR 5 - Original TOR***

Study on relevant domestic and international experience in designing and implementing regional cooperation programs, to include an examination of the experience and practices of other countries and other provinces and cities of PRC. This study will examine analogous initiatives ‘North-South Corridor Plan’ of countries including Russia and India etc., ‘New Silk Road Plan’ of the United States and ‘Silk Road Diplomatic Strategy’ of Japan. Moreover, the experience and practices of other PRC provinces in attracting inward investment, managing infrastructure assets, and supporting international expansion of companies based in these provinces may be instructive and will be examined to identify good practice.

### ***TR 5 - Local Expert Comments***

The topic for Technical Report 5 is very well chosen. International experience is very important for the revitalization of Liaoning old industrial base. As Dr. David mentioned, case studies of the US, Japan, India, Brazil may help Liaoning to solve its own problems, since many other countries and regions have gone through similar experience.

I believe this Technical Report can be very useful. And I hope the suggestions it gives can support our policy making process.

My three suggestions are as follows:

1. The data you use should be from reliable source and the case studies should not be outdated.
2. I suggest that the Technical Report can be on both macro level and micro level. And the government can use the conclusions for policy making directly.
3. Liaoning government wants to be clearer on what role Liaoning should play in the North-East Asia Region. The specific conditions in Liaoning should be taken into account. For example, Differences between Liaoning, Jilin and Heilongjiang should be considered. Heilongjiang and Jilin’s trade should focus on Russia while Liaoning’s trade should focus on Korea and Japan. I also

suggest you take into account the new development concepts, such as New Driving Forces, Reform of the Supply Front, Belt and Road Initiative, etc.

I Look forward to reading your final report!

#### TR 5 - Revised TOR

Commentary on this TR was relatively supportive in the sense that most areas of emphasis were agreed and suggestions focused on how to expand the scope of international comparison and distill best practices. The revised TR will comprised of five parts.

Executive Summary – A nontechnical overview of strategic insights into opportunities and challenges for more determined regional cooperation for Liaoning Province.

Data and Literature Review – The purpose of this chapter is to review available official and secondary information on provincial, national, regional, and international RCI experience, with special emphasis on data and studies of direct relevance to Liaoning Province.

Baseline Assessment – Like the other TRs, this chapter will produce a detailed assessment of recent and current conditions for Liaoning Province, with emphasis on experience with regional trade linkages in three categories: spontaneous market linkages, negotiated bilateral linkages, and linkages resulting from explicit regional cooperation.

Review and Assessment of Relevant Issues and Policies – This chapter will review recent history of Liaoning’s experience with RCI, including the role central government revitalization initiatives. From this basis, discussion will be extended forward to opportunities for participation in emerging initiatives, including national programs such as the “New Silk Road Economic Belt” and “21<sup>st</sup> Century Maritime Silk Road,” as well as a variety of other PRC domestic, regional, and global commercial initiatives.

Recommendations for Strategic Initiatives – Distilling the historical and forward looking assessments of the previous chapters, a series of recommendations will be presented for new RCI initiatives and related commitments that can contribute to revitalizing sustained and inclusive growth for Liaoning Province. Emphasis will be on measures

that are feasible, incentive compatible for both public and private sector actors, and harmonious with central government domestic, regional, and global initiatives.

### **C. Research and Proposals for Strategic Action**

**54.** In addition to the six above-mentioned, interlinked activities, the consultants will carry out research in support of three other initiatives:

1. Review and consider national and regional experiences of the process of trade liberalization, and identify specific actions that might contribute to Northeast PRC revitalization;
2. Formulate proposals for strategies, policies, programs, and effective measures aimed at facilitating intraregional trade and attracting inward investment into Liaoning; and
3. Formulate proposals for national and regional (Northeast Asia) policy on comprehensive and coordinated approaches to trade that entail improvements in infrastructure and provision of efficient and competitive transport infrastructure and services. This will include road, railway, and seaport infrastructure serving Northeast Asia's trade; information and communication technology; review and improvement of business process analyses in conducting international trade; and simplification and harmonization of customs and border procedures.

## **VI. Conduct of the Inception Meeting**

**55.** The Inception Workshop was held in Shenyang, the capital of Liaoning Province.

The main objective of the Workshop was to establish the basis for a cooperative relationship, supporting effective communication and TA implementation with the Liaoning Province Department of Finance (LPDF), the Executing Agency (EA), and the Provincial Financial Research Institute in Liaoning (PFRIL), the Implementing Agency (IA). Representatives of both agencies played leading roles in the program agenda (attached below), and discourse throughout the meeting was cordial and constructive. The consultants effectively communicated the overall goals of the TA and received valuable feedback on local perspectives and priorities.

**56.** The second objective of the Workshop was to review the five Technical Reports (TRs) commissioned by the TA, actively soliciting local counterpart inputs about the timeliness and relevance of the issues and knowledge gaps to be addressed, assessment methods, and scope and emphasis for results communication. The initial strategy for each TR, as set forth in the original TA, was presented by its expert author, followed by peer review comments from a local counterpart expert nominated by the EA and IA. The result of this approach was a very productive and animated dialog between our consultants and recognized senior local experts, yielding new and important insights for each of the TRs. Based on these exchanges (a complete audio transcript has been posted on a protected website), each TR author has been asked to revise their report abstract/outline and submit it to ADB, EA, and IA staff for consideration. We are also soliciting written comments from the local experts for recording in TA project documents. It is expected that this iterative consultation will yield knowledge products from the TA that have much greater relevance and usefulness to public and private stakeholders in Liaoning.

**57.** The third leading objective of the workshop was to firmly establish implementation and communication strategies to effectively execute the TA and deliver its supporting capacity services and knowledge products. The roadmap for implementation was set forth and inclusive discussions reviewed the TA products, agreements, communication strategy, and mutual obligations of the institutional parties.

## **A. Main Events of the Inception Workshop:**

May 30 : Informal meetings and consultation among the Consultant Team

May 31 : Workshop

June 1-6 : Wrap-up meetings across the Consultant Team and further reconnaissance by international experts

## **B. Specific Issues Discussed (refer to the Agenda in Appendix 3 below):**

- ❖ The overall work plan developed by the Team Leader was presented (see Annex 1 to the Inception Report Briefing Document), and this was agreed by the experts and our local counterparts.
- ❖ The five TRs were presented by their authors and reviewed by local experts, with invited comments from all participants.
- ❖ The Roadmap for TA Implementation was summarized by the Team Leader (see again the Briefing Document).
- ❖ The overall structure and contents of the Inception Report were reviewed by the Team Leader.
- ❖ The Team Leader reviewed proposed terms of mutual responsibility for the agreement, with discussion and assent of both sides. These terms are a subset of those initially set forth in the TOR. In particular, the EA and IA have not accepted responsibility for any of our local direct costs for executing the TA, including logistical and language support for consultant activities. We would like to request that ADB provide contingency funds for these purposes on a reimbursement basis.
- ❖ For TA coordination, the following terms were set forth and agreed:
  - For project research activities, consultants are primarily responsible for executing the research, including data gathering, analysis, and exposition.
  - The primary coordination role of the EA in the research function is to facilitate local access and provide logistical support for the consultants.
  - The EA and IA are responsible for enhancing the communications with the local government in the research areas to facilitate smooth implementation. The consulting team is responsible for planning and implementing field research, stakeholder interviews, and data gathering.
  - The local government in the field research localities will help facilitate field trips and provide relevant information and data.

- ❖ For TA Implementation: the following Specific Assurances were set forth and agreed:
  - The Government of the PRC will provide free the following facilities, services, equipment, materials, documents, and information that the Consultants require for the Technical Assistance:
    - documents, data, statistics, information, and maps from the Government;
    - appoint counterpart staff within the Executing Agency, as needed, who will work with the Consultant for the successful accomplishment of the Services;
    - appoint counterpart staff within the Implementing Agency to work with the Consultant and join the Evaluation Team;
    - remuneration, per diem and other provisions for local counterpart staff necessary for the EA

### **C. Additional Information, Lessons Learned, Partnership Possibilities Emerged as a Result of Networking Activities**

#### Additional information

58. On the basis of the Inception Workshop mission, our experts have improved their awareness of local issues and priorities for policy analysis and dialog. For our part, the consultant team has more fully communicated its goals for supporting the EA and IA with relevant and timely knowledge products. The sum of these activities has established a more constructive and mutually supportive basis for TA implementation and results communication. Now we want to extend this across public and private stakeholder groups in Liaoning province.

#### Partnership possibilities

59. Based on this mission, the national experts plan to identify other entities and individuals in public and enterprise sector who can facilitate broader support for the RCI exercise.

#### On-line resources

60. An online workspace has been established following the Inception Meeting for sharing internal project information internally and for disseminating material from the three workshops. All program, presentation materials, and records from the Workshop are available there. This information platform is password protected and can be made accessible to qualified users upon request.

## **VII. Next Steps for the Work Plan**

- 61.** National and international experts are well along in production of their Technical Reports. Within the next four to six weeks, these drafts will be circulated within the consulting team and distributed to ADB staff and local counterparts for review and comment.
- 62.** Baseline Assessments will be individually written into each Technical Report and synthesized in a single document for distribution at the same time as the draft Technical Reports. This synthesis assessment was deferred until after the Inception Meeting to allow local counterparts to make recommendations regarding appropriate baseline assumptions and data sources, and to incorporate these into each Technical Report.
- 63.** Discussion and confirmation of plans for the capacity building activity. The initial TOR proposed a traditional Capacity Workshop, but our local counterparts expressed interest in a study tour that examines a state-of-the-art integrated land-sea transit hub with strong RCI orientation. Examples cited were San Francisco – Oakland, Singapore, and Rotterdam.
- 64.** Revise the project timetable to account for changes in the capacity building activity and upon agreement of scheduling for the final workshop.



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## Appendix 1: Design and Monitoring Framework

Impact(s) the Project is Aligned with			
A roadmap of policy initiatives to renew Liaoning province's economic momentum by facilitating regional cooperation and economic integration (RCI)			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
<b>Outcome</b>  Establish effective RCI and supporting policies on a new basis for sustained and inclusive economic growth in Liaoning Province.	by January, 2018 a. RCI strategic policy agenda for more sustained and inclusive economic growth in Liaoning Province, accepted by central and provincial governments. (2016 baseline: 0; target: 1)	a. Project report reviews Annual activity report by NDRC's Department of Regional Economies  Annual activity reports by provincial offices.  Mainstreaming RCI objectives and facilitating practices into regional policy practices and communication.	Public and private stakeholders lack incentives and understanding for more determined commitments to RCI and trade facilitation. Central and regional government entities do not fully communicate official commitments, directives, and incentives for RCI promotion. Local stakeholders lack information on regional trade opportunities and/or engage in local protectionism.
<b>Outputs</b>  1. Local counterpart and stakeholder consultations supported by dedicated outreach communication, and dissemination activities  2. Knowledge products comprising reviews of policy evidence, local and regional baseline and historical assessment, strategic analysis  3. Project reporting documents offering Policy, regulatory, and investment recommendations for more effective RCI	1a. A draft baseline needs assessment distributed at the Capacity Development Workshop. (2016 baseline: 0; target: 1) 1b. Draft technical studies distributed at the Capacity Development Workshop. (2016 baseline: 0; target: 5) 1c. Strategic opportunities and RCI initiatives identified and presented at final TA workshop. (2017 baseline: 0; target: 1)  2a. A baseline needs assessment with identified gaps in policies, institutional arrangements, and public goods to support RCI in Liaoning Province. (2016 baseline: 0; target: 1) 2b. Technical Reports on Five Leading RCI Issues (2016 baseline: 0; target: 5) 2c. A Project Report including a wide range of strategic policy recommendations and a roadmap for RCI-based provincial growth. (2016 baseline: 0; target: 1)  3a. A policy note submitted and shared by more than 15. (2016 baseline: 0; target: 1)	1a–1c. TA review missions and reports  Consultant technical report from study  Quarterly dialogue and/or feedback from NDRC  2a–2c TA review missions and reports  Consultant technical report from study  Quarterly dialogue and/or feedback from NDRC  3a. Relevant reports and public communication of NDRC's Department of Rural Economy	Public and private stakeholders lack incentives for collaboration with the field research team.  Capacity Development and Project Completion meetings are not sufficiently inclusive to fully communicate regional strategic recommendations and objectives. Dissemination of project documents and other knowledge products is limited.

<b>Key Activities with Milestones</b>	
<b>1. Regional Cooperation and Integration (RCI) needs assessment, development strategy, and implementation action plan for Liaoning Province, People's Republic of China (PRC)</b>	
1.1	Conduct necessary literature review (Q4 2016).
1.2	Conduct Inception Workshop to consult national and local counterparts on available policies (Q2 2017).
1.3	Conduct Technical Studies on Five Leading RCI Issues (Q2-3 2017)
1.4	Conduct Capacity Development Workshop (Q2 2017) (GCD)
1.5	Prepare a draft final report (Q3 2017) (KNS)
1.6	Conduct TA Completion Workshop (Q4 2017) (GCD)
1.7	Revise and submit the Final Report (Q4 2017) (KNS)
<b>2. Constraints and opportunities for participation of public and private organizations and individuals.</b>	
2.1	Conduct necessary literature review (Q4 2016).
2.2	Undertake a scoping mission to engage local counterparts and stakeholders, design the research, and gather data
2.3	Develop research strategy, study framework, and establish data requirements (Q1-2 2017).
2.4	Conduct field visits, collect data, and consult with relevant government agencies (Q2-3 2017).
2.5	Prepare a draft baseline assessment to be included in the interim report (Q2 2017).
2.6	Revise the report to be included in the draft final report (Q2 2017). (KNS)
2.7	Present the report at the regional TA Completion Workshop (Q4 2017) (GCD)
2.8	Finalize the report (Q4 2017).
<b>3. Policy, regulatory, and investment recommendations to develop a roadmap for Liaoning Province to implement its</b>	
3.1	Prepare and Interim Policy Report based on the baseline assessment and draft Technical Studies (Q2 2017).
3.2	Organize a Regional Capacity Development Workshop (Q2 2017) (GCD)
3.3	Organize a regional TA Completion Workshop on RCI and Economic Revitalization for Liaoning Province (Q4 2017)
3.4	Finalize the policy recommendations and project report (Q4 2017) (KNS)
<b>Project Management Activities</b>	
Mobilize team of experts (Q4 2016).	
Develop study framework, prepare inception report, and organize and conduct inception workshop (Q4 2016, Q1 2017).	
Prepare interim TA report and Inception Workshop (Q2 2017).	
Prepare Technical Reports and Capacity Development Workshop (Q2 2017).	
Prepare Strategic Policy Recommendations and draft final TA report (Q3 2017).	
Hold a final TA Completion Workshop (Q4 2017)	
Finalize the TA outputs (Q4 2017).	
<b>Assumptions for Partner Financing</b>	
Not applicable.	

*G/CD = governance and capacity development, KNS = knowledge solutions*

## Appendix 2: Project Work Plan

Month:	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>PHASE 1</b>															
(1) - CONCEPT NOTE AND TA SCHEDULE															
1.1 Draft concept note and TA schedule															
1.2 Submit concept note and TA schedule															
1.3 Receive comments and revisions for concept note and TA schedule															
1.4 Revise concept note and TA schedule															
1.5 Submission and approval revised concept note and TA schedule															
(2) - INCEPTION WORKSHOP															
2.1 Plan workshop															
2.2 Circulate draft workshop agenda															
2.3 Receive comments and revisions for inception workshop agenda															
2.4 Revise inception workshop agenda															
2.5 Circulate finalized inception workshop agenda															
2.6 Hold workshop															
(3) - FIELD MISSIONS TO LIAONING PROVINCE															
3.1 Draft field mission schedule and event agendas															
3.2 Circulate draft mission schedule and event agenda															
3.3 Receive comments and revisions for mission schedule and agenda															
3.4 Revise and circulate final draft mission schedule and event agendas															
3.5 Carry out field missions															
(4) - INCEPTION REPORT															
4.1 Draft inception report															
4.2 Submit inception report draft															
4.3 Receive comments and revisions for inception report															
4.4 Revise inception report															
4.5 Submission and approval revised inception report															
(5) - TECHNICAL STUDIES															
5.1 Initial planning for all 5 technical studies															
5.2 Submit draft outlines for all technical studies															
5.3 Receive comments and revisions on all technical study outlines															
5.4 Revise and finalize all technical study outlines															
5.5 Draft all technical studies															
5.6 Submit drafts for all technical studies															
5.7 Receive comments and revisions on all technical studies															
5.8 Technical study revision															
5.9 Submission and approval revised versions of all 5 technical studies															
(6) - BASELINE IMPACT ASSESSMENT															
6.1 Draft baseline assessment															
6.2 Submit baseline assessment draft															
6.3 Receive comments and revisions for baseline assessment															
6.4 Revise baseline assessment															
6.5 Submission and approval revised baseline assessment															
<b>PHASE 2</b>															
(7) - REVIEW NATIONAL AND REGIONAL POLICY EXPERIENCE															
7.1 Review policy experience															
7.2 Submit draft proposals															
7.3 Receive comments and revisions on draft proposals															
7.4 Revise draft proposals															
7.5 Submission and approval revised proposals															
(8) - FORMULATE STRATEGIC PROPOSALS FOR FACILITATING TRADE AND ATTRACTING INVESTMENT															
8.1 Review strategies, policies, programs, etc.															
8.2 Submit draft proposals															
8.3 Receive comments and revisions on draft proposals															
8.4 Revise draft proposals															
8.5 Submission and approval revised proposals															
(9) - FORMULATE PROPOSALS FOR INCREASING TRADE BY IMPROVING INFRASTRUCTURE															
9.1 Review strategies, policies, programs, etc.															
9.2 Submit draft proposals															
9.3 Receive comments and revisions on draft proposals															
9.4 Revise draft proposals															
9.5 Submission and approval revised proposals															
(10) - INTERIM REPORT															
10.1 Draft interim report															
10.2 Submit interim report draft															
10.3 Receive comments and revisions for interim report															
10.4 Revise interim report															
10.5 Submission and approval revised interim report															
(11) - CAPACITY DEVELOPMENT WORKSHOP															
11.1 Plan workshop															
11.2 Circulate draft workshop agenda															
11.3 Receive comments and revisions for capacity workshop agenda															
11.4 Revise capacity workshop agenda															
11.5 Circulate finalized capacity workshop agenda															
11.6 Hold workshop															
<b>PHASE 3</b>															
(12) - DRAFT FINAL REPORT															
12.1 Initial planning for final report															
12.2 Submit draft outline of final report															
12.3 Receive comments and revisions on final report draft outline															
12.4 Draft final report															
12.5 Circulate report draft															
(13) - TA COMPLETION WORKSHOP															
13.1 Plan workshop															
13.2 Circulate draft workshop agenda															
13.3 Receive comments and revisions for TA completion workshop agenda															
13.4 Revise TA completion workshop agenda															
13.5 Circulate finalized TA completion workshop agenda															
13.6 Hold workshop															
(14) - REVISION, SUBMISSION FINAL REPORT															
14.1 Receive comments on final report draft															
14.2 Revise final report draft															
14.3 Submit and receive approval of final report															

### Appendix 3: Agenda for the Inception Workshop

## Inception Workshop on Strategy for Liaoning North Yellow Sea Regional Cooperation and Development

### Draft Agenda

Shenyang, China - 31 May, 2017

Location: Crowne Plaza Shenyang Parkview Hotel

### Background

This Workshop will initiate a Technical Assistance project negotiated by the Government of the PRC and the Asian Development Bank. The purpose of TA-9036 is to undertake a Regional Cooperation and Integration (RCI) needs assessment, development strategy, and implementation action plan for Liaoning Province. The TA focuses on priorities for reducing barriers to trade, commerce, integration with OBOR, and revitalization of industrial production and supply chains. The overall objective of the project is to discover new prospects and offer potential advice for Liaoning's future development strategy in national, regional, and global economic initiatives. The Inception Workshop is being held to establish issues to be covered and implementation arrangements for the project (including work plan, deadlines of deliverables, and coordination arrangements).

#### 9:00-9:30 Registration

#### Project Introduction

Chair: Zhang Bingnan, ILFD

#### 09:30 Welcoming Remarks

- Wang Jin, LPDF
- Zhuang Jian, ADB

#### 09:50 Overview of the TA and Draft Inception Report

- David Roland-Holst, TA Team Leader

#### 10:00 Group Photo

**10: 15 Tea Break**

**10:30 Discussion of the Technical Studies**

- for each study, 10min author presentation, 10min comment, and 10min discussion

i.

**10. Investment and financing of public infrastructure of Liaoning Province**

- Jean Francois Gautrin (author)
- Wang Zhenyu (comment)

**11. Policy opportunities for supporting international expansion of Liaoning Province's equipment manufacturing industry**

- LI Shantong (author)
- Sun Hongmin(comment)

**12. Liaoning Province's sea-rail multimodal transportation potential and its fiscal implications**

- YANG Song (author)
- Zhu Jun (comment)

**Chairperson: Dr. Li Shantong**, Senior Research Fellow, DRC

**12:00 Lunch Break**

**13:00 Discussion of the Technical Studies, continued**

**13. Seaport resource management of Liaoning Province**

- WANG Weiguang (author)
- Li Wanjun (comment)

**14. Relevant domestic and international experience in designing and implementing regional cooperation programs**

- David Pearce (author)
- Xu Yan (comment)

**Chairperson: Dr. Wang Weiguang**, Dean and Professor, Liaoning University





**14:00 Roadmap for the Technical Assistance Implementation**

- Team Leader: David Roland-Holst

**14:30 Discussion of the Inception Report**

- All participants

**Chairperson: Jean Francois Gautrin**, International Expert  
ii.

**15: 00 Tea Break**

**Conclusion and Next Steps**

**15:20-16:40 Synthesis discussion, agreements, and communication strategy**

- EA, IA, and TA expert team representatives

**16:40-17:00 Closing remarks**

- David Roland-Holst, Dr. Li Shantong, and ILFD Spokesperson

## **Logistical Arrangements:**

### **Venue for the Workshop and Recommended Hotel for Consultants**

#### **Crowne Plaza Shenyang Parkview**

No. 88, Huanghe Nan Street  
Huanggu District  
Shenyang LN - 110031

Reception: 86-24-86311111

Fax: 86-24-86252111

Email: [info@cpshenyang.com](mailto:info@cpshenyang.com)

<https://www.ihg.com/crowneplaza/hotels>



#### **For questions:**

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## Directions:



<https://www.google.co.jp/maps/place/Crowne+Plaza+Shenyang+Parkview/@41.8381462,123.41877,15z/data=!4m5!3m4!1s0x0:0x74b692a719054ccb!8m2!3d41.8381462!4d123.41877>

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	<b>National Experts</b>		
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