

**BOARD
OF
DIRECTORS**

ASIAN DEVELOPMENT BANK

R41-01
14 March 2001

**TECHNICAL ASSISTANCE TO THE PEOPLE'S REPUBLIC OF CHINA
FOR THE FORMULATION OF THE GOVERNMENT PROCUREMENT LAW**

The attached Report is circulated for the information of the Board. The President approved the technical assistance on 20 February 2001.

For Inquiries: Mr. B. Kwong, Central Operations Services Office
(Ext. 6615)
Mr. X. Peng, Office of the General Counsel
(Ext. 4910)

ASIAN DEVELOPMENT BANK

TAR: PRC 34607

TECHNICAL ASSISTANCE

TO THE

PEOPLE'S REPUBLIC OF CHINA

FOR THE

FORMULATION OF THE

GOVERNMENT PROCUREMENT LAW

February 2001

CURRENCY EQUIVALENTS

(as of 14 January 2001)

Currency Unit	-	Yuan (Y)
Y1.00	-	\$0.208
\$1.00	-	Y8.2767

ABBREVIATIONS

ADB	-	Asian Development Bank
APEC	-	Asia Pacific Economic Cooperation
FEC	-	Financial and Economic Committee (of the NPC)
GPL	-	Government Procurement Law
GPS	-	Government procurement system
MOF	-	Ministry of Finance
NPC	-	National People's Congress
PRC	-	People's Republic of China
TA	-	Technical Assistance
TBL	-	Tendering and Bidding Law

NOTE

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

I. INTRODUCTION

1. The Country Assistance Plan (2001-2003) of the Asian Development Bank (ADB) for the People's Republic of China (PRC) includes technical assistance (TA) for the formulation of the Government Procurement Law (GPL). At the request of the Government, the Fact-Finding Mission for the TA visited Beijing from 19 to 30 June 2000 and held discussions with the National People's Congress (NPC) and other agencies of the Government. This report is based on the Mission's findings in the field and the understandings reached on the objectives, scope, cost estimates, financing plan, terms of reference for consultants, and implementation arrangements for the TA.¹ The logical framework for the TA is provided in Appendix 1.

II. BACKGROUND AND RATIONALE

2. The Government is firmly committed to continuing and deepening its fundamental policies of liberalization and opening up to the outside world. As part of this far-reaching and historic process, the PRC is shifting from central planning to a market-oriented economy, emphasizing the rule of law and building the legal system, and implementing a wide range of fundamental governance reforms. In taking these steps, the Government seeks to improve economic efficiency, combat corruption and waste, and establish a modern and effective market economy. The entire system of public expenditure is undergoing major reform. Different categories of public expenditures, such as transfer payments and government procurement, are being carefully distinguished and specific rules, policies, and procedures are being developed for each category.

3. Tremendous and constantly accelerating progress is being achieved in government procurement. Departments and organizations of the central Government began to implement government procurement procedures at the end of 1998. In April 1999, the Ministry of Finance (MOF) issued the PRC's first set of generally applicable procurement rules.² Throughout 1998 and 1999, innovative pilot programs were launched in at least 29 provinces, autonomous regions, and municipalities across the country. The preliminary results of these diverse and impressive measures have been very encouraging. Costs have substantially decreased, quality has improved, fiscal functions and controls have been strengthened, the transparency of public expenditures has increased, and opportunities for corruption have been declined. As the improvements are institutionalized, their benefits are expected to broaden and deepen. By empowering the private sector to compete on a fair and equal basis for public contracts, the reforms will attract the resources needed to perform these contracts. The resulting expansion of opportunities is expected to play a key role in job creation and poverty reduction in the PRC.

4. In August 1999, another milestone was reached when NPC adopted the PRC's first nationwide public procurement law, the Tendering and Bidding Law (TBL). The initial draft of the TBL was prepared with assistance from the World Bank. Subsequent drafts, as well as the final version and a series of six highly detailed regulations and three sample tendering documents, were facilitated by TA from ADB.³ Additional TA from ADB for institutional strengthening and capacity

¹ The TA was first listed in *ADB Business Opportunities* in May 2000.

² The Interim Rules on the Administration of Government Procurement, issued by MOF on April 17, 1999.

³ TA 2845-PRC: *Establishment of National Procurement Regulations for the Public Sector*, for US\$565,000, approved on 20 August 1997 and completed on 30 March 2000. The Executing Agency for this TA was the State Development Planning Commission. Final approval of the regulations and sample tender documents by the State Council is expected in late 2000.

building to improve the administration and supervision of the TBL has been approved, and implementation is scheduled to begin later this year.⁴

5. Government procurement in the PRC has also become an issue of international importance, acquiring new urgency as a result of the Government's active participation in various international economic forums. For example, in its 1999 Individual Action Plan in connection with the Asia Pacific Economic Cooperation (APEC) talks, the Government stated that the PRC will treat foreign suppliers on par with national suppliers and consider the feasibility of opening the government procurement market to other APEC member countries during 2011-2020. In addition, with the PRC's entry into the World Trade Organization (WTO), the Government will have to sign the Agreement on Government Procurement, or a transparency agreement, or both.

6. Despite the impressive progress made during the last few years, the Government recognizes that the government procurement system (GPS) has not yet been placed on a sound footing. The PRC still lacks a fully unified, comprehensive national legal framework for government procurement promulgated by the nation's highest legislative authority. Creating such a framework covering all of the main aspects of the procurement process throughout the entire country, across levels of government, is essential if the gains of recent years are to be consolidated and expanded. The GPL will be specifically designed to meet this need in conjunction with the earlier NPC-approved TBL.⁵ Accordingly, the Government has included the GPL in NPC's current five-year legislative plan (1999-2003) as priority legislation. The Government, in turn, has requested ADB to provide this critically-needed TA.

7. Among the principal elements of government procurement currently planned to be addressed in the GPL are general provisions (including scope of application, definition and categories of government procurement, basic principles, and sources of funds); administration (including approval authority, operating structure, responsibilities, and supervision and audit); rights and duties of participants in the procurement process (including central Government and other procuring entities, tendering agencies, and domestic and foreign suppliers); funding; methods of procurement and conditions for their use; enforcement and examination of contracts (including performance, payment, and enforcement); legal liabilities; and final provisions (such as effective date and relationship to other laws, regulations, and agreements with international organizations and foreign governments). In addition, the GPL will address the role of government procurement in implementing collateral policies such as support for small and medium-sized enterprises, structural adjustment of the economy, and various State industrial policies.

III. THE TECHNICAL ASSISTANCE

1. Objective

8. The overall goal of the TA is to support good governance, including efforts to combat corruption and ensure the rule of law, through the establishment of a sound legal framework for the development of the GPS. The objective of the TA is to help NPC formulate a unified and

⁴ TA 3457-PRC: *Implementation of the Tendering and Bidding Law and Related Regulations*, for \$565,000 approved on 14 June, 2000. Close coordination between the current TA and TA 3457 will be fostered to ensure that the two TAs complement each other and result in mutually reinforcing progress toward a sound government procurement system (GPS) in the PRC.

⁵ The TBL is a procedural law only, dealing with tendering and bidding procedures. The GPL may coincide to a degree, but also covers the entire range of topics relating to the process and method of procurement, such as funding sources, monitoring and administering functions, etc. Also, the TBL applies not only to administrative purchases by government agencies, but also to purchases by state-owned enterprises and other organizations with public or other funds.

comprehensive national GPL that is consistent the best domestic and international practices, and consolidates and expands the gains made as a result of recent domestic reforms as well as the implementation of the TBL and related regulations and standard tender documents. The NPC, the Project's Executing Agency, intends to submit the draft GPL to its Standing Committee for review by the end of 2002, and anticipates that the Standing Committee will consider the draft at its March 2003 session. Assistance to formulate the GPL is consistent with ADB's operational strategy to support economic reforms and promote good governance in the PRC.

2. Scope

9. The scope of the TA is to provide expertise and assistance to NPC-led drafting group preparing the GPL. Specific activities will include

- (i) collecting and reviewing the lessons learned in procurement pilot programs conducted at various levels of government in the PRC in recent years;
- (ii) collecting and assessing documents and books relating to government procurement laws in other countries and practices of market economies as reference materials for the drafting group;
- (iii) providing external training for key members of the drafting group through two study tours to countries within and outside the region;
- (iv) conducting three international workshops (three days each) and three consultation meetings (four days each) to obtain expert foreign and domestic input into the process of drafting the legislation; and
- (v) preparing a comprehensive and unified national draft GPL that builds on these activities and the experience gained in the implementation of the TBL, while serving as a sound legal basis for a modern, transparent, fair, and effective GPS in the PRC.

3. Cost Estimates and Financing Plan

10. The total cost of the TA is estimated at \$823,000 equivalent, comprising \$375,000 in foreign exchange and \$448,000 equivalent in local currency costs. ADB will provide \$578,000 equivalent to finance, on a grant basis from the ADB-funded TA program, the entire foreign exchange cost of \$375,000 and \$203,000 equivalent of the local currency cost. The funds provided by ADB will finance the following: international and domestic consulting services and international/domestic resource persons, international workshops and consultation meetings, study tours by key members of the drafting group to countries within and outside the region, office equipment and reference materials, translation, and miscellaneous administration and support costs for the consultants. The Government has agreed to finance the remaining local currency cost of \$245,000 in kind. Cost estimates and a financing plan are provided in Appendix 2.

4. Implementation Arrangements

11. The NPC will be the Executing Agency for the TA. Within NPC, the Financial and Economic Committee (FEC) has been assigned the responsibility of managing the drafting process, coordinating with concerned government agencies, and producing a text of the GPL for submission to NPC Standing Committee.

12. A drafting group has already been formed by FEC. The drafting group is led by the vice-chairman of FEC as director. Other members include senior staff from the State Development Planning Commission, MOF, State Economic and Trade Commission, Ministry of Foreign Trade and Economic Cooperation, General Equipment Department and General Rear Service Department of the People's Liberation Army, and Organizational Affairs Administration Bureau of the State Council, as well as additional representatives of NPC (including FEC and the Budget Working Committee) and other experts and scholars. To facilitate the work of the TA, a secretariat will be established in NPC by early January 2001. The availability of an adequately staffed secretariat (including expertise in technical translation of documents relating to government procurement) to fulfill the substantial responsibilities assigned to NPC is essential to the success of the TA.

13. The NPC will hold three international workshops, attended by the drafting group and other domestic experts, scholars, legal practitioners, the international and domestic consultants, and international/domestic resource persons. The workshops will provide comments and recommendations for improving the draft GPL. In addition to the workshops, three consultation meetings will be held among the drafting group, the international and domestic consultants, and international/domestic resource persons, which will address detailed problems and textual issues. As far in advance of each workshop and consultation meeting as possible, NPC will prepare revised versions of the GPL in both Chinese and English. When it is not possible in a specific instance to provide an English version in a timely manner, the domestic consultant may be requested, as an exceptional case, to provide translation. The latest versions will be distributed to prospective participants prior to the next workshop or consultation meeting to permit careful review. The domestic experts and scholars will receive the Chinese text, the international/domestic resource persons will receive the text in English, and the consultants will be provided with both Chinese and English language texts. Preparation and printing costs for materials collected at the workshops and consultation meetings are included in the TA.

14. Approved lists of office/equipment and reference materials on government procurement will be provided under the TA. Members of the drafting group will receive external training through two study tours to countries within and outside the region whose laws relating to government procurement are considered to be relatively advanced. The members of the drafting team, especially the legislative officials from FEC involved in this TA, are not primarily procurement specialists. They need to quickly acquire a deeper knowledge of procurement if the GPL is to be drafted with suitable content and on time. The external training will complement the incountry training, acquainting the officials with the details of procurement rules in other countries and giving them an overview of the interplay of these rules with other aspects of a modern governance system. Such comprehensive learning is much more effectively communicated through external training held in the countries concerned rather than incountry training, and it is absolutely essential if the PRC is to move to a modern procurement system. After each study tour, NPC will submit to ADB and the lead consultant a brief report, in English, confirming that the approved itinerary, team, budget, and schedule were followed (or noting any changes), and providing observations on the utility of the trip.

15. The NPC will secure facilities for the workshops and consultation meetings. It will also, in consultation with ADB through the international consultant, determine the final agenda for the workshops and discussion meetings; invite the selected international resource persons to participate; provide interpreting and translation services as necessary, with only limited supplementary services provided by the domestic consultant; procure approved items of office equipment and reference materials; and, as approved by ADB through the domestic consultant, make arrangements for the study tours.

16. The TA will be carried out primarily by two individual consultants. The international procurement legislation consultant will be engaged for 6 person-months as the lead consultant, and

will be responsible for coordinating all project activities; providing advice and assistance in drafting text of the GPL and organizing the international workshops, consultation meetings, and external training; and submitting progress reports on all major events. The domestic procurement consultant will be engaged for 12 person-months to assist with all aspects of the TA as needed, with particular emphasis on participating in the workshops, consultation meetings, and other meetings (including, when necessary, providing interpreting services); translating drafts of the GPL and other materials to the extent needed to supplement the work of NPC staff; and acting as liaison with NPC and the drafting group in connection with planning and obtaining ADB approval for the external training, the identification and assessment of lessons learned from domestic pilot programs, and otherwise as requested by the lead consultant. The consultants will be engaged by ADB as individuals in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of the domestic consultant. Outline terms of reference for the consultants are given in Appendix 3.

17. The international/domestic resource persons will assist the TA on a short-term basis by making presentations, providing comments on GPL drafts and otherwise participating actively as a panel of experts in the workshops and consultation meetings. Each will be an eminent lawyer, engineer, or senior scholar with recognized expertise and experience in international/domestic and comparative public procurement. The resource persons will be invited for a total of four person-months. Other international experts, including one or more procurement specialists from the World Bank, will also be invited. Resource persons will be invited by NPC based on the recommendations of the lead consultant and in consultation with ADB. An advance payment facility will be provided for the workshops, consultation meetings, external training and resource persons.

18. The lead consultant will submit five progress reports and a final report to the Government and ADB. Three tripartite meetings and two review meetings will be held to discuss the status of implementation of the TA and to identify any additional actions that may be needed to meet the objective of the TA.

19. The TA will be implemented over a 24 month period (Appendix 4) commencing in January or February 2001. In the first year, the focus of the TA will be on information gathering and the formulation of a first draft of the GPL. Coordination will be sought, as appropriate, with the consultants implementing TA 3457-PRC.⁶ The emphasis in the second and final year will be on the refinement and completion of the draft text so that it will be ready for submission to the Standing Committee of NPC at the end of the TA. The services of the consultants are expected to commence in January 2001 and to be completed by December 2002.

IV. THE PRESIDENT'S DECISION

20. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance, on a grant basis, to the Government of the People's Republic of China in an amount not exceeding the equivalent of \$578,000 for the purpose of the formulation of the Government Procurement Law, and hereby reports such action to the Board.

⁶ TA 3457-PRC: Implementation of the Tendering and bidding Law and Related Regulations.

LOGICAL FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal Good Governance: Improved effectiveness, efficiency, and ethical procurement of public goods & services</p>	<p>Effectiveness: Significant increases in competitive bidding, with concomitant cost savings in public procurement, by 2007</p> <p>Efficiency: Significant reduction in time and cost for processing and awarding government contracts, by 2007</p> <p>Ethical Practices: Public advertising and tendering for government contracts, with competitive awards to responsive bidders, by 2007</p>	<p>Procurement agencies operating records</p> <p>Procurement agencies operating records</p> <p>Auditor General reports</p>	<p>Sustained Government commitment to good governance</p>
<p>Purpose Implementation of rule of law in public procurement of goods and services</p>	<p>Government Procurement Law (GPL) promulgated by Dec 2003</p>	<p>National Law</p>	<ul style="list-style-type: none"> • Continued Government commitment to GPS development • Effective enforcement of the law
<p>Outputs Draft Text of GPL</p>	<p>Draft GPL submitted to the Financial & Economic Committee (FEC) of the National People's Congress (NPC), by Oct 2002</p>	<p>Consultant's final report</p>	<ul style="list-style-type: none"> • NPC will adopt the recommendations to improve the legislation. • Consensus may not be possible on all issues.
<p>Activities Complete Draft Text of GPL</p> <p>Establish Secretariat.</p> <p>Collect and review lessons learned in domestic government procurement pilot programs.</p>	<p>Schedule Start / Complete</p> <p>Start: As soon as possible. Complete: Jan 2001 Responsibility: FEC</p> <p>Start: Feb 2001 Complete: Sep 2001 Responsibility: Consultant</p>	<p>Consultants' inception report</p> <p>Consultants' progress reports</p>	<ul style="list-style-type: none"> • Materials concerning pilot programs are readily available.
<p>Collect and assess documents and books relating to advanced government procurement laws and</p>	<p>Start: Feb 2001 Complete: Sep 2001 Responsibility: Consultant</p>	<p>Consultants' progress reports</p>	<ul style="list-style-type: none"> • Drafting group has sufficient information about foreign laws to identify appropriate materials.

(Reference in text: page 1, para. 1)

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
practices in market economies.			<ul style="list-style-type: none"> Materials can be identified, ordered, received, and reviewed expeditiously.
<p>Provide external training for key members of the drafting group.</p> <p>Conduct 3 international workshops and 3 consultation meetings to obtain expert foreign and domestic input for draft legislation.</p> <p>Prepare a comprehensive national GPL draft.</p>	<p>Start: Jun 2001 Complete: Oct 2001 Responsibility: Consultant</p> <p>Start: Feb 2001 Complete: Sep 2002 Responsibility: Consultant</p> <p>Start: Feb 2001 Complete: Oct 2002 Responsibility: Consultant</p>	<p>Consultants' progress reports</p> <p>Consultants' progress reports.</p> <p>Consultants' final report</p>	<p>Appropriate officials and destinations to visit can be identified and appointments made for the right time.</p> <ul style="list-style-type: none"> Qualified and capable resources persons are available Details acceptable to ADB and within available funding can be established. Good communication is maintained among all involved. The NPC devotes adequate staff effort and time to keep to the tight schedule for the revision of drafts. The drafters are receptive to innovation, and open to learning from best international and domestic practices.
<p>Inputs</p> <p>Consultants & Resource Persons</p> <p>Workshops & Consultation Meetings External Training</p> <p>Equipment</p> <p>Translation</p> <p>Miscellaneous</p> <p>Contingency</p> <p>Counterpart Government Financing</p>	<p>Resources Costs</p> <p>International Consultant \$97,000</p> <p>Domestic Consultant \$36,000</p> <p>Resource Persons \$70,000</p> <p>International/Domestic Travel \$80,000</p> <p>\$80,000</p> <p>\$80,000</p> <p>\$15,000</p> <p>\$40,000</p> <p>\$10,000</p> <p>\$70,000</p> <p>\$245,000</p>	<p>Consultants Invoices</p> <p>Consultants' Invoices</p> <p>Consultants' Invoices</p> <p>Consultants' Invoices</p> <p>Consultants' Invoices</p> <p>Consultants' Invoices</p> <p>Consultants' Invoices</p> <p>FEC audit reports</p>	<p>Secretariat adequately staffed by NPC</p>

COST ESTIMATES AND FINANCING PLAN
(\$ thousand)

Item	Foreign Exchange	Local Currency	Total Cost
A. ADB Financing			
1. Consultants and Resource Persons			
a. Remuneration and Per Diem			
(i) International Consultant	97	0	97
(ii) Domestic Consultant	0	36	36
b. Resource Persons	58	12	70
c. International/Domestic Travel	75	5	80
2. Workshops and Consultation			
Meetings	0	80	80
3. External Training	80	0	80
4. Office Equipment	15	0	15
5. Translation	0	40	40
6. Miscellaneous (Administrative Cost)	0	10	10
7. Contingency	50	20	70
Subtotal (A)	375	203	578
B. Government Financing			
1. Drafting Group and Secretariat	0	100	100
2. Local Transportation	0	30	30
3. Local Communication	0	20	20
4. Office Supplies/Services	0	20	20
5. Translation/Interpreter	0	30	30
6. Workshop/Venues	0	45	45
Subtotal (B)	0	245	245
Total	375	448	823

ADB = Asian Development Bank
Source: Staff Estimates

(Reference in text: page 3, para. 10)

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS SERVICES

A. Procurement Legislation Consultant (International)

1. Scope of Services

1. As the lead consultant for the technical assistance (TA), the international procurement legislation consultant will be responsible for coordinating all approved activities, submitting all required reports to the Government and Asian Development Bank (ADB), and otherwise seeking to take all reasonable and practicable steps to ensure the successful completion of the TA. He or she will provide, as appropriate, all requested assistance to the National People's Congress (NPC), including the secretariat, and the drafting group in the formulation of the Government Procurement Law (GPL). The consultant's tasks will include the following:

- (i) providing advice and assistance in drafting, revising, and completing the text of the GPL, for submission to NPC Standing Committee by the end of 2002, to reflect the best domestic and international practices and consolidate and build on the progress made through adoption and implementation of the Tendering and Bidding Law (TBL) with a view toward establishing a transparent, fair, and effective GPS in the People's Republic of China (PRC);
- (ii) rendering advice and assistance, in consultation with ADB, for the international workshops and consultation meetings, including suggestions regarding draft agenda prepared by NPC, recommending international resource persons, helping to make arrangements with selected resource persons and forwarding their names and curricula vitae to NPC for formal invitation, along with other related matters;
- (iii) providing guidance to NPC regarding collection and assessment of documents and other reference materials (including books) relating to advanced government procurement laws and practices of market economies outside the PRC for use by the drafting group, and assistance as needed in obtaining the materials;
- (iv) maintaining continuous contact and communication with, and exercising general oversight and supervision of, the domestic procurement consultant in order to coordinate and facilitate the TA work; and
- (v) providing such other advice and assistance regarding international and comparative government procurement law as NPC and the drafting group may request for the successful performance of the TA.

2. The lead consultant should also seek opportunities to foster the participation of additional foreign experts, funded from sources other than the TA, in the international workshops and consultation meetings. With the approval of ADB, and subject to availability, TA funds may be used to cover partial costs of such experts. The lead consultant will assist NPC in the procurement of computer equipment, software, and ancillary equipment such as printers, photocopiers, and other office equipment to support the TA operations.

2. Required Expertise

3. The procurement legislation consultant will be a senior specialist attorney with extensive knowledge and public/private sector experience in international and comparative government procurement of goods, works, and services. A thorough familiarity with government procurement in the PRC is essential. The consultant should have expertise in the advanced procurement system(s) of one or more developed countries, as well as a firm grasp of relevant international agreements such as those of the World Trade Organization. It is equally important that the consultant understand the special considerations inherent in the development of procurement systems in formerly centralized economies and developing countries. Chinese language (Mandarin) capability will be helpful but is not essential.

3. Implementation Arrangements

4. It is estimated that a total of 6 person-months will be required to complete the scope of services in accordance with the implementation schedule in Appendix 4. The lead consultant will start the services at the beginning of the first month and continue the work until the end of the twenty-fourth month. Approximately 4.5 person-months of consultancy will be provided in the field, and about 1.5 person-months at the consultant's office.

4. Reporting

5. The lead consultant will be responsible for preparation and submission of the following reports in English:

- (i) a brief progress report, in March 2001, following TA inception and the first consultation meeting;
- (ii) a detailed progress report, in May 2001, following the first international workshop and the first tripartite meeting;
- (iii) a brief progress report, in October 2001, following the second consultation meeting and the interim review meeting;
- (iv) a detailed progress report, in February 2002, following the second international workshop and the second tripartite meeting;
- (v) a brief progress report, in June 2002, following the third consultative meeting; and
- (vi) a detailed final report, in December 2002, after the third international workshop, final tripartite meeting, and receipt of NPC's update on submission of the GPL to NPC Standing Committee.

6. Three copies of each of the above reports will be submitted to NPC and four to ADB. The reports will detail progress toward producing the outputs, completing the activities, and achieving the objective of the TA, as well as any problems encountered and any substantial changes that may be needed in the work program or the consultants' terms of reference. In addition, the final report will provide recommendations for future actions by the Government and ADB.

B. Procurement Consultant (Domestic)

1. Scope of Services

7. The domestic procurement consultant will assist the international lead consultant as requested in the performance of all aspects of the TA, and will perform the following specific tasks:

- (i) assisting the international consultant in providing advice and assistance for the drafting and revision of the text of the GPL;
- (ii) maintaining communication with NPC regarding the collection and review of lessons learned in domestic government procurement pilot programs in recent years;
- (iii) participating in, and assisting with, the workshops, consultation meetings, and other meetings, as requested;
- (iv) receiving from NPC its proposed lists of office equipment and reference materials for purchase under the TA, forwarding the lists to ADB (with a copy to the lead consultant), and conveying to NPC for comments and any suggestions for revisions;
- (vi) contacting NPC as necessary regarding planning for the external training, including details of the planned foreign study tours (such as the itinerary, team, budget, and schedule), keeping ADB and the international consultant informed of these plans and changes to them on an ongoing basis; and
- (vii) providing interpreting and translation services as needed.

2. Required Expertise

8. The domestic consultant will be a knowledgeable procurement consultant with demonstrated additional capability in interpreting and translation between Mandarin Chinese and English. He or she will assume a significant amount of direct responsibility for liaison work and key administrative tasks so a high degree of dependability and independence will be required.

3. Implementation Arrangements

9. It is estimated that a total of 12 person-months will be required to complete the scope of services in accordance with the implementation schedule in Appendix 4. The domestic procurement consultant will start work shortly after the Project begins, as authorized by the lead consultant in writing, and will continue to work until the end of the twenty-fourth month or such earlier time as the lead consultant may direct in writing. All services will be provided within the PRC. The schedule of the domestic consultant shall be coordinated with, and agreed by, the international consultant (in consultation with ADB as necessary). Approximately 6 person-months will be provided on a full-time basis, with the remaining consultancy provided on a part-time as-needed basis over the rest of the TA period.

4. Reporting

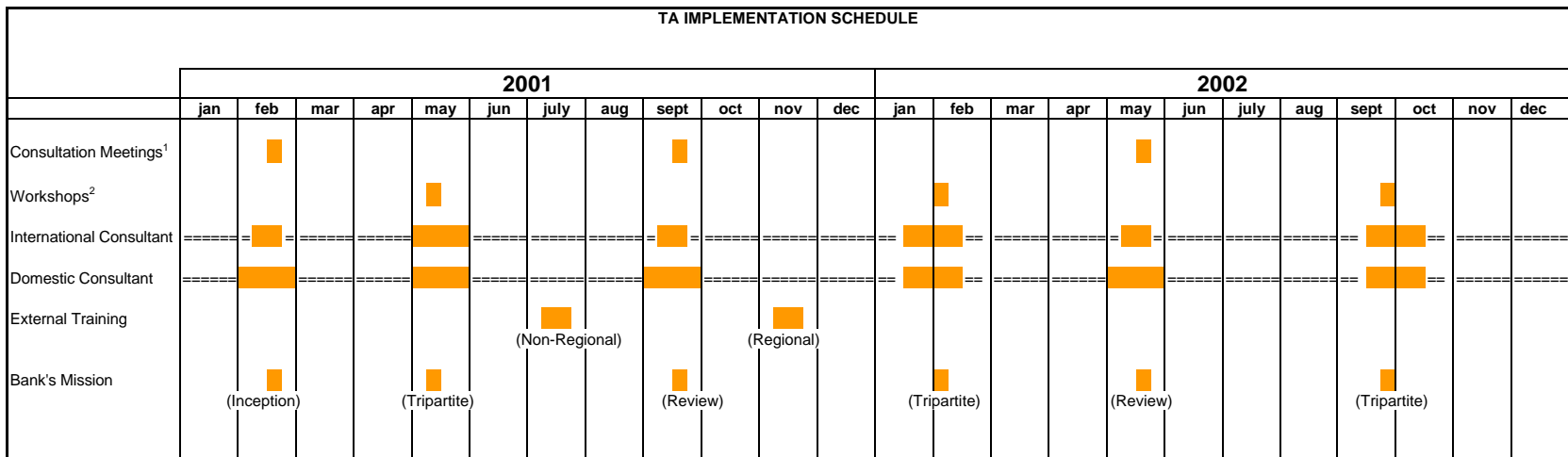
10. Submission of formal reports is not required. However, in the performance of all of the duties noted above, the domestic procurement consultant will ensure that the lead consultant is

kept informed in a timely manner of the progress of the work and any issues or problems encountered, and will, in addition, notify the lead consultant on a monthly basis, shortly after the end of each month, of the amount of consultancy time the domestic consultant has used (both during the month itself and cumulative).

C. Resource Persons (4 person-months total)

11. The international/domestic resource persons will be recognized experts on procurement laws and regulations in the PRC and other ADB member countries. The resource persons will be invited to attend and make presentations, acting as a panel of experts, at the international workshops and consultation meetings, contributing their views and comments on the draft legislation.

12. To facilitate the preparation of their presentation, NPC will provide all resource persons the draft legislation (in English), and a list of questions to be addressed, prior to the workshops and meetings. One week before each workshop and meeting, each resource person will submit a copy of his or her presentation to the lead consultant for circulation to concerned persons.



Note: ¹ Consultation meetings tentatively set on: 18-21 February 2001; 17-20 September 2001; and 14-17 May 2002.

² Workshops tentatively set on: 8-10 May 2001; 5-7 February 2002; and 25-27 September 2002.

Legend: full time activities
 part time activities

Reference in text: page 5, para. 19)