



Technical Assistance Consultant's Report

Project Number: 49028
October 2017

People's Republic of China: Hebei Elderly Care Development Project (Financed by the Technical Assistance Special Fund)

FINAL REPORT (Volume 2 of 3, Part 2)

Prepared by TA 8996-PRC Individual Consultants (P. Chan, P. Jaques, B. Li, F. Li, Q. Li, X. Wang, Y. Xu, S. Wyse, N. Yip)

For Hebei Provincial Government

This consultant's report does not necessarily reflect the views of ADB or the Government concerned, and ADB and the Government cannot be held liable for its contents. All the views expressed herein may not be incorporated into the proposed project's design.

Asian Development Bank

Hebei Elderly Care Development Project

Final Report

Volume Two

Document 2-D

Procurement Risk Assessment

HEBEI ELDERLY CARE DEVELOPMENT PROJECT PROCUREMENT RISK ASSESSMENT

Executive Summary

This assessment was conducted in accordance with the Guide on Assessing Procurement Risks and Determining Project Procurement Classification (the Guide).³⁰² The main weaknesses identified are at implementation agency (IA) level. First, all the IAs have no previous practical experience working to the specific regime imposed by the ADB procurement guidelines. Second, there are 3 newly established private companies, which currently have limited staff and knowledge of public procurement requirements.

These risks are being and will be mitigated as (1) Hebei Provincial Government (HPG), as the Project Executive Agency (EA), has committed to fulfill ADB's requirements for all procurements and consultant recruitments for the project; (2) Hebei Project Management Office (HPMO) has already gained good knowledge of procurement management in previous and ongoing ADB and WB financed projects; (3) capacity development was/is being/will be conducted by ADB and PPTA procurement consultants; and (4) supports for procurements and consultant recruitments will be provided by procurement consultants and an experienced procurement agency.

Overall project procurement risk is moderate.

I. Introduction

1. This document reviews the proposed arrangements for procurement under the Hebei Elderly Care Development Project (the Project) and the capacity of the agencies involved. It contains findings and observations of the procurement risk assessment for the Project.

2. The proposed project will support development of the elderly care system in Hebei province through improving the quality and coverage of residential, community, and home-based elderly care services and facilities. The impact of the project is aligned with the government's goal that a three-tiered EC system (home, community, and residential) is established. The expected outcome is that the quality of EC services in Hebei Province is improved. The project will support selected cities and counties initiatives to improve the quality and coverage of the elderly care systems. The Project will have 4 outputs: (1) Community and home care services improved; (2) Residential elderly care service capacity increased and quality improved; (3) Elderly Care planning, development of human resources and industry capacity improved; and (4) Capacity of the Elderly Care Sector Organizations Improved. Procurement of goods, civil works and consulting services is a key element of the project implementation.

3. This assessment was conducted in accordance with the Guide on Assessing Procurement Risks and Determining Project Procurement Classification (the Guide) by a procurement specialist of the project preparatory technical assistance (PPTA) consultant team engaged by the ADB. Preparatory activities included review of project documents; ADB's ongoing procurement experiences in the People's Republic of China (PRC); a procurement capacity risk assessment using Project Procurement Risk Assessment Questionnaire provided in the Guide; in-depth discussions with the HPMO and the six relevant IAs. The completed Project Procurement Risk Assessment Questionnaires are presented in Appendix 1.

i.302 ADB. August 2015. *Guide on Assessing Procurement Risks and Determining Project Procurement Classification*. Manila.

II. Project Procurement Risk Assessment

A. Overview

4. PRC has instituted laws and regulations governing public sector procurement that reflect its transition towards a market-based economy. The two main laws that regulate public procurement in the PRC are the Law on Tendering and Bidding (TBL) effective January 2000, which governs public sector procurement, mainly large public works projects, and the Government Procurement Law (GPL), effective from January 2003 and amended in 2014, which covers all government procurement activity. TBL, which is administered by NDRC, applies to all tendering and bidding activities in PRC and includes extensive articles on tendering, bidding, bid opening, evaluation and winning, and legal liabilities. GPL, administered by MOF, plays a fundamental role for governmental entities at all levels that procure works, goods and services using fiscal funds.

5. Both the TBL and GPL are based on international best practices and principles, require the use of competitive bidding as the main procurement method, define the conditions under which other procurement methods can be applied, and have articles dealing with corrupt practices. The legal framework supports non-discriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, complaints mechanism). In principle, there is no legal restriction on nationality of bidders. The New Regulation on implementing the GPL, effective on 1 March 2015, has clarified which laws, i.e., the GPL or the TBL, should be applicable to the procurement transactions. Further streamlining procurement procedures in the both laws will improve efficiency in procurement activities in PRC.

6. The following issues of general procurement environment in the PRC tend to increase procurement risk for this project.

- (1) Consulting services are not clearly addressed in the two national procurement laws.
- (2) The national procurement laws are not clear for participation of state-owned enterprises.
- (3) The laws and regulations do not require collection of nationwide statistics on procurement, and consolidated historical procurement data are not readily available to the public.
- (4) There is no comprehensive training program available by executing agencies for procurement accreditation or professionalization in the PRC.

7. For the PRC, country and sector procurement risk preliminarily rated by ADB is medium.

8. Procurement of all goods and works of the Project will be carried out in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). When the requirements of ADB's Procurement Guidelines are more stringent than or slightly different from those of Law of Tendering and Bidding of the PRC, the ADB's Procurement Guidelines will prevail. Where appropriate, specific requirements of the Loan Agreement/Project Agreement will be included in the tendering documents and contract documents, to require the contractors to implement relevant provisions or to inform them of certain matters. For example, the contractors will be required to accommodate ADB's audit and inspection rights, and adhere to relevant provisions of the gender and social action plans prepared for the Project.

9. All consulting services financed in whole or in part from the ADB loan will be carried out in accordance with and the Guidelines on the Use of Consultants by the Asian Development Bank and Its Borrowers (2013, as amended from time to time).

i. Organization and Staff Capacity

10. The Hebei Provincial Government will be the executing agency for the project. The Hebei Project Leading Group (HPLG) has been established led by a Vice Governor and includes membership

from the Development and Reform Commission, Finance, Civil Affairs, Education, Committee on Aging, Environment Protection, Industry and Information, Human Resources and Social Security, Housing and Urban-rural Development, and the Land Management Departments, and the Health and Family Planning Commission. The HPLG will be responsible for overall coordination of the project. Under the HPLG, a project management office (HPMO) has been established in the Hebei Provincial Foreign Debt Management Center in the Hebei Provincial Finance Department, which is responsible for the preparation, implementation, management and supervision of the project and will provide guidance to the subproject cities and counties. The subproject cities and counties have each established PLGs and PMOs with specific responsibilities at local level that largely mirror those of HPLG and HPMO at the provincial level. The relevant local governments, following local selection procedures, have assigned responsibility for day to day sub-project implementation to a designated implementing agency. These implementing agencies are a mix of private and public entities as shown below.

Three private entities are:

- (1) Chengde Haoren Elderly Care Service Co. Ltd. (In Chinese: 承德好人养老产业有限公司). It was established on 25 July 2016, with a majority corporate shareholder of Jinluan International Hotel Co., Ltd. (金滦国际酒店有限公司) and one natural person.
- (2) Hebei Runqinyuan Elderly Care Industry Development Co., Ltd. (In Chinese: 河北润亲源养老产业发展有限公司). It was established on 1 September 2015, with two natural persons.
- (3) Xinji Juyouleyuan EC Service Co.Ltd. (In Chinese: 辛集市聚友乐园养老服务有限公司). It was established on 12 August 2016, with a majority corporate shareholder of Dayu Group Co. Ltd. (大羽集团有限公司) and eight natural persons.

Three public entities are:

- (4) Julu County Hospital (In Chinese: 巨鹿县医院)
- (5) Li County Civil Affair Service Center (In Chinese: 蠡县民政事业服务中心)
- (6) Yanshan University (In Chinese: 燕山大学)

11. HPMO staff members from Hebei Province Finance Department have adequate experience in the management of foreign funded projects since they have successfully completed the World Bank Funded Hebei Urban Environment Project and ADB Financed Hebei Wastewater Management Project. Experiences are also gained from the ongoing ADB Financed Hebei Small Cities and Towns Development Demonstration Project and World Bank Funded Hebei Clean Heating Project. It is understood that the core HPMO staff members who are familiar with ADB project management shall be kept and responsible for the procurement management of this proposed project.

12. Among the 6 IAs, none of them has any experience with the foreign funded project management. The three existing public entities have a number of staff responsible for the procurement work of their routine business. As surveyed, these procurement staff have reasonable years of experience in domestic procurement and government public procurement, and are familiar with PRC's procurement requirements and their practical applications and procedures. However, the three newly established private companies have no procurement unit in place yet with one or two temporary staff working for procurement preparation work. It is planned that more staff will be either seconded from their parent shareholding companies or recruited from the society with the requisite qualifications.

ii. Information Management

13. The PMO and the IAs (except for the three newly established private companies) have designated personnel and sufficient space and equipment for information management including record keeping. Comprehensive procurement records are kept and warranty periods tracked. The key documents in the procurement process (original contracts, evaluation reports, original invitation documents, winning bids or proposals, and contract administration papers) are retained in secure

storage for minimum periods as specified by local government regulations. Multiple copies of key documents are retained at separate locations. Formal contract documentation is typically kept for at least 15 years.

iii. Procurement Practices

14. HPMO will oversee the procurement process for ADB funded contracts and will provide fiduciary and governance oversight on behalf of the Hebei Provincial Project Leading Group, however HPMO will not become involved in the detailed procurement process for goods and works. The 6 IAs will manage their own non-bank financed (NBF) contracts using domestic country systems. The relevant anti-corruption agencies will be invited to witness the bid opening and bid evaluation process to ensure governance procedures are followed.

15. The 6 IAs are the end borrowers of the ADB loan, and responsible for implementing the project (including project procurement) and eventual repayment of the loan. As the project owners, they will be involved in the whole procurement process, examine and approve the tendering documents and procurement plans and sign the project contracts.

16. It is normal practice in the PRC for suitably qualified design institutes (DIs) to prepare technical specifications for all engineering related contracts, including for goods and equipment. This arrangement will apply for the Project in relation to the civil works and the procurement of equipment in all cases where the specification of works or equipment is beyond the technical competence of IA staff.

17. In advance of project implementation and as stipulated by the PRC Ministry of Finance, HPMO will recruit a professional procurement agent with ADB procurement experience to provide support in the project procurement process. Table1 summarizes the procurement arrangements and responsibilities that will apply for ADB funded contracts within this implementation framework.

Table 1: Overview of Proposed Project Procurement Arrangements

Procurement Action	Preparation Or Action	Review/Sign-off	Notes
Update Procurement Plan	IA	HPMO	1,2
Technical specifications	DI/IA	IA and HPMO	2
Commercial Bidding Documents	PA	IA and HPMO	2
Draft procurement notices	PA	IA and HPMO	
Prepare consulting terms of reference and RFP	PPTA team & PA	HPMO	
Submit for ADB prior review	HPMO	HPMO	3, 4
Issue procurement notices	PA	HPMO to authorize	
Sale/Issue bidding documents	PA	n/a	
Receipt of bid submissions and safekeeping	PA	n/a	
Arrange and provide oversight of bid opening	HPMO/PA	n/a	
Prepare bid opening record/minutes	PA	HPMO	
Select Experts of Bid Evaluation Committee	PA/HPMO	n/a	5
Circulate Minutes of Bid Evaluation meeting	PA	Evaluation Committee	
Submit Bid Evaluation Reports to ADB	PA	HPMO	4
Contract negotiations	PA, IA & HPMO	n/a	
Finalize and approval contract	PA	IA and HPMO	
Notify bidders on contract award	PA	n/a	
Send notice to proceed	IA/HPMO		6
Keep contract and procurement records	HPMO, IA, PA		7

DI = Design Institute; IA = implementing agency; n/a = not applicable; HPMO= Hebei Project Management Office; PA = Procurement Agent;

Notes:

1. Initial plan prepared by project preparatory technical assistance (PPTA) with IAs and HPMO input and agreed at loan fact finding.
2. Loan consultants will support and review as needed.
3. ADB will undertake prior review as indicated in the agreed procurement plan.
4. All communications with ADB will be through HPMO.
5. HPMO will conduct general oversight on this procurement as described below.
6. Except for consulting or other services procured for the whole project which will be conducted by HPMO.
7. All three parties will retain copies of the full procurement records for their own purposes and reference.

iv. Effectiveness

18. The procurement primarily consists of National Competitive Bidding (NCB) for straightforward civil works and goods. Few International Competitive Bidding (ICB) is expected since the estimated amount of proposed individual contract package is relatively small. Records of procurements conducted by the HPMO and three public IAs show that procurements have been effectively conducted.

19. Procurement effectiveness will be further enhanced with the involvement of (i) HPMO's proven experience in procurement planning and coordination; (ii) engineering expertise for technical specifications; and (iii) the involvement of the procurement agent, together with training provided by consultants. The main risk to effective procurement is delay caused by the lack of familiarity with ADB procedures at IA level.

v. Accountability Measures

20. The HPG (as EA) will be accountable for ensuring project implementation to be carried out in a timely manner in accordance with all, legal, policy, and procedural requirements. The EA has delegated responsibility for ensuring project financial management to the HPFD and responsibility for general project implementation stewardship and effectiveness to HPMO. The IAs are accountable for the appropriateness of contract specifications and for contract execution. Procurement activities will be dispersed over 6 IAs and supervised by the local governments.

21. Accountability is strengthened by provisions of the PRC's laws and regulations on sanctions against anticorruption for both bidders and government staff. Moreover, Article 44 of the Tendering and Bidding Law and Article 62 of the Government Procurement Law provide ethical standards for procurement personnel.

B. Strengths

22. HPMO, supported by a procurement agent, will coordinate and supervise all procurement of ADB financed contracts. HPMO has already gained good knowledge of procurement management in previous and ongoing ADB and WB financed projects.

23. A procurement specialist of the PPTA consultant team has provided the full time staff of HPMO and also IAs staff with training on ADB procurement and consultant recruitment procedures. Due diligence discussions, at both EA and IA levels, revealed a very high level of awareness that ADB guidelines must be followed.

24. At project start-up and during project implementation, procurement consultants will continue such training. The procurement consultants and a procurement agency will provide HPMO with professional services and technical assistances and ensure that procurements and consultant recruitments for the project will fulfill ADB's requirements.

25. The IAs will recruit and provide necessary experienced supporting staff to participate in procurement activities during implementation. The HPMP and IAs also have committed to fulfill ADB's requirements for all procurements and consultant recruitments for the project.

C. Weaknesses

26. All the IAs have no previous practical experience working to the specific regime imposed by the ADB procurement guidelines. Furthermore, there are 3 newly established private companies, which currently have limited staff and knowledge of public procurement requirements though some additional staff with procurement experience might be assigned with this duty in the future.

27. Currently the IAs are severely understaffed, especially for the three private IAs. Some IAs haven't been a procurement unit established to undertake the procurement activities in the Project.

D. Procurement Risk Assessment and Management Plan (P-RAMP)

28. The project Procurement Risk Assessment and Management Plan in Appendix 3 has been prepared based on the procurement risk assessment questionnaires in Appendix 1, following the Guide.

III. Project Specific Procurement Thresholds

A. Procurement Method Thresholds

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

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding (ICB) for Works	Above \$30 million	ADB's Project Administration Instructions 3.03 provides ICB threshold for works for the PRC between \$30 million and \$40 million. The lower end of this range (\$30 million) is proposed for this project.
International Competitive Bidding (ICB) for Goods	Above \$3 million	ADB's Project Administration Instructions 3.03 provides ICB threshold for goods for the PRC of a range from \$3 million to \$10 million. The lower end of this range (\$3 million) is proposed for this project.
National Competitive Bidding (NCB) for Works	From \$100,000 up to \$30 million	
National Competitive Bidding for Goods	From \$100,000 up to \$3 million	
Shopping for Works	Up to \$100,000	
Shopping for Goods	Up to \$100,000	

B. Procurement Supervision Thresholds

30. ADB's Project Administration Instructions (PAI) 3.02 provides a range of ADB prior review threshold for each procurement risk level (low risk, medium risk, and high risk). The procurement risk level established for the PRC is medium risk and the range of ADB prior review threshold for medium risk for works, plant, and goods is up to \$10 million. Since the PRC is a large country, the higher end of the threshold range (\$10 million) is proposed as ADB's prior review threshold for this project, provided that the first contract of each category will be under prior review to be developed into model templates for other contracts, regardless the contract amount.

Procurement of Goods and Works		
Procedure	Threshold	Comments
Prior review	Above \$10 million	All ICB contract for goods. The first NCB contract for works and the first NCB contract for goods will be for ADB's prior review irrespective of the estimated value. ADB's prior review and no objection are required for each step of procurement (invitation for bids, bidding document, bid evaluation report, draft negotiated contract, signed contract, contract variations).
Post review	Below \$10 million	ADB approves a contract award after the contract is signed based on the review of the signed contract and bid evaluation report.

IV. Procurement Plan

31. A procurement plan indicating procurement or selection methods, estimated costs of contracts, thresholds and review procedures for goods, works and consulting service contract packages is prepared as attached in the Appendix 2 and summarized below. The procurement plan shall be executed in the manner in which it has been approved by ADB. The procurement plan shall be updated annually or as needed throughout the duration of the project. The contract packages are categorized into three categories including Goods, Works and Consulting Services. Some of the equipment and materials are included in the works contracts to reduce contract interfaces and minimize the contract management risks, based on the nature of the equipment and materials and their interaction with relevant works. Others equipment and materials that are independent of the civil works are listed as Goods contracts. The technical assistance, training and studies designed to strengthen the capacity of the HPMO and IAs during implementation and operation of the project are packaged into consulting service contracts.

Breakdown of number of packages			
Category	Estimated Value (Cumulative \$ million)	Estimated Number of Contracts	Procurement Method
Works	85.1	11	NCB
	2.2	4	NBF
Subtotal	87.3	15	
Goods	3.17	1	ICB
	28.77	36	NCB
	0.1	2	Shopping
	1.96	3	NBF

Subtotal	34	42	
Consulting Services	2.5	1	QCBS
Subtotal	2.5	1	
Total	123.8	58	

CQS = consultant's qualifications selection, ICB = international competitive bidding, ICS = individual consultant selection, NCB = national competitive bidding, QCBS = quality- and cost-based selection.

32. Advance Contracting and Retroactive Financing. The HPMO expressed its intention during ADB loan fact finding mission to conduct most of the procurement activities after the loan effectiveness. However, there may some civil works and consulting services required for advance contracting in case there is any delay of loan approval. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The issuance of invitations to bid, bidding documents, and bid evaluation reports under advance contracting and retroactive financing will be subject to ADB approval.

V. Conclusion

33. From discussions with HPMO and the IAs, as well as investigation of the procurement capacity of these institutions, the main weaknesses identified are at implementation agency (IA) level with no previous practical experience working to the specific regime imposed by the ADB procurement guidelines and understaffed for procurement work in the 3 newly established private companies.

34. These risks can and will be mitigated as (1) the EA has committed to fulfil ADB's requirements for all procurements and consultant recruitments for the project; (2) HPMO has already gained good knowledge of procurement management in previous and ongoing ADB and WB financed projects; (3) capacity development was/is being/will be conducted by ADB and PPTA procurement consultants; and (4) supports for procurements and consultant recruitments will be provided by procurement consultants and an experienced procurement agency during the project implementation.

35. Based on the above project procurement arrangements and proposed mitigation measures in place, it is concluded that the overall project procurement risk is moderate and both the HPMO and IAs can meet ADB's requirements on procurement.

Appendices:

1. Completed Project Procurement Risk Assessment Questionnaires
2. Initial Procurement Plan
3. P-RAMP

Appendix 1
Project Procurement Risk Assessment Questionnaire– HPMO
(Executing Agency Level)

QUESTION	RESPONSE ³⁰³	RISK ³⁰⁴
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	No	
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	No	
A.3 If yes, what type of procurement does it undertake?	No	
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	More than 10 years	
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	4 0 0	
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	Yes	Low*
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes	Low*
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	

³⁰³ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation.

³⁰⁴ Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

QUESTION	RESPONSE ³⁰³	RISK ³⁰⁴
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes	Low*
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	Deputy Director of HPMO	
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes	
A.12 Is there a procurement process manual for goods and works?	Yes	
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	
A.14 Is there a procurement process manual for consulting services?	Yes	
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Yes	Low*
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes	Low*
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	Yes	Low*
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes	Low*
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	

QUESTION	RESPONSE ³⁰³	RISK ³⁰⁴
A.22 Who drafts the procurement specifications?	Design Institute or qualified experts and reviewed by HPMO	
A.23 Who approves the procurement specifications?	Manager in charge	
A.24 Who in the PMU has experience in drafting bidding documents?	Procurement staff	Low*
A.25 Are records of the sale of bidding documents immediately available?	Yes	Low*
A.26 Who identifies the need for consulting services requirements?	HPMO	
A.27 Who drafts the Terms of Reference (ToR)	HPMO	
A.28 Who prepares the request for proposals (RFPs)	Procurement agent and reviewed by HPMO	
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Yes	
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	Low*
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	Yes. 15 years.	Low*
B.4 Are copies of bids or proposals retained with the evaluation?	Yes	
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Yes	
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes	
B.7 Are copies of invoices included with the contract papers?	Yes	
B.8 Is the agency's record keeping function supported by IT?	Yes	
C. PROCUREMENT PRACTICES		
Goods and Works		

QUESTION	RESPONSE ³⁰³	RISK ³⁰⁴
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently (last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.	Yes. ADB: Hebei Small Cities and Towns Development Demonstration Project WB: Hebei Clean Heating Project	Low*
C.2 If the answer is yes, what were the major challenges faced by the agency?	No	Low*
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes	
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, minimum 28 days	Low*
C.5 Are all queries from bidders replied to in writing?	Yes	Low*
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low*
C.7 Are bids opened in public?	Yes	Low*
C.8 Can late bids be accepted?	No	Low*
C.9 Can bids (except late bids) be rejected at bid opening?	No	Low*
C.10 Are minutes of the bid opening taken?	Yes	Low*
C.11 Are bidders provided a copy of the minutes?	Yes	Low*
C.12 Are the minutes provided free of charge?	Yes	Low*
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Bid evaluation committee	
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	They must be included on the relevant expert database	Low*
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	The decision is final, subsequent approvals ensure procedures have been followed and cannot adjust the evaluation result.	Low*
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	Not Applicable (N/A). IAs' responsibility for contract signing and execution.	

QUESTION	RESPONSE ³⁰³	RISK ³⁰⁴
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	Not Applicable (N/A).	
C.18 Are there established goods receiving procedures?	Not Applicable (N/A).	
C.19 Are all goods that are received recorded as assets or inventory in a register?	Not Applicable (N/A).	
C.20 Is the agency/procurement department familiar with letters of credit?	Not Applicable (N/A).	
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Not Applicable (N/A).	
Consulting Services		
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes. ADB: Hebei Small Cities and Towns Development Demonstration Project WB: Hebei Clean Heating Project	Low*
C.23 If the above answer is yes, what were the major challenges?	It took time for the international experts to get familiar with the local situation.	Low*
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes	Low*
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes, HPMO, the procurement agent, and independent experts (who will evaluate bids)	
C.26 What criteria are used to evaluate EOIs?	Set qualification requirements	
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	QCBS	Low*
C.28 Do firms have to pay for the RFP document?	No	Low*
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low*
C.30 Are pre-proposal visits and meetings arranged?	Yes.	
C.31 Are minutes prepared and circulated after pre-proposal meetings?	Yes	Low*

QUESTION	RESPONSE ³⁰³	RISK ³⁰⁴
C.32 To whom are the minutes distributed?	All bidders	Low*
C.33 Are all queries from consultants answered/addressed in writing?	Yes	Low*
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	Yes	Low*
C.35 Are proposal securities required?	No	Low*
C.36 Are technical proposals opened in public?	No	Low*
C.37 Are minutes of the technical opening distributed?	No	Low*
C.39 Who determines the final technical ranking and how?	Bid evaluation committee, using the scoring system in the RFP.	Low*
C.40 Are the technical scores sent to all firms?	No, but announced during the bid opening	Low*
C.41 Are the financial proposal opened in public?	Yes	Low*
C.42 Are minutes of the financial opening distributed?	Yes	Low*
C.43 How is the financial evaluation completed?	According to RFP criteria	Low*
C.44 Are face to face contract negotiations held?	Yes	Low*
C.45 How long after financial evaluation is negotiation held with the selected firm?	Within 7 days after receiving ADB's no objection	
C.46 What is the usual basis for negotiation?	Consultant's proposal and RFP procedures.	
C.47 Are minutes of negotiation taken and signed?	Yes	Low*
C.48 How long after negotiation is the contract signed, on average?	Within 2-3 days	
C.49 Is there an evaluation system for measuring the outputs of consultants?	No	
Payments		
C.50 Are advance payments made?	Yes	

QUESTION	RESPONSE ³⁰³	RISK ³⁰⁴
C.51 What is the standard period for payment included in contracts?	Within 30 days after acceptance	
C.52 On average, how long is it between receiving a firm's invoice and making payment?	Within 30 days	
C.53 When late payment is made, are the beneficiaries paid interest?	No	
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Yes	
D.2 Does the agency monitor and track its contractual payment obligations?	Yes	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Yes	
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Yes	
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes	Low*
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	Low*
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	Low*
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	Yes	
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	IAs and HPMO, HPMO has experience and qualification	Low*
E.5 Which of the following actions require approvals outside the		

QUESTION	RESPONSE ³⁰³	RISK ³⁰⁴
procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
a) Bidding document, invitation to pre-qualify or RFP	Yes, HPMO deputy director	
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	Yes, HPMO deputy director	
c) Evaluation reports	Yes, HPMO deputy director	Low*
d) Notice of award	Yes, HPMO deputy director	Low*
e) Invitation to consultants to negotiate	Yes, HPMO deputy director	
f) Contracts	Yes, HPMO director	Low*
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No	Low*
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low*

Procurement Risk Assessment Questionnaires

IA (No.1), Chengde

QUESTION	RESPONSE ³⁰⁵	RISK ³⁰⁶
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	No	
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	No	
A.3 If yes, what type of procurement does it undertake?	Not Applicable	
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	No procurement unit yet. Will set up during the project implementation	
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	No staff yet. It is planned to recruit 3 full time staff	
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	Not known yet	High*
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No staff yet. It is planned to recruit 3 full time staff	Substantial*
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Not yet. Will have.	
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes	Low*

³⁰⁵ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation.

³⁰⁶ Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

QUESTION	RESPONSE ³⁰⁵	RISK ³⁰⁶
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	Deputy Head of Agency	
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Not yet	
A.12 Is there a procurement process manual for goods and works?	No	
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Not Applicable	
A.14 Is there a procurement process manual for consulting services?	No	
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Not applicable	
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Not yet, will recruit	Substantial*
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No staff yet. It is planned to recruit 3 full time staff	Substantial*
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	No	Substantial*
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes	Low*
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	
A.22 Who drafts the procurement specifications?	Design Institute	

QUESTION	RESPONSE ³⁰⁵	RISK ³⁰⁶
A.23 Who approves the procurement specifications?	Director	
A.24 Who in the PMU has experience in drafting bidding documents?	Not known yet. But will recruit experienced staff	Substantial*
A.25 Are records of the sale of bidding documents immediately available?	Will be	Low*
A.26 Who identifies the need for consulting services requirements?	Director	
A.27 Who drafts the Terms of Reference (ToR)	Not Applicable	
A.28 Who prepares the request for proposals (RFPs)	Not Applicable	
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Will be	
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Will be	Low*
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	Yes	Low*
B.4 Are copies of bids or proposals retained with the evaluation?	Will be	
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Will be	
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Will be	
B.7 Are copies of invoices included with the contract papers?	Will be	
B.8 Is the agency's record keeping function supported by IT?	Will be	
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently	No	Substantial*

QUESTION	RESPONSE ³⁰⁵	RISK ³⁰⁶
(last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.		
C.2 If the answer is yes, what were the major challenges faced by the agency?	Not applicable	Substantial *
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes	
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, 20 days	Low*
C.5 Are all queries from bidders replied to in writing?	Yes	Low*
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low *
C.7 Are bids opened in public?	Yes	Low *
C.8 Can late bids be accepted?	No	Low *
C.9 Can bids (except late bids) be rejected at bid opening?	No	Low *
C.10 Are minutes of the bid opening taken?	Yes	Low *
C.11 Are bidders provided a copy of the minutes?	Yes	Low *
C.12 Are the minutes provided free of charge?	Yes	Low *
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	From the expert pool	
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	From the expert pool	Low *
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Yes	Low *
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	No applicable	
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	No yet, will be	

QUESTION	RESPONSE ³⁰⁵	RISK ³⁰⁶
C.18 Are there established goods receiving procedures?	No yet, will be	
C.19 Are all goods that are received recorded as assets or inventory in a register?	Will	
C.20 Is the agency/procurement department familiar with letters of credit?	Yes	
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Will	
Consulting Services		
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	No	Substantial*
C.23 If the above answer is yes, what were the major challenges?	Not Applicable	Substantial*
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes, will be	Low*
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Not known yet	
C.26 What criteria are used to evaluate EOIs?	Not known yet	
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	Not known yet	Substantial *
C.28 Do firms have to pay for the RFP document?	Yes	Low*
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low*
C.30 Are pre-proposal visits and meetings arranged?	Not known yet	
C.31 Are minutes prepared and circulated after pre-proposal meetings?	Yes	*
C.32 To whom are the minutes distributed?	No.	*
C.33 Are all queries from consultants answered/addressed in writing?	No	Low*

QUESTION	RESPONSE ³⁰⁵	RISK ³⁰⁶
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	No	Substantial*
C.35 Are proposal securities required?	No	Low *
C.36 Are technical proposals opened in public?	Yes	Substantial *
C.37 Are minutes of the technical opening distributed?	Yes	Substantial *
C.39 Who determines the final technical ranking and how?	Evaluation Committee	Low *
C.40 Are the technical scores sent to all firms?	No	Substantial *
C.41 Are the financial proposal opened in public?	No	Substantial *
C.42 Are minutes of the financial opening distributed?	No	Substantial *
C.43 How is the financial evaluation completed?	Together with technical evaluation	Substantial *
C.44 Are face to face contract negotiations held?	Yes	Low *
C.45 How long after financial evaluation is negotiation held with the selected firm?	3 days	
C.46 What is the usual basis for negotiation?	Not known yet	
C.47 Are minutes of negotiation taken and signed?	Yes	Low *
C.48 How long after negotiation is the contract signed, on average?	One week	
C.49 Is there an evaluation system for measuring the outputs of consultants?	Not yet	
Payments		
C.50 Are advance payments made?	Will	
C.51 What is the standard period for payment included in contracts?	Monthly	
C.52 On average, how long is it between receiving a firm's invoice and making payment?	One week	

QUESTION	RESPONSE ³⁰⁵	RISK ³⁰⁶
C.53 When late payment is made, are the beneficiaries paid interest?	Negotiable	
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Will	
D.2 Does the agency monitor and track its contractual payment obligations?	Will	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Will	
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Will	
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Will	Low*
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Will	Low*
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Will	Low*
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	As per the request of HPMO and ADB	
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Deputy Director in Charge	Low*
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
g) Bidding document, invitation to pre-qualify or RFP	Deputy Director in Charge	

QUESTION	RESPONSE ³⁰⁵	RISK ³⁰⁶
h) Advertisement of an invitation for bids, pre-qualification or call for EOIs	Deputy Director in Charge	
i) Evaluation reports	Deputy Director in Charge	Low*
j) Notice of award	Deputy Director in Charge	Low*
k) Invitation to consultants to negotiate	Deputy Director in Charge	
l) Contracts	Director	Low*
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	Yes	Low*
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Will be	Low*

IA (No.2), Julu

QUESTION	RESPONSE³⁰⁷	RISK³⁰⁸
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	No	
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	Yes	
A.3 If yes, what type of procurement does it undertake?	Equipment, material	
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	14 years	
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	3	
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	No	High*
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes, but no experience of ADB procurement	Low*
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes	Low*

³⁰⁷ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation.

³⁰⁸ Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

QUESTION	RESPONSE ³⁰⁷	RISK ³⁰⁸
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	Head	
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes	
A.12 Is there a procurement process manual for goods and works?	Following the procedures for public procurement	
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Following the procedures for public procurement	
A.14 Is there a procurement process manual for consulting services?	No	
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	N/A	
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Yes	Low*
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No	Substantial*
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	Yes, but not for ADB funded projects	Low*
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes	Low*
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	
A.22 Who drafts the procurement specifications?	Outsourced to specialized agency	

QUESTION	RESPONSE ³⁰⁷	RISK ³⁰⁸
A.23 Who approves the procurement specifications?	Director and local government	
A.24 Who in the PMU has experience in drafting bidding documents?	Procurement staff and engineer	Low*
A.25 Are records of the sale of bidding documents immediately available?	Yes	Low*
A.26 Who identifies the need for consulting services requirements?	Project owner	
A.27 Who drafts the Terms of Reference (ToR)	Outsourced to specialized agency	
A.28 Who prepares the request for proposals (RFPs)	Outsourced to specialized agency	
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Yes	
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	Low*
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	As per stipulations	Low*
B.4 Are copies of bids or proposals retained with the evaluation?	Yes	
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Yes	
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes	
B.7 Are copies of invoices included with the contract papers?	Yes	
B.8 Is the agency's record keeping function supported by IT?	Yes	
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently	No	Substantial*

QUESTION	RESPONSE ³⁰⁷	RISK ³⁰⁸
(last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.		
C.2 If the answer is yes, what were the major challenges faced by the agency?	N/A	Substantial*
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes	
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, minimum 20 days according to the national standards	Low*
C.5 Are all queries from bidders replied to in writing?	Yes	Low*
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low*
C.7 Are bids opened in public?	Yes	Low*
C.8 Can late bids be accepted?	No	Low*
C.9 Can bids (except late bids) be rejected at bid opening?	No	Low*
C.10 Are minutes of the bid opening taken?	Yes	Low*
C.11 Are bidders provided a copy of the minutes?	Yes	Low*
C.12 Are the minutes provided free of charge?	Yes	Low*
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Random selection from an expert database.	
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Senior economists and engineers.	Low*
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Yes	Low*
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	Yes	
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes	

QUESTION	RESPONSE ³⁰⁷	RISK ³⁰⁸
C.18 Are there established goods receiving procedures?	Yes	
C.19 Are all goods that are received recorded as assets or inventory in a register?	Yes	
C.20 Is the agency/procurement department familiar with letters of credit?	Yes	
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Yes	
Consulting Services		
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	No	Substantial*
C.23 If the above answer is yes, what were the major challenges?	N/A	Substantial*
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes	Low*
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes	
C.26 What criteria are used to evaluate EOIs?	N/A	
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	Combined technical and financial scoring system	Substantial *
C.28 Do firms have to pay for the RFP document?	Yes	Low*
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low*
C.30 Are pre-proposal visits and meetings arranged?	N/A	
C.31 Are minutes prepared and circulated after pre-proposal meetings?	No	*
C.32 To whom are the minutes distributed?	No	*
C.33 Are all queries from consultants answered/addressed in writing?	Yes	Low*

QUESTION	RESPONSE ³⁰⁷	RISK ³⁰⁸
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	No	Substantial*
C.35 Are proposal securities required?	No	Low *
C.36 Are technical proposals opened in public?	Yes	Substantial *
C.37 Are minutes of the technical opening distributed?	Yes	Substantial *
C.39 Who determines the final technical ranking and how?	Evaluation committee.	Low *
C.40 Are the technical scores sent to all firms?	No	Substantial *
C.41 Are the financial proposal opened in public?	Yes	Substantial *
C.42 Are minutes of the financial opening distributed?	No	Substantial *
C.43 How is the financial evaluation completed?	Not clear	Substantial *
C.44 Are face to face contract negotiations held?	Yes	Low *
C.45 How long after financial evaluation is negotiation held with the selected firm?	One week	
C.46 What is the usual basis for negotiation?	Bidding documents	
C.47 Are minutes of negotiation taken and signed?	Yes	Low *
C.48 How long after negotiation is the contract signed, on average?	1 week	
C.49 Is there an evaluation system for measuring the outputs of consultants?	No	
Payments		
C.50 Are advance payments made?	Yes	
C.51 What is the standard period for payment included in contracts?	7 days	
C.52 On average, how long is it between receiving a firm's invoice and making payment?	Within 7 days	

QUESTION	RESPONSE ³⁰⁷	RISK ³⁰⁸
C.53 When late payment is made, are the beneficiaries paid interest?	Yes	
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Yes	
D.2 Does the agency monitor and track its contractual payment obligations?	Yes	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Yes	
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Yes	
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes	Low*
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	Low*
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	Low*
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	No	
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Upper government office. Yes	Low*
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
a) Bidding document, invitation to pre-qualify or RFP	Bidding office of local DRC or construction bureau	

QUESTION	RESPONSE ³⁰⁷	RISK ³⁰⁸
b) Advertisement of an invitation for bids, pre-qualification or call for EOs	Bidding office of local DRC or construction bureau	
c) Evaluation reports	No additional approval is required.	Low*
d) Notice of award	No additional approval is required.	Low*
e) Invitation to consultants to negotiate	No additional approval is required.	
f) Contracts	No additional approval is required.	Low*
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No	Low*
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low*

IA (No.3), Li County

QUESTION	RESPONSE ³⁰⁹	RISK ³¹⁰
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	No	
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	Yes	
A.3 If yes, what type of procurement does it undertake?	N/A	
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	5	
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	2	
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	No	Substantial *
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No	Substantial*
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes	Low*

³⁰⁹ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation.

³¹⁰ Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

QUESTION	RESPONSE ³⁰⁹	RISK ³¹⁰
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	Head of local civil affair bureau	
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	No	
A.12 Is there a procurement process manual for goods and works?	Following the procedures for public procurement	
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Following the procedures for public procurement	
A.14 Is there a procurement process manual for consulting services?	Following the procedures for public procurement	
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Following the procedures for public procurement	
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Yes	Low*
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No	Substantial*
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	Following the procedures for public procurement	Low*
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes	Low*
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	
A.22 Who drafts the procurement specifications?	Outsourced to specialized agency	

QUESTION	RESPONSE ³⁰⁹	RISK ³¹⁰
A.23 Who approves the procurement specifications?	Head of the bureau first, and then upper government	
A.24 Who in the PMU has experience in drafting bidding documents?	Engineer	Low*
A.25 Are records of the sale of bidding documents immediately available?	Yes	Low*
A.26 Who identifies the need for consulting services requirements?	Project owner	
A.27 Who drafts the Terms of Reference (ToR)	Outsourced to specialized agency	
A.28 Who prepares the request for proposals (RFPs)	Outsourced to specialized agency	
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Yes	
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	Low*
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	As per stipulations	Low*
B.4 Are copies of bids or proposals retained with the evaluation?	Yes	
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Yes	
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes	
B.7 Are copies of invoices included with the contract papers?	Yes	
B.8 Is the agency's record keeping function supported by IT?	Yes	
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently	No	Substantial*

QUESTION	RESPONSE ³⁰⁹	RISK ³¹⁰
(last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.		
C.2 If the answer is yes, what were the major challenges faced by the agency?	N/A	Substantial*
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes	
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, minimum 20 days according to the national standards	Low*
C.5 Are all queries from bidders replied to in writing?	Yes	Low*
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low*
C.7 Are bids opened in public?	Yes	Low*
C.8 Can late bids be accepted?	No	Low*
C.9 Can bids (except late bids) be rejected at bid opening?	No	Low*
C.10 Are minutes of the bid opening taken?	Yes	Low*
C.11 Are bidders provided a copy of the minutes?	Yes	Low*
C.12 Are the minutes provided free of charge?	Yes	Low*
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Random selection from an expert database	
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Senior economists and engineers	Low*
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Yes	Low*
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	Not available	
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes	

QUESTION	RESPONSE ³⁰⁹	RISK ³¹⁰
C.18 Are there established goods receiving procedures?	Yes	
C.19 Are all goods that are received recorded as assets or inventory in a register?	Yes	
C.20 Is the agency/procurement department familiar with letters of credit?	Yes.	
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Yes	
Consulting Services		
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	No	Substantial*
C.23 If the above answer is yes, what were the major challenges?	N/A	Substantial*
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes	Low*
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes	
C.26 What criteria are used to evaluate EOIs?	N/A	
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	Combined technical and financial scoring system	Substantial *
C.28 Do firms have to pay for the RFP document?	Yes	Low*
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low*
C.30 Are pre-proposal visits and meetings arranged?	N/A	
C.31 Are minutes prepared and circulated after pre-proposal meetings?	No	*
C.32 To whom are the minutes distributed?	No	*
C.33 Are all queries from consultants answered/addressed in writing?	Yes	Low*

QUESTION	RESPONSE ³⁰⁹	RISK ³¹⁰
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	No	Substantial*
C.35 Are proposal securities required?	No	Low *
C.36 Are technical proposals opened in public?	Yes	Substantial *
C.37 Are minutes of the technical opening distributed?	Yes	Substantial *
C.39 Who determines the final technical ranking and how?	Evaluation committee.	Low *
C.40 Are the technical scores sent to all firms?	No	Substantial *
C.41 Are the financial proposal opened in public?	Yes	Substantial *
C.42 Are minutes of the financial opening distributed?	No	Substantial *
C.43 How is the financial evaluation completed?	Not clear	Substantial *
C.44 Are face to face contract negotiations held?	Yes	Low *
C.45 How long after financial evaluation is negotiation held with the selected firm?	One month	
C.46 What is the usual basis for negotiation?	Bidding documents	
C.47 Are minutes of negotiation taken and signed?	Yes	Low *
C.48 How long after negotiation is the contract signed, on average?	2 weeks	
C.49 Is there an evaluation system for measuring the outputs of consultants?	No	
Payments		
C.50 Are advance payments made?	Yes	
C.51 What is the standard period for payment included in contracts?	14 days after testing and acceptance are done according to the contract	
C.52 On average, how long is it between receiving a firm's invoice and making payment?	Within 10 days	

QUESTION	RESPONSE ³⁰⁹	RISK ³¹⁰
C.53 When late payment is made, are the beneficiaries paid interest?	Yes	
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Yes	
D.2 Does the agency monitor and track its contractual payment obligations?	Yes	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Yes	
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Yes	
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes	Low*
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	Low*
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	Low*
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	No	
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Upper government. Yes	Low*
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
a) Bidding document, invitation to pre-qualify or RFP	Bidding office of local DRC or construction bureau	

QUESTION	RESPONSE ³⁰⁹	RISK ³¹⁰
b) Advertisement of an invitation for bids, pre-qualification or call for EOs	Bidding office of local DRC or construction bureau	
c) Evaluation reports	No additional approval is required.	Low*
d) Notice of award	No additional approval is required.	Low*
e) Invitation to consultants to negotiate	No additional approval is required.	
f) Contracts	No additional approval is required.	Low*
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No	Low*
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low*

IA (No.4), She County

QUESTION	RESPONSE ³¹¹	RISK ³¹²
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	No	
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	No	
A.3 If yes, what type of procurement does it undertake?	Not Applicable	
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	No procurement unit yet. Will set up during the project implementation	
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	1 staff. It is planned to recruit 4 full time staff	
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	Not known yet	High*
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No. It is planned to recruit 4 full time staff	Substantial*
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Not yet. Will have.	
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes	Low*

³¹¹ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation.

³¹² Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

QUESTION	RESPONSE ³¹¹	RISK ³¹²
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	Deputy Director of Agency	
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Not yet	
A.12 Is there a procurement process manual for goods and works?	No	
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Not Applicable	
A.14 Is there a procurement process manual for consulting services?	No	
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Not applicable	
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Not yet, will recruit	Substantial*
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	1 staff. It is planned to recruit 3 full time staff	Substantial*
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	No	Substantial*
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes	Low*
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	
A.22 Who drafts the procurement specifications?	Design Institute	

QUESTION	RESPONSE ³¹¹	RISK ³¹²
A.23 Who approves the procurement specifications?	Director	
A.24 Who in the PMU has experience in drafting bidding documents?	Not known yet. But will recruit experienced staff	Substantial*
A.25 Are records of the sale of bidding documents immediately available?	Will be	Low*
A.26 Who identifies the need for consulting services requirements?	Director	
A.27 Who drafts the Terms of Reference (ToR)	Not Applicable	
A.28 Who prepares the request for proposals (RFPs)	Not Applicable	
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Will be	
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Will be	Low*
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	Yes	Low*
B.4 Are copies of bids or proposals retained with the evaluation?	Will be	
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Will be	
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Will be	
B.7 Are copies of invoices included with the contract papers?	Will be	
B.8 Is the agency's record keeping function supported by IT?	Will be	
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently	No	Substantial*

QUESTION	RESPONSE ³¹¹	RISK ³¹²
(last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.		
C.2 If the answer is yes, what were the major challenges faced by the agency?	Not applicable	Substantial *
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes	
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, 20 days	Low*
C.5 Are all queries from bidders replied to in writing?	Yes	Low*
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low *
C.7 Are bids opened in public?	Yes	Low *
C.8 Can late bids be accepted?	No	Low *
C.9 Can bids (except late bids) be rejected at bid opening?	No	Low *
C.10 Are minutes of the bid opening taken?	Yes	Low *
C.11 Are bidders provided a copy of the minutes?	Yes	Low *
C.12 Are the minutes provided free of charge?	Yes	Low *
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	From the expert pool	
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	From the expert pool	Low *
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Yes	Low *
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	No applicable	
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	No yet, will be	

QUESTION	RESPONSE ³¹¹	RISK ³¹²
C.18 Are there established goods receiving procedures?	No yet, will be	
C.19 Are all goods that are received recorded as assets or inventory in a register?	Will	
C.20 Is the agency/procurement department familiar with letters of credit?	Yes	
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Will	
Consulting Services		
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	No	Substantial*
C.23 If the above answer is yes, what were the major challenges?	Not Applicable	Substantial*
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes, will be	Low*
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Not known yet	
C.26 What criteria are used to evaluate EOIs?	Not known yet	
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	Not known yet	Substantial *
C.28 Do firms have to pay for the RFP document?	Yes	Low*
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low*
C.30 Are pre-proposal visits and meetings arranged?	Not known yet	
C.31 Are minutes prepared and circulated after pre-proposal meetings?	Yes	*
C.32 To whom are the minutes distributed?	No.	*
C.33 Are all queries from consultants answered/addressed in writing?	No	Low*

QUESTION	RESPONSE ³¹¹	RISK ³¹²
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	No	Substantial*
C.35 Are proposal securities required?	No	Low *
C.36 Are technical proposals opened in public?	Yes	Substantial *
C.37 Are minutes of the technical opening distributed?	Yes	Substantial *
C.39 Who determines the final technical ranking and how?	Evaluation Committee	Low *
C.40 Are the technical scores sent to all firms?	No	Substantial *
C.41 Are the financial proposal opened in public?	No	Substantial *
C.42 Are minutes of the financial opening distributed?	No	Substantial *
C.43 How is the financial evaluation completed?	Together with technical evaluation	Substantial *
C.44 Are face to face contract negotiations held?	Yes	Low *
C.45 How long after financial evaluation is negotiation held with the selected firm?	7 days	
C.46 What is the usual basis for negotiation?	Not known yet	
C.47 Are minutes of negotiation taken and signed?	Yes	Low *
C.48 How long after negotiation is the contract signed, on average?	1 day	
C.49 Is there an evaluation system for measuring the outputs of consultants?	Not yet	
Payments		
C.50 Are advance payments made?	Will	
C.51 What is the standard period for payment included in contracts?	Monthly	
C.52 On average, how long is it between receiving a firm's invoice and making payment?	One week	

QUESTION	RESPONSE ³¹¹	RISK ³¹²
C.53 When late payment is made, are the beneficiaries paid interest?	Negotiable	
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Will	
D.2 Does the agency monitor and track its contractual payment obligations?	Will	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Will	
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Will	
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Will	Low*
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Will	Low*
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Will	Low*
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	As per the request of HPMO and ADB	
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Director	Low*
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
a) Bidding document, invitation to pre-qualify or RFP	Deputy Director in Charge	

QUESTION	RESPONSE ³¹¹	RISK ³¹²
b) Advertisement of an invitation for bids, pre-qualification or call for EOs	Deputy Director in Charge	
c) Evaluation reports	Deputy Director in Charge	Low*
d) Notice of award	Deputy Director in Charge	Low*
e) Invitation to consultants to negotiate	Deputy Director in Charge	
f) Contracts	Director	Low*
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	Yes	Low*
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Will be	Low*

IA (No.5), Xinji

QUESTION	RESPONSE ³¹³	RISK ³¹⁴
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	No	
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	No	
A.3 If yes, what type of procurement does it undertake?	Not Applicable	
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	No procurement unit yet. Will set up during the project implementation	
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	No staff yet. It is planned to recruit 3 full time staff	
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	Not known yet	High*
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No staff yet. It is planned to recruit 3 full time staff	Substantial*
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Not yet. Will have.	
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes	Low*

³¹³ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation.

³¹⁴ Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

QUESTION	RESPONSE ³¹³	RISK ³¹⁴
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	Deputy Head of Agency	
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Not yet	
A.12 Is there a procurement process manual for goods and works?	No	
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Not Applicable	
A.14 Is there a procurement process manual for consulting services?	No	
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Not applicable	
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Not yet, will recruit	Substantial*
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No staff yet. It is planned to recruit 3 full time staff	Substantial*
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	No	Substantial*
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes	Low*
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	
A.22 Who drafts the procurement specifications?	Design Institute	

QUESTION	RESPONSE ³¹³	RISK ³¹⁴
A.23 Who approves the procurement specifications?	Director	
A.24 Who in the PMU has experience in drafting bidding documents?	Not known yet. But will recruit experienced staff	Substantial*
A.25 Are records of the sale of bidding documents immediately available?	Will be	Low*
A.26 Who identifies the need for consulting services requirements?	Director	
A.27 Who drafts the Terms of Reference (ToR)	Not Applicable	
A.28 Who prepares the request for proposals (RFPs)	Not Applicable	
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Will be	
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Will be	Low*
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	Yes	Low*
B.4 Are copies of bids or proposals retained with the evaluation?	Will be	
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Will be	
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Will be	
B.7 Are copies of invoices included with the contract papers?	Will be	
B.8 Is the agency's record keeping function supported by IT?	Will be	
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently	No	Substantial*

QUESTION	RESPONSE ³¹³	RISK ³¹⁴
(last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.		
C.2 If the answer is yes, what were the major challenges faced by the agency?	Not applicable	Substantial *
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes	
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, 20 days	Low*
C.5 Are all queries from bidders replied to in writing?	Yes	Low*
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low *
C.7 Are bids opened in public?	Yes	Low *
C.8 Can late bids be accepted?	No	Low *
C.9 Can bids (except late bids) be rejected at bid opening?	No	Low *
C.10 Are minutes of the bid opening taken?	Yes	Low *
C.11 Are bidders provided a copy of the minutes?	Yes	Low *
C.12 Are the minutes provided free of charge?	Yes	Low *
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	From the expert pool	
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	From the expert pool	Low *
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Yes	Low *
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	No applicable	
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	No yet, will be	

QUESTION	RESPONSE ³¹³	RISK ³¹⁴
C.18 Are there established goods receiving procedures?	No yet, will be	
C.19 Are all goods that are received recorded as assets or inventory in a register?	Will	
C.20 Is the agency/procurement department familiar with letters of credit?	Yes	
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Will	
Consulting Services		
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	No	Substantial*
C.23 If the above answer is yes, what were the major challenges?	Not Applicable	Substantial*
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes, will be	Low*
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Not known yet	
C.26 What criteria are used to evaluate EOIs?	Not known yet	
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	Not known yet	Substantial *
C.28 Do firms have to pay for the RFP document?	Yes	Low*
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low*
C.30 Are pre-proposal visits and meetings arranged?	Not known yet	
C.31 Are minutes prepared and circulated after pre-proposal meetings?	Yes	*
C.32 To whom are the minutes distributed?	No.	*
C.33 Are all queries from consultants answered/addressed in writing?	No	Low*

QUESTION	RESPONSE ³¹³	RISK ³¹⁴
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	No	Substantial*
C.35 Are proposal securities required?	No	Low *
C.36 Are technical proposals opened in public?	Yes	Substantial *
C.37 Are minutes of the technical opening distributed?	Yes	Substantial *
C.39 Who determines the final technical ranking and how?	Evaluation Committee	Low *
C.40 Are the technical scores sent to all firms?	No	Substantial *
C.41 Are the financial proposal opened in public?	No	Substantial *
C.42 Are minutes of the financial opening distributed?	No	Substantial *
C.43 How is the financial evaluation completed?	Together with technical evaluation	Substantial *
C.44 Are face to face contract negotiations held?	Yes	Low *
C.45 How long after financial evaluation is negotiation held with the selected firm?	5 days	
C.46 What is the usual basis for negotiation?	Not known yet	
C.47 Are minutes of negotiation taken and signed?	Yes	Low *
C.48 How long after negotiation is the contract signed, on average?	One week	
C.49 Is there an evaluation system for measuring the outputs of consultants?	Not yet	
Payments		
C.50 Are advance payments made?	Will	
C.51 What is the standard period for payment included in contracts?	3 months	
C.52 On average, how long is it between receiving a firm's invoice and making payment?	One week	

QUESTION	RESPONSE ³¹³	RISK ³¹⁴
C.53 When late payment is made, are the beneficiaries paid interest?	No	
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Will	
D.2 Does the agency monitor and track its contractual payment obligations?	Will	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Will	
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Will	
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Will	Low*
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Will	Low*
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Will	Low*
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	No	
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Director in Charge	Low*
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		
a) Bidding document, invitation to pre-qualify or RFP	Deputy Director in Charge	

QUESTION	RESPONSE ³¹³	RISK ³¹⁴
b) Advertisement of an invitation for bids, pre-qualification or call for EOs	Deputy Director in Charge	
c) Evaluation reports	Deputy Director in Charge	Low*
d) Notice of award	Deputy Director in Charge	Low*
e) Invitation to consultants to negotiate	Deputy Director in Charge	
f) Contracts	Director	Low*
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	Yes	Low*
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low*

IA (No.6) Yanshan University

QUESTION	RESPONSE ³¹⁵	RISK ³¹⁶
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	No	
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	Yes	
A.3 If yes, what type of procurement does it undertake?	Civil works, equipment and services etc.	
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	4 years	
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	6	
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	No	High*
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes	Low*
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes	Low*

³¹⁵ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation.

³¹⁶ Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

QUESTION	RESPONSE ³¹⁵	RISK ³¹⁶
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	Deputy Head of Agency	
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes	
A.12 Is there a procurement process manual for goods and works?	Yes	
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes, but not applicable to foreign-assisted projects.	
A.14 Is there a procurement process manual for consulting services?	Yes	
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes, but not applicable to foreign-assisted projects.	
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Yes	Low*
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes	Low*
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	There are standard documents but these have not been approved for use on ADB funded projects	Low*
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes	Low*
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	
A.22 Who drafts the procurement specifications?	Users' Division and Assets Management Division	

QUESTION	RESPONSE ³¹⁵	RISK ³¹⁶
A.23 Who approves the procurement specifications?	Upper leader	
A.24 Who in the PMU has experience in drafting bidding documents?	Procurement staff	Low*
A.25 Are records of the sale of bidding documents immediately available?	Yes	Low*
A.26 Who identifies the need for consulting services requirements?	Relevant departments	
A.27 Who drafts the Terms of Reference (ToR)	Relevant departments	
A.28 Who prepares the request for proposals (RFPs)	Relevant departments	
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Yes	
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	*
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	Following the rules	Low*
B.4 Are copies of bids or proposals retained with the evaluation?	Yes	
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Yes	
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes	
B.7 Are copies of invoices included with the contract papers?	Yes	
B.8 Is the agency's record keeping function supported by IT?	Yes	
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently	No	Substantial*

QUESTION	RESPONSE ³¹⁵	RISK ³¹⁶
(last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.		
C.2 If the answer is yes, what were the major challenges faced by the agency?	Not applicable	Substantial*
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes	
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, one month	Low*
C.5 Are all queries from bidders replied to in writing?	Yes	Low*
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low*
C.7 Are bids opened in public?	Yes	Low*
C.8 Can late bids be accepted?	No	Low*
C.9 Can bids (except late bids) be rejected at bid opening?	No	Low*
C.10 Are minutes of the bid opening taken?	Yes	Low*
C.11 Are bidders provided a copy of the minutes?	Yes	Low*
C.12 Are the minutes provided free of charge?	Yes	Low*
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Evaluators for public procurement	
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Evaluators from expert pool for public procurement	Low*
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Yes	Low*
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	N/A	
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes	

QUESTION	RESPONSE ³¹⁵	RISK ³¹⁶
C.18 Are there established goods receiving procedures?	Yes	
C.19 Are all goods that are received recorded as assets or inventory in a register?	Yes	
C.20 Is the agency/procurement department familiar with letters of credit?	Yes	
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Yes	
Consulting Services		
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	No	Substantial*
C.23 If the above answer is yes, what were the major challenges?	N/A	Substantial*
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes	Low*
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes	
C.26 What criteria are used to evaluate EOIs?	Qualification	
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	Competitive negotiation	Substantial *
C.28 Do firms have to pay for the RFP document?	Yes	Low*
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low*
C.30 Are pre-proposal visits and meetings arranged?	No	
C.31 Are minutes prepared and circulated after pre-proposal meetings?	N/A	*
C.32 To whom are the minutes distributed?	N/A	*
C.33 Are all queries from consultants answered/addressed in writing?	Yes	Low*

QUESTION	RESPONSE ³¹⁵	RISK ³¹⁶
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	No	Substantial*
C.35 Are proposal securities required?	No	Low *
C.36 Are technical proposals opened in public?	No	Substantial *
C.37 Are minutes of the technical opening distributed?	No	Substantial *
C.39 Who determines the final technical ranking and how?	Evaluation Committee	Low *
C.40 Are the technical scores sent to all firms?	No	Substantial *
C.41 Are the financial proposal opened in public?	No	Substantial *
C.42 Are minutes of the financial opening distributed?	No	Substantial *
C.43 How is the financial evaluation completed?	Together with technical evaluation	Substantial *
C.44 Are face to face contract negotiations held?	Yes	Low *
C.45 How long after financial evaluation is negotiation held with the selected firm?	10 days	
C.46 What is the usual basis for negotiation?	RFP	
C.47 Are minutes of negotiation taken and signed?	Yes	Low *
C.48 How long after negotiation is the contract signed, on average?	One week	
C.49 Is there an evaluation system for measuring the outputs of consultants?	Not yet	
Payments		
C.50 Are advance payments made?	Will	
C.51 What is the standard period for payment included in contracts?	1 month	
C.52 On average, how long is it between receiving a firm's invoice and making payment?	One week	

QUESTION	RESPONSE ³¹⁵	RISK ³¹⁶
C.53 When late payment is made, are the beneficiaries paid interest?	No	
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Yes	
D.2 Does the agency monitor and track its contractual payment obligations?	Yes	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Yes	
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Yes	
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes	Low*
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes	Low*
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes	Low*
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	Yes	
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Hebei provincial procurement office. Yes.	Low*
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?	No	
a) Bidding document, invitation to pre-qualify or RFP		

QUESTION	RESPONSE ³¹⁵	RISK ³¹⁶
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs		
c) Evaluation reports		Low*
d) Notice of award		Low*
e) Invitation to consultants to negotiate		
f) Contracts		Low*
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No	Low*
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low*

Appendix 2

PROCUREMENT PLAN

Package Number	General Description	Estimated Value (Million USD)	Procurement Method	Review (Prior/Post)	Advertisement Date (Quarter/Year)
Chengde Subproject					
Civil Works					
CD-C01	EC residential care center and EC service information center	5.75	NCB	Post	3/2017
CD-C02	Medical Rehabilitation Center	10.40	NCB	Post	3/2018
CD-C03	Landscaping and outdoor facilities	0.73	NCB	Post	2/2020
CD-C04	Home- and community-based EC service centers	1.00	NBF		3/2017
Subtotal		17.89			
Equipment					
CD-E01	Medical rehabilitation equipment	3.12	NCB	Post	2/2019
CD-E02	Intelligent EC service platform	1.39	NCB	Post	2/2020
CD-E03	Nursing equipment and facilities	2.08	NCB	Post	2/2020
CD-E04	Office and leisure equipment	0.22	NCB	Post	2/2020
CD-E05	Auxiliary living facilities and vehicles	0.32	NCB	Post	2/2020
CD-E06	Wastewater treatment facilities	0.15	NCB	Post	2/2020
CD-E07	Day care equipment and facilities	0.96	NBF		3/2017
Subtotal		8.24			
Total		26.13			
Julu Subproject					
Civil Works					
JL-C01	EC service center	10.25	NCB	Post	4/2017
JL-C02	Pipings	0.53	NBF		4/2018
JL-C03	Rehabilitation of community based EC service centers	0.44	NBF		4/2018
Subtotal		11.22			
Equipment					
JL-E01	Electric transformation and distribution equipment	0.26	NBF		1/2018
JL-E02	Water pumping equipment	0.07	Shopping	Post	1/2018

JL-E03	Concentrated solar power equipment	0.12	NCB	Post	1/2018
JL-E04	Boiler house and heat exchanging equipment	0.19	NCB	Post	1/2018
JL-E05	Medical wastewater treatment equipment	0.11	NCB	Post	1/2018
JL-E06	Elevators for EC service center	0.50	NCB	Post	2/2018
JL-E07	Wastewater treatment facilities	0.04	Shopping	Post	1/2019
JL-E08	Elevators for community based EC service centers	0.18	NCB	Post	1/2019
JL-E09	Information center equipment	0.61	NCB	Post	1/2019
JL-E10	Medical rehabilitation equipment	0.63	NCB	Post	1/2019
JL-E11	Vehicles	0.20	NCB	Post	1/2019
JL-E12	Kitchen equipment	0.14	NCB	Post	4/2019
Subtotal		3.04			
Total		14.25			
Lixian Subproject					
Civil Works					
LX-C01	Integrated EC service center and 4 urban day care centers	16.50	NCB	Post	3/2018
LX-C02	6 rural day care centers	1.78	NCB	Post	2/2020
Subtotal		18.28			
Equipment					
LX-E01	Equipment for integrated EC service center and day care centers	3.17	ICB	Prior	4/2019
LX-E02	Health examination and rehabilitation equipment	1.04	NCB	Post	4/2020
LX-E03	Information service euipment	1.26	NCB	Post	4/2019
LX-E04	Elevators	0.76	NCB	Post	3/2018
Subtotal		6.23			
Total		24.51			
Shexian Subproject					
Civil Works					
SX-C01	EC service center	11.79	NCB	Post	4/2017

SX-C02	Home- and community-based EC service centers	0.23	NBF		2/2018
Subtotal		12.02			
Equipment					
SX-E01	Liquid oxygen equipment	0.05	NCB	Post	3/2019
SX-E02	Central ventilation system	0.10	NCB	Post	3/2019
SX-E03	Office furnitures	0.32	NCB	Post	3/2018
SX-E04	Nursing equipment	1.23	NCB	Post	3/2018
SX-E05	Electronic information equipment	1.36	NCB	Post	3/2019
SX-E06	Electronic information equipment	0.48	NCB	Post	3/2019
SX-E07	Health Rehabilitation and fitness equipment	0.66	NCB	Post	3/2018
SX-E08	Medical equipment	1.95	NCB	Post	3/2019
SX-E09	Vehicles	0.54	NCB	Post	3/2018
Subtotal		6.69			
Total		18.72			

Yanshan Subproject

Civil Works					
YS-C01	Training center	10.50	NCB	Prior	Q2/2017
Subtotal		10.50			
Equipment					
YS-E01	Teaching equipment and living facilities	0.38	NCB	Post	Q2/2018
YS-E02	Simulation and practical training equipment	1.09	NCB	Post	Q2/2018
YS-E03	Office equipment	0.25	NCB	Post	Q1/2019
YS-E04	Research equipment	0.81	NCB	Post	Q2/2019
YS-E05	Special equipment-robot	0.74	NBF		Q2/2018
Subtotal		3.26			
Consulting Services					
YS-S01	Capacity building and training	1.28	TBD		Multiple activities
YS-S02	Curriculum development and study	0.93	NBF		Multiple activities

Subtotal		2.21			
Total		15.97			
Xinji Subproject					
Civil Works					
XJ-C01	Nursing,clinic and rehabilitation center	12.22	NCB	Post	4/2017
XJ-C02	Dining hall, leisure center, and outdoor facilities	2.79	NCB	Post	1/2019
XJ-C03	Community based EC facilities	2.35	NCB	Post	1/2019
Subtotal		17.36			
Equipment					
XJ-E01	Elevators and public equipment	1.17	NCB	Prior	4/2017
XJ-E02	Fitness and leisure equipment	1.09	NCB	Post	1/2019
XJ-E03	Medical rehabilitation and nursing equipment, office equipment, and etc.	2.24	NCB	Post	1/2019
XJ-E04	Equipment for Geriatric Hospital	2.02	NCB	Post	1/2019
Subtotal		6.53			
Total		23.89			
HPMO					
CS-01	Project Implementation Support	2.50	QCBS	Prior	Q1/2017
Grand Total		125.96			

Appendix 3

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

SL No	Risk Description		Risk Assessment		Mitigation Measures or Risk Management Plan
		Impact	Likelihood	Risk	
A6, A7, A16, A17, A23, C1, C2, C22, C23	IAs have insufficient qualified staff to efficiently undertake the procurements required to implement the project.	High	Unlikely	Substantial	Mitigation: - The HPG has agreed to ensure that the IAs will provide sufficient staff for the project implementation - HPMO will take a leading role in the procurement process and exercise control. -Use of a specialist procurement agent will enhance capacity -Training in ADB procurement procedures during the project preparation and via the loan capacity building component. -Detailed procedures on local IAs' procurement using ADB loan to be prepared.
C27,C34,C36, C37,C40-43	IAs do not promote nondiscriminatory participation and transparent tender	High	Unlikely	Substantial	Mitigation: - HPMO will take a leading

	processes, or other noncompliance with ADB Guidelines on Use of Consultants				<p>role in the recruitment of consultants.</p> <p>-Use of a specialist procurement agent will enhance capacity.</p> <p>-Training in ADB procurement procedures during the project preparation.</p> <p>Monitoring:</p> <p>- ADB will closely monitor consultant recruitment activities.</p>
Overall				<p>Moderate. The main risks identified are at IA level only with no previous practical experience working to the specific regime imposed by the ADB procurement guidelines and limited staff and knowledge of public procurement requirements by the 3 newly established private companies. However, these risks can be mitigated with the proposed measures such as implementation support consultant and training. For other items risk is low.</p>	

Hebei Elderly Care Development Project

Final Report

Volume Two

Document 2- E

Project Administration Manual (Full Version with Appendices)

Project Administration Manual

Project Number: 49028-002
Loan Number: LXXXX-PRC
May 2017

People's Republic of China: Hebei Elderly Care
Development Project

ABBREVIATIONS

ADB	–	Asian Development Bank
CAB	–	civil affairs bureau
CNY	–	Chinese yuan
DMF	–	design and monitoring framework
ECS	–	elderly care system
ECSS	–	elderly care services
EGM	–	effective gender mainstreaming
EMP	–	environmental management plan
GRM	–	grievance redress mechanism
HCAD	–	Hebei Provincial Civil Affairs Department
HCBC	–	home- and community-based care
HDRC	–	Hebei Development and Reform Commission
HPFD	–	Hebei Provincial Finance Department
HPLG	–	Hebei project leading group
HPMO	–	Hebei project management office
ICT	–	information and communications technology
LIBOR	–	London interbank offered rate
MIS	–	management information system
MOF	–	Ministry of Finance
NCB	–	national competitive bidding
NDRC	–	National Development and Reform Commission
NGO	–	nongovernment organization
PAM	–	project administration manual
PCR	–	project completion report
PPMS	–	project performance management system
PPP	–	public–private partnership
PRC	–	People's Republic of China
QCBS	–	quality- and cost-based selection
SGAP	–	social and gender action plan
TOR	–	terms of reference
TBD	–	to be determined

CONTENTS

I.	PROJECT DESCRIPTION	4
II.	IMPLEMENTATION PLANS	11
	A. Project Readiness Activities	11
	B. Overall Project Implementation Plan	12
III.	PROJECT MANAGEMENT ARRANGEMENTS	14
	A. Project Implementation Organizations—Roles and Responsibilities	14
	B. Key Persons Involved in Implementation	18
	C. Project Organization Structure	19
IV.	COSTS AND FINANCING	20
	A. Cost Estimates Preparation and Revisions	20
	B. Key Assumptions	20
	C. Detailed Cost Estimates by Expenditure Category	22
	E. Detailed Cost Estimates by Financier	23
	F. Detailed Cost Estimates by Outputs	24
	G. Detailed Cost Estimates by Year	25
	H. Allocation and Withdrawal of Loan Proceeds	26
	I. Contract and Disbursement S-Curve	26
	J. Fund Flow Diagram	28
V.	FINANCIAL MANAGEMENT	29
	B. Financial Management Assessment	29
	C. Disbursement	30
	D. Accounting	31
	E. Auditing and Public Disclosure	31
VI.	PROCUREMENT AND CONSULTING SERVICES	33
	A. Advance Contracting and Retroactive Financing	33
	B. Procurement of Goods, Works, and Consulting Services	33
	C. Procurement Plan	34
	D. Consultant's Terms of Reference	41
VII.	SAFEGUARDS	ERROR! BOOKMARK NOT DEFINED.
VIII.	GENDER AND SOCIAL DIMENSIONS	56
IX.	PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION	ERROR! BOOKMARK NOT DEFINED.
	A. Project Design and Monitoring Framework	60
	B. Monitoring	62
	C. Reporting	64
	D. Stakeholder Communication Strategy	65
X.	ANTICORRUPTION POLICY	68
XI.	ACCOUNTABILITY MECHANISM	69
XII.	RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL	69

APPENDICES

1. Brief Description of the Subprojects
2. Guidelines and Key Points Checklist on the Project Detailed Design for Elderly Care Facilities
3. Generic Implementation Strategy & Roadmap for Home- and Community-based Care
4. Strategies for Building Capacity in Residential Care in Hebei
5. Strategies for Developing Human Resources for Elderly Care
6. Environmental Management Plan
7. Consulting Terms of Reference
8. Terms of Reference for Attached Capacity Development Technical Assistance
9. Outline Training Plan
10. Outline Design of Project Performance Management System
11. Template for Semiannual Project Progress Report
12. Full Schedule of Identified Procurement Packages

Glossary of Terms Used

Daycare center	Community-based care facility providing services to elderly people living in the local community, and their families, that might include daycare, short-stay residential care, rehabilitation, and cultural and entertainment activities.
Dementia care	Either home- and community-based or residential care facilities providing care for elderly people suffering dementia
Geriatric hospital	Hospital providing outpatient and/or inpatient care mainly for old people but it can also provide clinical services for other patients. In the People's Republic of China (PRC), it is under the administration of the health department.
Health and elderly care integration	The process of achieving improved integration of health and elderly care (EC) services, including improved coordination and cooperation between health and EC sector agencies/service providers. Current methods include four models: (i) residential care facility operating a clinic or hospital within the facility; (ii) residential care facility having a working relationship with a hospital to provide health care for its residents; (iii) hospital operating residential care; and (iv) daycare center having a working relationship with a clinic or hospital.
Health checking center	Community-based clinics where old people come for medical checks.

Home- and community-based care	Includes all forms of daycare center and home care services. Care services can be either provided at the center (community-based services) or at the homes of the elderly (home-based services).
Long-term care insurance	An insurance system providing for the cost of long-term care. Current local piloting programs in the PRC fall into two categories: (i) an independent system in which individuals contribute a certain amount of money matched by funds transferred from medical insurance; and (ii) operating within the medical insurance system with separate accounts, and individuals do not make additional contributions.
Rehabilitation center	In the PRC, each province or major city has a rehabilitation center under the civil affairs department. Its main function is to produce rehabilitative or assistive devices and provide rehabilitation services for disabled people after undergoing surgery in a hospital. In recent years, rehabilitation centers have also started to operate rehabilitative hospital within the center, which also includes diagnosis and treatment of people with cognitive or other disabilities.
Palliative care/end of life care	Care provided to the terminally ill patients beyond the point of active medical treatment, with the purpose of palliating their pain and symptoms, and focusing on their emotional and spiritual needs.
Rehabilitation hospital	Hospital that diagnoses and provides rehabilitation services for disabled people, which is under the federation of people with disabilities. It does not perform surgeries.
Residential care	Long-term care provided to people in a residential setting rather than in their own home or in a daycare center.

Project Administration Manual Purpose and Process

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

The Hebei Provincial Government, participating local governments and the project implementation agencies are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

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

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

I. PROJECT DESCRIPTION

A. Rationale

1. The most significant demographic challenge facing the People's Republic of China (PRC) is the aging of the population, and the social and economic impacts that will occur because of the rapid pace and scale of the demographic change. The proportion of people above the age of 60 across the PRC is expected to grow from about 12% in 2010 to 34% by 2050. Traditional family support systems are increasingly unable to meet elderly care needs because of the combined impacts of fast urbanization, internal migration of youth away from rural areas, and the one-child policy. The population is aging rapidly while the country's per capita income is still modest and social security systems are insufficient to meet the needs of senior citizens. The growing demand for quality and affordable elderly care services (ECSS) and development of care models for urban and rural areas exceeds supply. These are urgent development issues that must be addressed.³¹⁷

2. Hebei entered “aging society” status in 1999 when it passed the 10% threshold of population over the age of 60. This is projected to be 17% in 2016, rising to 31% by 2050. The province has great diversity in the distribution of elderly, their care needs, income levels, and availability of services. Some rural counties have a high density of elderly who are “left behind” after their children have moved to urban areas. Few elderly remain in other counties, making it difficult to provide decentralized services. Urban areas are aging at different rates, resulting in a variety of demand for services. The government has identified Hebei as a demonstration province for elderly care development because of its experience in developing a rural care model, and since it is representative of the challenges other provinces face with limited government funds available for elderly care and growing elderly populations.³¹⁸ A strong desire exists in the province—and nationally—to identify models and implementation partnerships that can deliver quality and affordable ECSS. To achieve this, it is necessary to identify and define the optimum roles for government, private sector, civil society stakeholders, and the public in elderly care.

3. The PRC's Twelfth Five-Year Plan, 2011–2015 supported creating a three-tiered old age care system with home-based care as the base, community care as a support, and residential care as supplement.³¹⁹ This is in line with international trends to support “aging in place” (supporting elderly to live in their communities), de-institutionalization, and active aging. The PRC's Thirteenth Five-Year Plan, 2016–2020 seeks to expand coverage, and enhance the quality of services by developing the private sector and civil society organizations to play a greater role in elderly care.³²⁰ The government is seeking models for elderly care that address key challenges: financing gaps, developing the market, and improving the unbalanced rural–urban development. In the next 5 years, significant changes are expected to take place: (i) subsidies to the sector will increase and be better targeted, and new programs such as long-term care insurance may play a greater role in promoting access; and (ii) the next generation of elderly (particularly urban) will be better-off and more able to afford care. Stimulating the role of the private sector and civil society is critical for expanding coverage and improving the quality of services. Asian Development Bank's (ADB) recently approved project in Yichang Municipality, Hubei will develop one approach—a model public–private

³¹⁷ The project is included in ADB. 2016. *Country Operations Business Plan: People's Republic of China, 2016–2018*. Manila.

³¹⁸ In 2008, a model of mutual support communal homes for the rural elderly called “Xingfu Yards” (translated as “Happiness Yards”) was developed, which the Ministry of Civil Affairs has rolled out nationally since 2011.

³¹⁹ Government of the PRC, State Council. 2011. *National Economy and Social Development Twelfth Five-Year Plan, 2011–2015*. Beijing.

³²⁰ Government of the PRC, State Council. 2015. *National Economy and Social Development Thirteenth Five-Year Plan, 2016–2020*. Beijing. The plan includes (i) giving access to 80% of all urban and rural residents for home- and community-based care (HCBC), and (ii) significantly increasing residential elderly care beds to keep pace with demand as the elderly population expands.

partnerships for ECSS in urban districts.³²¹ A range of other models that can successfully operate in less-developed areas, build new partnerships for service delivery, and address the multiple care needs of aging populations, also needs to be developed.

4. Translating national policies into programs in Hebei is challenging. For residential nursing care, only 50% (210,000) of the projected need for beds in the province is available, and public perceptions and the quality of elderly care facilities are low. Human resources, incentives, and policies to retain and train staff, are insufficient. Planning for the expansion of ECSS is not systematic, and home and community care services are largely underdeveloped. Critical service areas such as dementia care and rehabilitation are very limited, and government financing of elderly care is insufficient. To help address the lack of services, local governments are seeking ways to incentivize new care models and private and voluntary sector involvement, neither of which are yet significant. Poor public perceptions of the quality of services, affordability, and traditional cultural attitudes are key constraints to the uptake and sustainability of services.

5. To address these problems, the project will develop five anchor elderly care residential facilities (run by the public and private sectors) targeting elderly with long-term care needs. These will serve as care hubs, and develop and operate home- and community-based care (HCBC) services and information and communication technology (ICT) networks to serve a broad range of elderly. This will support the concept of “aging in place”—a lifestyle that consultative research suggests most elderly prefer—and affordable care options. Additional facilities and services, such as rehabilitation centers, will be constructed to help relieve pressure on hospital beds to improve health and elderly care sector integration—an emerging government policy focus. Capacity building for implementing agencies, local civil affairs bureaus (CABs), and implementation of pilot projects to address critical aspects of ECS development are integral to the project design. Yanshan University will develop an elderly care training center and short- and long-term new courses in five priority areas: (i) caregiving and nursing, (ii) occupational therapy, (iii) elderly care management, (iv) geriatric psychology, and (v) ICT for elderly care. Together, the subprojects seek to create demonstration facilities and services, expand human resources, and improve industry capacity for the three-tiered ECS in Hebei.

B. Impact and Outcome

6. The impact, which is aligned with the government’s goal, will be an established comprehensive three-tiered ECS (home, community, and residential). The outcome will be improved capacity of the ECS and quality of ECSS in Hebei.

C. Outputs

7. The project will have four outputs. Output 1, improved community and home care services, will support creating quality HCBC services by developing (i) selected community centers, (ii) services and support networks to improve and expand service delivery and quality, (iii) capacity of the implementing agencies to create sustainable HCBC services that meet the needs of the elderly, and (iv) ICT networks that support the elderly and service delivery. Output 2, increased residential elderly care service capacity and improved quality, will support the development of facilities that (i) provide residential care services for elderly with various types of need (i.e., nursing care, dementia care, rehabilitation); (ii) establish links to existing health care facilities and home and community care to support a continuum of care; and (iii) serve as demonstration models of government and private sector collaboration for other small cities

³²¹ ADB. 2016. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the People’s Republic of China for the Public–Private Partnership Demonstration Program to Transform Delivery of Elderly Care Services in Yichang, Hubei*. Manila.

seeking to improve elderly care quality and service delivery. Output 3, improved development of human resources and industry capacity, will help address the elderly care human resources shortages and quality by supporting Yanshan University to (i) develop training programs and faculty capacity in emerging service areas, such as caregiving and nursing, rehabilitation, elderly care management, technology to support elderly care, and counseling; (ii) develop curriculum and training materials in the priority areas with selected academic and training institutions across the province; and (iii) develop an elderly care training and research center, and student dormitory on the Yanshan University campus. Output 4, improved capacity of elderly care sector organizations, will build the capacity of stakeholders and local CABs in planning, elderly care management, assessment, and quality assurance and monitoring. It will also implement innovative pilot projects in priority areas, such as health and elderly care integration, new services development (rehabilitation and dementia care), HCBC services, and ICT for elderly care. Training and advisory support will be provided to facilitate the efficient implementation and operationalization of the ECSS to be provided through the project.

8. **Innovation and special features.** The project will have demonstration value for other PRC provinces and developing countries in Asia and the Pacific facing similar challenges of aging populations.³²² Innovative and special features include the development of (i) an integrated elderly care service model that links home, community, and residential care and management; (ii) pilot projects to support good practice ECS development in areas such as management, quality assurance, and new services development; (iii) a model of government and private sector collaboration that has only limited risk for government and which may be more flexible and market responsive than use of public–private partnerships; and (iv) a human resources development program at the tertiary and continuing education levels, which anticipates the growth of the sector and demand for new skills.

9. **Strategic fit.** The project supports the PRC’s Thirteenth Five-Year Plan, 2016–2020 (footnote 5) and the Hebei Provincial Thirteenth Five-Year Plan, 2016–2020, which seek to develop the ECS, stimulate investment, and define roles and responsibilities for the government and the private and voluntary sectors. The project is aligned with ADB’s country partnership strategy, 2016–2020 pillar on inclusive growth; the Midterm Review of Strategy 2020, which supports social protection and health; and the Operational Plan for Health, 2015–2020, which has elderly care as a focus area.³²³

10. **Innovation and special features.** The project will have demonstration value for other PRC provinces and developing countries in Asia and the Pacific facing similar challenges of aging populations.³²⁴ Innovative and special features include the development of (i) an integrated elderly care service model that links home, community, and residential care and management; (ii) pilot projects to support good practice ECS development in areas such as management, quality assurance, and new services development; (iii) a model of government and private sector collaboration that has only limited risk for government and which may be more flexible and market responsive than use of public–private partnerships; and (iv) a human resources development program at the tertiary and continuing education levels, which anticipates the growth of the sector and demand for new skills.

11. **Project composition.** The project comprises six different subprojects, five of which will create integrated three-tier ECS in local cities and counties dissipated across Hebei Province and one provincial level subproject with YSU (located in Qinghuangdao City in eastern Hebei) that will strengthen EC sector human resources and conduct specialized research relevant to the sector. The **five** cities and counties that will create the integrated ECS

³²² ADB’s East Asia Department has an additional four elderly care projects in the 2017–2019 pipeline.

³²³ ADB. 2016. *Transforming Partnership: People’s Republic of China and Asian Development Bank, 2016–2020*. Manila; ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila; and ADB. 2015. *Operational Plan for Health, 2015–2020*. Manila.

³²⁴ ADB’s East Asia Department has an additional four elderly care projects in the 2017–2019 pipeline.

are Shuangluan District, Chengde Municipality; Li County, Baoding Municipality; Xinji City (provincially governed); Julu County, Xingtai Municipality; and She County, Handan Municipality. Table 1 summarizes the project activities that will be undertaken within each of the six subprojects. Further information on the socioeconomic profiles of the five cities and/or counties and contents of the individual subprojects that make up the project can be found in Appendix 1.

Table 1: Summary of Project Activities by Subproject

Name of Subproject	Name of Implementing Agency	Output 1: Community and Home Care Services Improved	Output 2: Residential Elderly Care Service Capacity and Improved Quality Increased	Output 3: Development of Human Resources and Industry Capacity Improved ^a	Output 4: Capacity of Elderly Care Sector Organizations Improved
Xinji Parents' Paradise Elderly Care Community Center	Xinji Juyouleyuan Elderly Care Service Corporation	(i) Eight HCBC service centers serving five townships will be established by renovating existing buildings (area ^b : 7,900 m ² , with capacity of 130 beds) (ii) Connect with ICT platform	(i) A new elderly care center and a small geriatric hospital ^c will be constructed (total area: 30,223 m ² , with a total of 438 beds, including 60 geriatric hospital beds [50 geriatric and/or 10 palliatives]) (ii) ICT center (iii) Rehabilitation center (iv) Palliative care rooms (v) 232 staff (including caregivers, management staff, and administrative staff) for the elderly care center, geriatric hospital (60), and HCBC service centers (vi) Training to caregivers and management staff	NA	Piloting of horizontal medical care and elderly care integration through cooperation with Xinji No. 1 Municipal Hospital
Julu County Healthcare and Elderly Care Integrated Service Center	Julu County Hospital	(i) Four HCBC centers will be rehabilitated (area: 3,309 m ² , with capacity of 110 beds) (ii) Establish information center	(i) A new EC center with a total floor area of 20,945 m ² will be constructed with a capacity of 403 beds, including rehabilitation center; recuperation and dementia rooms (ii) Palliative care rooms (iii) 249 staff (including caregivers, management staff, and administrative staff) for the elderly care center and HCBC centers (iv) Training to caregivers and management staff	NA	Piloting of vertical health and elderly care integration
Chengde Shuangluan District Haoren Health and Elderly Care	Chengde Haoren Elderly Care Service Industry Corporation	(i) 25 HCBC centers (22 community and 3 street level) will established by rehabilitating existing buildings in 25 local	(i) A new elderly care center and a rehabilitation hospital will be constructed (area: 25,008.72 m ² , with a total of 430 beds, including 100 beds for	NA	Piloting of: (i) Elderly care assessment (ii) Using ICT in assessment of client needs (iii) Community-based care

Name of Subproject	Name of Implementing Agency	Output 1: Community and Home Care Services Improved	Output 2: Residential Elderly Care Service Capacity and Improved Quality Increased	Output 3: Development of Human Resources and Industry Capacity Improved ^a	Output 4: Capacity of Elderly Care Sector Organizations Improved
Service Center Project		communities (area: 7,400 m ²) (ii) Connect with ICT platform	rehabilitation) (ii) ICT platform (iii) Palliative care rooms (iv) 396 staff (including caregivers, management staff, and administrative staff) for the elderly care center, rehabilitation hospital, and HCBC centers (v) Training to caregivers and management staff		
She County Binhe Elderly Care and Rehabilitation Center	Hebei Runqinyuan Elderly Care Industry Development Corporation	(i) Three HCBC centers will be established (area: 3,100 m ² , with capacity of 80 beds) (ii) Connect with ICT platform	(i) A new elderly care center with a floor area of 25,850 m ² providing 360 beds will be built (ii) Rehabilitation center (iii) An ICT center (iv) Palliative care rooms (v) 174 staff (including caregivers, management staff, and administrative staff) for the elderly care center and HCBC centers (vi) Training to caregivers and management staff	NA	Piloting for: (i) EC quality management (ii) Use of ICT in the administration, needs assessment, and record-keeping of residential care and HCBC systems
Baoding Li County Elderly Care Comprehensive Service Center	Li County Guangrongyuan	(i) 10 HCBC centers will be established by rehabilitating four existing buildings and constructing six new centers in local towns and/or townships (area: 7,285.9 m ² , with capacity of 400 beds) (ii) Establish call and/or response center	(i) A new residential elderly care center will be built (total area: 38,455.79 m ² with a capacity of 425 beds) (ii) Health checking center (iii) Rehabilitation center (iv) Call and/or response service center (v) Palliative care rooms (vi) 276 staff (including caregivers, management staff, and administrative staff) for the elderly care center and HCBC centers	NA	Piloting for elderly care and HCBC development strategy and planning

Name of Subproject	Name of Implementing Agency	Output 1: Community and Home Care Services Improved	Output 2: Residential Elderly Care Service Capacity and Improved Quality Increased	Output 3: Development of Human Resources and Industry Capacity Improved ^a	Output 4: Capacity of Elderly Care Sector Organizations Improved
			(vii) Training to caregivers and management staff		
YSU Health and Elderly Care Integration Training Center	YSU	NA	NA	(i) A new elderly care training center inside the YSU campus will be constructed with a floor area of 13,960 m ² will be built (ii) A student dormitory building with capacity of 1,000 beds, with a floor area of 6,000 m ² will be built (iii) 33 faculties will be newly engaged	(i) Elderly care management. YSU will develop a range of training courses in elderly care management (ii) ICT for elderly care. YSU will design courses on ICT for elderly care to respond to the fast-growing human resources needs in this area (iii) Occupational therapy for elderly care

HCBC = home- and community-based care, ICT = information and communication technology (for call and response), m² = square meter, NA = not applicable, YSU = Yanshan University.

^a Training should at least include topics in (i) characteristics of elderly in need of care and clinical issues of EC, (ii) dementia care, (iii) medical rehabilitation center, (iv) generic quality assessment, and (v) EC management.

^b Medical recovery, physiotherapy, etc.

^c Level 1 hospital = 20 to 99 beds (smallest hospital type).

Sources: Domestic subproject feasibility study reports, September 2016.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

12. Table 2 indicates the main project readiness activities and indicative timing for each activity that needs to be completed to achieve loan effectiveness in December 2017 (considered as the earliest realistic date for project implementation to commence). In order to ensure the project implementation proceeds in a timely manner, key activities to fully establish the implementation arrangements include (i) appointment of qualified design institutes to undertake preliminary and detailed design work on behalf of the implementing agencies, (ii) appointment of a procurement agent by HPMO and the establishment of project procurement procedures, and (iii) the establishment of project financial management arrangements under the overall oversight of Hebei Provincial Finance Department (HPFD) and advance contracting action in relation to the appointment of the loan implementation consultants in order that these can be mobilized as soon as practical after loan effectiveness.

Table 2: Summary of Project Readiness Activities

Indicative Activities	Months								Responsible Agency(s)
	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul to Dec 2017	
ADB staff review meeting									ADB
Approval of domestic FSRs									HDRC
Loan negotiations									ADB, relevant agencies of PRC national government, HPG
Advance contracting actions									HPMO and implementing agencies
Implementation workshop									HPMO, implementing agencies, local government, invited experts
Preliminary and detailed design									Implementing agencies and their design institutes
Establish project implementation arrangements									HPMO, implementing agencies, local government
ADB Board approval									ADB
Loan and grant signing									ADB, MOF, HPG
Advance action for procurement of CDTA consultant									ADB, HPMO
Government legal opinion provided									MOF, HPG
Loan and grant effectiveness									MOF, ADB

ADB= Asian Development Bank, CDTA = capacity development technical assistance, FSR = feasibility study report, HDRC = Hebei Development and Reform Commission, HPMO = Hebei project management office, HPG = Hebei Provincial Government, MOF = Ministry of Finance, PRC = People's Republic of China.

Source: Asian Development Bank estimates.

B. Overall Project Implementation Plan

13. Table 3 is a Gantt chart recording outputs with key implementation activities on a quarterly basis, updated annually, and submitted to ADB with contract and disbursement projections for the following year.³²⁵

Table 3: Project Implementation Plan

Activities	2016				2017				2018				2019				2020				2021				2022			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1. Design and Monitoring Framework																												
Output 1: Community and home care services improved																												
Build, rehabilitate, and equip 51 community care centers																												
Implement study tour to Beijing and Japan on HCBC																												
Develop HCBC service specifications and assessment system																												
Establish a training and support program for family caregivers																												
Establish a home safety assessment and modification program																												
Establish call center support systems																												
Output 2: Residential elderly care service capacity and improved quality increased																												
Undertake land acquisition and resettlement																												
Construct residential care facilities																												
Develop and implement market research study																												
Develop and implement learning collaborative on elderly care management and services																												
Design, implement, and evaluate elderly care pilots																												
Output 3: Development of human resources and industry capacity improved																												
Construct elderly care training center and student																												

³²⁵

Activities	2016				2017				2018				2019				2020				2021				2022			
dormitory																												
Design curriculum for five fields and develop 19 textbooks																												
Establish training plan (including study tours) for faculty																												
Establish research center for priority areas																												
Output 4: Capacity of elderly care sector organizations improved																												
Implementation of resettlement plan, EMP, and SGAP																												
Develop and implement CAB learning program																												
Develop and implement CAB and HCBC service pilots																												
Conduct pilot evaluation																												
Initiate roll out of successful pilots																												
2. Management Activities																												
Establish project management arrangements																												
Procurement																												
Consultant selection procedures																												
Environmental management plan activities																												
Social and gender action plan activities																												
Communication strategy activities																												
Progress reporting																												
Midterm review																												
Project completion report and review																												

CAB = civil affairs bureau, EMP = environmental management plan, HCBC = home- and community-based care, SGAP = social and gender action plan.

Source: Asian Development Bank estimates

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

14. The Hebei Provincial Government (HPG) will be the executing agency for the project. The Hebei project leading group (HPLG) has been established, led by the deputy provincial governor and includes membership from the Hebei Civil Affairs Department, Hebei Provincial Education Department, Hebei Provincial Finance Department, Hebei Development and Reform Commission, Hebei Human Resources and Social Security Department, Hebei Provincial Environmental Protection Department, Hebei Provincial Land Management Department, and Hebei Provincial Health and Family Planning Commission. The HPLG will be responsible for overall coordination of the project. Under the HPLG, a project management office (HPMO) has been established in the Hebei Provincial Foreign Debt Management Center in the HPFD. HPMO is responsible for the preparation, implementation, management, and supervision of the project and will provide guidance to the subproject cities and counties.

15. The subproject cities and counties have each established project leading group (PLG) with responsibilities at local level that largely mirror those of HPLG at the provincial level, with the key local players being the city/county civil affairs bureau, development and reform commission, finance, and health bureaus. Each local PLG has set up a small project office to facilitate effective coordination within the local government on project matters. The relevant local governments, following local selection procedures, have assigned responsibility for day-to-day subcomponent implementation to a designated implementing agency. These implementing agencies are a mix of private and public entities (further details of the selection process of the private enterprise implementing agencies is in section B below). Table 4 identifies the different subprojects, the relevant implementing agency, and its legal form.

Table 4: Project Implementing Agencies

	City and/or County	Subproject Implementing Agencies	Type of Organization
1.	Provincial level	YSU	Government institution
2.	Xinji City ^a	Xinji Juyouleyuan Elderly Care Service Corporation	Private enterprise
3.	Shuangluan District, Chengde City	Chengde Haoren Elderly Care Service Industry Corporation	Private enterprise
4.	Li County, Baoding City	Li County Guangrongyuan	Government institution
5.	She County, Handan City	Hebei Runqinyuan Elderly Care Industry Development Corporation	Private enterprise
6.	Julu County, Xingtai City	Julu County Hospital	Government institution

YSU = Yanshan University.

^a Xinji is a county level city that is directly governed by Hebei Provincial Government.

Source: Asian Development Bank.

16. The YSU subproject differs from the rest because it is part of a provincial-wide initiative to improve the quality of human resources in the elderly care and also to train increased numbers of caregivers needed to meet the continually increasing demand for ECSS. The university is in Qinghuangdao Municipality, Hebei Province, and is under the direct supervision of Hebei Education Department. Thus, the institutional arrangements (figure 1) and financing arrangements (as documented in the project financial analysis) for this subproject are somewhat different from the others.

17. The implementation roles and responsibilities of the main project stakeholder organizations are summarized in Table 5. All the implementing agencies, except for Li County Guangrongyuan, will be the end borrowers of ADB funds and responsible for debt servicing

and loan repayment. Li County Guangrongyuan currently operates under the government budgetary system without any financial autonomy from the county government, and therefore has no independent capacity to service debt. Later, if this implementing agency is reformed and becomes financially autonomous and is made responsible for operating the facilities, then onlending at that time might well become feasible.

Table 5: Project Implementation Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Hebei Provincial Government (HPG, executing agency)	<ul style="list-style-type: none"> (i) Establish project management arrangements. (ii) Assume overall accountability for ensuring project success.
1. Hebei Project Leading Group (HPLG)	<p>The HPLG, led by the Deputy provincial governor, includes high-level officials from HCAD (provincial level), HPFD, HDRC, and other key stakeholders, including HHFPC, HHRSSD, HPEPD, HPED, Hebei Provincial Health and Family Planning Commission, and HPLMD and will:</p> <p>(chair)</p> <ul style="list-style-type: none"> (i) provide overall project direction and any required policy guidance; (ii) oversee the preparation and implementation of the project; (iii) provide overall guidance to the project; (iv) support cross-agency policy dialogue; and (v) review project progress and provide strategic advice to support effective implementation.
2. Hebei Provincial Finance Department (HPFD)	<ul style="list-style-type: none"> (i) Exercise overall financial management supervision of the project (ii) Maintain the project imprest account and keep necessary financial records (iii) Manage the loan disbursement process (iv) Liaison with MOF
3. Hebei Development and Reform Commission (HDRC)	<ul style="list-style-type: none"> (i) Approve project proposal, domestic feasibility study and preliminary design, and submit authorization request for foreign capital utilization (ii) Approve any major changes needed to project scope (iii) Liaison with NDRC
4. Hebei Civil Affairs Department (HCAD)	<ul style="list-style-type: none"> (i) Oversee elderly care within Hebei Province, including standard setting, regulation, and policy development (ii) Supervision of local CABs (iii) Participate in policy dialogue with ADB as required (iv) Participate in the organization of training and other capacity building activities, and in the actual activities as appropriate
5. Hebei Project Management Office (HPMO)	<ul style="list-style-type: none"> (i) Supervise implementing agency activities and provide guidance and support, as needed (ii) Coordinate project preparation and implementation activities, including the necessary implementation, financial, and procurement planning (iii) Establish and operate the grievance redress mechanism (iv) Appoint the procurement agent and oversee project procurement (v) Appoint and supervise the activities of the project implementation and EC capacity building consultants (vi) Communicate and coordinate with ADB (vii) Monitor and report project progress and performance, including environmental, resettlement, and social and gender safeguards and action plans (viii) Have the project financial accounts and related financial statements consolidated and audited annually in accordance with appropriate auditing standards acceptable to ADB (ix) Prepare and submit ad-hoc reports on project activities as required

Project Implementation Organizations	Management Roles and Responsibilities
	(x) Coordinate project evaluation and dissemination activities
Project Implementation	
1. Project Implementing Agencies	(i) Implement subproject and be a focal point for liaison with the HPMD (ii) Appoint design, construction supervision, and required monitoring institutes (iii) Procurement and contract management (will be supported by procurement agent) (iv) Implement capacity building activities for implementing agencies (v) Project accounting and financial management (vi) Ensure quality in project activities necessary to meet objectives (vii) Coordinate EMP implementation relating to their subproject (viii) Prepare withdrawal applications for submission to the local finance department and HPMD (ix) Take actions as needed to implement the agreed gender and social action plans (x) Establish and maintain implementing agencies level project monitoring systems and reporting to HPMD (xi) Arrange necessary counterpart funding
2. Local Finance Departments	(i) Provide a guarantee that the ADB loan will be repaid. (ii) Overall financial supervision of the subproject within their jurisdiction. (iii) Review and endorse withdrawal applications. (iv) Facilitate and/or provide counterpart funding.
3. Local Civil Affairs Bureaus	(i) Administer of elderly care subsidies (ii) License and regulate supervision of organizations wishing to provide elderly care services. Setting and monitoring elderly care service standards (iii) Prepare of local elderly care sector plans (iv) Facilitate and encourage voluntary sector participation in elderly care (v) Assess care needs and ensuring the most vulnerable elderly receive the services they require (vi) Participate in project training and capacity building activities
Asian Development Bank	(i) Development partner to HPG and supervise project implementation to ensure ADB interests are safeguarded (ii) Disburse the loan in accordance with the agreed procedures upon receipt of duly authorized withdrawal applications and necessary supporting documentation (iii) Provide guidance to HPG, HPMD, and the implementing agencies to help resolve any implementation issues that arise (iv) Review project progress reports and monitors implementation of resettlement plans, the EMP, SGAP, and other key project activities (v) Require HPG, HPMD, or any individual implementing agencies act on any non-compliance issues (vi) Organize the overall PCR, which is then jointly conducted with various agencies of HPG, the implementing agencies, and related project stakeholders

ADB = Asian Development Bank, CAB = civil affairs bureau, EMP = environmental management plan, HCAD = Hebei Civil Affairs Department, HDRC = Hebei Development and Reform Commission, HPFD = Hebei Provincial Finance Department, HPG = Hebei Provincial Government, HHFPC = Hebei Provincial Health and Family Planning Commission, HPLG = Hebei project leading group, HPMD = Hebei project management office, MOF = Ministry of Finance, NDRC = National Development and Reform Commission, PCR = project completion report, SGAP = social and gender action plan.

Source: Asian Development Bank.

a. **Selection of Project Implementing Agencies**

a. **Overview of the Selection Process**

18. Hebei Development and Reform Commission (HDRC), in association with Hebei Civil Affairs Department (HCAD) and Hebei Provincial Finance Department (HPFD), first issued a notice asking for expressions of interest in the project from the cities and/or counties of Hebei Province. All cities and/or counties advertised widely in searching for social partners ensuring the selection process was undertaken in a legal, open, and transparent manner.

19. Private sector involvement is encouraged in elderly care, as stated in national policy documents, such as (i) *Opinions on Promoting the Development of Senior Care Service Industry (Circular No. 35, 2013)*, issued by the State Council; (ii) *Opinions on Promoting the Development of Health and Senior Care Service Program (Circular No. 2091, 2014)*, issued by the National Development Reform Commission; and (iii) *Opinions on Encouraging Social Capital Involving Elderly Care Sector (Circular No. 33, 2015)* issued jointly by 10 ministries and commissions, including Ministry of Civil Affairs and Ministry of Education. From a practical perspective, HPG recognized the need to get the private sector more involved in the provision of EC services ideally in a way that stimulated the local EC industry and reduced reliance on government budgets.

20. Cities and/or counties reviewed the proposals they received and if they were prepared to support them they forwarded these to HPMD. A key requirement was the willingness of the local finance bureau to provide a guarantee in the sum of the ADB loan the city and/or county was seeking to borrow. So, from an early stage there was an onus on the city and/or county to satisfy itself their subproject was financially sound.

21. HPMD (with HDRC, HFD, and HCAD representatives participating) considered all the proposals submitted to them, totaling over 50, and selected what they considered to be the most appropriate set of subprojects. This selection was endorsed by the HPLG and then submitted to National Development and Reform Commission (NDRC) and Ministry of Finance (MOF) for final approval.

22. This selected list of subprojects was then presented to ADB in January 2015 and discussed at the ADB pre-reconnaissance mission in March 2015 and have subsequently been modified in content and adjusted in scale through a process of three-way dialogue between Hebei, the national government, and ADB. From the original nine subprojects presented to ADB in January 2015, five have been dropped and two new subprojects with public institutions (Julu County and YSU have been added, leaving the current six subprojects.

b. **Key Points to Note**

23. The selection process followed by HPG and the project cities has followed a commonly used, accepted, and perfectly legal way for government to engage with the private sector. That is, through a process of negotiations to arrive at a mutually acceptable arrangement that meets the needs of both parties. The subprojects have arisen through local governments using tried and trusted local communications to engage with a local private sector partner they had confidence in to deliver the required EC project.

24. As confirmed with NDRC in July 2015, this project does not profess to be a public-private partnership (PPP) one and does not feature on the list of endorsed or proposed PPP project established by the PRC MOF. Under these circumstances, the subproject selection process did not follow PPP procedures. Repayment guarantees from local governments

merely show their trust in the implementing agencies and their support to local elderly care development. The private sector project implementing agencies will utilize the project facilities in their ownership to provide elderly care services on a commercial basis while being subject to government regulation and monitoring similar to any other private enterprise. This arrangement is not considered to constitute a PPP.

25. To explain this further, a key element in a PPP is risk sharing between government and the private partner. In the current project design, there is very limited risk on the part of the local government. All counterpart finance is to be provided by the private partners and they will receive no specific subsidies or concessions from government that are not available to any other private elderly care service provider. The government support has taken the form of enabling administrative action, advice, and dialogue to optimize the proposals and the willingness to provide a financial guarantee for the ADB loan financing. However, that guarantee will itself come with conditions to protect government interests if the project were to fail. Thus, local governments are facilitating local private sector participation in the elderly care industry in order to build up that industry and provide improved elderly care services in the local area. Local government is not contracting for the provision of specific services.

b. Project Implementation Strategies

26. Project implementation strategies were developed during project preparations and are to be used as general guidance in the implementation of the project. These strategies will be reviewed and updated as necessary in the light of experience and the intention is that this will occur at least once before implementation commences. The draft strategies included as appendixes to this PAM are as follows:

- (i) guidelines and key points checklist on the project detailed design for EC facilities (Appendix 2),
- (ii) generic implementation strategy and roadmap for HCBC (Appendix 3),
- (iii) generic implementation guidance for safety and quality assurance in residential care (Appendix 4), and
- (iv) generic human resources development plan for the subprojects (Appendix 5).

B. Key Persons Involved in Implementation

Executing Agency: HPG

Hebei Provincial Foreign Debt
Management Center—Hebei
Project Management Office

Officer's Name: Xu Wei
Position: Director
Telephone: +86 311 8677 2501
Email address: xxuwei@vip.163.com
Office Address: Building 2, Floor 5 48 Taihua Street, Qiaoxi
District, Shijiazhuang

Asian Development Bank

Urban and Social Sectors Division
(EASS)

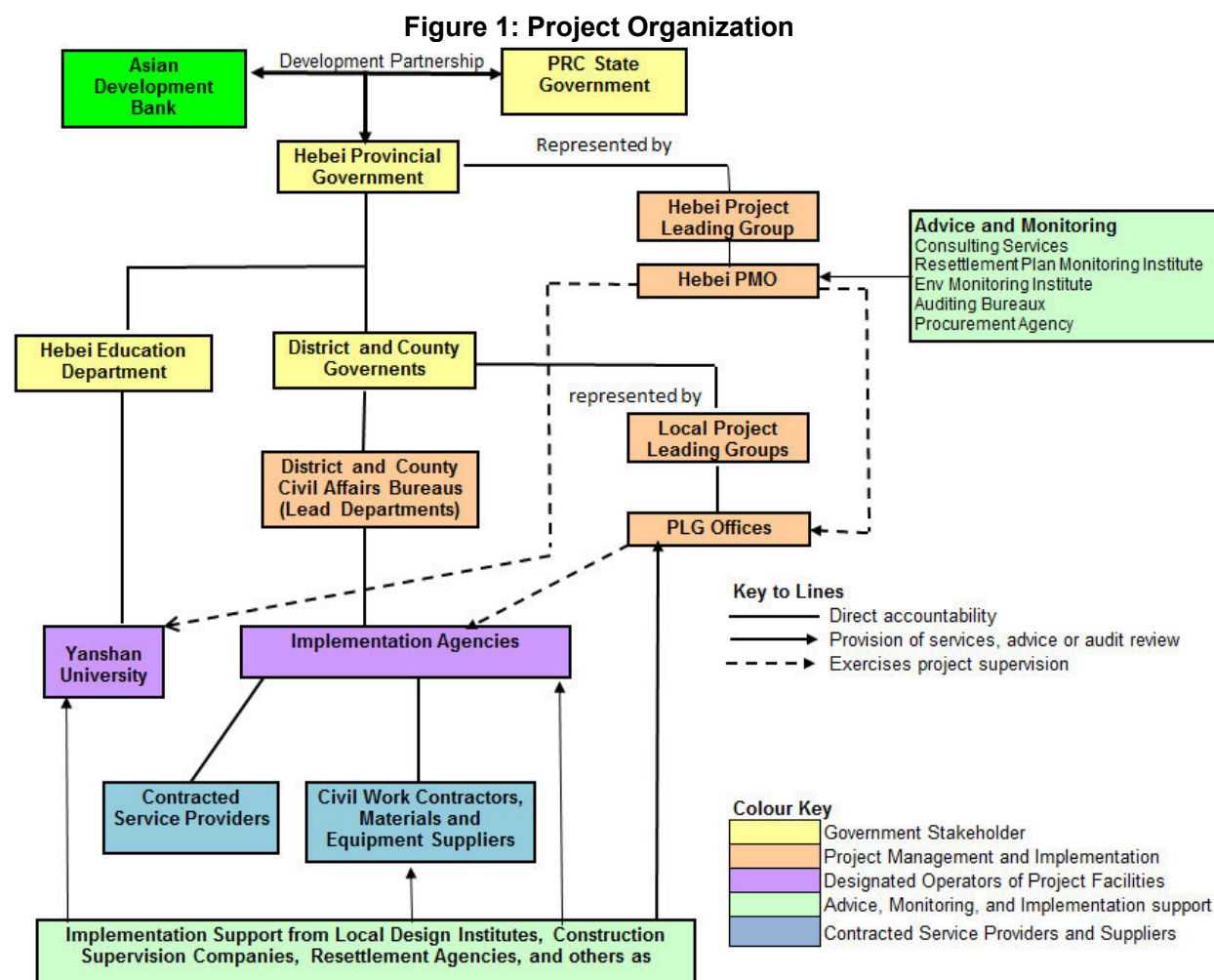
Staff Name: Sangay Penjor
Position: Director
Telephone No: +63 2 632 6584
Email address: spenjor@adb.org

Mission Leaders

Staff Name: Wendy Walker
Position: Principal Social Development Specialist, EASS
Telephone: +63 2 632 6645
Email address: wwalker@adb.org
Staff Name: Bai Jie
Position: Associate Project Officer (Urban Development), PRCM
Telephone:
Email address: jbai@adb.org

C. Project Organization Structure

27. Table 4 identifies six project implementing agencies. Figure 1 depicts the overall project organization and the relationships between the different stakeholders involved.



PLG = project leading group, PMO = project management office, PRC = People's Republic of China.

Source: Asian Development Bank review.

IV. COSTS AND FINANCING

A. Cost Estimates Preparation and Revisions

28. The project investment cost is estimated at \$180.11 million, including taxes and duties of \$6.54 million. The total cost includes physical and price contingencies and financial charges during implementation.

29. Cost estimates were prepared by local design institutes and compiled by the project preparatory TA consultant. During implementation, costs will be updated in the procurement plan by ADB project officer at least once a year to reflect the actual contract prices, contract variations, and updated cost estimates.

B. Key Assumptions

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

- (i) Exchange rate: CNY6.65 = \$1.00 (as of Q2/2016);
- (ii) Physical contingencies computed at 10% of base cost. Price contingencies based on expected cumulative inflation over the implementation period are presented in Table 6. Contingencies include provision for potential exchange rate fluctuation under the assumption of the purchasing power parity exchange rate; and

Table 6: Escalation Rates for Price Contingency Calculation (%)

Item	2016	2017	2018	2019	2020	2021
Foreign rate of price inflation	1.5	1.4	1.5	1.5	1.5	1.5
Domestic rate of price inflation	1.7	2.0	2.1	2.1	2.1	2.1

Source: Asian Development Bank.

- (iii) Interest during construction for ADB loan has been computed at the 5-year US dollar fixed swap rate plus a spread of 0.5%. Commitment charges for the ADB loan are 0.15% per year to be charged on the undisbursed loan amount. Meanwhile interest during construction for local commercial bank loan has been computed at 6%.

a. Summary Financial Data

31. The project investment plan is summarized in Table 7 below:

Table 7: Project Investment Plan

Item	Amount ^a
A. Base Cost^b	
1. Community and home care services improved	10.62
2. Residential elderly care service capacity increased and quality improved ^c	117.81
3. Development of human resources and industry capacity improved	17.02
4. Capacity of the elderly care sector organizations improved	2.50
Subtotal (A)	147.94
B. Contingencies^d	24.98
C. Financing Charges During Implementation^e	7.19
Total (A+B+C)	180.11

Note: Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of \$6.54 million to be financed from counterpart funds and Asian Development Bank (ADB) loan resources. The ADB loan will cover taxes and duties on items financed by ADB. Financing of taxes and duties is proposed because the due diligence showed that (i) the amount of taxes and duties is within the reasonable threshold identified in the country partnership strategy, (ii) the amount does not represent an excessive share of the investment plan, (iii) taxes and duties apply only in respect to ADB-financed expenditures, and (iv) financing of the taxes and duties is material to the success of the project.

^b In second quarter 2016 prices.

- ^c Residential care services include the nursing care and rehabilitation facilities and associated equipment, which will also support the community and home care services in output 1.
- ^d Physical contingencies computed at 10% of base cost. Price contingencies computed at 1.5% for 2016, 1.4% for 2017, and 1.5% for 2018 and thereafter on foreign exchange costs; and 1.7% for 2016, 2.0% for 2017, 2.1% for 2018 and thereafter on local currency. Contingencies include provision for potential exchange rate fluctuation under the assumption of the purchasing power parity exchange rate.
- ^e Includes interest and commitment charges. Interest during construction for the ADB loan has been computed at the 5-year US dollar fixed swap rate plus a spread of 0.5%. Commitment charges for the ADB loan are 0.15% per year to be charged on the undisbursed loan amount. Meanwhile, interest during construction for the local commercial bank loan has been computed at 6%.

Source: Asian Development Bank estimates.

32. The financing plan is in Table 8. The ADB loan will finance 55.52% of the project cost, the PRC Government will finance 13.93% of the cost, and the private sector will finance 24.70% and raise a further 5.85% through commercial borrowing. Counterpart funding will come from Li and Julu county government fiscal budgets, a local commercial bank loan (for Xinji subproject), and the implementing agencies' own contributions to the project (owner equity contribution).

Table 8: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (loan)	100.00	55.52
Government	25.09	13.93
Private sector ^a	55.03	30.55
Total	180.11	100.0

^a This amount includes one commercial loan of \$10.53 million by one of the private implementing agencies and \$44.50 million of equity financing by the private sector investors.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

33. The government has requested a regular loan of \$100 million from ADB's ordinary capital resources to help finance the project. The loan will have a 20-year term, including a grace period of 5 years, an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility a commitment charge of 0.15% per year, and such other terms and conditions set forth in the draft loan agreement and project agreement. The government has requested that repayment will follow the straight-line commitment-linked repayment option. The loan will also finance taxes and duties on items financed by ADB. The local county governments, local commercial bank loans, and the project owners will finance the remaining \$80.11 million of project cost. Based on these loan terms and this repayment option, the average loan maturity is 12.75 years and therefore, there is no maturity premium payable to ADB. The PRC Government has provided ADB with (i) the reasons for its decision to borrow under ADB's LIBOR-based lending facility based on these terms and conditions, and (ii) an undertaking that these choices were its own independent decision and not made in reliance on any communication or advice from ADB. The Controller's Department in ADB will provide the final confirmation and issue the amortization schedule at loan negotiations.

C. Detailed Cost Estimates by Expenditure Category

34. Table 9 identifies the types of expenditure included in the overall project cost, with investment costs broken down by project specific primary expenditure categories. Costs are stated both in the local currency in which almost all expenditure will be incurred, and in US dollars, being the selected currency denomination of the ADB loan.

Table 9: Detailed Cost Estimates by Expenditure Category

Item	CNY million			\$ million			% of Base Cost	% of Total Cost
	Foreign Exchange Costs	Local Currency Costs	Total Cost	Foreign Exchange Costs	Local Currency Costs	Total Cost		
A. Investment Cost								
1. Civil works	148.11	444.34	592.45	22.27	66.82	89.09	60	49
2. Equipment and materials	180.80	45.20	226.00	27.19	6.80	33.99	23	19
3. Capacity building	16.63	0.00	16.63	2.50	0.00	2.50	2	1
4. Land acquisition and resettlement	0.00	25.87	25.87	0.00	3.89	3.89	3	2
5. Project management fee	0.00	103.65	103.65	0.00	15.59	15.59	11	9
6. Environmental management fee	0.00	1.20	1.20	0.00	0.18	0.18	0	0
7. Management and teacher's training Curriculum and science development	0.00	8.50	8.50	0.00	1.28	1.28	1	1
8. Initial working capital	0.00	6.20	6.20	0.00	0.93	0.93	1	1
Subtotal (A)	345.54	638.28	983.82	51.96	95.98	147.94	100	82
B. Contingencies								
1. Physical	34.55	63.83	98.38	5.20	9.60	14.79	10	8
2. Price	21.29	46.43	67.72	3.20	6.98	10.18	7	6
Subtotal (B)	55.85	110.26	166.10	8.40	16.58	24.98	17	14
C. Financial Charges During Implementation								
1. Interest during construction	39.10	6.99	46.09	5.88	1.05	6.93	5	4
2. Commitment charges	1.75	0.00	1.75	0.26	0.00	0.26	0	0
Subtotal (C)	40.84	6.99	47.84	6.14	1.05	7.19	5	4
Total Project Cost (A+B+C)	442.23	755.53	1197.76	66.50	113.61	180.11	122	100

Note: Numbering may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

D. Detailed Cost Estimates by Financier

35. The government financing relates to the three-public sector implementing agencies (YSU and the subproject owners in Li and Julu counties). Shareholder funding relates to the three privately owned subproject owners in Shuangluan District, Xinji City and She County. One subproject owner in Xinji City will obtain a commercial bank loan to help finance the subproject. Shareholders investing in the subprojects comprise two corporate shareholders and eleven individual investors.

Table 10: Detailed Costs by Financier

Item	Total Costs	ADB		County Government		Local Bank Loan		Shareholder	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Base Cost									
1. Civil works	89.09	58.41	66	10.33	12	8.56	10	11.79	13
1a Julu county	11.22	7.22	64	3.99	36	0.00	0	0.00	0
Major civil works	10.25	7.22	70	3.03	30	0.00	0	0.00	0
Minor civil works	0.96	0.00	0	0.96	100	0.00	0	0.00	0
1b Li county	20.11	13.78	68	6.34	32	0.00	0	0.00	0
1c Shuangluan district, Chengde city	17.89	11.57	65	0.00	0	0.00	0	6.31	35
Major civil works	16.88	11.57	69	0.00	0	0.00	0	5.31	31
Minor civil works	1.00	0.00	0	0.00	0	0.00	0	1.00	100
1d She county	12.02	6.96	58	0.00	0	0.00	0	5.06	42
Major civil works	11.79	6.96	59	0.00	0	0.00	0	4.83	41
Minor civil works	0.23	0.00	0	0.00	0	0.00	0	0.23	100
1e Xinji city	17.36	8.80	51	0.00	0	8.56	49	0.00	0
1f Yanshan university	10.50	10.09	96	0.00	0	0.00	0	0.41	4
2. Equipment and materials	33.99	32.03	94	0.26	1	0.00	0	1.70	5
2a Major equipment and material	32.03	32.03	100	0.00	0	0.00	0	0.00	0
2b Miscellaneous minor items	1.96	0.00	0	0.26	13	0.00	0	1.70	87
3. Capacity building	2.50	2.50	100	0.00	0	0.00	0	0.00	0
4. Land acquisition and resettlement	3.89	0.00	0	1.32	34	0.00	0	2.57	66
5. Project management fee	15.59	0.00	0	4.64	30	1.96	13	8.98	58
6. Environmental management fee	0.18	0.00	0	0.06	33	0.00	0	0.12	67
7. Management and teacher's training	1.28	0.00	0	0.00	0	0.00	0	1.28	100
8. Curriculum and science development	0.93	0.00	0	0.00	0	0.00	0	0.93	100
9. Initial working capital	0.50	0.00	0	0.14	28	0.00	0	0.36	72
Subtotal (A)	147.94	92.94	63	16.75	11	10.53	7	27.73	19
B. Contingencies									
1. Physical	14.79	0.00	0	4.76	32	0.00	0	10.04	67.85

Item	Total Costs	ADB		County Government		Local Bank Loan		Shareholder	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
2. Price	10.18	0.00	0	3.58	35	0.00	0	6.60	64.85
Subtotal (B)	24.98	0.00	0	8.34	33	0.00	0	16.64	66.63
C. Financial Charges During Implementation									
1. Interest during construction	6.93	6.81	98	0.00	0	0.00	0	0.12	1.76
2. Commitment charges	0.26	0.25	97	0.00	0	0.00	0	0.01	3.30
Subtotal (C)	7.19	7.06	98	0.00	0	0.00	0	0.13	1.81
Total Project Cost (A+B+C)	180.11	100.00	56	25.09	14	10.53	6	44.50	24.71
% of Total Project Cost	100%	56%		14%		6%		25%	

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

E. Detailed Cost Estimates by Outputs

Table 11: Detailed Cost Estimates by Outputs (\$ million)

Item	Total Costs	Output 1		Output 2		Output 3		Output 4	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Cost									
1. Civil works	89.09	6.72	8	71.87	81	10.50	12		
2. Equipment and materials	33.99	3.90	11	26.83	79	3.26	10		
3. Capacity building	2.50		0	0.00	0	0.00	0	2.50	100
4. Land acquisition and resettlement	3.89		0	3.89	100	0.00	0		
5. Project management fee	15.59		0	14.57	93	1.02	7		
6. Environmental management fee	0.18		0	0.15	83	0.03	17		
7. Management and teachers' training	1.28		0		0	1.28	100		
8. Curriculum and science development	0.93		0		0	0.93	100		
9. Initial working capital	0.50		0	0.50	100	0.00	0		
Subtotal (A)	147.94	10.62	7	117.81	80	17.02	12	2.50	2
B. Contingencies									
1. Physical	14.79	1.06	7	11.78	80	1.70	12	0.25	2
2. Price	10.18	0.73	7	8.11	80	1.17	12	0.17	2
Subtotal (B)	24.98	1.79	7	19.89	80	2.87	12	0.42	2
C. Financial Charges during Implementation									
1. Interest during construction	6.93	0.50	7	5.52	80	0.80	12	0.12	2
2. Commitment charges	0.26	0.02	7	0.21	80	0.03	12	0.00	2
Subtotal (C)	7.19	0.52	7	5.73	80	0.83	12	0.12	2
Total Project Cost (A+B+C)	180.11	12.93	7	143.42	80	20.72	12	3.04	2

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

F. Detailed Cost Estimates by Year

Table 12: Detailed Cost Estimates by Year (\$ million)

Item	Total Cost	2017	2018	2019	2020	2021	2022
A. Investment Cost							
1. Civil works	89.09	10.78	39.42	27.08	10.53	1.28	0.00
2. Equipment and materials	33.99	0.00	2.64	13.20	10.07	8.08	0.00
3. Capacity building	2.50	0.40	0.84	0.73	0.38	0.15	0.00
4. Land acquisition and resettlement	3.89	3.89	0.00	0.00	0.00	0.00	0.00
5. Project management fee	15.59	7.21	3.27	2.97	1.76	0.38	0.00
6. Environmental management fee	0.18	0.01	0.07	0.07	0.02	0.01	0.00
7. Management and teacher's training	1.28	0.13	0.38	0.26	0.26	0.26	0.00
8. Curriculum and science development	0.93	0.09	0.28	0.19	0.19	0.19	0.00
9. Initial working capital	0.50	0.00	0.00	0.20	0.14	0.16	0.00
Subtotal (A)	147.94	22.51	46.91	44.68	23.35	10.50	0.00
B. Contingencies							
1. Physical	14.79	2.25	4.69	4.47	2.33	1.05	0.00
2. Price	10.18	0.82	2.64	3.36	2.21	1.14	0.00
Subtotal (B)	24.98	3.07	7.33	7.83	4.55	2.19	0.00
C. Financial Charges During Implementation							
1. Interest during construction	6.93	0.04	0.56	1.40	2.08	1.78	1.06
2. Commitment charges	0.26	0.07	0.10	0.06	0.03	0.01	0.00
Subtotal (C)	7.19	0.11	0.67	1.46	2.11	1.79	1.06
Total Project Cost (A+B+C)¹	180.11	25.69	54.91	53.97	30.01	14.48	1.06
% of Total Project Cost	100.00	14.26	30.49	29.96	16.66	8.04	0.59

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

G. Allocation and Withdrawal of Loan Proceeds

36. Table 13 provides the amounts allocated by expenditure category for loan financing and the basis for withdrawal from the loan account. Hebei Province has allocated the total loan proceeds across the different participating local governments and this capping of loan on a subproject basis results in different percentages of eligible civil works expenditure qualifying for withdrawal from the loan account for each city/county. A number of small value equipment contracts have been set aside for local financing due to the need for these to be sole sourced or where domestic procurement is considered more suitable. Such contracts are clearly shown in the project procurement plan and tables 10 and 13 can be reconciled accordingly.

Table 13: Allocation and Basis for Withdrawal from the Loan Account

Number	Item	Total Amount Allocated for ADB Financing (\$)		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Works	58,410,000		
1A	Julu County		7,220,000	70% of total expenditure claimed
1B	Li County		13,780,000	68% of total expenditure claimed
1C	Chengde City		11,570,000	69% of total expenditure claimed
1D	She County		6,960,000	59% of total expenditure claimed
1E	Xinji City		8,800,000	51% of total expenditure claimed
1F	Yanshan University		10,080,000	86% of total expenditure claimed
2	Goods, capacity improvement, and training	34,530,000		100% of total expenditure claimed
3	Financial charges during implementation	7,060,000		100% of total amount due
Total		100,000,000		

Note: Subject to the condition for withdrawal application described in Loan Agreement (Schedule 3).

Source: Asian Development Bank estimates.

H. Contract and Disbursement S-Curve

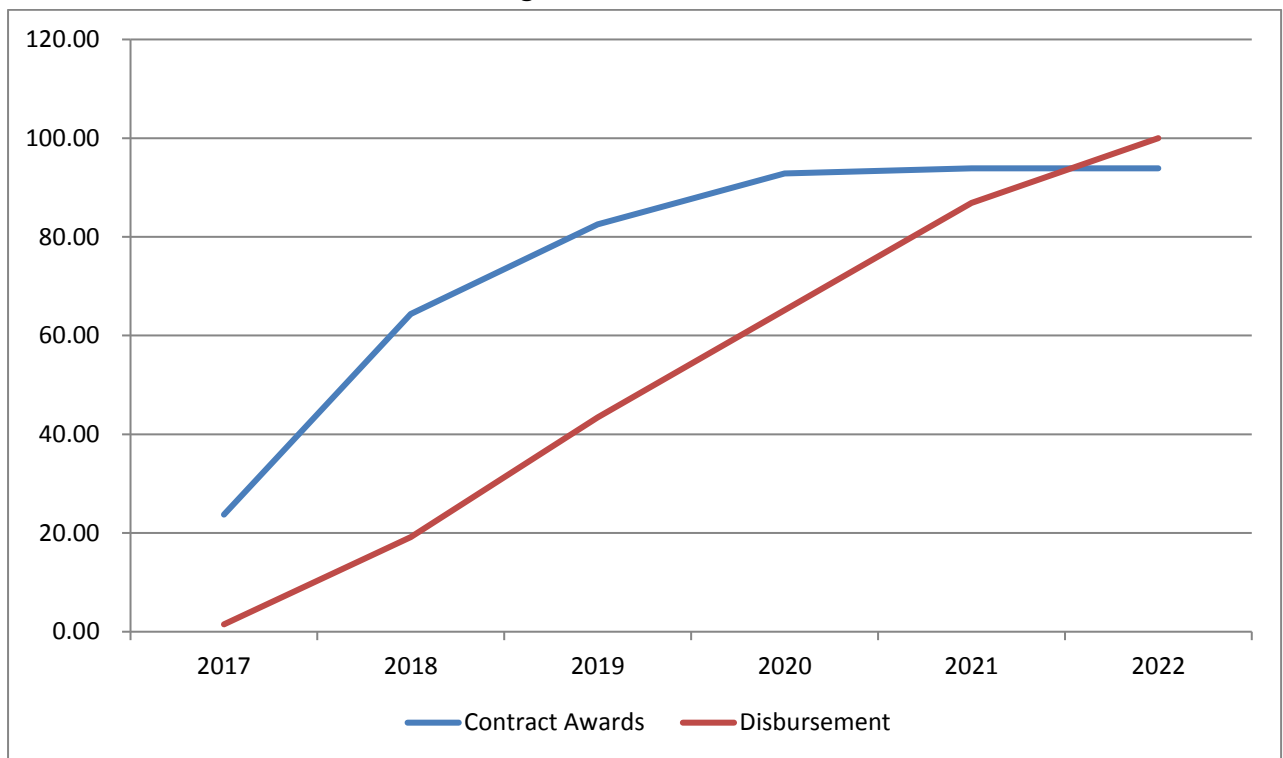
37. Tables 14 and 15 include the data used to produce the required S-curve. The projected S-curve for the project is in Figure 2.

Table 14: Projected Quarterly Contract Awards and Disbursements

Year	Projected Contract Awards (\$ million)					Projected Disbursement (\$ million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2017	0.00	0.00	18.71	5.22	23.93	0	0	0	1.51	1.51
2018	14.33	0.00	2.45	23.20	39.98	3.06	3.67	4.59	6.12	17.45
2019	0.00	9.66	4.12	4.07	17.86	4.24	5.09	6.36	8.48	24.17
2020	4.42	0.00	5.89	0.00	10.31	3.84	4.60	5.75	7.67	21.87
2021	0.86	0.00	0.00	0.00	0.86	3.40	4.25	5.66	8.49	21.80
2022	0.00	0.00	0.00	0.00	0.00	6.60	6.60	0.00	0.00	13.21
Total	19.61	9.66	31.17	32.49	92.94	21.14	24.22	22.37	32.78	100.00

Table 15: Cumulative Contract Awards and Disbursements by Year

Item	2017	2018	2019	2020	2021	2022
Contract awards	23.93	63.91	81.77	92.08	92.94	92.94
Disbursement	1.51	18.96	43.13	64.99	86.79	100.00

Figure 2: S-Curve

- Notes:** 1. The imprest is a US\$ account. All remittances payable in foreign currency are to be made direct from the imprest account to the contractor/supplier or arranged as a direct payment by ADB.
2. For remittances in CNY, the HPFD will convert US\$ to CNY and then the governments' integrated payments remittance system will be used either to pay contractors or suppliers directly or to reimburse local Finance Bureaus or (mostly) the implementing agencies who have already paid the suppliers and/or contractors. Thus, the diagram shows a largely nominal flow based on the onlending not the real flow but for accounting purposes there must be transactions recorded at each level as shown in the diagram.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

38. The financial management assessment was conducted in July and August 2016 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The financial management assessment considered the capacity of the executing agency and implementing agencies, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Based on the assessment, the key financial management risks identified are (i) implementation risk: lack of familiarity with ADB disbursement procedures and requirements, which may delay project implementation; (ii) compliance risk: lack of familiarity with ADB financial management requirements, particularly relating to accounting, reporting, and auditing, which may delay project reporting and the identification of issues on the use of loan proceeds; (iii) financing risk: delays in provision of, or inadequate counterpart funding, which may delay project implementation; and (iv) construction and operational risk: inadequate experience in construction and services operating management, which will impact project progress and quality of services to be provided after project completion. The financial management risk rating of the project is substantial before agreed to implement an action plan as key measures to address the deficiencies.³²⁶ The executing agency and implementing agencies have agreed to implement an action plan. The mitigation plan is provided in Table 16.

Table 16: Proposed Action Plan for Financial Management

Action	Responsibility	Timing
1. Covenants to be included in the legal agreements to ensure adequate counterpart funds to support capital, operation and maintenance, and debt repayment requirements relating to government-owned implementing agencies	ADB	Loan negotiations
2. Training on ADB disbursement procedures and requirements	HPFD and/or HPMO with consulting support as needed	1 month before first disbursement and any other time as needed
3. Training on ADB financial management requirements, specifically accounting, reporting, and auditing	HPFD and/or HPMO with consulting support as needed	3 months before loan effectiveness and any other time as needed
4. Close monitoring to quickly identify potential issues in counterpart funding	HPFD, HPMO, and county finance bureaus	At least once a quarter during project implementation
5. A financial expert requirement and some professional engineers to be included in the capacity building package in output 4 of the	HPFD and/or HPMO	As soon as possible after loan effectiveness

³²⁶ HPG and/or HPMO (executing agency level) are highly experienced in the financial management of ADB projects and are assessed as low risk. However, 5 of the 6 implementing agencies are in county level (fourth-tier cities), and most are immature organizations, thus the overall financial management risk is assessed as substantial.

Action	Responsibility	Timing
project; they will provide professional financial management and engineering support, and training for the financial and other relevant staff in the project entities.		

ADB = Asian Development Bank, HPFD = Hebei Provincial Finance Department, HPMO = Hebei project management office.

39. Financial management risks and risk-mitigation measures will be reviewed and updated throughout the life of the project with the support of a financial management consultant to be engaged by HPMO.

B. Disbursement

1. Disbursement Arrangements for Asian Development Bank Funds

40. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time), and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.³²⁷ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

41. A combination of direct payment by ADB, reimbursement, and imprest fund procedures may be used for disbursement of the loan. Responsibilities for different disbursement activities can be summarized as follows: (i) the HPMO will prepare project-level disbursement projections based on individual projections prepared by each implementing agency; (ii) individual implementing agencies will be responsible for arranging counterpart financing or requesting budgetary allocations for counterpart funding, as appropriate; (iii) the implementing agencies will prepare disbursement claims and collect supporting documents, which will then be passed to the local city/county finance bureau for review and endorsement before onward transmission to HPMO; and (iv) HPMO will confirm eligibility for ADB financing and request HPFD to initiate the disbursement. HPFD is responsible for making payments from the imprest account (see next paragraph) and is also responsible for sending loan withdrawal applications to ADB to initiate either imprest account replenishment or, where appropriate, to initiate direct payments by ADB to foreign-based consultants or suppliers.

42. **Imprest account procedures.** To facilitate project implementation through timely release of loan proceeds, HPFD will establish an imprest account, denominated in US dollars, in its name, promptly after loan effectiveness.³²⁸ The imprest account is to be used exclusively for the ADB's share of eligible expenditures and HPFD is accountable and responsible for proper use of advances to the imprest account. The total outstanding advance to the imprest account should not exceed the estimate of ADB's share of expenditures to be paid through the imprest account for the forthcoming 6 months. The initial and additional advances to the imprest account should be requested based on estimated expenditures for the forthcoming 6 months to be financed through the imprest account. The imprest account will be established, managed, and liquidated in accordance with the ADB *Loan Disbursement Handbook* (2015, as amended from time to time) and detailed arrangements agreed by the PRC Government and ADB. The handbook describes which supporting documents should be submitted to ADB and which should be retained by the HPFD when liquidating and replenishing the imprest account. No advances will be made from the imprest account to the project implementing agencies.

³²⁷ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

³²⁸ The bank charges incurred in the operation of the imprest account may be financed from the loan proceeds.

43. In view of HPFD's extensive experience in the financial management of ADB and other foreign-financed projects, the statement of expenditure (SOE) procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the imprest account.³²⁹ Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

44. Before the submission of the first withdrawal application, the HPFD, on behalf of HPG, should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is in accordance with the Loan Disbursement Handbook. Individual payments below such amount should be paid (i) by the EA/IA and subsequently claimed from ADB through reimbursement, or (ii) through the imprest fund procedure, unless otherwise accepted by ADB.

2. Disbursement Arrangements for Counterpart Funds

45. Government—or government institution—sourced counterpart funds will be disbursed in accordance with normal local government budgetary and related financial procedures. A combination of reimbursement- and commitment-based disbursement will be used depending on the amounts involved and local circumstances. Detailed procedures will vary slightly depending on detailed local procedures that are adopted for disbursing government funds.

46. Counterpart funds sourced by the private implementing agencies will be disbursed directly by the implementing agency following their normal expenditure control and payment remittance procedures. The disbursement of the commercial loan funds will be disbursed in accordance with any specific stipulations in the loan agreement to be signed between the Xinji implementing agency and the commercial lender (no details of any such stipulations or the commercial lender's documentation requirements are currently available).

C. Accounting

47. The HPG will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following accrual-based accounting and the equivalent national accounting standards. The HPG will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations, which are consistent with international accounting principles and practices.

D. Auditing and Public Disclosure

48. The HPG will cause the detailed consolidated project financial statements to be audited³³⁰ in accordance with to be audited in accordance with International Standards on Auditing and with the Government's audit regulations, by an independent auditor acceptable to ADB.³³¹ The audited project financial statements together with the auditor's opinion will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the HPG (or HPMO on their behalf).

49. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an

³²⁹ SOE forms are available in Appendix 9B and 9C of ADB's *Loan Disbursement Handbook* (2015, as amended from time to time).

³³⁰ The consolidated project financial statements will be prepared using an accrual basis.

³³¹ ADB. 2015. *Financial Management Technical Guidance Note: Project Financial Reporting and Auditing*. Manila.

accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements, where applicable.

50. Being privately owned enterprises, the Xinji Juyouleyuan Eldery Care Service Corporation, Chengde Haoren Elderly Care Service Industry Corporation, and Hebei Runqinyuan EC Industry Development Corporation are required to have their annual financial statements audited by a suitably qualified independent auditor. The audited entity financial statements, together with the auditor's report and management letter, will be submitted in the English language to ADB within 1 month after their approval by the relevant authority.

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

52. The government, HPG, and all implementing agencies have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.³³² ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

53. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.³³³ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.³³⁴

³³² ADB's approach and procedures regarding delayed submission of audited project financial statements:

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

³³³ ADB. 2011. *Public Communications Policy*. Manila. <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>.

³³⁴ This type of information would generally fall under public communications policy exceptions to disclosure. Paragraph 97(iv) and/or 97(v).

V. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

54. To expedite project implementation, the government requested ADB to approve advance contracting of consultant services and works packages. The government has not requested ADB to approve retroactive financing.

55. **Advance contracting.** All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The issuance of invitations to bid, bidding documents, and bid evaluation reports under advance contracting will be subject to ADB approval. Advance contracting will include (i) tendering and bid evaluation for civil works packages, (ii) awarding of contracts, and (iii) recruitment of consultants. The issuance of invitations to bid under advance contracting will be subject to ADB's approval. In preparing the bidding documents under the advance contracting arrangement, the HPG, through the PMO, must ensure that the provisions of this PAM are complied with, and all loan assurances agreed at loan negotiations are incorporated in their latest form. These assurances include monitoring and reporting requirements placed on contractors, compliance with labor laws and regulations, specific measures in the environmental management plan (EMP), and social and gender action plan (SGAP).

B. Procurement of Goods, Works, and Consulting Services

56. All procurement of goods and works where there is any ADB funding will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).³³⁵

57. International competitive bidding (ICB) procedures will be used for civil works contracts estimated to exceed \$30 million, and goods contracts estimated to exceed \$3 million.³³⁶ Contract estimated at less than the ICB thresholds would be procured following national procedures in accordance with the PRC Tendering and Bidding Law (1999), subject to modifications as agreed with ADB and consigned in the NCB annex to the procurement plan. Contracts for works estimated to cost less than the ICB threshold values above, but from \$100,001 and contracts for goods estimated to cost less than the ICB threshold values above, but from \$100,001 will be procured based on NCB procedures. Shopping will be used for contracts for procurement of works and goods estimated at \$100,000 and below.

58. Procurement under ICB procedures will use the single-stage one-envelope modality. Procurement shall use the latest ADB standard bidding documents which can be downloaded from ADB's website.

59. For procurement under NCB, the following provisions will apply: (i) the advertisement may be limited to the national press, an official gazette or an open access website; (ii) bidding shall follow the standard bidding documents issued by MOF and approved by ADB; and (iii) bidding documents may be only in the Chinese language and CNY may be used for bidding and payment. Procurement under NCB and shopping will be subject to the provisions of the NCB annex of the procurement plan.

60. **Eligibility of state-owned enterprises.** Under the ADB Procurement Guidelines, bidders that are SOEs must meet related eligibility requirements of ADB's Procurement Guidelines. In order to establish eligibility, the SOEs or institutions shall demonstrate, *inter*

³³⁵ Available at <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

³³⁶ Two exceptions to this general threshold were agreed at loan fact-finding in respect of contract no LX-E01 with an estimated value of \$3.17 million and contract no CD-E01 with an estimated value of \$3.12 million.

alia, that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not a dependent agency of the borrower and/or project executing agency.

61. **Recruitment of consultants.** All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference and the indicative budget for consulting services are provided in Section VII below and provided in detail in **Appendix 7** of this PAM.

62. An estimated 163 person-months (13 international, 150 national) of consulting services are required to (i) facilitate project management and implementation; and (ii) strengthen the institutional, financial management, and operational capacity of the implementing agencies. In addition, the YSU has requested to use ADB funds to finance capacity building activities associated with the development of its new EC human resources development program and planned EC research initiatives. The detailed consulting and training needs for this subproject are still to be finalized. As the default, unless otherwise agreed with ADB, consulting firms will be engaged using the quality- and cost-based selection method with a standard quality–cost ratio of 80:20.

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

C. Procurement Plan

Table 17: Basic Data

Project Name: Hebei Elderly Care Development Project	
Project Number: 49028-002	Approval Number: TBD
Country: People's Republic of China	Executing Agency: Hebei Provincial Government
Project Procurement Classification: B	Implementing Agencies: (i) YSU, (ii) Xinji Juyouleyuan Elderly Care Service Corporation, (iii) Chengde Haoren Elderly Care Service Industry Corporation, (iv) Li County Guangrongyuan, (v) Hebei Runqinyuan Elderly Care Industry Development Corporation, and (vi) Julu County Hospital
Procurement Risk: Moderate	
Project Financing Amount: \$180.11 million ADB Financing: \$100 million Non-ADB Financing: \$80.11 million	Project Closing Date: 31 Dec 2022
Date of First Procurement Plan: 17 October 2016 (loan fact-finding)	Date of this Procurement Plan: 24 April 2017

TBD = to be determined, YSU = Yanshan University.

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

a. Procurement and Consulting Methods and Thresholds

64. Except as ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Table 18: Thresholds for the Procurement of Goods and Works

Method	Threshold	Comments
International competitive bidding for works	Above \$30 million	Prior review
International competitive bidding for goods	Above \$3 million	Prior review
National competitive bidding for Works	From \$100,001 up to \$30 million	Prior review for (i) the first bidding package overall and first package for each private enterprise

		implementing agency and (ii) all packages \$10 million or above.
National competitive bidding for goods	From \$100,001 up to \$3 million	Prior review for the first bidding package overall and first package for each private enterprise implementing agency.
Shopping for works	Up to \$100,000	
Shopping for goods	Up to \$100,000	

Table 19: Thresholds for the Procurement of Consulting Services

Method	Comments
Quality and cost-based selection	Default method using 80:20, with full technical proposal
Consultants qualification selection	No need yet identified for the use of this selection method
Individual consultant selection	No need yet identified for the use of this selection method

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

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

Table 20: Procurement of Larger Value Goods and Works anticipated to Commence within 18 Months

Package Number	General Description	Estimated Value (\$ million)	Procurement Method	Review (Prior and/or Post)	Bidding Procedure	Advertisement Date (Quarter and/or Year)	Comments
Civil Works							
A. To be procured by Chengde Haoren EC Service Corporation							
CD-C01	EC residential care center and EC service information center	5.75	NCB	Prior	1S1E	Q3/2017	
B. To be procured by Julu County Hospital							
JL-C01	EC service center	10.25	NCB	Prior	1S1E	Q4/2017	
C. To be procured by Hebei Runqinyuan Elderly Care Industry Development Corporation							
SX-C01	EC service center	11.79	NCB	Prior	1S1E	Q4/2017	
D. To be procured by Xinji Juyouleyuan Elderly Care Service Corporation							
XJ-C01	Nursing clinic and rehabilitation center	12.22	NCB	Prior	1S1E	Q3/2017	
E. To be procured by YSU							
YS-C01	Training center	10.50	NCB	Prior	1S1E	Q2/2017	Advance contracting
Subtotal		50.51					
Goods							
A. To be procured by Xinji Juyouleyuan Elderly Care Service Corporation							
XJ-E01	Elevators and public equipment	1.17	NCB	Prior	1S1E	Q4/2017	
B. To be procured by YSU							
YS-E02	Simulation and practical training equipment	1.09	NCB	Post	1S1E	Q2/2018	
Subtotal		2.26					
Total		52.77					

Notes: (i) using the exchange rate of \$1 = CNY6.65, and (ii) all contract values exclude physical contingencies.

1S1E = one stage, one envelope, YSU = Yanshan University.

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

66. Table 21 lists ADB funded consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Table 21 – Consulting Services Estimated to Cost \$100,000 or More

Package Number	General Description	Estimated Value (\$)	Recruitment Method	Review (Prior and/or Post)	Advertisement Date (Quarter and/or Year)	Type of Proposal	Comments
CS01	Project implementation support	2,500,000	QCBS (80:20)	Prior	Q3/2017	FTP	International and national ADB-financed (100%), advance contracting
YS-S01	Capacity building and training	1,280,000	TBD	Prior	Q3/2017	TBD	National ADB-financed (100%)
Total		3,780,000					

Notes:

(i) Using the exchange rate of \$1 = CNY6.65.

(ii) All contract values exclude physical contingencies.

ADB = Asian Development Bank, FTP = full technical proposal, QCBS = quality- and cost-based selection, TBD = to be determined.

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

67. Table 22 groups smaller-value goods, works, and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Table 22 - Smaller Value Contracts to be Procured in the next 18 months

Package Number	General Description	Estimated Value (\$ million)	Number of Contracts	Procurement Method	Review (Prior and/or Post)	Bidding Procedure	Advertisement Date	Comments
Goods								
A. To be procured by Julu County Hospital								
JL-E02	Water pumping equipment	0.07	1	Shopping	Post		Q1/2018	
JL-E03	Concentrated solar power equipment	0.12	1	NCB	Post	1S1E	Q1/2018	
JL-E04	Boiler house and heat exchanging equipment	0.19	1	NCB	Post	1S1E	Q1/2018	
JL-E05	Medical wastewater treatment equipment	0.11	1	NCB	Post	1S1E	Q1/2018	
JL-E06	Elevators for EC service center	0.50	1	NCB	Post	1S1E	Q2/2018	
B. To be procured by YSU								
YS-E01	Teaching equipment and living facilities	0.38	1	NCB	Post	1S1E	Q2/2018	

1S1E = one single bid, one envelope; EC = elderly care; NCB = national competitive bidding; YSU = Yanshan University.

d. **Indicative List of Packages Required Under the Project**

68. Table 23 provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Table 23 – Indicative List of Packages Required Under the Contract

Package Number	General Description	Estimated Value (\$ million)	Estimated Number of Contracts	Procurement Method	Review (Prior and/or Post)	Bidding Procedure	Comments
Civil Works							
A. To be procured by Chengde Haoren elderly care service corporation							
CD-C02	Medical rehabilitation center	10.40	1	NCB	Prior	1S1E	Q3/2018
CD-C03	Landscaping and outdoor facilities	0.73	1	NCB	Post	1S1E	Q2/2020
B. To be procured by Li County civil affairs service center							
LX-C01	Integrated EC service center and four urban daycare centers	18.33	1	NCB	Prior	1S1E	Q3/2018
LX-C02	Six rural daycare centers	1.78	1	NCB	Post	1S1E	Q2/2020
C. To be procured by Xinji Juyouleyuan elderly care service corporation							
XJ-C02	Dining hall, leisure center, and outdoor facilities	2.79	1	NCB	Post	1S1E	Q1/2019
XJ-C03	Community-based EC facilities	2.35	1	NCB	Post	1S1E	Q1/2019
Goods							
A. To be procured by Chengde Haoren elderly care service corporation							
CD-E01	Medical rehabilitation equipment	3.12	1	NCB	Prior	1S1E	Q2/2019
CD-E02	Intelligent EC service platform	1.39	1	NCB	Post	1S1E	Q2/2020
CD-E03	Nursing equipment and facilities	2.08	1	NCB	Post	1S1E	Q2/2020
CD-E04	Office and leisure equipment	0.22	1	NCB	Post	1S1E	Q2/2020
CD-E05	Auxiliary living facilities and vehicles	0.32	1	NCB	Post	1S1E	Q2/2020
CD-E06	Wastewater treatment facilities	0.15	1	NCB	Post	1S1E	Q2/2020
B. To be procured by Julu County hospital							
JL-E07	Wastewater treatment facilities	0.04	1	Shopping	Post		Q1/2019
JL-E08	Elevators for community-based EC service centers	0.18	1	NCB	Post	1S1E	Q1/2019
JL-E09	Information center equipment	0.61	1	NCB	Post	1S1E	Q1/2019

Package Number	General Description	Estimated Value (\$ million)	Estimated Number of Contracts	Procurement Method	Review (Prior and/or Post)	Bidding Procedure	Comments
JL-E10	Medical rehabilitation equipment	0.63	1	NCB	Post	1S1E	Q1/2019
JL-E11	Vehicles	0.20	1	NCB	Post	1S1E	Q1/2019
JL-E12	Kitchen equipment	0.14	1	NCB	Post	1S1E	Q4/2019
C. To be procured by Li County civil affairs service center							
LX-E01	Equipment for integrated EC service center and daycare centers	3.17	1	NCB	Post	1S1E	Q4/2019
LX-E02	Health examination and rehabilitation equipment	1.04	1	NCB	Post	1S1E	Q4/2020
LX-E03	Information service equipment	1.26	1	NCB	Post	1S1E	Q4/2019
LX-E04	Elevators	0.76	1	NCB	Post	1S1E	Q3/2018
D. To be procured by Hebei Runqinyuan elderly care industry development corporation							
SX-E01	Liquid oxygen equipment	0.05	1	NCB	Post	1S1E	Q3/2019
SX-E02	Central ventilation system	0.10	1	NCB	Post	1S1E	Q3/2019
SX-E03	Office furniture	0.32	1	NCB	Post	1S1E	Q3/2018
SX-E04	Nursing equipment	1.23	1	NCB	Post	1S1E	Q3/2018
SX-E05	Electronic information equipment	1.36	1	NCB	Post	1S1E	Q3/2019
SX-E06	Electronic information equipment	0.48	1	NCB	Post	1S1E	Q3/2019
SX-E07	Health Rehabilitation and fitness equipment	0.66	1	NCB	Post	1S1E	Q3/2018
SX-E08	Medical equipment	1.95	1	NCB	Prior	1S1E	Q3/2019
SX-E09	Vehicles	0.54	1	NCB	Post	1S1E	Q3/2018
E. To be procured by YSU							
YS-E03	Office equipment	0.25	1	NCB	Post	1S1E	Q1/2019
YS-E04	Research equipment	0.81	1	NCB	Post	1S1E	Q2/2019
F. To be procured by Xinji Juyouleyuan elderly care service corporation							
XJ-E02	Fitness and leisure equipment	1.09	1	NCB	Post	1S1E	Q1/2019
XJ-E03	Medical rehabilitation and nursing equipment, office equipment, etc.	2.24	1	NCB	Post	1S1E	Q1/2019
XJ-E04	Equipment for geriatric	2.02	1	NCB	Post	1S1E	Q1/2019

Package Number	General Description	Estimated Value (\$ million)	Estimated Number of Contracts	Procurement Method	Review (Prior and/or Post)	Bidding Procedure	Comments
	hospital						

1S1E = one single bid, one envelope; EC = elderly care; NCB = national competitive bidding; YSU = Yanshan University.

e. **List of Awarded and Ongoing, and Completed Contracts**

69. Tables 24 and 25 list the awarded and ongoing contracts, and completed contracts.

Table 24 – Awarded and Ongoing Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advert Date	Date of ADB Approval of Contract Award	Comments
NOT APPLICABLE							
Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advert Date	Date of ADB Approval of Contract Award	Comments
Savings from the project preparatory technical assistance will be used to provide start-up consulting support. The project preparatory technical assistance contracts are open until 31 December 2016 and may be further extended for this purpose. See Section V below for further details.							

Table 25 – Completed Contracts

Goods and Works								
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (Quarter and/or Year)	Date of ADB Approval of Contract Award	Date of Completion	Comments
NONE								
Consulting Services								
Package Number	General Description	Estimated Value	Contract Value	Recruitment Method	Advertisement Date (Quarter and/or Year)	Date of ADB Approval of Contract Award	Date of Completion	Comments
NONE								

f. **Non-ADB Financed Project Activities**

70. Table 26 lists goods, works, and consulting services contracts over the life of the project, financed by non-ADB sources (non-bank financed).

Table 26 – Non ADB Financed Procurement

General Description	Estimated Value (\$ million)	Estimated Number of Contracts	Procurement Method	Comments
Civil Works				
A. To be procured by Chengde Haoren Elderly Care Service Corporation				
CD-C04 Home- and community-based EC service centers	1.00	1	Government procedures	

General Description	Estimated Value (\$ million)	Estimated Number of Contracts	Procurement Method	Comments
B. To be procured by Julu County Hospital				
JL-C02 Piping	0.53	1	Government procedures	
JL-C03 Rehabilitation of community based EC service centers	0.44	1	Government procedures	
C. To be procured by Hebei Runqinyuan elderly care industry development corporation				
SX-C02 Home- and community-based EC service centers	0.23	1	Government procedures	
Goods				
A. To be procured by Chengde Haoren Elderly Care Service Corporation				
CD-E07 Daycare equipment and facilities	0.96	1	Government procedures	
B. To be procured by Julu County Hospital				
JL-E01 Electric transformation and distribution equipment	0.26	1	Government procedures	
C. To be procured by YSU				
YS-E05 Special equipment robot	0.74	1	Government procedures	

EC = elderly care, YSU = Yanshan University.

General Description	Estimated Value (\$)	Estimated Number of Contracts	Recruitment Method	Comments
To be procured by YSU				
YS-SO2 Curriculum development and study	0.93	1	NBF but TDB	Optimum procurement packaging and method under investigation
Other Project Requirements				
External auditor	NEA	1	Sole source	Assignment by National Audit Authority
EC design institutes	NEA	6	Competitive	Qualifications must meet national criteria
Procurement agent	NEA	1	Competitive	Qualifications must meet MOF guidelines
Construction supervision companies	NEA	6	Competitive	Qualifications must meet national criteria
Environmental monitoring	See EMP	6	TBD	Most likely sole source with local EMS. EMP specifies requirements
External resettlement monitoring	See resettlement plans	4	Competitive	Requirements stipulated in resettlement plans.

EMP = environmental management plan, EMS = environmental monitoring station, MOF = Ministry of Finance, NEA = no estimate available (part of project management budget).

g. Regulation and Reference Documents

71. The procedures to be followed for NCB shall be those set forth in The Government Procurement Law of People's Republic of China approved on 29 June 2002 and Law of the People's Republic of China on Bid Invitation and Bidding of the People's Republic of China promulgated on August 30, 1999 with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines.³³⁷

³³⁷ The Government Procurement Law of People's Republic of China. http://china.org.cn/china/LegislationsForm2001-2010/2011-02/14/content_21917023.htm; Law of the People's Republic of China on Bid Invitation and Bidding of the People's Republic of China. http://www.npc.gov.cn/englishnpc/Law/2007-12/11/content_1383557.htm

h. Procurement Procedures

a. Competitive Bidding Procedure (Procurement Law Article 26 and Law on Bidding Article 10)

72. Public tendering is the acceptable method of government procurement, and public invitation is the accepted bid invitation mode.

b. Eligibility

73. The eligibility of bidders shall be as defined under section I of the Procurement Guidelines; accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those provided in section I of the Guidelines, as amended from time to time.

c. Advertising

74. All invitations to prequalify or to bid shall be advertised in the national press (China Daily Newspaper) or a free and open access website (www.chinabidding.com). Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum preparation period of 28 days shall be given. The preparation period shall count (i) from the date of advertisement, or (ii) when the documents are available for issue, whichever date is later. The advertisement and the prequalification and bidding documents shall specify the deadline for such submission.

d. Bidding Period

75. The minimum bidding period is 28 days prior to the deadline for the submission of bids.

e. Participation by Government-Owned Enterprises

76. Government-owned enterprises in the Borrower's country may be permitted to bid if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not a dependent agency of the Borrower/Project Executing Agency.

f. Rebidding

77. Re-bidding shall not be allowed solely because the number of bids is less than three.

i. Bidding Documents

a. Qualification Requirements

78. Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents, and in the prequalification documents if the bidding is preceded by a prequalification process.

b. Bid Submission and Opening

79. Bidders shall be allowed to submit bids by mail or by hand.

80. All bids shall be opened in public; all bidders shall be afforded an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening.

c. Bid Evaluation and Award

81. No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower and/or project executing agency.

82. Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (i) to be substantially responsive to the bidding documents, and (ii) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

j. Asian Development Bank Policy Clauses

83. Each contract financed with the proceeds of the loan shall provide that the suppliers and contractors shall permit ADB, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by ADB.

84. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that the Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question.

85. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices or any integrity violation in competing for, or in executing, ADB-financed contract.

D. Consultants' Terms of Reference

86. Consulting support to HPMO, and more especially to the project implementing agencies and local city and/or county civil affairs bureaus (CABs), is a key feature of the project design and an essential mitigation measure designed to build the required capacity these organizations need to discharge their responsibilities for project implementation, EC service provision, and (in the case of the CAB's) EC sector administration in an effective manner. Given the lack of experience the implementing agencies possess in the management of ADB funded projects this support is needed on a continuing basis from the current time until EC services are fully operational.

87. Support will be provided in the form of (i) limited start-up consulting utilizing project preparatory technical assistance budget savings during the period through to loan effectiveness; (ii) an extensive package of consulting and training funded from the loan and directed primarily at the implementing agencies in order that they receive the support they need to construct the project infrastructure and operationalize EC services that meet the expectations of the elderly population in terms of scope, quality and pricing; and (iii) a "piggy-backed" TA targeted primarily at local CABs in order to build their EC sector management capacity, and especially in the areas of sector planning, the assessment of care needs and mechanisms to ensure all elderly have their essential care needs met, the regulation of EC services, and in developing the role of the voluntary sector and civil society organizations.

1. Project Readiness Consulting (financed from the project preparatory technical assistance budget)

a. Objective and Scope of Work

88. The objective of this consulting is to support the HPMO and implementing agencies by providing a program of priority capacity building to ensure these key agencies are as prepared and trained in advance of loan effectiveness as is reasonably practicable, in order that they can perform their respective project implementation duties in a satisfactory manner. A small group of consultants fully familiar with relevant ADB project implementation requirements will be used following on from the detailed project preparatory technical assistance work. The necessary advice, support and training will cover, but not necessarily be restricted to the following:

- (i) Working with HPMO leadership to establish effective project management arrangements for the implementation, including developing standard templates for routine notifications and requests from implementing agencies to HPMO and HPMO of ADB.
- (ii) Providing project progress reporting templates customized to the needs of the Project and ADB information needs, together with training in their use.
- (iii) Assisting in the preparation of a project financial management manual for the project in conjunction with HPMO financial staff and HPFD. Training in the use of the manual, in project accounting requirements, in associated record keeping and financial controls, and in financial progress reporting needs.
- (iv) Establishing procurement systems and procedures at implementing agency and HPMO level, and working with HPMO to prepare the request for proposals and related documentation for contract CS01 (project implementation consulting) to expedite the engagement of this consultant.
- (v) Undertaking design review and assisting in the preparation of the technical part of bidding documents.
- (vi) Establishing systems and providing advice and training needed for the effective implementation of resettlement plans and reporting to HPMO/ADB thereon.
- (vii) Organize and conduct a project implementation seminar to discuss implementation strategies and harmonize individual implementing agency project implementation approaches and timelines, and maximize inter-implementing agency communications and cooperation.

89. Fuller terms of reference and specific outputs required are provided in Appendix 7 of this PAM. However, actual work required and/or possible prior to loan effectiveness will depend on (i) how smoothly the loan processing, approval and signing milestones are achieved, (ii) the rate of progress made with the preliminary and detailed design of the project facilities. The deployment of consulting resources will therefore depend in large part on these factors. Table 27 gives an initial estimate of consulting inputs required and Table 28 the required budget.

Table 27: Estimate Consultants' Inputs during Start-up Phase

Expert Inputs	Person-months
Financial management specialist (national)	1.0
Procurement specialist (national)	1.0
Resettlement specialist (national)	1.5
EC design review specialist (national)	1.5
Environmental specialist (national) - unlikely to be needed	TBD
Other resource persons	TBD
Total	5.0

EC = elderly care, TBD = to be determined.

Table 28: Consultants' Outline Budget

Item	Amount (\$)
1. Consultants fees and per diem	35,000
2. Workshop and seminar	27,500
3. Miscellaneous travel costs	1,250
4. Contingency	6,250
Total	70,000

Source: Asian Development Bank estimates.

2. Loan Financed Consulting

a. Support for Project implementation (CS-01)

Objective and Scope of Work

90. The objective of this package is to support the HPMO and (especially) the project implementing agencies in the discharge of their project implementing agencies. The consultants will work under the general guidance of the HPMO, providing advice, assistance and necessary training. The work required can be viewed as comprising three main parts; (i) project implementation support for the design and construction of the required EC infrastructure, (ii) implementation support to the implementing agencies to help operationalize the EC services they plan to provide; and (iii) organization and execution of an EC training program.

91. The work required under each of these three areas is outlined below. Detailed terms of reference are provided in Appendix 7 of this PAM:

Project Implementation Support for the Design and Construction of the Required Elderly Care Infrastructure

92. The following expected provision of comprehensive support and guidance to the implementing agencies (and HPMO, as required) on all aspects of the design, procurement, and physical construction of the project's EC infrastructure are as follows:

- (i) updating of project implementation plans, physical progress monitoring, project progress reporting to ADB, participation at ADB supervisory and review missions, support to HPMO in the preparation of the borrower project completion report;
- (ii) design review and advice to local design institutes (with emphasis on the incorporation of best practices);
- (iii) establishing procurement systems and procedures; supporting bidding document and/or request for proposals preparation and/or review, participation in bid evaluations procurement plan updates, and advice on resolving contractual issues arising during construction;
- (iv) construction management (progress tracking, potential contract variations, contract claims, resolving unforeseen technical issues, etc.);
- (v) establishing project accounting and financial reporting systems and ongoing support in financial reporting;
- (vi) environmental monitoring and updating of environmental management plan;
- (vii) updating resettlement plans based on final design and detailed measurement survey of affected persons (if not achieved during the start-up period) and resettlement plan implementation (including internal monitoring);
- (viii) Advice, training and support associated with the implementation of the SGAP; and
- (ix) design, training and operation of the project performance management system (PPMS) and support in PPMS reporting to ADB.

Implementation Support to the Implementing Agencies as Service Provider on Operationalizing Elderly Care Services

93. This part of the consulting package will recommend steps for each implementing agency to follow, to ensure that EC services are made operational in a timely manner, and that appropriate systems and procedures are put in place to ensure quality standards are achieved from the outset. Consulting work in support of the implementing agencies will include:

- (i) Advice and support to implement the agreed program of pilot initiatives.
- (ii) Help in dissemination of the results of pilot initiatives and roll out across all implementing agencies.
- (iii) Provide advice, guidance, and support on the detailed planning and execution of the roll out of each implementing agencies' HCBC services.
- (iv) Provide advice and guidance on maximizing the potential value-added role of EC call centers and optimizing the use of ICT for this purpose.
- (v) Preparing and updating the operational business plans of the implementing agencies.
- (vi) Provide advice, guidance, and support on the development of residential EC management and operational systems and procedures, including:
 - a) quality assurance and patient safety systems,
 - b) medical rehabilitation and health and/or EC integration initiatives, and
 - c) dementia recognition and care.
- (vii) Advice on the preparation of local human resources and training plans and their execution, also advice on human resources issues that arise during the pre-operation and early operation stages.
- (viii) Organizing stakeholder consultations and surveys to ensure a participative approach to the monitoring and evaluation of EC services provided under the project.

Organization and Execution of an Elderly Care Training Program.

94. The outline training needs that this program will need to respond to have been identified as follows:

- (i) International study, ideally in an Asian country with cultural similarities to the PRC, and which already has an advanced EC system in place that is comparable with best international practices. Japan has been provisionally selected as the most suitable.
- (ii) Part-time residential care training modules delivered over an 18-month to 2-year period with implementing agency managers and staff as the main targets and including:
 - a) characteristics and clinical issues of EC users,
 - b) EC management training,
 - c) generic quality assurance system,
 - d) dementia care, and
 - e) medical rehabilitation center operations.
- (iii) Home and community care training that includes:
 - f) HCBC management training,
 - g) home safety assessment training, and
 - h) contractor training for Home Adaptations.

Table 29: Contract Package CS01—Consultants' Inputs

Expert Inputs	Person- Months
A. International Experts	
Home and community care specialist	5
Residential care specialist	6

Expert Inputs	Person- Months
Human resources specialist	2
Subtotal (A)	13
B. National Experts	
Team leader and/or construction management specialist	30
Procurement and contract management specialist	10
Financial management specialist	18
Social and gender specialist	8
Environmental specialist	9
Resettlement specialist	6
EC design specialist	5
Home and community care specialist	18
Residential care specialist	18
Human resources specialist	18
Information, communication, and technology specialist	4
Stakeholder consultation, monitoring, and valuation specialist	6
Subtotal (B)	150
Total (A+B)	163

Source: Asian Development Bank estimates.

Table 30: Contract Package CS01—Consultants' Outline Budget^a

Item	Amount (\$)
1. International consultants (remuneration, travel to Hebei, per diem, and fees)	260,000
2. National consultants (remuneration, travel to Hebei, per diem, and fees)	1,155,000
3. Training workshops in Hebei	54,000
4. Specialist training (as itemized in annex 7)	813,000
5. Travel in Hebei	38,000
6. Office administration and operation	155,000
7. Project completion and evaluation survey and consultations	25,000
Total	2,500,000

^a. Detailed breakdown of budget with assumptions is provided in Appendix 7

b. Yanshan University Capacity Building and Training (YS-S01)

95. The objective of this package(s) is to provide a mix of best practice advice, support and training to the management and staff of YSU involved in the development of their proposed EC training courses and research. The overall work involved is described in Appendix 5 of this PAM. A total sum of \$2.21 million has been budgeted by YSU for this purpose of which an estimated \$1,280,000 will be financed from the ADB loan on capacity building and training (this package) and \$930,000 equivalent from YSU counterpart funds on curriculum development and study (procurement plan ref YS-S02). However, the detailed composition of the services needed under both these packages and indeed the optimum procurement approach have yet to be finalized. The work to fully specify the services needed will continue over the next few months and the results, detailed terms of reference, and the procurement arrangements will be confirmed with ADB no later than the project inception mission

3. Non- Bank Financed Consulting Services

96. The following consulting contracts will be financed from counterpart funds and procured using domestic procedures.

97. **Yanshan University curriculum development and study** (procurement plan ref YS-S02). This is a complementary package to YS-S01 referred to above. Detailed design of the package is to be worked on over the coming months in parallel with the design of YS-S01. The budget estimate for these services is \$930,000 equivalent and decisions have yet to be made on how many separate packages will be involved—a matter that will be decided only after the detailed services required have been defined.

98. **Appointment of external auditor** is a sole source appointment made by the PRC National Audit Office. The normal practice is for this work to be undertaken by the provincial audit department or a qualified audit institute/company they assign. There is a standard terms of reference used for all such audits, which can be varied dependent the specific needs of an individual project. In this case, no specific additional requirements have been identified. There is no budget line item for this contract which is provided for in the general project management cost line item, with costs shared by the implementing agencies in proportion to their ADB loan size.

99. **Elderly care design institutes.** Each implementing agency will need to appoint a suitably qualified design institute to undertake the preliminary and detailed design of the project facilities, to prepare the **technical** parts of bidding documents and to review the need and suggest design changes during construction when issues arise. It is normal practice for this procurement to be the subject of competitive bidding – but all bidders must demonstrate to the appointing implementing agency that they have the required qualifications and experience. It is also normal for such work to be let on a fixed price output based contract. There is no budget line item for this contract which is provided for in the general project management cost line item, with each individual implementing agency responsible for bearing their own costs.

100. The **HPMO** will appoint a procurement agent to advise and support the implementing agencies in their project procurement work in relation to all contracts funded by ADB. There is no budget line item for this contract, which is provided for in the general project management cost line item, with costs shared by the implementing agencies in proportion to their ADB loan size.

101. **Construction supervision companies.** Each implementing agency will need to appoint a suitably qualified construction supervision company that will undertake the day-to-day responsibility for contract site supervision.

102. **Environmental monitoring.** Each implementing agency will need to appoint a suitably qualified environmental monitoring institute or company to undertake any specialist environmental monitoring that is stipulated in the project's environment monitoring plan (EMP). Given the localized nature of this monitoring activity it is quite likely these will be sole source negotiated price contracts. The required budget for this monitoring is estimated in the EMP and forms part of the environmental management line item in the project cost tables.

103. **External resettlement monitoring.** Each of the four implementing agencies where land acquisition and resettlement is required for the project will need to appoint an independent external monitoring agency to review how the resettlement plans are implemented, to confirm that all resettlement activity has been conducted in accordance with the RP and to report on any outstanding issues. It is important that only institutions previously experienced in ADB resettlement work are considered and a generic terms of reference for the required monitoring duties is included in Appendix 7. The costs of external monitoring are provided for in the resettlement budget contained in each resettlement plan.

4. Capacity Development Technical Assistance

104. The overall goals of the capacity development technical assistance (CDTA) are aligned with those of the project and the PRC's Thirteenth Five-Year Plan, 2016–2020 to establish an

integrated comprehensive three-tier system of elderly care that:

- (i) improves access to elderly care services (ECSS);
- (ii) provides quality care services in line with the essential needs of the elderly; and
- (iii) mobilizes resources from family, the private sector and voluntary organizations, with government providing financial support, targeted at the most vulnerable, together with sector planning and regulatory oversight.

105. The project outputs from the CDTA are set out below and the detailed terms of reference for the consultant selection by use of an output based contract are set out in Appendix 8.

- (i) A model demand based EC sector plan and supporting planning manual.
- (ii) Demonstration EC assessment system, including user toolkits, computer software and implementation guidance.
- (iii) Model procedures for the effective regulation of EC service providers.
- (iv) Creation of a model arrangement for the effective involvement of the voluntary sector in the provision of elderly care (that can be replicated elsewhere).
- (v) Pilot online support facility for family caregivers.
- (vi) Effective TA dissemination.

106. In view of the specialist nature of the TA and due to ADB's greater experience and knowledge of EC sector best practices, it has been agreed in discussion between HPMO and ADB that the ADB will play the lead role in the procurement of the CDTA. However, HPMO will be involved at each stage of the procurement and invited to give its no objection.

**Table 31: Capacity Development Technical Assistance
Estimated Consulting Inputs Needed**

Expert Inputs	Person-Months
International experts	8
National experts	24
Total	32

Source: Asian Development Bank estimates.

**Table 32: Capacity Development Technical Assistance
Cost Estimates and Financing Plan
(\$'000)**

Item	Total Cost
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (8 person-months)	144.00
ii. National consultants (24 person-months)	168.00
b. International and domestic travel	28.00
c. Reports and communications	25.00
d. Office accommodation and administration costs	12.00
2. Workshops, training, seminars, and conferences ^b	102.00
3. Surveys	20.00
4. Miscellaneous administration and support costs ^c	
a. Pilot ICT system for assessment of care needs	85.00
b. Seed financing of voluntary sector initiatives	50.00
c. Dissemination and knowledge sharing	36.00
Total ADB Financing	670.00
B. Government "in kind" Financing	
1. Office accommodation	18.00
2. Workshops, training, seminars, and conferences ^b	3.15
3. Dissemination and knowledge sharing	4.00
Total Costs	695.15

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-other sources) This amount also includes ADB's administration fee, audit costs, bank charges, and a provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant from the PRC Government.

^b Workshops, training, seminars, and conferences as indicated below.

Purpose	Venue
Conferences	Hebei, PRC
Workshops	Hebei, PRC
Best practice study tour in the PRC	TBD. Lead candidates are Beijing; Shanghai; and Hong Kong, China
Asian study tour	TBD. Lead candidates are Japan, Korea, and Singapore
Training sessions in Hebei (average 1.5 days)	Hebei, PRC

^c Miscellaneous administration and support costs.

ADB = Asian Development Bank, ICT = information and communications technology, PRC = People's Republic of China, TBD = to be determined.

Source: Asian Development Bank estimates.

VII. SAFEGUARDS

107. Prohibited investment activities. Pursuant to ADB's Safeguard Policy Statement (SPS, 2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

A. Environment

108. **Environment due diligence.** The project is classified as category B for environment. Therefore, based on the SPS, environment, health, and safety implications of the project have been reviewed and a draft initial environmental examination (IEE) and an environmental management plan (EMP) for the project have been developed.³³⁸ The EMP, included as **Appendix 6** of this PAM, defines contractual clauses for civil works contracts, environmental, health and safety measures, construction supervision requirements, and institutional responsibilities to ensure proper environmental management throughout the project construction cycle and during initial operation of the facilities. Environmental and social safeguard complaints or disputes will be handled in accordance with the grievance redress mechanism (GRM) established for the project, supervised by the HPMO. The GRM procedures are documented in the EMP.

109. **Management of environment, health, and safety risks.** During construction of new buildings and facilities, minor environmental impacts are anticipated including noise, fugitive dust, solid wastes, as well as risks to community and occupational health and safety. Overall, construction-related impacts are minimal, localized, short term, and can be effectively mitigated through the application of good construction practices and implementation of the generic EMP developed for the construction phase. The project management office (HPMO) will have the overall responsibility for supervising the implementation of the EMP, coordinating the project level GRM and reporting to ADB through the semiannual progress reporting and the annual environment monitoring reporting process. The HPMO will assign one environment officer (HPMO-EO) to supervise the effective implementation of the EMP. To ensure that the contractors comply with the EMP provisions, the HPMO-EO will prepare and provide the following specification clauses for incorporation into the bidding documents: (i) a list of environmental management requirements to be budgeted by the bidders in their proposals, (ii) environmental clauses for contractual terms and conditions (as appended to the EMP), and (iii) major items in the EMP. Construction contractors will be responsible for implementing the mitigation measures during construction. In their bids, contractors will be required to respond to the environmental management requirements defined in the EMP. Each contractor will be required to develop site-EMPs and will assign a person responsible for environment, health, and safety. The implementing agency responsible a particular subproject will assume day-to-day responsibility for supervising the contractors' performance and adherence to the EMP in relation to that subproject. Each implementing agency will assign suitably qualified staff to (i) review and approve contractors' site-specific EMP, (ii) conduct site inspections following the site inspection checklist (as appended to the EMP), (iii) act as local entry point for environmental complaints under the project GRM, and (iv) submit inspection results to the contractors for information, and to HPMO for verification and confirmation. Where works are being implemented using advance contracting arrangements then the HPMO need to ensure the above requirements are adhered to from the outset.

B. Land Acquisition and Resettlement

110. The project activities will require some land acquisition and resettlement. The involuntary resettlement category is "B". Four resettlement plans have been prepared for Xinji, She County, Shuangluan and Li County in accordance with the Government laws and regulations and the SPS 2009.

³³⁸ ADB. 2009. *Safeguard Policy Statement*. Manila.

111. **Due diligence.** YSU will use their own land with a State-owned Land Use Certificate issued in 2004. The land is vacant. No land acquisition is needed. The land needed for the Julu County subproject has been acquired within the last three years by the local government. Two resettlement due diligence reports have been prepared have been prepared for these subprojects.

112. **Resettlement plans.** Xinji City, She County, Shuangluan District, and Li County need to newly acquire collective land for this project. Four resettlement plans have been prepared by the implementing agencies. They were reviewed and cleared by ADB in accordance with SPS's requirements for involuntary resettlement. To date, Xinji Municipal Government has endorsed the resettlement plan and disclosed the relevant information to the affected persons. The other resettlement plans have been endorsed by the local government and disclosed to affected persons. The resettlement plans will also be posted on the ADB website in advance of the ADB staff review meeting.

113. **Impacts identified.** Most of the subprojects mainly include two kinds of components, one is the construction of an elderly care center and the other is the construction or rehabilitation of daycare centers.³³⁹ The construction of elderly care center requires some land acquisition and resettlement. They are always built in the communities or villages through leasing land or existing properties which do not belong to individuals and with no land acquisition and resettlement, house demolition or directly affected population. In total, the project will permanently occupy 201.09 *mu*³⁴⁰ of land, of which 32.34 *mu* of land has been acquired with 49 households and 219 affected persons. A total of 168.75 *mu* of collective land will be acquired by this project, of which 32.37 *mu* of land in Shuangluan District and She County is classified as cultivated land. Land acquisition will affect 91 households and 310 affected persons, which is not deemed a significant impact because the per capita land loss area is very small (in Shuangluan District, it is 0.23 *mu* and in She County, it is only 0.09 *mu*). A total of 1,195 square meters (m²) of houses will be demolished, and two enterprises with nine workers will be affected. For the construction of daycare centers of all the subprojects, there will be 5.2 *mu* of land leasing in six villages and 14,143.6 m² of property space will be leased from 10 institutions, 22 communities, and 10 property companies.

114. The rural farmers suffering land loss will be offered cash compensation at replacement costs and various livelihood restoration measures. Compensation for standing crops, auxiliaries, and other assets will also be paid directly to the affected persons. The affected enterprise in Xinji project will only lose housing and ground attachments and will receive cash compensation at replacement costs. The other affected enterprise in Li County must shut down and plan to do other business, they will not only get cash compensation for the losing housing and ground attachments, but also reemployment measures for the affected workers. The measures for economic rehabilitation include provision of employment opportunities during the project construction and operational phases for the affected persons, promotion and development of new enterprises. self-employment through secondary and tertiary businesses, and provision of technical training to the affected persons to increase their skills. Special support will also be provided to vulnerable affected persons. The cost estimate for land acquisition and resettlement for the four subprojects is equivalent to CNY28.46 million, including contingencies. Table 33 summarizes the impacts that are envisaged. Details of the compensation to be made and of the mitigating actions planned are contained in the resettlement plans.

³³⁹ The daycare centers under the subprojects will all be located in the communities or villages and designed to provide leisure and recreational places, and daycare services for old people living at home within the local community.

³⁴⁰ A *mu* is a Chinese unit of measurement (1 *mu* = 666.67 square meters).

Table 33: Summary of Project Involuntary Resettlement Impacts

No	Component	Land Acquisition (mu)	Of which Cultivated (mu)	Households	Number of Affected Persons	House Demolition (m ²)	Affected Enterprise	Affected Worker	Land Leasing (mu)	Property Leasing (m ²)
1	Xinji City	39.75		0	0	250	1	2		400
2	Shuangluan District	30.00	8.37	5	37					7600
3	Li County	75.00		0	0	945	1	9	5.20	3043.60
4	She County	24.00	24.00	86	273					3100
Subtotal		168.75	32.37	91	310	1,195	2	11	5.20	14,143.60

AP = affected person, m² = square meters.

115. **Entitlements and compensation standards.** The land acquisition and resettlement compensation standards will follow HPG on Implementing Location-based Land Prices for Land Acquisition (2008), the Notice of the HPG on Amending Location-based Land Prices for Land Acquisition (HPG [2015] No.28) and ADB's Policy on Involuntary Resettlement.³⁴¹ According to Document HPG [2015] No.28, land acquisition compensation includes compensation at location-based land price, and compensation for young crops and ground attachments, in which location-based land price includes resettlement subsidy and land compensation. The location-based land prices for land acquisition in the project area and affected villages are showed in Table 34.

Table 34: Location-based Land Compensation Rate for Land Acquisition

County and/or City	Affected Village Name	Average Location-based Land Price	Tier-1	Tier-2	Tier-3
Xinji City	—	82,035	102,940	80,880	78,680
	Xinleitou	—	102,940	—	—
Shuangluan District	—	115,246	154,000	134,000	119,000
	Dayuanbao	—	—	134,000	—
Li County	—	78,614	96,200	87,200	78,200
	Beiguan	—	—	87,200	—
She County	—	72,014	75,000	73,000	71,000
	Xiaqing	—	75,000	—	—

³⁴¹ ADB. 1995. *Policy on Involuntary Resettlement*. Manila.

116. **Implementation arrangement and schedule.** For each subproject, there will be at least two full-time staff responsible for land acquisition and resettlement respectively. They will take the lead responsibility for coordinating the planning, implementation, financing, and monitoring of land acquisition and resettlement. They will work closely with relevant village officials, land administration bureaus and will be responsible for supervision and monitoring of resettlement (e.g. delivery of entitlements, selection of new housing sites, restoration of incomes, provision of replacement land, and other economic measures). A training program will be organized for the resettlement officers. Resettlement plans will be updated based on final design and detailed measurement survey and must be sent to ADB for review and approval prior to award of civil works contracts. All compensation and resettlement assistance is to be paid to affected households prior to commencement of construction activities.

117. **Resettlement cost.** The cost estimate for land acquisition and resettlement for the eight components is equivalent to CNY28.46 million, including contingencies. Resettlement implementation will be scheduled to precede the subprojects construction schedules. Resettlement implementation will be completed prior to subcomponent construction. The implementing units and the district and county governments will ensure that such funds are made available on a timely manner.

Table 35: Summary of Resettlement Cost (units CNY10, 000)

Cost item	Category	Xinji City	Shuangluan District	Li County	She County	Subtotal	% of total
1	Land acquisition compensation	409.19	409.96	654.00	208.80	1681.94	59.09
1.1	Land compensation and resettlement subsidy	409.19	384.85	654.00	180.00	1628.03	
1.2	Young crop compensation		25.11		28.80	53.91	
2	House demolition compensation	15.75	0.00	81.40	0.00	97.15	3.41
2.1	Compensation for structure	15.75		78.90		94.65	
2.2	Subside			2.50		2.50	
3	Compensation for attachments	102.00	75.25	11.25		188.50	6.62
4	Land acquisition taxes	183.26	199.34	100.00	81.64	564.24	19.82
5	Other cost	19.00	25.31	44.80	13.46	102.56	3.60
6	Contingencies	70.27	46.01	74.67	20.88	211.82	7.44
	Total	799.47	755.86	966.11	324.78	2846.22	100.00

118. For the Julu County and YSU subprojects, where the land acquisition and resettlement has been completed, the due diligence undertaken has confirmed (i) compensation rates, the resettlement program and compensation distribution program were determined in close consultation with the affected persons or their representatives; and (ii), the compensation was paid to the AHs in full and in a timely manner. Adequate preparation and public participation took place and no grievances have been raised to date. The compensation rates applied and the resettlement program appear to have complied with the applicable state and provincial regulations and policies, and ADB's principles as existed at the relevant time. Due diligence consultations have confirmed the affected persons are satisfied with the outcome of the resettlement, and their income has risen, demonstrating that resettlement has been effective.

C. Ethnic Minorities

119. The safeguard category for Indigenous Peoples is C. The social assessment determined that in Hebei ethnic minorities make up a very small percentage of the population. Of the six project sites, there are very few ethnic minorities except Shuangluan District, Chengde City, where the population is about 30% of total population, of which, Man is the majority ethnic minority group occupying 25.9%, Meng, 1.76%; and Hui, 0.99%. The assessment determined that they are well integrated socially and economically into this urban area and are not living in any distinct communities. Therefore, an ethnic minority development plan is not required. Ethnic minority elderly in the local communities to be served by the project facilities will benefit equally from the project investments because of an improved range and quality of EC services that will become available. No specific action is necessary under the project.

VIII. GENDER AND SOCIAL DIMENSIONS

120. A poverty and social assessment, including a questionnaire survey, community and focus group discussions, and key informant interviews was conducted during project preparation. Based on a survey of 354 questionnaires and 35 focus group discussions, it was found that regarding preferences for care, 58.8% of elderly respondents chose to be taken care of by their children, 19.3% chose the community and home-based EC services, and 15.6% chose the EC institutions as their preferred means of care. Individual EC decisions are influenced by a variety of factors, including an older person's health condition, economic status, age, education level, number of children, traditional EC concepts, and social networks. These factors will also influence willingness-to-pay. However, obviously, the limited income of poor elderly restricts their expectation of enjoying EC services. Without government subsidies or assistance, it will be difficult for poor elderly to live in an EC residential care with good quality. Thus, there is a need for provincial and local governments to assess the options for subsidizing the semi-disabled or disabled and poor elderly and if possible, expand coverage and amounts. The HCBC to be established and improved under the project will expand coverage, access and affordability of EC services for the low and middle income elderly.

121. The project will benefit residents of the five subproject sites through the development of integrated residential, community, and home-based ECSS, facilities, and ICT systems. The construction of EC facilities and their operation will create new job opportunities for about 2,200 persons. The project will benefit a total of about 300,000 persons in the six project areas when the services are operational and 4,400 students will have been certified by YSU at project completion. The project targets low- and middle-income elderly who comprise approximately 40% of the total elderly population, and will promote improved care assessment systems to allow care to be directed to those most in need. The project will directly benefit local EC services providers, caregivers, and local officials through capacity building. The project targets low and middle income elderly who comprise approximately 40% of the total elderly population.

A. Gender

122. The project is classified as "effective gender mainstreaming" (EGM). Analysis of the survey and focus group discussion data revealed gendered differences in elderly needs and circumstances. Among the elderly population, women typically outnumber, live longer, and suffer from more diseases than men. Especially among the "empty nest" elderly, fully independent elderly, and those 80 and above, women significantly outnumber men, but their income levels are typically lower than those of men. Family contributions often play a significant role in access to care services for both women and men, but to what degree varies among individuals and

circumstances. Development of elderly care will help relieve family caregivers and give unsupported elderly better access to care. Benefits will include reduced time burdens for family caregivers and improved job opportunities from training in a service industry traditionally female dominated.

123. A social and gender action plan (SGAP) has been prepared to be carried out by the implementing agencies during project implementation, under the overall oversight of the HPMO. Social inclusiveness and gender mainstreaming is the objective of the SGAP actions. All the actions, indicators, responsible institutions, timeframe, and budget have been discussed with the HPMO, implementing agencies, and relevant local government departments and agreement reached on the actions included. The SGAP is in Table 36.

Table 36: Social and Gender Action Plan

Outputs	Action	Indicators and Targets	Institutions	Timeframe	Budget
Output 1: Improved community and home care services					
Improve selected community centers and rural communal homes	(i) Establish gender-sensitive community feedback mechanism on quality and accessibility of EC services (ii) Establish and/or use self-support groups of elderly and their families at the community level	(i) Feedback records to collect qualitative data (sex-disaggregated analysis) (ii) Number of self-support groups; number of groups' participants (age-and sex-disaggregated) (iii) At least one self-support group established in each county, city, district	Implementing agencies, PMO, consultants, design institute, civil affairs department (provincial level), communities	2017–2019	Project budget At least one group for each implementing agency funded at CNY1,200 per year for 3 years
Develop information technology networks	(i) Training and consultations for elderly on ICT networks (ii) Ensure vulnerability disaggregation capability of the database	(i) Number and % of training participants (age- and sex-disaggregated) (ii) Number of calls received and responded to by the call center (disaggregated by sex, age, urban/ rural, kind of assistance requested)	Implementing agencies, PMO, civil affairs department (provincial level), communities, ICT operator	2017–2022	Project budget
Develop services and support networks	Develop a HCBC services working group	(i) 50% of group members are female (ii) Time and frequency of working group meetings; minutes of the meetings	Implementing agencies, PMO, civil affairs and health department (provincial department)	2017–2018	Project budget
Output 2: Increased residential elderly care service capacity and improved quality					
Provide expanded institutional care facilities and services for elderly at various stages of need	(i) Staff orientation and in-service training on diversity and inclusion (ii) Caregivers supporting program and counseling services	(i) At least 80% of staff, including caregivers, receive training on diversity and inclusion (ii) Number and % of participants of which at least 70% are women (iii) Average occupancy of residential care beds reaches 90% by 2022. Occupancy disaggregated by sex, age, and care need level	Implementing agencies, PMO, civil affairs department (provincial level)	2017–2022	Project budget
For Outputs 1–2: Generating job opportunities					
Develop HCBC services centers, elderly care centers, and a training center in YSU	(i) Generate 690 skilled and 176 unskilled jobs at the construction stage, with no age discrimination (ii) Generate 1,211 skilled and 153 unskilled jobs at the operation	(i) At least 20% are made available to the low-income persons and 15% to women during the construction period (Baseline for female construction workers is 5%) (ii) At least 30% are made available to the	Implementing agencies, PMO, consultants, design institute, contractors	2017–2022	Project construction and operation funds

Outputs	Action	Indicators and Targets	Institutions	Timeframe	Budget
	stage, with no age discrimination	low-income persons and 50% to women during the operation period (Baseline for female staff is 30%) (iii) At least 35% of managerial positions during the operation period will be given to women			
Output 3: Improved development of human resources and industry capacity					
Develop training programs and training materials	(i) Develop gender-sensitive textbooks and training materials (ii) Raise the awareness of home, community- and residential-based ECSs' providers and local officials on social inclusion (iii) Develop and disseminate outreach materials on job opportunities	(i) Number of gender-sensitive textbooks and learning materials by 2022 (disaggregated by priority area) (ii) Gender- and age-sensitive training courses and materials; number, %, and type of trainees (sex-disaggregated) (iii) At least 70% of the outreach materials recipients are female	YSU, training program developer, social consultant, elderly care consultants, PMO, civil affairs department (provincial level), human resource and social safeguards department	2017–2022 2017–2019	Project budget
Output 4: Improved capacity of elderly care sector organizations (pilot)					
Develop local elderly care development planning (Li County)	Consultation with stakeholders on socially inclusive local EC development	(i) Draft socially inclusive elderly care planning document (ii) Number, %, and types of stakeholders participated in the planning process (sex-disaggregated)	Implementing agencies, PMO, consultants, local government, civil affairs department (provincial level)	2017–2019	Project budget
Develop the elderly long-term care assessment system (Shuangluan District)	Develop an age- and gender-sensitive elderly care assessment guideline	An age- and gender-sensitive EC care assessment guideline			
Develop quality management system (She County)	Develop quality monitoring indicators for gender sensitive and social inclusiveness	Monitoring indicators established (age- and sex-disaggregated)			

ECS = elderly care system, HCBC = home- and community-based care, ICT = information and communications technology, PMO = project management office, YSU = Yanshan University.

Source: Asian Development Bank

PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

Table 37: Project Design and Monitoring Framework

Impact the Project is Aligned With A comprehensive three-tiered elderly care system (home, community, and residential) established (Opinions on Promoting the Development of Senior Care Service Industry [Circular No. 35, 2013]) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Capacity of the elderly care system and quality of ECSS in Hebei improved	a. Community elderly care centers with in-home stations cover all urban communities and 90% of townships (2016 baseline: 70%) b. 3% residential care rate achieved and maintained by 2022 (2016 baseline: 2.2%) c. Proportion of elderly care managers with license to practice increased to 100% and care workers to 90% (2017 baseline: To be determined)	a–c. Annual Hebei Civil Affairs Department reports (provincial level)	Policies to improve sector financing, regulation, and monitoring are not developed and implemented.
Outputs 1. Community and home care services improved	1a. Number of elderly served by home-based services provided by the project implementing agencies in 2022 (age-, sex-, and location-disaggregated) (2016 baseline: 0) 1b. Number of community centers constructed or rehabilitated and resourced with equipment under the project (2022 target: 51; 2016 baseline: 0) 1c. Number of calls received and responded to by the call center (disaggregated by sex, age, urban and/or rural, kind of assistance requested) (2016 baseline: 0)	1a. Implementing agency monitoring reports, semiannual HPMP reports 1b. Implementing agency monitoring reports, semiannual HPMP reports, annual CAB reports 1c. Annual call center reports, semiannual HPMP reports	Information on HCBC services not adequately communicated to the elderly and their families
2. Residential elderly care service capacity increased and quality improved	2a. Average occupancy of residential care beds provided under the project reaches 90% by 2022 (occupancy to be disaggregated by sex, age, and care need level) (2016 baseline: 0%)	2a. Semiannual HPMP project monitoring reports	Potential conflict of interest between the project objective of targeting low- to middle-income elderly with care needs and the implementing agencies' desire to maximize revenue by targeting higher-income elderly

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
			with greater discretionary spending power
	<p>2b. By 2022, all implementing agencies offer a minimum set of services comprising residential care facilities, providing care and nursing services for semi-disabled and disabled older persons, dementia care, and rehabilitation services (disaggregated by implementing agency) (2016 baseline: 0)</p> <p>2c. At least 35% of managerial positions during the operations period will be targeted to women (2016 baseline: 0)</p>	2b–2c. Implementing agency project reports, HPMO monitoring	Land acquisition and resettlement policies are not implemented effectively.
3. Development of human resources and industry capacity improved	<p>3a. At least five elderly care training programs developed by Yanshan University by 2022 (2016 baseline: 0)</p> <p>3b. Number of new elderly care priority area textbooks developed, including gender-sensitive learning materials, by 2022 (disaggregated by priority area) (2016 baseline: 0)</p> <p>3c. Target of at least 4,000 certifications awarded in new elderly care short- and long-term courses by 2022 (disaggregated by sex, course, and certification level) (2016 baseline: 0)</p>	3a–3c. Yanshan University reports, HPMO monitoring	Hebei Civil Affairs Department does not accept the need to regulate for increased certification requirements.
4. Capacity of elderly care sector organizations improved	<p>4a. At least two project city governments to have comprehensive elderly care sector plans approved, including financing section, by 2020 (2016 baseline: 0)</p> <p>4b. All project implementing agencies and CABs to have developed volunteer groups for elderly support by 2022 (2016 baseline: 0)</p>	<p>4a. HPMO monitoring reports</p> <p>4b. Pilot report, HPMO monitoring reports</p>	Lack of clarity in defining roles and responsibilities of relevant agencies
Key Activities with Milestones			
1. Community and home care services improved			

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
1.1 Build, rehabilitate, and equip 51 community care centers by 2022 1.2 Implement study tour to Beijing and Japan on HCBC by 2019 1.3 Develop HCBC service specifications for each implementing agency and assessment system by 2019 1.4 Establish a training and support program for family caregivers by 2019 1.5 Establish a home safety assessment and modification program by 2020 1.6 Establish call center support systems by 2021 2. Residential elderly care service capacity increased and quality improved 2.1 Undertake land acquisition and resettlement during 2017–2018 2.2 Construct residential care facilities by 2020 2.3 Develop and implement market research study by 2017 2.4 Develop and implement learning collaborative on elderly care management and services by 2018 2.5 Design, implement, and evaluate elderly care pilot project by 2022 3. Development of human resources and industry capacity improved 3.1 Construct elderly care training center and student dormitory by 2019 3.2 Design curriculum for five fields and develop 19 textbooks by 2022 3.3 Establish training plan (including study tours) for faculty by 2017 3.4 Establish research center for priority areas by 2020 4. Capacity of elderly care sector organizations improved 4.1 Implement resettlement plan, environmental management plan, and social and gender action plan by 2022 4.2 Develop and implement CAB learning program by 2021 4.3 Develop and implement CAB and HCBC service pilot projects by 2021 4.4 Conduct pilot evaluation by 2020 4.5 Initiate rollout of successful pilot projects by 2021			
Inputs Asian Development Bank: \$100.00 million (loan) Government: \$25.09 million Private sector: \$55.03 million Total: \$180.11 million Note: Numbers may not sum precisely because of rounding.			
Assumptions for Partner Financing Not applicable			

CAB = civil affairs bureau, HCBC = home- and community-based care, HPMO = Hebei project management office.

^a Government of the PRC, State Council. 2013. *Opinions on Promoting the Development of Senior Care Service Industry (Circular No. 35)*. Beijing.

Source: Asian Development Bank.

124. The design and monitoring framework (DMF) for the project has been agreed between the ADB, HPG, and the six implementing agencies. The DMF forms the foundation against which project success will be evaluated. While the high-level project design (impact and outcome) are unlikely to change during project implementation, changes are likely to occur at the output and inputs levels of the DMF. The continued relevance of the DMF and specific targets will be monitored as part of the project supervision and the DMF will be updated accordingly when necessary.

B. Monitoring

1. Project Performance Monitoring

125. At the commencement of project implementation, the project management office (HPMO) and implementing agencies, with the assistance of consultants, will develop a comprehensive PPMS, including procedures to generate data systematically on the inputs and outputs of the components, as well as the indicators to be used to measure the project impact considering the components' scope. The HPMO, on behalf of HPG, will (i) refine the initial outline PPMS design (Appendix 10 of this PAM); (ii) confirm achievable targets; (iii) finalize monitoring, recording, and reporting arrangements; and (iv) establish systems and procedures

to capture required data and information, no later than 6 months after loan effectiveness. The HPMO together with the implementing agencies, and with consulting support, will be responsible for monitoring and reporting on the performance of the project. The basis for performance monitoring will be the DMF. The DMF identifies the principal performance targets for the impact, outcome and outputs of the project. By collection of data from the sources identified in the DMF, the HPMO will be able to report to ADB the performance of the project on a semiannual basis.

126. **Compliance monitoring.** Compliance with policy, legal, financial, economic, environmental, social, and other covenants contained in the loan and project agreements will be monitored by HPMO and the implementing agencies will be required to advise HPMO of any circumstances that result or will likely result in noncompliance. HPMO will report the latest situation in respect of covenant compliance in each of its semiannual progress reports to ADB. ADB will monitor compliance through a review of the HPMO progress reports and through selective follow-up discussions or more detailed reviews during supervisory missions to Hebei.

2. Safeguards Monitoring

127. **Environment management plan implementation supervision and monitoring.** The six implementing agencies through their assigned environmental supervisors will conduct regular construction site inspections in accordance with the inspection plan defined in EMP (EMP, Appendix 2), and using the inspection checklist attached to the EMP, the loan implementation environment consultant will give advice, as necessary. The HPMO, with the support of the loan implementation environment consultant will synthesize the quarterly environmental inspection and monitoring results provided by the implementing agencies into the semiannual progress reports and the consolidated annual reports prepared for ADB.

128. **Involuntary resettlement and indigenous peoples safeguards.** Internal and external monitoring of resettlement plan implementation will be conducted. Monitoring methodologies are specified in the resettlement plans. Each implementing unit will carry out internal supervision and monitoring to ensure compliance with the provisions of the resettlement plan. The PMO and implementing units have agreed to a set of supervision milestones with ADB, to ensure timely and effective implementation of resettlement activities. An independent agency under contract to the subprojects PMOs will implement external monitoring and evaluation. Semiannual external monitoring reports will be forwarded directly to both the HPMO and ADB. The project implementation resettlement consultant will provide advice and training to the implementing agencies in how to establish their local resettlement monitoring systems and provide a quarterly reporting form for submission to HPMO. This consultant will also support HPMO in preparing resettlement progress reports for inclusion in the semiannual project progress reports. The project is classified as category C for indigenous peoples safeguard and there are no specific monitoring requirements.

129. **Gender and social dimensions monitoring.** The project management office in coordination with the implementing agencies and with the assistance of the project management consulting service (8 person-months, social and gender consultant), are responsible for reporting on progress and achievements of the project. Key indicators from both plans will be included in the PPMS and reported on semiannually. This results based monitoring system will also include an analysis of gender, and social issues.

130. **Evaluation.** ADB and the government will review project implementation at least once a year. In addition, ADB and the government will undertake a comprehensive midterm review 2 years after the start of project implementation to include a detailed evaluation of the project scope, implementation arrangements, achievement of scheduled targets, and progress made in implementing the agreed capacity building measures. Feedback from the PPMS outputs will be analyzed. A Procurement Review for Effective Implementation may also be conducted

by ADB to assess progress and any issues that have arisen issues in procurement implementation and any such review will be timed to provide input for the midterm review. Within 3 months of physical completion of the project, HPG will submit a project completion report to ADB that will include its own comprehensive evaluation of the project.³⁴²

C. Reporting

131. The HPG, through HPMO, will provide ADB with (i) semiannual progress reports in a format consistent with ADB's project performance reporting system, a template for this report is provided as **Appendix 11** to this PAM; (ii) consolidated annual report and review, including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) an updated procurement plan, and (d) an updated implementation plan for the next 12 months; and (iii) a project completion report within 3 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and private entity audited financial statements together with the associated auditor's report, should be adequately reviewed and follow up action taken as necessary. Reporting requirements are summarized in Table 38.

Table 38: Reporting Requirements and Schedule

Reports	Reference	Due Time
Project performance monitoring system (i) Develop comprehensive project performance monitoring system procedures (ii) Reporting of baseline and progress data	(To follow: This column will refer to the relevant clause of the project agreement or this PAM that stipulates the particular reporting requirement)	No later than 6 months after loan effectiveness Included in semiannual, project progress reports (see below)
Project progress reports Report due each January is to include an annual review		Semiannual within 1 month after the end of each 6-month period (i.e., in July and January)
Audited project accounts, financial statements, and audit report (including auditor's opinion)		Not later than 6 months after the closure of each fiscal year (i.e. by 30 June)
Audited entity statements and audit report with auditors' opinion for each of the three privately owned implementing agencies.		Annually, within one month of the completion of the audit.
Social monitoring Reporting on SGAP implementation		To be included in the semiannual project progress reports
EMP progress reporting by the PMO to ADB		Key issues to be included in the semiannual project progress reports and full details to be reported in the annual environmental monitoring reports
Resettlement plan monitoring		Quarterly from implementing agencies to HPMO and semiannually by HPMO to ADB (in semiannual project progress reports)
Covenant compliance		Semiannually in project progress reports.
Project completion report		Not later than 3 months after the physical completion of the project

ADB = Asian Development Bank, EMP = environmental management plan, HPMO = Hebei project management office, PMO = project management office, SGAP = social and gender action plan.

³⁴² Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

D. Stakeholder Communication Strategy

132. A stakeholder consultation and engagement plan (Table 39) has been prepared to highlight the most important communications challenges faced by the project

Table 39: Stakeholder Consultation and Engagement Plan

Outputs	Action	Indicator	Budget	Stakeholders and/or Participants
Output 1: Improved community and home care services				
Improve selected community centers and rural communal homes	(i) Raising public awareness of the community and home care services (ii) Local elderly's involvement in designing the community and home care services and deciding the pertinent prices, so as well in the implementation and monitoring (iii) NGOs and/or volunteers' involvement in supporting the community and home care services	(i) Media promotion, posters, and promotion activities in the communities (ii) The number of consulting workshops or the internal and/or external evaluation/monitoring activities, the number of the elderly participants, and the consultation/evaluation and/or monitoring record (iii) The number of NGOs and/or volunteers involved in the community and home care services	Project budget, government finance	Implementing agencies, PMO, design institute, consultants, local government CAD, the media, local people including the elderly, NGOs, volunteers
Develop services and creating links and support networks between selected residential institutions to improve and expand service delivery and quality	(i) Workshop or meeting organized to establish the social network among community centers and/or rural communal homes and residential institutions (ii) Attending conferences or exhibitions to strengthen the links with various suppliers in the elderly care industries	(i) The number of workshop or meeting organized; the participants (ii) Times to attend the pertinent conferences or exhibitions	Project budget, government finance	Implementing agencies, PMO, consultants, CAD, the elderly associations, community centers, rural communal homes, residential institutions, elderly care industry associations, suppliers in the elderly care industries
Develop information technology networks that link home- and community-based service providers to elderly individuals	(i) Raising public awareness of elderly care calling service, including the elderly, and various business units encouraged and attracted to provide pertinent ECSS (ii) Training the	(i) Media promotion, posters and other promotion activities in the communities; the number of business units attracted and involved (ii) The numbers of the communities/villages, the elderly and the community/village	Project budget, government finance, business payment	Implementing agencies, PMO, local government, CAD, the media, local people including the elderly, community and/or village cadres, business units, calling facility supplier

Outputs	Action	Indicator	Budget	Stakeholders and/or Participants
	elderly and the community/village cadres how to use the push-to-talk facilities	cadres who receive the training workshops		
Output 2: Increased residential elderly care service capacity and improved quality				
Provide expanded institutional care facilities and services for elderly at various stages of need	(i) The involvement of the elderly living in the elderly care institutions and their close relatives in the implementation and monitoring (ii) Encouraging NGOs and/or volunteers' involvement in supporting the ECSS	(i) The internal or external ECSS evaluation/monitoring system (ii) The number of NGOs and/or volunteers involved in the ECSS, their activities record	Project budget	Implementing agencies, PMO, consultants, CAD, the elderly, the relatives, NGOs and/or volunteers
Establish links to existing health facilities and home and community care to support a continuum of care	(i) Workshop or meeting organized by the civil affairs department and health department to establish the social network among community centers/rural communal homes, residential institutions and medical institutions (ii) Attending conferences or exhibitions to strengthen the links with various suppliers in the elderly care and health industries	(i) The number of workshop or meeting organized; the participants (ii) Times to attend the pertinent conferences or exhibitions	Project budget, government finance	Implementing agencies, PMO, CAD, health department, community centers/rural communal homes, residential elderly care institutions, medical institutions, elderly care and/or medical facility industry associations, suppliers in the elderly care and health industries
Serve as training bases for ECSS management and human resources development	Providing trainings, workshop, and visits for the peers who want to learn	The times of trainings, workshop, and visits provided; the number of peer participants	Project budget	Implementing agencies, PMO, CAD, residential elderly care institutions
Serve as demonstration model				
Output 3: Improved development of human resources and industry capacity				

Outputs	Action	Indicator	Budget	Stakeholders and/or Participants
Develop training programs in ECSS provision for home-, community-, and residential-based care providers	(i) Consulting of trainings demand (ii) Organizing training workshops (iii) Training evaluation and improvement	(i) The number of consulting workshops/interviews; participants and minutes (ii) Times of training workshops; the number of trainees (iii) Evaluation records by the trainees	Project budget	Implementing agencies; PMO; training program developer; consultants; CAD; home-, community-, and residential-based care providers
Develop training materials and an outreach strategy for training caregivers	(i) Consulting of training content demand (ii) Training material evaluation and improvement	(i) The number of consulting workshops/interviews; participants and minutes (ii) Evaluation records by the trainees	Project budget	Implementing agencies; PMO; training material developer; consultants; CAD; home-, community-, residential-based care providers
Develop a training center on the YSU campus	Consulting of training facilities demanded	The number of consultation workshops; kinds and number of participants	Project budget	Implementing agencies; PMO; consultants; CAD; suppliers of elderly care facilities; home-, community-, and residential-based care providers
Output 4: Improved capacity of elderly care sector organizations				
Develop local EC Development Planning	(i) Consulting of local elderly care service demand (ii) Plan implementation, monitoring, and improvement (iii) Evaluating the plan implementation	(i) Local elderly care service demand analysis; the number of consultation workshops; kinds and number of participants (ii) Monitoring report and suggestions for improvement (iii) Evaluation report; the number of evaluation workshops; kinds and number of the interviewees	Project budget	Implementing agencies; PMO; consultants; CAD; health department; human resource and social security department; home-, community-, and residential-based care providers; the elderly and their relatives
Develop the elderly long-term care assessment system	(i) Consulting local demand of the elderly long-term care assessment system (ii) Attending the training/visit of the elderly long-term care assessment system (iii) Evaluating the elderly long-term care assessment system to be established	(i) The number of consulting workshops/interviews; participants and minutes (ii) Times of training and/or visits; the number of participants (iii) Evaluation report; the number of consulting workshops/interviews; participants and minutes	Project budget	Implementing agencies; PMO; consultants; CAD; health department; human resource and social security department; home-, community-, and residential-based care providers; the elderly and their relatives
Develop quality management	(i) Consulting local demand of quality	(i) The number of consulting	Project budget	Implementing agencies; PMO;

Outputs	Action	Indicator	Budget	Stakeholders and/or Participants
system for elderly care institutions	management system for elderly care institutions (ii) Attending the training/visit of the elderly long-term care assessment system (iii) Evaluating the quality management system to be established	workshops/interviews; participants and minutes (ii) Times of training/visits; the number of participants (iii) Evaluation report; the number of consulting workshops and/or interviews; participants and minutes		consultants; CAD; health department; human resource and social security department; home-, community-, and residential-based care providers; the elderly and their relatives

CAD = civil affairs department, , ECSS = elderly care services, NGO = nongovernmental organization, PMO = project management office.

X. ANTICORRUPTION POLICY

133. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.³⁴³ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.³⁴⁴

134. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project. These include:

- (i) HPG, shall, and shall cause the implementing agencies to ensure they and all agencies involved in the project, comply with ADB's Anticorruption Policy (1998, as amended to date). HPG shall also cause the implementing agencies to undertake the following anticorruption actions: (a) involving full-time officials from the relevant Discipline Investigation Bureau in the bidding, award, and implementation of contracts; (b) introducing a dual-signing system, in which the contract winner signs an anticorruption contract with the employer when they sign and execute the contract; and (c) periodically inspecting the contractors' fund withdrawals and settlements.
- (ii) In furtherance of the principles of transparency, participation, accountability, and zero-tolerance for corruption, HPG shall maintain a relevant website that describes the project in order to provide the public with information on the project and project progress including setting out (a) the procurement plan and tracking of procurement contract awards, (b) relevant laws and regulations, and (c) job opportunities.

135. **Grievance and redress mechanism.** HPG will ensure that within 60 days following the effective date, comprehensive grievance redress mechanisms are established in accordance with the provisions of the Project Agreement to receive and facilitate resolution of stakeholder (including the general public) concerns, complaints, and grievances about the project. The grievance procedures should have multiple channels for both receiving and processing grievances of different types. For example, environmental grievances will be dealt with in a different manner to allegations of misprocurement.

³⁴³ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

³⁴⁴ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

136. **Risk management.** During project preparations, a risk assessment and risk management plan were prepared in accordance with the ADB's Second Governance and Anticorruption Action Plan. The assessment and appropriate mitigation measures were discussed and agreed with HPG and the implementing agencies. The risk management plan is a separate linked document to the Report and Recommendation to the President.

XI. ACCOUNTABILITY MECHANISM

137. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.³⁴⁵

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

138. All revisions and/or updates during implementation are to be recorded in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement S-curves.

³⁴⁵ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

APPENDIX 1: BRIEF DESCRIPTIONS OF THE SUBPROJECTS

A. Introduction

1. The purpose of this appendix is to provide in the project administration manual (PAM) basic details of each subproject as a practical analysis of project content, for use in monitoring and reviewing project progress and performance. Although the project as whole is presented to achieve a specified functional outcome and a set of specified functional outputs (all as defined in the main PAM document), the composition of the project is as six individual subprojects and it will be implemented by six different project implementing agencies. Therefore, it is important for managing the project implementation process and reviewing project implementation progress that the various activities and targets are disaggregated to the subproject level.

2. This appendix sets out the key details of each subproject to inform interested parties of the detailed subproject level composition of the project and to facilitate monitoring and control on of individual subprojects during the course of project implementation.

3. The expected users of this appendix are the individual implementing agencies, Hebei project management office and their consultants, and the Asian Development Bank project team. The remainder of the appendix comprises (i) an overall summary of the project analyzed on a subproject basis and (ii) a series of individual key information sheets; one for each subproject.

Note: The detailed information to populate this appendix is currently in the process of being extracted from the project preparatory technical assistance documents.

APPENDIX 2

GUIDELINES AND KEY POINTS CHECKLIST FOR THE DETAILED DESIGN FOR THE PROJECT'S ELDERLY CARE FACILITIES

A. Introduction

1. The purpose of this appendix is to try to ensure the detailed designs for the elderly care (EC) facilities are finalized in a manner that makes them fully fit for purpose by (i) articulating the key design principles, (ii) making reference to relevant design standards in the People's Republic of China (PRC) that must be complied with, (iii) providing a checklist of some key requirements based on best international and national practices, and (iv) identify dissemination activities to help demonstrate the foregoing.

2. The intention is that the appendix be used by relevant design institutes in the preparation of detailed designs, and also by the different reviewers of the designs. These include the project implementing agency management, technical and EC professionals, Hebei project management office, consultants, and Asian Development Bank reviewers.

3. The PRC is at a very early stage in the process to achieve two basic tasks according to the World Health Organization's call for immediate action in developing countries. One is the provision of state funded basic pensions adequate to protect older people against extreme poverty, and the other is the provision of basic primary health care and mechanisms to support the long term care of people with functional loss. Elderly care facilities have been indispensable components of the society modern welfare system since the mid-20th century, in which public services were regularly programmed for improving ordinary people's well-being. Nursing homes were the first architectural prototypes with emphasis on the elderly people to replace the role of charity organizations and hospitals for healthcare and poor relief aid from the second half of the 20th century in Europe and North America. Along with the present advance of elderly care notions, more architectural types for senior living and various models of elderly housing and residential care facilities have emerged for both social and commercial purposes. In European countries, the classical type of nursing home has been substituted by residential care facilities aiming to eliminate any hospital-like appearance and character as well as to reduce unnecessary costs, such as, activity centers for senior citizens and day-care centers.

4. Due diligence during the project preparations has revealed that current elderly care design practice in Hebei doesn't match the EC basic requirements and shows important deficiencies in relation to desirable best practices. Existing problems include:

- (i) Target users of elderly care facilities are not clearly classified nor defined according to their degree of dependency.
- (ii) The psychological approach is not considered nor reflected in design options, although it has been proved to be relevant for the results in both preserving and recovering health.
- (iii) Predominance of uniformity due to the use of a few patterns of planning and design typology without taking advantage of each specific site, context, circumstances, needs and potentials.
- (iv) Institutions design technical staff have limited experience and there are not enough experts in the country in this kind of design.

5. Based on this analysis of the current situation the best practice EC facilities design principles which were found to be lacking Hebei can be grouped as the following:

- (i) Site specificity: maximum integration in the local context from the urban, physical, climatic and social point of view.
- (ii) Geriatric approach reflected in connectivity, accessibility, safety in case need of quick evacuation for fire, earthquake, etc. and adequacy to the special condition of the users in design at all levels, from the overall concept to the interior design detail. equipment, etc. according to the users condition of disability and its degree.
- (iii) Psychological design approach. The building character perception responds to a relatively new pattern which is not that of a hospital nor a charity institution. Elderly must feel at some place where they can live, learn, amuse, make acquaintances and be properly attended. So it's some kind of mixture of a home, a club, a school, etc.
- (iv) Efficiency of functional design, providing flexible multi-use spaces, control of surface consumption and designing distribution and zoning to optimize staff operation and users limitations in relation to staircases, wheelchairs use and the diminished sensory capacities of seniors.
- (v) Enhance close contact to nature by any possible means according to each specific project. Design of inner and outer yards, gardens and orchards; consider and control windows views according to this principle by providing trees and framing view directions. Inclusion of conservatory like cushion spaces -glassed buildings, protected porches, season convertible pieces- which can adapt to every climate and season becoming inner or outer spaces and providing climatic comfort, spatial and environmental quality and fine sustainable behavior from the energetic point of view.
- (vi) Consider every sustainability aspect in the whole cycle of the building life, from design and construction to life operation and possible future recycling. Maximum use of natural light and sun energy control for both sustainability and therapeutic-psychological reasons.

B. Design Principles

1. Strategies

6. To tackle these, the project will implement -in broad strokes- the following strategies, from the design point of view, mainly conducted by the design consultants:

- (i) Review and undertake an analysis of current elderly care design practice in Hebei, based on a few early design stage real projects. In this way, proceed to improve and recommend alternative design features based on recent research achievements and consolidated principles of international best practices, adapted to local reality and potential.
- (ii) Assess the logical reasons and justification of the projects and strengthen the projects designs to fulfill its shortcomings according to the previously mentioned principles and concepts.
- (iii) Review the architectural and technical design of each project, considering all project elements to verify and evaluate their technical soundness degree as well as the proper design answer to each specific requirement (technical standards, efficiency and quality) to be suitable for financing support.
- (iv) Conduct design analysis and critical workshops to show detailed examples of the best foreign practices, state underlying principles and show how to use operative methodologies. Explain how to learn from them and apply to the local situation. Discussion and dialog with all project involved actors about those

concrete current early design stage projects from the pilot experience. Assess all involved agents capacity for the control of environmental impact and sustainability management, and recommend measures for capacity building and institutional strengthening in this field.

7. The key strategic design points to focus and to stress are the following:

- (i) All buildings will be designed and constructed in accordance with relevant design standards and codes. The architecture design will follow community-based, care-focused, operation efficient, inclusive and non-institutional principals and be optimized in functional, aesthetic, engineering, environmental and economic aspects. The design should incorporate infection control, accident prevention, fire proofing and emergency evacuation to ensure the safety of the users, as well as adopt low-carbon and resource-efficient measures. All the anchor elderly care institutions will ultimately reach two-star national green building standard. Rehabilitation of existing buildings is considered preferred approach to reduce the initial construction investment and increase financial sustainability.
- (ii) A key reference tool to facilitate implementation of these design principles is the Technical Report on Elderly Care Facility Design, including two main groups of contents.
- (iii) One is a guidance of updated General Design Principles taken from international best practices, and illustrated with international cases elected in function of similarities of budget, construction technology standards, user's idiosyncrasy and site conditions.
- (iv) The other is a report and documentation of the critical analysis of current Hebei projects and the subsequent monitoring of the evolution of their changes and improvements as a result of the whole current interaction process with experts.

2. Outcome

- (i) Raised awareness of the local CAB and implementing agency in the perception of good practices in EC facility design and development.
- (ii) Increased capacity in much of the local design institutions and all other actors involved in the EC facilities building, in the direction of updating their design methodologies to project and construct more functionally efficient, user sensible, context integrated and sustainable elderly care facilities.
- (iii) EC facilities that can support the acknowledged principles of aging in place, active aging and de-initialization.
- (iv) Elderly-friendly physical environment in urban rural communities and the elderly's residence under the project.

3. Activities

- (i) To define the distinctive design principles and concrete project aspects which characterize present day proper and efficient Elderly Care facility design.
- (ii) To illustrate those by analyzing international exemplary study cases which have been selected according to similarities in budget, construction technology standards, user's idiosyncrasy and site conditions.
- (iii) To implement the effective transmission of that knowledge through an experiential interchanging process based on imparting two workshops -by local and foreign experts- about main principles and guidance, exemplary cases

analysis and Hebei ongoing real subprojects design analysis and modification, each one according to its current design stage.

- (iv) Permanent monitoring and advice availability through contact between experts and all the actors involved in the design process.
- (v) Documentation of the whole experience and activities process and results, to be used as a basis for a further critical review and progress.
- (vi) Support to the project team's other major's specialists in every aspect of their contribution related to design.

4. Sustainability

8. Sustainability and green building principal to be tackled in the following ways:

- (i) Use all the passive costless solar design strategies, like solar, seasonal control traditional devices. Use wind orientation, cross section disposition and cantilevered floors to optimize seasonal benefits from sunlight; apply measures like topography adaptation—avoid big terrain movements-, rainwater and waste water recycling and so on.
- (ii) Include as much as possible sustainability enhancing mechanical and electronic devices, technologies and equipment according to the budget constrictions.
- (iii) Restoration of existing buildings must be considered not only from the plain economic point of view, but also evaluating the environmental impact of the whole process in case of demolition (and rebuilding) and its possible value as a memorial or identity reference for users and neighbors.
- (iv) Consider also the sustainability of the manufacturing process of selected materials. Use all available and affordable prefabricated options in any stage of the construction process.

C. Relevant Design Standards and Guidelines in the People's Republic of China

9. The following PRC codes (or any official superseding versions of these Codes) should be complied with in preparing and making any revisions the detailed EC facility designs for the project.

- (i) Code for Design of Building Fire Protection and Prevention (GB 50016–2006.),
- (ii) Code for Seismic Design of Buildings (GB 50011–2010),
- (iii) Standard for Classification of Seismic Protection of Building Constructions (GB 50223–2008),
- (iv) Codes for Accessibility Design (GB 50763–2012), and
- (v) Design Code for Buildings of Elderly Facilities (GB50867–2013).

D. Design Checklist

Design Principles	Requirements	Desirable features
Community-based planning and design	(iii) Location inside or near a consolidated living community with convenient public traffic connections and complete everyday life services.	
	(iv) Implementation of features and services in the facility for daytime activities (health	

Design Principles	Requirements	Desirable features
	<p>care, culture, amusement, etc.) open daily to non-resident seniors as well.</p> <p>(v) Common services that can be shared with all the people in the surrounding neighborhoods should be placed on lower floors making them accessible and minimizing obstacles, such as stairs, elevators, and doorways.</p> <p>(vi) Easy and no-barrier pedestrian access to the shared public spaces and services of the community.</p> <p>(vii) Concise inner traffic circulation and fluid connection to the public traffic network.</p> <p>(viii) The public space and environment of community inside and outside of the site in every case must be improved in quality and amount after any new project is opened.</p>	
User-centered	<p>(i) The overall design significance must stress psychological and physical support by all means to validate and extend the autonomy, independence, and privacy of every resident in everyday life.</p> <p>(ii) The overall design methodology must focus on environmentally positive interventions (i.e. prevention, support, and stimulation) with the aim to maintain and enhance their remaining abilities and emotional regulation, other than medical treatment and assistance on daily living activities.</p> <p>(iii) The design concept must be considered as an objective to achieve as well as a leading reference guide to control the design choices regarding the kind of desired spatial experience and atmosphere we want to convey with the end-users in each particular case, and relax in an active way.</p> <p>(iv) Functional and aesthetic design of elderly care facilities must adapt to elderly users' living traditions and cultural background and level, whereas the choice of design must look for a better balance between living comfort and stimulation-achieved by combining familiar elements and innovative compositions at mental, physical, and social levels.</p> <p>(v) The design must avoid as much as possible applying features (i.e., colors, materials, lay-out, equipment, appliances, light, sound, and smell, etc.) that are psychologically irrelevant or may evoke indifference, exclusion, and isolation feelings.</p> <p>(vi) Autonomous living and personal privacy become more sensible issues to address in institutional care facilities where a collective life style is predominant, thus the proportion and transition between public and private spaces needs to be carefully set to avoid unexpected disturbance.</p>	A cozy home, a civil center, socializing spot, or any combination of those where they can live, work, learn, and play.
Working efficiency	(i) Select appropriate facility size to guarantee personal attention and that care can be correctly delivered to every elderly individual.	(i) Middle (50–200 beds) and small (<50 beds) scale are suggested.

Design Principles	Requirements	Desirable features
	<ul style="list-style-type: none"> (ii) The layout of each care unit must be especially designed to optimize a shortest path system, easy and no-barrier access to all spots, sufficient capacity, and smooth connections in both vertical (i.e., ramps, elevators) and horizontal (i.e., corridors, openings) circulations. (iii) The layout of each care unit must be especially designed to reduce unnecessary or irregular visits of staff to every individual room; and to ensure that the elderly mostly stay under watch of care staff to avoid accidents. (iv) Provide enough resting and activity space for the working staff. (v) An appealing living environment for the elderly will be an appealing working environment for the working staff as well. 	<ul style="list-style-type: none"> (ii) Larger ones should be divided to smaller care units of no more than 30 beds for each. (iii) Common living and/or dining spaces adjacent to a care station for all residents in one care unit. (iv) For small elderly care facilities, it is necessary to provide at least a separated and comfort room for the caregivers to have a break. (v) Provide a multifunctional space in larger ones for the whole personnel to assemble for eating, training, resting, and holding other collective activities.
Inclusive design	<ul style="list-style-type: none"> (i) Diminish all the physical barriers (thresholds, steps, narrow door openings, etc.) that could hinder easy and safe horizontal and vertical movement for the elderly people with physical and/or cognitive frailty and disability. (ii) Diminish all the cognitive barriers for interior and exterior space orientation. (iii) Select or produce furniture (bed, table, chair, cabinets, etc.), fixtures (ramps, railings, handicapped bathroom, etc.), and architectural hardware fittings (door and furniture handles and locks, faucets, etc.) with ergonomic aesthetics, easy and appealing for use, light to move, and easy to clean. (iv) The application of assistive ICTs (information and communication technologies) is also in the scope of inclusive design, such as virtual reality and augmented reality technologies realized through Internet and/or Intranet devices for daily communication, learning, entertainment, professional exercise, and therapy of restoration and rehabilitation. 	<ul style="list-style-type: none"> (i) an easily perceptible and understandable sign system (graphic design - font, size, color, layout of letters and icons, material, texture and color of background base). (ii) Spatial and finishing attributes (material, color, texture, light and lighting, scenery composition, etc.).
Non-institutional design	<ul style="list-style-type: none"> (i) Close contact with nature must be ensured in all the possible and suitable ways within a safe and comfortable environment. (ii) Apply domestic finishing, furniture, fixtures, and hardware fittings (material and color of wall, ceiling and flooring, lighting fixtures and effects, bathroom accessory, storage, etc.) in the public spaces (i.e., living, dining, leisure activity, therapeutic room) and private rooms for the elderly users. (iii) Design of well-oriented outdoor spaces with light structure protection or weatherproof veranda or gallery that can be opened for summer use and closed like a greenhouse for winter use is advisable for supporting the organization of all year around activities while avoiding physical stress from too hot or cold weather. 	<ul style="list-style-type: none"> (i) providing accessible and landscaped yards, gardens, roof terraces, etc. for leisure walk, physical exercise, game, gardening (ii) Interaction with sensory-therapeutic plants and traditionally symbolic animals, such as fish, birds, etc. (iii) Use of a traditional courtyard system in layout, sunlight distance must be carefully calculated to guarantee the yard space is suitable for elderly outdoor activities all year around. (iv) Prolific use of water features in both interior and exterior environment as therapeutic sensory stimulants.

Design Principles	Requirements	Desirable features
		(v) Generous use of windows and glass doors in terms of location, shape, and different effects of transparency to enhance interesting visual contact with nature for the purpose of framing nice views and assuring the yard or the garden is visually incorporated to the interior space.
Sustainable design principle	(i) Make full use of passive energy-saving designs for site planning, building layout, façade, and material. (ii) Make use of any local advantages that exist (hot water springs, local stone, etc.) (iii) Apply green technologies as permitted in accordance with budgetary and investment payback considerations. (iv) The design of plant conservatory like architecture adjacent to exterior facades must be considered as it acts as a cushion gap between inner and outer spaces providing both great energy -and maintenance cost-saving efficiency and a quite lively and comfortable space, which can easily adapt to every climate, orientation, and station. (v) Consider the whole manufacturing, transport, construction, and recycling process when choosing the materials to reduce construction cost and production of construction waste at demolition.	(i) Use environmentally and culturally approved Feng Shui principles in the site's layout and building orientation. (ii) Sufficient natural light and fresh air ventilation, sunlight orientation, double-layered windows or curtain walls, window shutters or shadings cantilevering components shaded areas using trees and vegetation. (iii) Solar and photo voltaic panels and water recycling. (iv) Establish rainwater collection and reuse systems in landscape design (i.e., in combination with permeable paving, water features, and water harvesting for gardening). (v) Use automation technology in control of energy supply and consumption, mechanical devices and appliances, etc. (vi) Employ locally available construction materials and techniques according to the particular circumstances of each subproject. (vii) Use prefabricated building techniques as much as possible to reduce the construction cost and increase the environmental friendly value.

E. Dissemination Activities to Demonstrate the Application of Best Practices

- (i) Presentation of findings and lessons learned in the improvement and implementation of EC technical design.
- (ii) Presentation of international and national best practice and exemplar case analysis.
- (iii) Presentation of general EC architectural design principles and key design considerations, including Q&A interactions.
- (iv) Presentation of domestic procedures for EC building designs, and instruction for next design stages.
- (v) Workshop to discuss the findings and lessons learned during the design stage,

clarify the missing and confusing information, and provide specific comments and suggestions.

APPENDIX 3

GENERIC IMPLEMENTATION STRATEGY AND ROAD MAP FOR HOME- AND COMMUNITY-BASED CARE

I. CAPACITY BUILDING STRATEGIES FOR DEVELOPING ELDERLY CARE AND SERVICES

A. Introduction

1. The capacity strengthening strategies and activities have been designed to comprehensively address the needs of the subproject implementing agencies and respective local civil affairs bureaus (CABs) to be able to develop and deliver integrated home- and community-based care (HCBC) services and residential care systems and services as outlined in outputs 1, 2 and 4. The objective is to improve capacity and quality of services, to develop frameworks, tools and materials that will be used, and to transfer learning to other stakeholders in Hebei province and beyond. The strategies include (i) establishment of a learning collaborative for all implementing agencies on essential areas of elderly care (EC) development, facility operations, and service quality; (ii) innovative pilots with each implementing agency and/or CAB to develop key systems (planning, assessment, and quality monitoring) or service delivery approaches; and (iii) exposure to national and international good practices.

2. Capacity building under Output 3 on human resources development focuses on the activities with Yanshan University (YSU) to develop EC curriculum and training in five areas, train faculty, and initiate an innovative research program. These activities will also be supported by consultants and resource persons.

3. A final set of capacity building and guidance is outlined for the design of all new facilities. Under the project preparatory technical assistance (PPTA) a set of basic design principles were agreed to (community-based, care-focused, efficient, inclusive, and non-institutional) and as the project moves to detailed design and construction, it is essential that international and national good practice in EC design is ensured. These activities are supported by design and EC specialists.

4. All capacity building activities are supported either by consultants and budget under the loan (for the implementing agencies) or under the capacity development technical assistance (for the CABs).

B. Strategies for Improving Home- and Community-based Services through the Implementing Agencies (Output 1)

1. Overview

5. Improved home- and community-based care services (Output 1) for the elderly has been designed to comprehensively support the five implementing agencies to establish quality HCBC services. The objective is to design and deliver quality HCBC service that are responsive to the needs of the ageing population; integrated within the communities, with the residential services (Output 2) and with other service providers; maximize existing resources whilst exploring new technologies; builds capacity of the implementing agencies and provides well-documented examples and capacity building frameworks and materials that can be transferred to other interested care providers in Hebei province and beyond.

6. Output 1 includes:

- (i) Design, construction, and rehabilitation of 51 community centers.
- (ii) Development of appropriate and effective services focused on the needs and preferences of the elderly, and support to families.
- (iii) Human resource development, including management and care delivery.
- (iv) Development and monitoring of quality systems linked to external standards.
- (v) Development of five information and technology (IT) information centers, linked with the information and communications technology (ICT) platform in the residential centers to support HCBC service delivery and emergency support.

7. Output 1 includes general approaches to be adopted by all the five implementing agencies. However, the emphasis on HCBC by the five implementing agencies and the timing of the activities will differ according to the implementing schedule. Linkages with Outputs 2, 3, and 4 will further strengthen Output 1.

8. The approaches outlined above will be supported by the HCBC consultants as well as other EC specialists in human resource development; consultation, monitoring, and evaluation; IT; and EC design who will provide support across the outputs. To complement these activities, the output will also support (i) exposure to good practices nationally and internationally through targeted study tours designed to focus on key areas, such as care management and quality assurance; (ii) on-the-job training opportunities for staff and management; (iii) creation of national and international partnerships to support (a) research activities, (b) mentoring, and (c) sustainable capacity building.

9. The following sections outline the specific strategies for HCBC service improvement. As mentioned above, the strategies will be supported by international and national consultants and further institutionalized through the accompanying training and mentoring program.

2. Rationale

10. In order to address the increasing shortfall in care needs being met in the country, and with consideration for the rapidly aging population in 2011, the State Council issued '*A development plan for elderly care system*', which defined the elderly care system (ECS). In this, the components of ECS in the PRC is 'home-based care as the base, community-based care as backbone, and residential-based care as the support.' Home-based care is defined as including 'personal care, home care, rehabilitation, medical and nursing care, and psychological comforting. Community-based care includes daycare and supports for home-based care.' This principle was reiterated by the State Council in 2013 when it called for the establishment of such a system all over the country by 2020.³⁴⁶ Relevant goals in the PRC's Thirteenth Five-Year Plan (2016–2020) include extending the coverage of home- and community-based care to give access to 80% of all urban and rural residents, and to significantly increase residential EC beds to keep pace with increasing demand as the size of elderly population expands.³⁴⁷ However to date, the development of HCBC services—as opposed to facilities—has been limited due to a number of factors, including a lack of experience, understanding of the purpose, objectives, potential of HCBC service incentives for HCBC services development, and a lack of financial and human resources.

³⁴⁶ State Council. 2013. *Opinions on Promoting the Development of Senior Care Service Industry (Circular No. 35)*, Beijing.

³⁴⁷ Government of the People's Republic of China. 2016. *The Thirteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China, 2016–2020*. Beijing.

11. In four of the five localities where the implementing agencies operate, there is currently no functioning HCBC services for the elderly.³⁴⁸ In Shuangluan District, Chengde City, community centers that have established day care rooms and community services are struggling due to a lack of human resources and financial constraints. All five implementing agencies are new to the field of elderly care, including HCBC services, which means the activities under Output 1 have been designed to build capacity gradually, provide ongoing mentoring, and be responsive to the emerging needs of the elderly in the community. Capacity building is required in all facets of HCBC service delivery (management, care provision, and systems development). The guiding policies on HCBC services at national and provincial are evolving rapidly, and fiscal support to the sector is potentially likely to increase and therefore the activities under Output 1 are designed to build the capacity of the implementing agencies to be able to respond to the emerging sectoral development.

3. Outcome

12. The project will support the establishment and rollout of HCBC services through five implementing agencies in different parts of Hebei Province, which will include the establishment of 50 community centers from which to operate HCBC services.

II. STRATEGIES FOR ESTABLISHING AND IMPROVING HOME- AND COMMUNITY-CARE SERVICES

13. As the implementing agencies who will become the care providers have no or limited experience in HCBC services, the project specialists will work with each implementing agency through each step of the process and provide ongoing mentoring and monitoring. Therefore, there will be a gradual rollout of services provided geographically and in terms of the range of services provided. At the same time, the project will be supporting the development of systems from civil affairs, which will strengthen the systems in which the implementing agencies operate.

14. International best practice will be shared with the implementing agencies to encourage the development of person centered care, focused on providing affordable HCBC services that meet the wide ranging and different needs of their clients, and respects their individual preferences. This will be embedded in the project through training, exposure through study tours, the development of standards and assessments, the development of supportive human resource plans and monitoring frameworks.

15. As within all effective care systems, coordination between different stakeholders and effective utilization of resource is paramount. The project will support the implementing agencies to link effectively with these stakeholders (clients, families, community groups, health clinics, and other authorities) as well as promote the development of volunteer and social networks to improve the wellbeing of the elderly in the community and the quality and quantity of services provided. Within each implementing agency, the residential care and HCBC services will be integrated.

³⁴⁸ Poverty and Social Analysis report, Section 5.2.1

A. Activities

16. Build, rehabilitate, and equip 51 community care centers (35 urban and 16 rural), providing a range of services, including sufficient space, facilities, and equipment for at a minimum information services, recreational activities, daycare, outreach home-based care services, and support for caregivers. The EC Design and HCBC Specialists from the project will review the pre-identified sites to ensure proposed layout, utilization of space, and proposed equipment lists for suitability incorporating principles of universal design. However, since many of the community centers will be rehabilitated from existing buildings, there will be limitations in achieving perfect design. The project will also ensure each implementing agency develops a maintenance plan for the community centers to ensure they remain inviting, functional and safe for clients.

17. The project will organize a well-designed and targeted study tour to Beijing and Japan to learn more about HCBS in practice and the potential of HCBS and to ensure national and international best practice is reflected in the development of HCBS approaches and services.

18. Each of the five implementing agencies will complete the following activities on service delivery.

- (i) Conduct further participatory and multi stakeholder consultation process on needs, design, and delivery of HCBC services in five subprojects areas through a newly established working group of stakeholders.
- (ii) Develop detailed HCBC service specifications for each implementing agency and provide training to implementing agency management and care staff. Ensure service specifications will be appropriately tailored to the population they serve, especially differences between elderly urban and rural populations.
- (iii) To broaden and improve the level of HCBC services provided by the implementing agencies, strategic use of the technical specialists employed in the residential centers and medical facilities to provide outreach at the community centers will be included in the service specification of the Community Centers. This could include for example weekly sessions at the community center for rehabilitation to save clients the need to travel to main facilities, or the use of occupational therapists to conduct the home assessments, or education and training opportunities for HCBS staff.
- (iv) Mobilize and strengthen social organizations, self-help groups of older people themselves and volunteers to provide
 - a) support to elderly needing care particularly in areas such as befriending, accompaniment, household tasks, and
 - b) build social resilience and self-help capacity of older people.

19. This will be done through consultation, exchange visits and training.

20. Establish a training and support program for family care givers run out of rural and urban community centers, based on the family care needs and priorities identified in the community consultations. This could range from support for family care givers integrated into plans for day care clients to the development of support groups, training for family members, information provision on services and entitlements or caring for people with certain conditions (dementia, stroke)

21. Establish a home safety assessment and modification program. Key experts will support the development of the implementing agencies home safety assessment and modification program. The program is aimed to compensate for the older people's functional limitations by reducing the environmental challenges they experience during everyday tasks. Home care workers will provide training to older people in using the compensatory supports and strategies during daily activities and ensure the links to services for home modifications (such as such as adaptive equipment, architectural modifications (e.g., ramp), major home renovations (e.g., roll-in shower)) for

established. The Program will be rigorously evaluated, collecting data on the impact the interventions have on the performance of daily activities (self-rated and care assessment), client satisfaction and cost of intervention. The evaluation should also consider the performance of home care workers to make useful and safe assessments, given that usually these assessments are supported by an occupational therapist

B. Activities on Human Resource Development, Applicable to Five Implementing Agencies

22. The development and implementation of the Human Resource Plan will be supported by the HCBS and HRD specialists. This human resource strategy and plan will cover skill and competence analysis, recruitment strategies, retention strategies, terms and conditions, workforce planning, use of volunteers. Skill development for care workers and management will be planned through a combination of on the job and off site training courses. The implementation of the human resource plan will be phased with an emphasis on getting 'basics right first', rather than overspecialization. However, as the care staff becomes more experienced they will be provided with further training to upgrade their skills and knowledge to provide better care to more clients with challenging conditions.

23. As many of the implementing agencies managers are unlikely to come from an EC background, a training development program for managers of community centers and HBC services will be developed, combining where possible formal training and short placements in existing HCBC operators in other localities to provide on the job training.

C. Activities on System Development

24. In order to have a standardized care assessment tool from which to develop an individualized and appropriate care plan the project will test, pilot and assess the suitability of either existing comprehensive care assessments or improve current assessments used to become more person centered and holistic. Whether these tools need to be modified for rural care providers will be assessed as well. This will be linked to the preceding pilot of the EC assessment system including eligibility assessment, levels of care and care planning that will be conducted in Chengde (Output 4).

25. As the current existing standard requirements issued by CAs with regards to day care centers are focused on input rather than services, the project will provide technical support to the implementing agencies to develop their own service and quality standards, as well as the monitoring system to collect data and report on these standards. The project will provide training to the implementing agencies on the service standards, and then support each implementing agency to develop their own quality monitoring system. The output from the implementing agency's monitoring system will feedback into the external monitoring system established by CAs that collects data on all EC operators. This will be linked to the pilot on EC quality management system including the use of ICT in tracking EC performance, implemented in Shexian with the respective local Civil Affairs (Output 4).

D. Activities on Information and Communications Technology Platform and Call Centers

26. The project will support each implementing agency in its plans to establish a call center service to support HCBC services. Apart from receiving calls from clients for services, the call center should be upgraded as an EC monitoring and evaluation (M&E) system for data collection, needs assessment, and M&E of services. An elderly care specialist should help to develop a set of baseline indicators for initial assessment of all old people in the area. The initial assessment should be comprehensive and documented at the client level, covering older people's psychosocial, medical, and socioeconomic factors that affect their needs for service or wellbeing. This will be followed by regular data collection by each HCBC operator to monitor changes in needs and risks and provide services accordingly. Such M&E system can be set up at the district or county level,

while the implementing agency operated HCBC centers function as data collection stations for clients in their respective area.

27. The HCBC service, IT, and community consultation specialists will work alongside the implementing agencies to input into the development of relevant and responsive services aimed at providing a wide range of prevention, promotion activities as well as facilitating HCBC service provision. This will include developing a training program of call center staff. The project will develop training and IEC material to support the roll out of the technology to potential clients. The EC Design and Procurement Specialists will support the construction process. The IT specialist will be responsible for ensuring the (management information system) MIS design and implementation for each implementing agency serves both EC services (residential and HCBC), and will explore the possible sharing of information with Health System MIS

28. **Gender equity and social inclusion.** The HCBC strategies shall address gender equality and gender stereotypes and ensure that equity and participation are embedded in all aspects of operation and service delivery. Output 1 will also address social inclusion, including specific attention to creating financially viable HCBC services for low and middle income clients. Fifteen of the 50 community centers are in rural areas. However careful attention does need to be paid to the pricing of services and the availability of subsidies as there is a danger that within this project the HCBS services are still out of the financial reach of those who need them most.

E. Sustainability

29. Sustainability will be achieved through the following approaches:

- (i) Ongoing mentoring throughout the project period, providing by technical consultants and project implementation team, drawing on national and international best practice.
- (ii) Monitoring of HCBS service implementation by project implementation team and sharing between implementing agencies to identify good practice and approaches to overcome common challenges.
- (iii) Close collaboration and coordination with Output 4 on strengthening capacity of civil affairs at different levels to support quality and inclusive EC service development.
- (iv) Building up strong links, networking, and partnership with other local stakeholders including older people, their families and communities, and other relevant local authorities.
- (v) Documentation of all processes.

F. Dissemination

30. Dissemination to be achieved through:

- (i) Wide community consultations in project implementation including establishing self-support group at community level including elderly and women, developing a HCBC working group from relevant stakeholders, and development and (ii) implementation of community communication strategy
- (ii) Presentation of findings and lessons learned in the development and implementation of HCBC services through Hebei Civil Affairs Bureau and Ministry of Civil Affairs.

APPENDIX 4: STRATEGIES FOR BUILDING CAPACITY IN RESIDENTIAL CARE IN HEBEI

A. RATIONALE

31. The rights of the elderly in the People Republic of China (PRC), including the rights to receive care and support from their families and from the government is legislated in the Law on “Protection of the Rights and Interests of the Elderly (2013)”. In the PRC, elderly care (EC) services is a three-tier system with “home-care as the foundation, community services as backbones, and residential care facilities as supplements.” Various policies stipulate clearly that the target population of EC is those people requiring long-term care (LTC) with nursing care needs, assistance in activities of daily living, and/or with financial difficulties.

32. The current EC in Hebei including residential care has not been consistent with the intent of the national and provincial policies. Nor is it supportive of international/ national good practice:

- (i) The target population of EC is unclear. Many residents in residential care facilities are people with no care needs.
- (ii) The focus of EC is more residential care and less home- and community-based care (HCBC) focused. EC resources allocation has been largely residential care lopsided.
- (iii) EC services have not been geriatric focused. The management of clinical issues such as falls, skin care, tube feeding, poly-medication, and psychogeriatric behaviors have not been clearly stipulated.
- (iv) Residential care and HCBC have been operated independently. Thus, there is very little of economy of scope in EC.
- (v) A better integration between medical and/or health and EC is needed. Many elderly continue to rely on acute hospitals to address their health needs. Primary care for elderly with chronic conditions has been immature.
- (vi) EC has not been designed with care in mind. Access to and within EC facility may be difficult for elderly with disabilities.
- (vii) EC management systems especially quality and utilization management have been inadequate. Occupancy rate of residential care has been low.
- (viii) Prospective EC providers are not well prepared to operate EC. Thus, many of them do not fully recognize the risks involved.
- (ix) Functions of Civil Affairs Bureaus in EC have been unclear especially in clinical quality monitoring and assessment of EC eligibility
- (x) The need of EC and EC affordability have not been based on evidence of sound market research. EC beds proposed and affordability may be overestimated.
- (xi) There are no clear implementation strategies to realize national and provincial policies at local level. There are output measures e.g., # of residential care beds to be constructed. Outcome measures, e.g., quality of care, have not been clearly articulated.
- (xii) EC practice has not been congruent with international good practice, such as those proposed by United Nations and World Health Organization (aging in place, deinstitutionalization, and active ageing). For instance, the construction of residential care facility may favor size but not ageing in place.

B. STRATEGIES

33. To address the above issues, the following strategies will be implemented to strengthen the **residential care** services developed under this project:

- (i) **Market research to determine EC demand and affordability.** The purpose of the study is to build on the assessments done under project preparation and assess (a) current EC and/or residential care utilization, and (b) EC and residential care demand and affordability. This is to be conducted by an impartial third party, preferably by a tertiary training institute with past experience in conducting EC and/or LTC needs study. The findings of the study are to support an evidence-based EC and/or residential care demand and supply, as well as affordable pricing and fee schedules. The study should cover all subproject districts with the support of local and provincial civil affairs.
- (ii) **Establishment of a capacity building learning collaborative made up of all implementing agencies and civil affairs bureaus.** The learning collaborative is to develop and improve EC knowledge and skills for all implementing agencies, Civil Affairs and other stakeholders covering the following topics over a period of 18 months:
 - a) characteristics and clinical issues of EC users,
 - b) dementia care,
 - c) medical rehabilitation center,
 - d) EC generic and utilization management,
 - e) EC quality assurance system and monitoring, and
 - f) EC assessment, level of care and care planning.

34. There will be six learning collaboratives, one for each of the above topics. Each collaborative involves a 2-day workshop and 4-day on-site plan, do, study, and act (PDSA) learning cycle. After the workshop, the participants will try to implement a project pertaining to the theme of the workshop in their respective organization through a PDSA learning cycle. The participants will maintain continuous contact with each other, their coaches, the Collaborative faculty (i.e., external consultants) through email, *wechat*, videoconference, and 10–15 on-site learning sessions.

35. The topics have been chosen in discussion with all implementing agencies and CABs. They are designed to build capacity to implement (i.e., EC management), develop or improve service quality and importantly, to develop new and much needed service areas such as dementia care and rehabilitation.

36. The majority of EC services in Hebei are supported by various levels of government through direct funding and/or preferential policy. Thus, government has two essential roles: (i) gatekeeping and (ii) monitoring. In gatekeeping, the government is to ensure that EC resources are targeted at those who are most in need. In monitoring, the government is to ensure that public supported EC services are good value for money. Thus, 4.5 and 4.6 are particularly useful for building the capacity of Civil Affairs in enhancing their functions in EC eligibility assessment and service quality monitoring.

37. **Pilot projects.** Five pilot projects will be implemented during the course of the project, one with each implementing agency and a few with CABs. The objective of the pilots is to experiment EC delivery strategies on a small scale basis in order to evaluate the feasibility, time, cost and adverse effects of these strategies when they are put in practice. The pilot projects also attempt to examine the appropriateness of the specific EC system, procedure and skills prior to a full-scale implementation. Pilot projects, seek to build innovative approaches, will be done only with selected implementing agencies, will include a learning and documentation element in their design and are applicable to settings where project success factors prevail. These key EC strategies were identified during the project preparation technical assistance site visits, agreed upon by the respective implementing agencies and supported in principle, by the respective CABs and government departments. The implementing agencies and CABs involved realize the pilot projects are to help develop the software required in order to better delivery EC services when the hardware (facilities) are ready. Here are the list of pilot projects:

- (i) Elder care assessment system including eligibility assessment, levels of care and care planning: Shuangluan District and respective Civil Affairs Bureau.

- a) **Long-term care.** Assessment is the use of a systematic tool or process to collect information on the needs of LTC users. Typically, the assessor (usually a case manager) uses the tool to evaluate the physical, cognitive and functional needs of the LTC users and ranks their levels of impairment. The purpose of assessment is to determine service eligibility, especially for publicly funded services, and to enable service matching, planning and monitoring.
- b) **Monitoring** in LTC (EC) is a systematic approach to monitor the quality of LTC according to care and service standards either set by external authority or internal quality monitoring system. It involves standards setting, data collection and reporting, and plan for follow-up, if quality improvement is required.
- (ii) Vertical Medical and/or Health and Elderly Care integration, including the Proposed Medical Rehabilitation Center: Julu County and Respective Health Care Providers in Julu County.
- (iii) Elderly Care Development Strategy and Plan, including (a) EC services to be developed, (b) financial sustainability, (c) risk and quality management, (d) human resource, and I intra and inter-EC sector collaboration including management of public expectation: Li County and respective local civil affairs bureau and local stakeholders.

38. This is a process of establishing a formalized, ongoing, long-range LTC and/or EC plan so as to define and achieve the goals of LTC and/or EC. The plan provides an overarching picture of the future (vision) that all stakeholders seek to create and guides all LTC and/or EC activities at the municipal, county and organizational levels. Specifically, the plan should include the key service strategy such as major LTC and/or EC services to be established in the next 5 years; and a number of enabling strategies to support the realization of the key strategy: finance sustainability, quality assurance, human resources requirements and public expectation management. A typical EC service and system plan also includes a basic set of beliefs which communicate what is important to the general public, government and the LTC and/or EC organization, what these stakeholders stand for and how they operate on a day to day basis in pursuit of their vision. The planning process has been undertaken in Yichang, Hubei and been successful in helping the municipality to prioritize investments, ensure that they are developing an inclusive LTC system and services, and has helped to define the roles of stakeholders (government agencies, private sector, social organizations).

- (i) EC quality management system including the use of ICT in tracking EC performance: Shexian and respective local civil affairs.
- (ii) Horizontal medical and/or health and EC integration in collaboration with Xinji #1 hospital: Xinji City and respective health authority.

39. This is to identify the enabling factors for a better integration between health and elderly care. The pilot will then try to build a collaborative relationship between the medical rehabilitation center, residential care (and HCBC) and one of the local hospitals by using the enabling factors identified. This is to ensure that the EC users and elderly patients will have access to a seamless health and social care continuum.

C. OUTCOME

40. The capacity building in residential care will (i) improve safety and quality of EC for people with complex health and social conditions, and (ii) optimize efficiency and effectiveness of the service providers.

D. ACTIVITIES

41. Market research to determine EC demand and affordability.

Step	Activities
1.	Identify funding sources and principal investigator
2.	Form the EC study leadership team.
3.	Agree on the study plan
4.	Conduct the study and producing the report
5.	Share the results with all implementing agencies and other stakeholders, e.g., civil affairs, etc.
6.	Refine the business plan including pricing strategy realistically according to the findings of the study

EC = elderly care.

42. Capacity enhancing through learning collaborative.

Step	Activities
1.	Form capacity building leadership team to oversee the implementation of training programs for all stakeholders: implementing agencies, civil affairs, etc.
2.	Agree on team charter of the capacity building leadership team
3.	Prioritize training themes: <ul style="list-style-type: none"> (i) Characteristics and clinical issues of EC users (ii) EC Assessment, levels of care, care planning (iii) Dementia care (iv) Medical rehabilitation center (v) EC quality assurance and monitoring system (vi) EC management including generic management skills and EC utilization management
5.	Set training objectives and outcomes
6.	Formulate training timelines
7.	Develop training materials and format (PDSA)
8.	Determine training workshop venue and schedule
9.	Check if diversity such as gender is an integral part of training contents and materials
10.	Recruitment of workshop participants Conduct the training workshop (1 st topic/theme)
11.	On-site learning session 1 – Plan (1 day)
12.	On-site learning session 2 – Do (1 day)
13.	On-site learning session 3 – Study (1 day)
14.	On-site learning session 4 – Action (1 day)
15.	Evaluation and celebration
16.	Repeat 7 – 15 for each of the training topic/theme

EC = elderly care; PDSA = plan, do, study, and act.

43. Pilot projects.

Step	Activities
1.	Recruit pilot project consultants, both international and national, as well as resource persons to pilot various EC projects with respective implementing agencies
2.	Form pilot project leadership team with representatives from implementing agency, CAB, other government departments e.g., Health, etc., to oversee the implementation of the project
3.	Agree on the team charter of the leadership team including the adoption of a systemic approach
4.	Prioritize pilot project: <ul style="list-style-type: none"> (i) EC development strategy and plan (Li) (ii) EC assessment system (Chengde) (iii) Vertical Health and EC integration including medical rehabilitation center (Julu) (iv) Horizontal Health and EC integration with Xinji #1 Hospital (Xinji) (v) Quality management system (She)
5.	Identify key components of the pilot project. For instance, the quality management system should include, but not limited to, quality monitoring, quality improvement and quality planning, etc.
6.	Identify EC providers including the implementing agency selected to try the pilot project, with the help of the leadership team and local CAB to
7.	Identify impartial 3 rd party for pilot project evaluation
8.	Agree on the evaluation framework of the pilot project and identify impartial 3 rd party for pilot project evaluation
9.	Complete the project and report to the leadership team on a regular basis.
10.	Complete the project evaluation and recommend rooms for improvement to the leadership team.
11.	Share the results of the pilot project with all stakeholders, government, community leaders, and other implementing agencies .
12.	Recommend the roll out of the pilot project to other sub projects if it proves to be successful.

Step	Activities
13	Roll out of the pilot to other sub-projects
14	Try all other pilot projects

CAB = civil affairs bureau, EC = elderly care,

44. Sustainability.

- (i) Starts with what the elderly needs and affordability, and what the implementing agency can offer through market research. Thus the project is based on real demand.
- (ii) Encourage the participation of all key local stakeholders including implementing agencies, civil affairs, health, training institutes etc. by (1) involving them in the training and pilot project leadership team as much as possible and (2) networking and partnership with them and their respective organizations.
- (iii) Provide training for those people involved. People are the most important asset in any project, who will guarantee project sustainability.
- (iv) Institutionalize all pilot projects. After initial trial, all pilot projects will be rolled out to other implementing agencies and become part of their EC operation.
- (v) Make EC a deliberated effort through EC development strategy and plan so that every stakeholder knows what EC looks like in the near future and how to reach it.
- (vi) Measure success and failure. Project evaluation is an integral part of capacity building. Optimize success and remove defects ensure project sustainability.

45. Dissemination.

- (i) Presentation of findings and lessons learned in the implementation training and pilot projects to all stakeholders and interested public so as to raise public awareness of the training and pilot projects and to invite public inputs, if appropriate.
- (ii) Presentation of findings of market research to all stakeholders and interested public as to raise public awareness of EC demand and affordability and to invite public inputs, if appropriate.
- (iii) Documentation of findings and lessons learned in the implementation training and pilot projects and shared with all stakeholders so as increase their understanding of the training and pilot projects
- (iv) Documentation of findings of market research to all stakeholders so as to increase their understanding of the EC demand and affordability
- (v) Workshop to discuss the findings and lessons learned in the implementation of pilot projects with **implementing agencies** and CABs so as to ensure a seamless repetition of projects.
- (vi) Workshop to discuss the findings of market research with **implementing agencies** so as to enable them to fine tune their business plan and pricing strategy accordingly.
- (vii) Training manuals for the following themes:
 - a) characteristics and clinical issues of EC users,
 - b) EC assessment, levels of care, care planning,
 - c) dementia care,
 - d) medical rehabilitation center,
 - e) EC quality assurance and monitoring system, and
 - f) EC management including generic management skills and EC utilization management.

APPENDIX 5: STRATEGIES FOR DEVELOPING HUMAN RESOURCES FOR ELDERLY CARE

A. OVERVIEW

46. **THE fast aging population in the People's Republic of China (PRC) is generating increasing need for care.** In 2015, the population aged 60 and above reached about 212 million in the People's Republic of China (PRC).³⁴⁹ It is expected to grow by 70 per cent by 2030. Approximately 35 million out of these 212 million experience difficulties in performing activities of daily living (Wu and Dang, 2014).³⁵⁰ Assuming that – on average – one full-time elder care practitioner is needed for one in every four of these 35 million elders, Wu and Dang estimate that the country needs about 9 million elder care practitioners in the EC sector. This includes variety of positions from physicians and nurses to rehabilitation specialists, social workers and caregivers.

47. **HUMAN RESOURCE NEEDS FOR ELDERLY CARE (EC) SPAN ACROSS A WIDE RANGE OF PROFESSIONS AND INVOLVE A BROAD SET OF SKILLS.** THE CAREGIVING PROFESSION RECEIVES A LOT OF attention, as it plays an essential role in EC provision. But many other professions are crucial to a well-functioning EC system, including paramedical professionals (e.g. physiotherapists, nurses), medical specialists (e.g. geriatric physicians, neurologists), social workers, service providers, and managers. As the EC sector develops in the PRC and adopts good international practices, human resources will need to evolve. It is for instance widely acknowledged today that home and community-based care (HCBC) should form the backbone of EC. This requires a shift in the organization of EC systems and in the skills sets required from EC professionals. Assessing and monitoring elders' care needs is an important part of HCBC. It is typically undertaken by multi-disciplinary teams of EC specialists. Such teams have yet to emerge in the PRC. Similarly, HCBC requires good data and information systems. Many provinces in the PRC, including the Hebei Province, are looking to set up e-platforms for EC. This too will require new competences, e.g. training EC staff to use such platforms, analyze data, and communicate effectively. Finally, as the EC sector integrates new technologies, from modern IT systems to wearable devices and robotics, greater and more specialized human resources will be needed.

48. **ADDRESSING HUMAN RESOURCE NEEDS FOR EC IN THE PRC WILL REQUIRE CONCERTED AND SUSTAINED EFFORTS.** THE PRC FACES THE COMPLEX CHALLENGE OF HAVING TO expand its EC sector rapidly and broadly, while also improving quality of EC provision. The workforce currently engaged in EC is not equipped with the skills it needs to provide quality care. Most caregivers are middle-aged workers, typically laid-off personnel from other industries or rural migrants. They have usually completed no more than primary or lower secondary school and have received little or no EC training.³⁵¹ Healthcare professionals too are unfamiliar with elders' needs, as training programs rarely include modules on EC or EC specialties. Medical staff thus often lack the skills required to diagnose and treat elders adequately (e.g. little knowledge of dementia-related ailments). Other skills are needed as well to improve the EC sector system wide. In order to respond to the rapidly expanding demand for EC, the country is increasingly turning to private providers and local organizations with little or no experience in EC. Management skills – at all levels – are absolutely essential to build efficient and effective EC structures. They will help to ensure that HCBC provides a continuum of services to elders and relies on systems to assess their care needs. They will also contribute to improving residential care through better staff retention, better governance, and better quality assurance.

³⁴⁹ World Population Ageing 2015, United Nations, Department of Economic and Social Affairs, Population Division (2015)

³⁵⁰ Report on the Development of China's Elderly Care Industry, Wu Yushao and Dang Junwu, Social Sciences Academic Press (2014)

³⁵¹ Long-term Care for Older Persons in China, Du Peng, United Nations Economic and Social Commission for Asia and the Pacific, Social Development Division Working Paper (2015)

49. **As the Hebei province expands elderly care (EC) services to respond to increasing demand, it will need to address the pressing issue of skills gaps in the sector.** A key priority for the province is to ensure the supply of adequately trained staff at all levels, from HCBC to residential care. Based on estimates placing the population aged 60 and above at 15.6 million in 2020, the Hebei province will need about 200,000 EC workers by 2020, including caregivers, physicians, nurses, paramedical practitioners, and other professionals in peripheral occupations.³⁵²

50. The province, along with the broader Beijing-Tianjin-Hebei area, needs leading universities and training institutions to play an active role in developing human resources for EC. Like many provinces in the PRC, the Hebei province is seeking to address shortages in key healthcare professions, including for EC. At the moment, only one college, the Xingtai nursing college, offers training courses to become a certified nurse in Qinhuangdao. Training centers across the province offer training programs for EC occupations, such as caregiving and assistant nursing, but quality is low. Given the broad range of professions that need to be developed to provide quality EC, concerted efforts involving different institutions and universities, including top ones, will be needed. Hebei Medical University (HMU), the province's leading university for healthcare, is planning introducing EC tracks in traditional medical courses (e.g. nursing, medical doctor). Yanshan University (YSU), one of the province's leading science universities, will develop specialized training courses in a broader range of EC occupations, including occupational therapy, management, and IT systems. This will generate a big push in the province for human resource development for EC and will have an important signaling effect for other training and education institutions. The curricula, textbooks, and other training material developed by YSU will also broaden the pool of teaching resources on EC available to education and training providers. This is essential, given the lack of up-to-date and relevant material on EC in the PRC.

B. STRATEGIES

51. **YSU is a well-established, leading university in the province of Hebei.** Organized in 21 colleges and schools, it trains about 38,000 students annually with a faculty of about 3,200 teachers and professors. Its School of Continuing Education is in the process of expanding to respond to the increasing demand for training in the field of EC. Within the next five years, it will be introducing a range of new courses to support human resource development for EC in the municipality of Qinhuangdao and the province of Hebei. The project will support YSU to (i) build an EC training center, (ii) design training programs for EC, and (iii) develop a research program in the field of EC.

C. ELDERLY CARE TRAINING CENTER

52. **YSU will build a new training center dedicated to EC on its campus.** The training center will include training bases for HCBC and residential care. It will also include a research center. In addition, YSU will develop partnerships with the Qinhuangdao City People's Hospital, the Qinhuangdao City Hospital, the Harbor Hospital, the Beidaihe Hospital, the Qinhuangdao City Health School and other training institutions to develop joint work-based training programs.

D. Elderly Care Training Programs

53. **YSU is planning to build on the strength of its School for Continuing Education to introduce new training courses for EC.** The School for Continuing Education typically caters to (i) people seeking to further their education and to (ii) employed or unemployed workers interested in upgrading their skills or retraining to find a job in a different sector. This student profile intersects

³⁵² Report on "the state of personal care workers in Hebei, its problems and solutions". The study was commissioned by Provincial and Municipal Elderly Committees of Hebei, conducted in Zhangjiakou, Hengshui, Cangzhou, Tangshan, Qinhuangdao and Shijiazhuang. Section 2.1 available at http://wenku.baidu.com/link?url=TFledsv0urMCazcopig2K6M-mArye3KLU2IsEkvgPiIXA6CGWqwxDcoaMviFoR9bbYgY0iBsgUVVg_jwXokvXnB1Dlf1Cbw9ynE_etwmGTm

closely with the target population for EC training programs, e.g. laid-off workers in search of employment in the EC sector, healthcare practitioners requiring EC training to better respond elders' needs, or private businesses interested in new opportunities arising in the rapidly growing EC sector.

54. YSU will draw on its expertise to develop training programs in five fields it has identified a strong demand for in Qinhuangdao and the broader Beijing-Tianjin-Hebei area.

It will introduce training programs in the following fields:

- (i) **Elderly care management.** Given the pressing need to develop strong management capacities in institutions providing EC, YSU will develop a range of training courses in EC management. It will draw on the experience of its School of Economics and Management faculty to design training programs for EC practitioners, administrators of facilities providing EC, both public and private.
- (ii) **Information and communications technology in elderly care.** YSU will design courses on ICT for EC. Healthcare providers are moving to digitalize their information and management systems. Counties and municipalities, including Qinhuangdao, are developing e-platforms to monitor EC needs in their region and ensure proper integration of EC assessment systems and service delivery. YSU will rely on experienced faculty and researchers from its School of Information, Science and Engineering and its School of Science, particularly its Department of Information and Computing Science, to develop training courses in areas such as IT systems, software development, and data analysis for EC. Looking ahead, ICT platforms will need to integrate information from wearable devices, collecting and analyzing data in real time to respond to elders' needs.
- (iii) **Occupational therapy for elderly care.** The lack of occupational therapists in the Beijing-Tianjin-Hebei region is a major concern. YSU will develop a series of training courses on rehabilitation for the elderly (e.g. physiotherapy, addressing special needs of patients with dementia). Through its School of Physical Education and the School of Mechanical Engineering, the university has already acquired expertise on the development and use of devices for rehabilitation, including robotics. It has also been working on advanced prosthetics, with promising applications for elders. It is also familiar with sports medicine and emerging practices to foster physical fitness for elders, along with the treatment and prevention of physical injuries.
- (iv) **Caregiving for elders.** To address the urgent need for EC caregivers in the Beijing-Tianjin-Hebei region, YSU will offer a range of short-term and on-the-job training courses on the fundamentals of caregiving. This will support the development of HCBC in the region.
- (v) **Geriatric psychology and counseling.** This field has received little attention in the PRC so far. Caregivers, healthcare professionals and other practitioners are not equipped with the knowledge required to understand and assess psychological needs of elders. YSU will develop a range of training courses on geriatric psychology, including on topics such as psychological stress, psychosomatic diseases, psychological assessments, and counseling.

55. Training programs will span across different qualification levels, from elementary occupations to management positions in the EC industry. YSU will develop short training courses (e.g. 5 to 10 days, 30-60 hours) for elementary occupations, such as basic caregiving services. Target students will include family members and prospective EC caregivers in HCBC. YSU will also propose technical and vocational courses to practitioners seeking to upgrade their skills and/or develop expertise in EC. These training programs will seek to address skills development needs of healthcare professionals working with elders (e.g. nursing staff, therapists).

As such, they are expected to last about 6-10 weeks (100-180 hours) and cater to employed workers. EC management programs will be more academic and of a longer duration (up to 3 years). They will target professionals engaged in administrative and executive functions. Overall, YSU's is planning on developing 15-20 EC training programs, which will include a mix of academic and on-the-job training. While no formal partnerships have yet been established, the university has already contacted local hospitals to discuss potential collaboration, particularly for internship or apprenticeship programs (e.g. Qinhuangdao People's Hospital, the Qinhuangdao Traditional Chinese Medical Hospital, Haigang Hospital, Beidaihe Hospital). YSU will also explore the possibility of adapting some of the training programs for online delivery. In addition, it will collaborate with the project's other Implementing Agencies to support their human resource development plans.

56. YSU's medium to long-term objective is to develop a corpus of training programs, which will support career development progression in the field of EC. YSU will start by introducing a selected number of training programs, based on its current expertise and today's pressing needs for human resource development in EC. Ultimately, its objective is to develop a range of training programs to support career progression in the EC sector. This will help to increase the sector's attractiveness and strengthen human resources for EC. YSU will also be in a position to develop partnerships with local training centers and EC providers to facilitate access to caregiving training and expand its outreach to countries across the Beijing-Tianjin-Hebei region.

E. Research on Elderly Care

57. EC is a growing research field, globally. High-income countries are grappling with the challenge of reforming existing systems that have become unsustainable, while low and middle-income countries are seeking to develop new models to provide quality EC on a large scale. There is thus a real need for policy research in countries like the PRC, as they cannot simply replicate existing institutional models. Technical and scientific research is also needed in EC. Medical progress in areas such as neuroscience or oncology are changing prevention and treatment strategies, including for elder patients. Research in psychology and ethics are leading to new approaches to care, from preventative to palliative care. New technologies, e.g. wearable devices or robotics, as well as advances in prosthetics are opening up new fields in healthcare and in EC.

58. YSU will develop a research program on EC, which will inform training and curriculum design. Given the university's experience in the fields of mechanics and robotics, YSU is planning to undertake research on the following fields:

- (i) rehabilitation, including rehabilitation devices, biomedicine, and sports medicine;
- (ii) use of ICT in EC, including e-platforms to monitor care needs at the community level;
- (iii) cognitive and psychological interventions; and
- (iv) policies and management for EC.

59. YSU's research program will provide opportunities to develop partnerships with other institutions in the province and beyond. The university is intent on building its faculty's capacity to lead major research in these five fields. This will require developing strategic partnerships with other colleges and universities, as well as with EC providers, particularly for applied research.

F. Outcome

60. The main outcome of Output 3 of the project will be the establishment of a human resource development program for the EC industry in the Hebei province, including curriculum design, production of training material, and faculty development.

G. Activities

61. **Construction of a training center for EC and student dormitory.** The project will finance the construction of an EC training center and student dormitory on the campus of YSU. The training center will include training bases, including simulation facilities for HCBC and residential care, as well as lectures halls. The project will also finance a fully equipped research center to support research in areas such as rehabilitation, including the development and use of assistive devices, ICT, psychology applied to EC, and policy.

1. Curriculum Design

62. **Curriculum design will focus on five training fields and will include the development of 19 textbooks.** Seven textbooks will be introduced through translation and adaptation of international textbooks from the United States, Japan, and European countries. These will include 1 textbook on EC management, 1 on ICT for EC, 1 on occupational therapy for elders, 3 on caregiving, and 1 on geriatric psychology and counseling. Twelve textbooks will be developed by YSU faculty in collaboration with domestic colleges or universities. These will include 3 textbooks on EC management, 1 on ICT for EC, 2 on occupation therapy, 4 on caregiving, and 2 on geriatric psychology and counseling. These activities will benefit vocational training institutions in the Hebei province and beyond, as they will increase the availability of teaching material for EC.

63. **YSU will need to provide support to its faculty for the development of new curricula, training programs and accompanying teaching material.** The university will thus invite international experts on EC to deliver lectures and to participate in visiting scholar programs. It will also organize study tours for its staff, both domestic and international. In addition, YSU will establish partnerships with international and domestic colleges and universities for research, curriculum and training design, as well as textbook development. Finally, 2 workshops will be held on curriculum development and EC. YSU will act as a convener of domestic and international expertise on EC. The project's Implementing Agencies, as well as training providers in the province, will be invited to join workshops, lectures, and other learning events hosted by YSU.

2. Capacity Building for Faculty

64. **As EC is a new topic for YSU, the project will help to build capacity for its faculty.** The project will finance training of faculty to familiarize them with EC issues and the latest developments in the sector. This will take the form of study tours, both domestic (4 times/4 persons/year) and international (4 times/4 persons/year). YSU faculty will also have the opportunity to participate in training programs (15 staff) and conferences (4 times/4 persons/year). EC experts will be invited to YSU to deliver lectures and training programs, and participate in joint research projects. The project will also support capacity building for YSU management staff. This will be done through study tours in the PRC (5 times/5 persons/year) and abroad (4 persons/year).

3. Research

65. **The project will support capacity building for research in EC.** YSU faculty will benefit from some capacity building in the four fields identified as priority research areas: (i) rehabilitation, (ii) ICT for EC, (iii) cognitive and psychological interventions, and (iv) policies and management for EC. The project will fund study tours in the PRC and abroad for YSU staff and visiting scholar programs for national and international experts to deliver lectures and participate in joint research projects. The project will also provide support to YSU to develop partnerships with leading domestic and international institutions in EC. Finally, it will finance research programs, particularly the development of prototypes in robotics and assistive devices.

H. Sustainability

66. Sustainability will be achieved through:

- (i) Training programs tailored to the needs of different student populations (e.g. youth, retrenched workers, EC practitioners).
- (ii) Provision of training on a cost recovery basis for in-service training [pre-service training may require some public funding].
- (iii) Replication of curriculum and training strategies by other EC training providers at the municipal, provincial, and national levels.
- (iv) Capacity building of YSU staff on a range of EC issues.
- (v) YSU management's strengthened understanding of EC issues.
- (vi) Partnerships with leading institutions, both domestic and international.
- (vii) Partnerships with local training providers.
- (viii) Partnerships with local EC providers, including the project's Implementing Agencies, hospitals, nursing homes, and HCBC providers.

I. Dissemination

67. Dissemination will be achieved through:
- (i) Repository of training materials in 5 EC fields.
 - (ii) Establishment of research programs in 4 EC fields and publication of research findings in professional journals (domestic and international).
 - (iii) Partnerships with leading institutions, both domestic and international.
 - (iv) Partnerships with local training providers.
 - (v) Partnerships with local EC providers, including the project's Implementing Agencies, hospitals, nursing homes, and HCBC service providers.

APPENDIX 6

ENVIRONMENT MANAGEMENT PLAN

A. Introduction

1. This Environmental Management Plan (EMP) is developed for the Hebei Elderly Care Development Project (the project) and defines all potential environmental impacts of the project components and the mitigation and protection measures with the objective of avoiding or reducing these impacts to acceptable levels and meeting applicable requirements. The EMP draws on the findings of the domestic feasibility study report (FSR), tabular domestic environmental impact assessments, the initial environmental examination (IEE), project preparatory technical assistance (PPTA) and Asian Development Bank (ADB) review mission discussions, and agreements with the relevant government agencies.

2. The EMP sets out (i) actions to implement mitigation measures; (ii) a monitoring and reporting program; (iii) institutional/organizational arrangements; (iv) capacity development and training; (v) an implementation schedule; and (vi) cost estimates. The final EMP forms part of the Project Administration Manual (PAM) and will be included as a separate annex in all bidding documents. The contractors will be made aware of their obligations to implement the EMP, to budget EMP implementation costs in their bids, and to develop site-EMPs fully responsive to the EMP.

B. Institutional Arrangement

3. Hebei Provincial Government (HPG) will be the project's executing agency and the project implementation units will be the implementing agencies (implementing agencies). The implementing agencies will be county level companies (both state-owned enterprises and private sector companies) who will develop and run the elderly care facilities. The provincial project management office (PPMO) under Hebei Department of Finance will be responsible for project implementation and coordination with ADB.

4. A provincial project coordinating group will be constituted. It will be chaired by the Hebei Department of Finance and comprise representatives of relevant departments. Its role will be to ensure smooth passage of project approvals and administration as well as coordinating policy response when required.

5. The main institutions with an executive role in the implementation of the overall project are in Table A9 1.

Table A6.1: Roles and Responsibilities of Project Agencies

Project implementation organizations	Management Roles and Responsibilities
Executing Agency – HPG	Overall project guidance, coordination, supervision
PCG – provincial Project Coordinating Group: Departments of Health, Planning and Construction and Environment Protection	Policy guidance and interagency coordination
PPMO - within Hebei Department of Finance	On behalf of the executing agency, responsible for overall project coordination and supervision including: preparation and implementation; coordinate training and capacity development activities; safeguards compliance; prepare and submit annual environmental and social safeguard monitoring progress reports; compliance with loan and project agreements

Project implementation organizations	Management Roles and Responsibilities
<p>Implementing agencies. There are seven implementing agencies:</p> <ul style="list-style-type: none"> • (Xinji) Dayu Group Co., Ltd • Julu County Hospital • Jinluan International Hotel Co., Ltd • Shexian County Runqinyuan Elderly Care Industry Development Co., Ltd • Lixian Guangrongyuan • Yanshan University, Qinhuangdao 	<p>Implementing agencies will be the project implementing units for construction and the operations and maintenance units for the facilities.</p>

Source: Asian Development Bank.

C. Environmental Responsibilities

6. **Project management office.** The PPMO will have the overall responsibility delegated by the executing agency for supervising the implementation of mitigation measures, coordinating the project level grievance redress mechanism (GRM) and reporting to ADB. The PPMO will appoint an environment officer (PMO-EO) to supervise the effective implementation of the EMP and to coordinate the GRM. Terms of reference for the PMO-EO are at Annex A.

7. To ensure that the contractors comply with the EMP provisions, the PMO-EO with the help and technical support of the Loan Implementation Environment Consultant (LIEC), will prepare and provide the following specification clauses for incorporation into the bidding procedures: (i) a list of environmental management and monitoring requirements to be budgeted by the bidders in their proposals; (ii) environmental clauses for contractual terms and conditions; and (iii) in the EMP. In addition, the PMO-EO will assist in preparing the environmental sections for the project progress reports.

8. **Implementing agencies.** Each implementing agency with civil works will assign one environmental supervisor from the implementing agency (IA-ES) to (i) review and approved contractors' site management plans; (ii) participate in internal monitoring; (iii) act as a local entry point for the project GRM; (iv) submit quarterly inspection results to the contractors for information, and to the implementing agency and the PMO for verification and confirmation. Terms of reference for the IA-ES positions are at Annex C. The implementing agency will also hire construction supervision companies (CSCs), which will support the implementing agencies in supervising construction works.

9. **Construction contractors** will be responsible for implementing the mitigation measures during construction under supervision of the implementing agencies and the PPMO. In their bids, contractors will be required to respond to the environmental management requirements defined in the EMP. Each contractor will be required to develop Site Management Plans and will assign a person responsible for environment, health and safety. The contractors, in collaboration with the IA-ESs, will undertake internal monitoring.

10. **Loan implementation environmental consultant.** Under the loan implementation consultancy services, a loan implementation environmental specialist will be recruited to support the effective implementation of the EMP. Terms of reference for the loan implementation environmental consultant (LIEC) are at Annex B. The LIEC will:

- (i) assess the project components' environmental readiness prior to implementation based on the readiness indicators defined in the EMP (Table A9.4);

- (ii) update the EMP including mitigation measures, monitoring program, institutional arrangements, and training plan as necessary, to reflect the final project scope and detailed design, submit to ADB for review and disclosure;
- (iii) support the executing agency, PMO, and implementing agencies to ensure that the bidding documents and civil works contracts contain provisions requiring contractors to comply with the mitigation and monitoring measures in the EMP and that relevant sections of the project EMP are incorporated in the bidding and contract documents;
- (iv) support the PMO-EO and IA-ESs in reviewing and approving contractors' Site Management Plans and conducting periodic environmental site inspections;
- (v) Assist the executing agency and PMO to establish a GRM, and provide training for the PMO and GRM access points.
- (vi) Conduct regular EMP compliance monitoring, undertake site visits as required, identify any environment-related implementation issues, propose necessary corrective actions, reflect these in a corrective action plan;
- (vii) Conduct annual EMP compliance review;
- (viii) support to the PMO-EO in the development of annual EMP monitoring reports to ADB;
- (ix) provide training to PMO, implementing agencies, and contractors on environmental laws, regulations and policies, SPS 2009, EMP implementation, and GRM in accordance with the training plan defined in the EMP.
- (x) Overall environmental responsibilities of the agencies and positions are outlined in Table A9.2.

Table A6.2: Environmental Responsibilities by Project Phase

Phase	Responsible Agencies	Environmental Responsibilities
Detailed Design	Design institutes	Incorporation of environmental mitigation measures in detailed designs
		Prepare: <ul style="list-style-type: none"> • Facility Emergency Response procedures • Air Quality Protection Procedures
	PMO, implementing agencies, LIEC	Update EMP based on detailed design, if necessary;
	ADB	Approve updated EMP, if necessary
Tendering	PMO, implementing agencies	Ensure that mitigation measures and the EMP clauses are incorporated in tendering documents, civil works contracts and contractors' site EMPs (Appendix 2)
	LIEC, ADB	Review tendering documents; confirm project's readiness, including information disclosure at construction sites
Construction	Contractors	Develop Site Management Plans; appoint one environmental specialist each to coordinate site EMP implementation; ensure health and safety
	PMO	Coordinate GRM; supervise EMP implementation; prepare environmental progress sections (with support of LIEC)
	Implementing agencies (CSCs)	Assign one environmental supervisor; conduct environmental inspections; prepare quarterly environmental inspection reports; act as local GRM entry point
	LIEC	Advise on the mitigation measures; provide comprehensive technical support to PMO and implementing agencies for environmental management; conduct training; conduct annual EMP compliance review; support to the PMO-EO in the development of annual EMP monitoring reports to ADB.
	ADB	Disclose updated EMP as appropriate; Conduct review missions; review and approve environmental progress sections of the project progress reports, including disclosure

Phase	Responsible Agencies	Environmental Responsibilities
	EMSs	Conduct periodic inspections of all construction projects relative to compliance with PRC regulations and standards (as required by the Monitoring Plan)
Operation	PMO	Monitor compliance with EMP, instruct implementing agencies on environmental management requirements; prepare annual environmental progress report for first year of operation
	Implementing agencies (O & M Units)	Implementation of mitigation measures as defined in EMP
	ADB	Review, approve and post annual EMP implementation reports on ADB project website

ADB = Asia Development Bank; DI = Design Institute(s); LIEC = Loan Implementation Environmental Consultant; PMO = Provincial Project Management Office; EMP = Environmental Management Plan; EPB = Environment Protection Bureau; O & M Units = Operations and maintenance Unit.

Source: Asian Development Bank.

D. Impacts and mitigation measures

11. Anticipated environmental impacts from elderly care infrastructure construction and operation activities, as well as the measures to mitigate these impacts to acceptable levels, are listed in Table A9.3.

Table A6.3: Anticipated Impacts, Issues and Mitigation Measures

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
A. Pre-construction						
1. Detailed Design Stage	Ensure appropriate levels of expertise for EMP implementation	Institutional strengthening appointments	<ul style="list-style-type: none"> PMO to appoint PMO-EO; Each implementing agency to appoint IA-ES; PMO to engage LIEC. 	Implementing agencies, PMO	Executing agency, ADB	PMO and implementing agencies in-kind support. LIEC included in loan funds
	Detailed design of facilities incorporating appropriate standards and safeguard measures	Design to comply with relevant applicable health, safety and environmental codes and standards, including energy-efficient building codes and specifications.	<ul style="list-style-type: none"> Design buildings in compliance with relevant design standards and codes for energy-efficient, safe and green public buildings, including but not limited to: GB 50011-2010 (Building Seismic Design Code); GB 50016-2006 (Code of Design on Building Fire Protection and Prevention); GB 50189-2005 (Energy Conservation Design for Public Buildings); DB13(J)81-2009 (Hebei Energy Conservation Design) and other applicable design codes. Ensure no- 	Design Institutes	Implementing agencies, LIEC	Included in design costs

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			<p>use of VOC-emitting materials (including paints, coatings, adhesives, carpet and furniture's) to protect indoor air quality;</p> <ul style="list-style-type: none"> - Ensure no asbestos or asbestos-containing material is used in construction; - Incorporate energy-efficiency measures defined the FSR and IEE into building design. - Incorporate noise-minimization design for Chengde Shuangluan Elderly Care Center (comprising both double-glazing and landscaping). - Design on-site wastewater pretreatment facilities appropriate to subproject scale and quality of influent - Establish contracts with specialized contractors for cleaning and de-sludging; - Incorporate additional impermeable layer 			

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			and leak prevention measures on She county elderly care subproject wastewater pre-treatment facility in secondary water source protection zone (She county)			
	Preparation for the proper handling and disposal of medical wastes	Design waste disposal processes	<ul style="list-style-type: none"> - Design initial collection, safe temporary storage, and loading facilities for medical waste disposal - Establish contracts with specialized contractors for proper disposal of medical waste 	Implementing agencies	LIEC, PMO	Included in design and operations costs
	Designing landscape features	Landscaping to combine amenity with noise reduction and dust screening.	<ul style="list-style-type: none"> - Include landscaping and vegetation planting in detailed design. - Include dense foliage plantings (not less than 10m deep) along boundaries with roads or noise-producing areas. - Plant trees and shrubs along building edges to screen windows from dust and particulates. 	Design Institutes	Implementing agencies,, LIEC	Included in design costs
	Preparation for a wide range of	Prepare emergency planning	<ul style="list-style-type: none"> - Develop emergency response plan 	Design Institutes	Implementing agencies, LIEC	Included in design costs

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
	emergency responses for residents and staff.	and procedures	covering fire, earthquake, natural calamities, epidemic, air contamination, infestation, explosion, and food safety to ensure safe environment for all elderly people and staff and visitors.			
		Prepare infection planning and procedures	- Develop anti-infection protocols and response plans, including quarantine and evacuation procedures	Design Institutes	Implementing agencies, LIEC	Included in design costs
	Preparation of measures to protect residents from poor outside air quality.	Prepare Air Quality Protection and Response Plan	- Develop a set of procedures for responding to poor air quality triggers in air quality forecasts (from real time AQI forecasts by MEP) – changing from natural ventilation to full air conditioning for periods when "unhealthy" air quality is forecast.	Design Institutes	Implementing agencies, LIEC	EMP costs 70,000
2. Construction preparation stage	Transferring EMP mitigation and management measures into contractually	Bidding documents and contractors	- Translate EMP into Chinese and distribute to all parties - Include an environmental section in the technical specifications for	Design Institutes, IA-ES, LIEC	Executing agency, PMO, ADB	Included in design costs

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
	enforceable format.		bidders which lists EMP requirements; - Ensure that construction contracts are responsive to EMP provisions and that mitigation and monitoring measures are adequately budgeted.			
	Providing a formal, project-specific scheme for complaints to be received and addressed.	GRM	- Establish GRM in the PMO and establish local access points; - Brief and provide training to GRM access points; Disclose GRM to affected people before construction begins.	PMO-EO IA-ES LIEC	Executing agency, ADB	EMP costs 40,000
	Ensuring that staff of entities with environmental responsibilities are able to discharge them with understanding.	Training	- Provide training to, PMO, implementing agencies and contractors on implementation and supervision of EMP, GRM, reporting, in compliance with training plan. - Provide training to facility operators on emergency response, waste handling and air quality protection, in compliance with	LIEC and LIC specialists	Executing agency, ADB	EMP Training costs 120,000

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			training plan.			
	Ensuring that each construction site has an overarching plan for environmental management.	Site Management Plans	- Develop Site Management Plans, responding to (i) all clauses and requirements of this EMP; and (ii) including Occupational and Community Safety Plans and Emergency Response Plans	Contractor, IA-ES	PMO-EO, LIEC	Included in construction costs
		Sensitive receptors	- Locate and identify nearby sensitive receptors for noise and dust impacts at each construction site, and include them in the Site Management Plan for the implementation of mitigation measures.	Contractor, IA-ES	PMO-EO, LIEC	Included in construction costs
	Ensuring no work or community hazards exist on site before work commences	Asbestos contamination	- Survey all buildings for demolition and buildings for renovation to discover and report on presence or absence of asbestos or asbestos-containing material - Where asbestos or asbestos-containing material is found develop asbestos	Contractor, IA-ES	PMO-EO, LIEC	Included in construction costs 100,000

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked by L	Budget Source and Estimate (CNY)
			removal and disposal plan in conjunction with accredited specialist contractor			
B. Construction						
1. Soil	Site leveling, earthworks, general construction activities	Soil erosion and sedimentation	<ul style="list-style-type: none"> - Prepare soil erosion control plan (showing how runoff will be controlled at site perimeter to control soil and water runoff, and how disturbed areas will be reclaimed) as part of the Site Management Plans; - Construct intercepting ditches and drains to prevent runoff entering construction sites, and divert runoff from sites to existing drainage; - Stabilize all earthwork disturbance areas within maximum 14 days after earthworks have ceased; - Contour and re-vegetate disturbed surface 	Contractor	IA-ES, CSCs LIEC	Included in construction costs
2. Hazardous Materials	Use of fuels and lubricants on site; spill accidents; and	Soil and water contamination	<ul style="list-style-type: none"> - Store chemicals & hazardous products and waste on impermeable 	Contractor	IA-ES, CSCs, LIEC	Included in construction costs

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
	production of construction wastes		surfaces in secure, covered areas; - Remove all construction wastes from the site to approved waste disposal sites; - Provide spill cleanup measures and equipment at each construction site; - Conduct training in emergency spill response procedures.			on contracts 100,000
	Removal of asbestos	Worker and community health hazard and site contamination	- Where asbestos or asbestos containing material has been found on site in pre-construction survey, implement asbestos removal and disposal plan with accredited specialist contractor.	Contractor and specialist asbestos handling firm	IA-ES, PMO-OS	Construction contingency
3. Surface and Groundwater	Runoff from water used in construction and domestic processes, and rainwater runoff from site.	Pollution of surface and groundwater resources	- Install water collection basins and sediment traps in all areas where construction equipment is washed; - Wastewater generated from the washing down of mixer trucks and drum mixers and similar equipment	Contractor	IA-ES, CSCs, LIEC	Included in construction contracts 120,000

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			<p>should wherever practicable be recycled;</p> <ul style="list-style-type: none"> - Surplus wastewater and wastewater generated from building construction activities, including concreting, plastering, cleaning of works and similar activities should be discharged in to sewer after removal of solids in a silt removal facility; - Sewage from temporary toilets, kitchens and similar facilities should be stored in an on-site facility (such as septic tank), emptied regularly and transported to a designated wastewater treatment plant for further treatment. - Employ extra caution in control of runoff and construction wastewater at Shexian county elderly care center due to water protection zoning. 			

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
4. Solid waste	Solid waste accumulation from demolition of existing structures, used concrete formwork, packaging and surplus building materials	Safety hazard and site management inefficiencies from waste accumulation. Reduction of neighborhood amenity from inappropriate disposal	<ul style="list-style-type: none"> - Maximize reuse/recycling of construction and deconstruction wastes (e.g. iron, bricks, windows, doors, steel bars etc.); - Provide appropriate waste storage containers for workers' municipal garbage and hazardous wastes; - Install confined storage points of solid wastes away from sensitive receptors, regularly haul to an approved disposal site; - Use licensed contractors to remove wastes from the construction sites; - Prohibit burning of waste. 	Contractor	IA-ES, CSCs, LIEC	<p>Included in construction contracts</p> <p>30,000</p>
5. Noise	Use of construction machinery on site and haulage vehicles bringing or removing materials	Noise impacts from construction activities	<ul style="list-style-type: none"> - Maintain equipment and machinery in good working order; undertake regular equipment maintenance, ensure compliance with PRC standard of GB12523-2011; - Operate 	Contractor	IA-ES, CSCs, LIEC	<p>Included in construction contracts</p> <p>100,000</p>

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			<p>between 0800H-2000H only and reach an agreement with implementing agencies management and nearby residents regarding the timing of heavy machinery work, to avoid any unnecessary disturbances;</p> <p>nighttime works should only be conducted in exceptional cases, and a permit should be obtained for that purpose;</p> <ul style="list-style-type: none"> - Inform potentially affected people including nearby residents, through advanced meaningful consultations; - Identify sensitive receptor sites within 100m of construction (schools, medical centers) and erect temporary noise barriers to reduce noise impact on them; - Locate sites for concrete-mixing and similar activities on the site at the point furthest 			

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			from any sensitive receptors and equip with noise barriers to ensure noise at boundaries complies with GB12523-2011; - Disseminate information on procedure of handling complaints through the GRM.			
6. Ambient Air	Wind-blown fugitive dust from unstabilized surfaces; dust from unloading and spreading soils and gravels; dust raised by haulage truck wheels and blowing off truck loads.	Dust pollution generated during construction	- Install dust-proof perimeter fences at each site prior to construction. The fence shall be at least 2m high; - Spray water at least twice a day where fugitive dust is generated; - Cover trucks carrying earth, sand or stone with tarps or other suitable cover to avoid spilling and dust generation; - Regularly consult nearby residents to identify concerns, and implement additional dust control measures as necessary.	Contractor	IA-ES, CSCs, LIEC	Included in construction contracts 100,000
	Use of petrol and diesel engines on site.	Air emissions from construction vehicles and machinery	- Maintain vehicles and construction machineries to National V emission	Contractor	IA-ES, CSCs, LIEC	Included in construction contracts

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			standard (MEP 2016).			35,000
7. Physical cultural resources	Earthworks, site leveling and trenching.	Damage to known or unknown above or below-ground cultural relics	<ul style="list-style-type: none"> - Establish chance-find procedures for physical cultural resources; - If a new site is unearthed, work must be stopped immediately and the implementing agency and local cultural relic bureau promptly notified, and construction will resume only after a thorough investigation and with the permission of appropriate authority. 	Contractor	IA-ES, CSCs, LIEC	Included in construction costs
8. Health and Safety	All construction worker activities, ranging from building works and domestic living.	Occupational Health and Safety	<ul style="list-style-type: none"> - Provide safe supply of clean water and an adequate number of latrines and other sanitary arrangements at the site and work areas, and ensure that they are cleaned and maintained in a hygienic state; - Provide garbage receptacles at construction site; - Provide personal protection equipment (PPE) for 	Contractor	IA-ES, CSCs, LIEC	Included in construction contracts 55,000

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			<p>workers in accordance with relevant health and safety regulations;</p> <ul style="list-style-type: none"> - Develop an emergency response plan to take actions on accidents and emergencies; document and report occupational accidents, diseases, and incidents; organize fully equipped first-aid base at each construction site (part of Site Management Plan); - Establish Records Management System that will store and maintain easily retrievable records on occupational accidents, diseases, and incidents. - Train all construction workers in basic sanitation and hygiene issues, general health in basic sanitation and hygiene issues, general health and safety matters, and on the specific hazards of their 			

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			work; – Posters drawing attention on site safety, rescue and industrial health regulations shall be made or obtained from the appropriate sources and will be displayed prominently in relevant areas of the site.			
	Community activities at or around the site – pedestrians, vehicle drivers and passengers, and people accessing site.	Community Health and Safety	– Prepare traffic control plan within and around project site and/or communities during construction, to be approved by local traffic management administration. The plan shall include provisions for diverting or scheduling construction traffic to avoid peak traffic hours, regulating traffic at road crossings with an emphasis on ensuring public safety through clear signage; – Assign personnel to direct pedestrians around dangerous work areas; – Ensure that	Contractor	IA-ES, CSCs, LIEC	Included in construction contracts 100,000

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			<p>all sites are secure, discouraging access through appropriate fencing; place clear signs at construction sites in view of the people at risk (including workers and nearby communities), warning people of potential dangers such as moving vehicles, hazardous materials, excavations, and raising awareness on safety issues;</p> <ul style="list-style-type: none"> - Erect safety barricades around all excavations; - Return machinery to its overnight storage area/position; - Return machinery to its overnight storage area/position; - Hold a public consultation meeting prior to commencing construction to discuss issues associated with ensuring the safety of nearby communities in vicinity of the 			

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			construction site.			
C. Operation						
1. Wastewater	Sewage and other wastewater from toilets, bathrooms and kitchens produced by facility.	Pollution of surface and groundwater resources. Health hazards.	<ul style="list-style-type: none"> - Ensure connection of new buildings to on-site pretreatment facilities (septage tanks) and to municipal sewer system; - Periodically monitor (visual inspection) sludge accumulation in septage tanks, and contract licensed company to de-sludge as needed. 	Facility managers	Implementing agencies, Local EPB	Included in design and operating costs
2. Solid waste	Accumulation of domestic putrescible garbage, packaging, and containers used by staff and residents.	Health hazard and site amenity deterioration from inappropriate garbage disposal	<ul style="list-style-type: none"> - Provide adequate solid waste collection facilities in all buildings; - Promote segregation of waste through (i) provision of separate collection bins for paper, biodegradable waste, metallic waste, and other wastes; and (ii) provision of training and awareness raising for facility staff; - Establish contracts with waste collection service providers for different types of 	Facility managers	Implementing agencies, Local EPB	Included in operating costs

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			waste; – Regularly clean and disinfect waste collection facilities.			
	Accumulation of packaging, bottles, syringes and incontinence pads used by residents.	Health hazard from inappropriate disposal of medical waste	– All medical waste to be stored separately and not segregated for recycling; – Implement ongoing contracts with specialized contractors for this purpose.	Facility managers	Implementing agencies, Local EPB	Included in operating costs
3. Health and Safety	Providing for the health and safety of Elderly Care and HCBS Center residents and staff.	Promote community health and safety	– For fire protection, maintain (i) fire separation distance (access for timely fire-fighting and rescue) not only from the adjacent buildings but also any combustible surroundings; (ii) secured sectors (fire compartment, smoke compartment) both horizontally or vertically; (iii) fire and smoke detection and alarm systems; (iv) fireproof dividing walls, doors and windows between rooms; (v) emergency lighting. – For accident prevention,	Facility managers	Implementing agencies, and Local emergency and occupational health authorities	Included in design and operating costs

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			<p>maintain all: (i) alarm-help devices; (ii) appropriate bed heights and other furniture; (iii) wall and staircases hand rails; (iv) avoidance of slippery surfaces; and (v) safe kitchens in assisted-living areas.</p> <ul style="list-style-type: none"> - For disorientation prevention for dementia patients, maintain: (i) design features, colors, signs, photos and internal landmarks; (ii) surveillance at entrances, exits and reception areas. - Ensure janitorial staff are employed and properly trained for hygiene control. - Regularly inspect toilet and bathroom facilities for cleanliness. - Regularly inspect kitchens and food storage for cleanliness and food safety. 			
	Protecting elderly residents from the negative health effects of poor air quality.	Air quality protection for residents	<ul style="list-style-type: none"> - Regularly maintain air conditioning system, including cleaning and replacement of 	Facility managers	Implementing agencies, Local EPB	Included in operating costs

Item/Media	Activity	Potential Environmental Impacts, Risks, and Issues	Mitigation Measures	Measures Implemented by:	Implementation of Measures Checked byL	Budget Source and Estimate (CNY)
			all filters; <ul style="list-style-type: none"> – Maintain landscape and tree and shrub plantings to catch airborne dust and particulates from outside the site; – Implement air quality protection plan – monitor PM_{2.5} forecasts (from real time AQI forecasts by MEP) and revert to fully air conditioned facility (no natural ventilation) on trigger days. 			
	Ensuring readiness of staff and residents to respond to emergencies.	Implement emergency planning procedures	<ul style="list-style-type: none"> – Publicize, train and practice emergency response plans. – Publicize, train and practice anti-infection response plans. 	Facility managers	implementing agencies, Local EPB	Included in operating costs

ADB = Asia Development Bank; LIEC = Loan Implementation Environmental Consultant; PMO = Project Management Office; EMP = Environmental Management Plan; EPB = Environment Protection Bureau.

Source: Asian Development Bank.

E. Project Readiness Assessment

12. Before construction, the LIEC and PMO-EO will assess each IA's readiness in terms of environmental management based on a set of indicators (Table A9.4) and report it to ADB and the PMO. This assessment will demonstrate that environmental commitments are being carried out and environmental management systems are in place before construction starts, or suggest corrective actions to ensure that all requirements are met. The assessment will be repeated at regular intervals to account for new works contracts, and documented in the annual environment monitoring reports to ADB.

Table A6.4: Project Readiness Assessment Indicators

Indicator	Criteria	Assessment
Environmental Supervision in place	LIEC is in place.	Yes No
	Qualified EMSs contracted by the implementing agencies,	Yes No
	Environment specialists assigned by PMO (PMO-EO) and implementing agencies (IA-ES)	Yes No
Compliance with loan covenants and assurances	The borrower complies with loan covenants related to project design and environmental management planning	Yes No
Public involvement effectiveness	Meaningful consultation completed, construction activities publicized at construction sites	Yes No
	GRM established with entry points publicized	Yes No
Chinese version EMP distributed to all parties	EMP translated and distributed to PMO and all implementing agencies	Yes No
Contracts with environmental safeguards	Bidding documents and contracts incorporating the environmental activities and safeguards listed as loan assurances	Yes No
Site construction planning (environmental)	Site Management Plan prepared for each work site by the contractors and cleared by the implementing agencies	Yes No
EMP financial support	EMP budget established, and required funds set aside for EMP implementation by each implementing agency	Yes No

EMS = Environment Monitoring Station, LIEC = Loan Implementation Environment Consultant, PMO = Project Management Office.

Source: Asian Development Bank.

F. Monitoring Requirements

13. Three types of project monitoring will be conducted under the EMP:

- (i) internal monitoring to be conducted by the contractors and the construction supervision companies (CSCs);
- (ii) external monitoring, to be conducted by local EMSs, contracted by the implementing agencies; and
- (iii) EMP compliance monitoring, to be conducted by the LIEC on behalf of the PMO.

14. **Internal monitoring** includes the monitoring of dust and noise at all construction sites as well as the quality of discharged construction wastewater, and erosion control. It also includes daily inspection and internal compliance assessment with the approved Site Management Plans of contractors, including construction site health and safety. During operations, internal monitoring will cover the implementation of the facilities' Air Quality Protection Plan, the growth and survival of landscape plantings and features, and emergency preparedness.

15. **External monitoring** during construction measures the effects of noise and dust including the monitoring of noise and dust in the project's area of influence. For dust and noise, this extends from the construction site boundary to any nearby sensitive receptors.

16. Table A9.5 shows the environmental monitoring program designed for this project, defining the scope, location, parameter, duration and frequency, and responsible bodies, for monitoring during the construction and operational stages. Monitoring costs are estimates based on the experience of the PPTA team and PMO from other projects elsewhere in the PRC. ADB will oversee project compliance on the basis of the annual environmental monitoring reports provided by the PMO and site visits as required.

17. The results of the environmental monitoring will be compared with EMP requirements, site management plans, and relevant PRC standards as defined in Table A9.6. Non-compliance will be highlighted in the monitoring reports. Monitoring results will be submitted to the PMO and then reported by the PMO to ADB in annual environmental monitoring reports (prepared with the support of the LIEC – Table A9.7).

Table A6.5: Environmental Monitoring Program for Project Duration

[illegible]

Item	Parameter	Monitoring Location	Monitoring Frequency and Duration	Who Implements	Who Supervises	Cost CNY
Dust and noise	TSP, L _{Aeq}	At nearest sensitive receptor for each construction site; at construction site boundary	1 day (24-hr continuous sampling) per month during construction activity	EMS	PMO	400,000
Operational Stage						
Internal monitoring						
Air quality	Check for PM _{2.5} triggers in AQI forecasts for limiting natural ventilation,	All facilities	Daily	O&M Units/Implementing agencies	PMO, EPB	Included in O&M budget
Landscape	Survival of landscape and screening vegetation plantings. % survival and replacement	All facilities	Semiannually for first 3 years of operation.	O&M Units/Implementing agencies	PMO, EPB	Included in O&M budget
Waste water and solid waste	Volume of wastewater. Weight of non-medical solid waste	All Elderly Care Centers	Ongoing, to provide data for quarterly and yearly totals for each center	O&M Units/Implementing agencies	PMO	Included in O&M budget
Toilets and bathrooms	Cleanliness of these areas to promote health and hygiene.	All facilities	Monthly	O&M Units	Implementing agencies	Included in O&M budget
External monitoring						
Construction completion	As required by local EPB requirement	Approval / inspection procedure by local EPB.	Following implementing agencies' formal applications to local EPBs	EPB	PMO	Standard fee - borne by implementing agencies
Air quality/odor	NH ₃ , H ₂ S	Nearest residence from Xinji and Shuangluan hospital WWTPs	Quarterly for the first 3 years of operation	EMS	PMO, EPB	60,000
Ground water	TP, TK total coliform	Shallow level groundwater downstream of wastewater pretreatment tank at Shexian County Elderly Care Center	Quarterly until PCR	EMS	PMO, EPB	40,000
Total estimated cost:						830,000

EMS = environmental monitoring station; EPB = environment protection bureau; O&M = operation and maintenance; PMO = project management office; OHS = occupational health and safety.
Source: Asian Development Bank.

Table A6.6: Monitoring Indicators and Applicable PRC Standards and Operational Plans

Phase	Indicator	Standard
Construction	Dust and noise at construction site boundary	Construction Site Noise Limits (GB12523—1990) Emission Standard of Environmental Noise for Boundary of Construction Site (GB 12523-2011)

Phase	Indicator	Standard
Operation	Dust and noise at sensitive receptors	Ambient Air Quality Standard (GB 3095-1996) Environmental Quality of Noise Standard (GB3096-2008)
	Surface water quality	Surface Water Ambient Quality Standard (GB3838 – 2002)
	Air Quality	Air Quality Protection Plan (using the real-time Air Quality Index (AQI) from MEP)
	Odor (NH ₃ , H ₂ S) at WWTP	Emission Standard for Odor Pollutants (GB14554 – 93) Class II

Source: Asian Development Bank.

18. **Compliance monitoring.** EMP compliance monitoring is the systematic evaluation of the overall progress of the implementation of EMP measures (Table A9.3). Evaluation of the compliance with the EMP will be undertaken regularly by the PMO-EO and the LIEC. The PMO-EO and the LIEC will report EMP implementation progress and compliance along with information on project implementation, environmental performance of the contractors, and environmental compliance through quarterly project progress reports and annual environmental monitoring reports (Table A9.7). The LIEC will support the PMO-EO in developing the annual environmental monitoring reports (EMR). The reports will identify any environment related implementation issues and necessary corrective actions, and reflect these in a corrective action plan. Operation and performance of the project GRM, environmental institutional strengthening and training, and compliance with all covenants under the project will also be included in the report.

G. Environmental reporting

19. **Project progress reports.** The executing agency will provide ADB with (i) Project quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicators' performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for next 12 months; and (iii) a project completion report (PCR) within 6 months of physical completion of the project.

20. The quarterly progress reports (summary) and annual progress reports (stand-alone report) will present EMP implementation status, results of inspections, problems encountered during construction and operation, if any, and the relevant corrective actions undertaken. The annual environment monitoring report will be compiled by the LIEC, on behalf of the PMO, and be disclosed on the project website. The effectiveness of EMP implementation will also be assessed in the PCR.

H. Environmental Safeguards Reporting Requirements

21. **Environmental safeguards reporting.** Environmental monitoring and inspection activities and findings shall be documented for purposes of reporting, recording, verifying, referring on and evaluating the environmental performance of the Project. The documentation shall also be used as basis in correcting and enhancing further environmental mitigation and monitoring. Environment safeguards reporting requirements are defined below.

- (i) **Monthly internal progress reports by the Contractors** during construction, submitted to the implementing agencies. These monthly reports will include; (i) physical construction progress; (ii) mitigation measures implemented; (iii) grievances received, resolved, closed and/or directed to other mechanisms; (iv) emergencies responded to; (v) internal monitoring conducted by the contractors and CSCs, and (vi) corrective actions taken.
- (ii) **Quarterly progress reports by implementing agencies.** The quarterly reports by the implementing agencies to the PMO will include a separate section on EMP implementation progress and environmental performance, including annual monitoring reports by local EMSs on the results of external environmental monitoring as specified in the EMP.

- (iii) **Environment monitoring reports (EMRs) by the PMO** to be submitted to the executing agency and ADB annually to comply with environmental agreement in the loan and PRC Law on EIA. The EMRs will not only report on the progress and results of environmental monitoring and compliance of EMP implementation but will also briefly: (i) assess the effectiveness of measures; (ii) point out violation/s, if any; (iii) assess/recommend corrective actions; and (iv) cite any coordination made for corrective actions and, if applicable, certifications for having instituted them effectively. The reports will also include the performance (complaints, responses) of the project GRM. Environmental monitoring reports will be reviewed and cleared by ADB and disclosed on the ADB website.
- (iv) **Environmental acceptance reporting.** Following the PRC Regulation on Project Completion Environmental Audit (MEP, 2001), within three months after the completion of all project components, an environmental acceptance report for each shall be prepared by a licensed environmental monitoring institute. The report will be reviewed and approved by the relevant EPB and the approval reported to ADB.

Table A6.7: Reporting Plan

Reports	From	To	Frequency
Pre-construction Phase			
Project Readiness	LIEC, PMO	ADB	1st EMR
Construction Phase			
Construction Implementation	Contractor, CSC	Implementing agencies	Monthly
Project progress reports	Implementing agencies	PMO	Quarterly
Environment progress and monitoring reports (EMR)	PMO	ADB	Annually
Environmental acceptance	Licensed acceptance institute	EPB	Once; within 3 months of completion of physical works
Operational Phase			
Environment progress and monitoring reports (EMR)	PMO	ADB	Annually
EMP implementation completion	PMO, LIEC	ADB	At PCR stage
ADB = Asian Development Bank; EPB = Environment Protection Bureau; EMS = Environmental Monitoring Station; LIEC = Loan Implementation Environment consultant; PMO = Project Management Office			

Source: Asian Development Bank.

I. Institutional strengthening and training

22. The capacity of the implementing agencies and the PMO's staff responsible for EMP implementation and supervision will be strengthened. All parties involved in implementing and supervising the EMP must have an understanding of the goals, methods, and practices of project environmental management. The project will address any lack of capacities and expertise in environmental management through (i) institutional strengthening, and (ii) training. Both will be funded as part of the Project Implementation Support component of the project's capacity building output.

23. **Institutional strengthening.** The capacities of the PMO and implementing agencies to coordinate environmental management will be strengthened through the following measures:

- (i) The appointment of a staff member within the PMO (PMO-EO) in charge of EMP coordination, including GRM;
- (ii) The appointment of one national environmental consultant under the loan implementation consultancy (the LIEC) to guide PMO and implementing agencies

- in implementing the EMP and ensure compliance with ADB's Safeguard Policy Statement (SPS 2009); and
- (iii) The assignment of an environment specialist by each implementing agency (IA-ES) to conduct regular site inspections and coordinate periodic air and noise monitoring.

24. **Training.** The executing agency, PMO, and implementing agencies will receive training in EMP implementation, supervision, and reporting, and on the Grievance Redress Mechanism. Initially the training will be in formal workshops, then will continue with on the job training by the LIEC and other specialists hired under the consulting services. The formal training will cover EMP implementation, supervision, and reporting, and the Grievance Redress Mechanism (Table A9.8). Training will be facilitated by the LIEC with the support of other experts under the loan implementation consultant services.

Table A6.8: Training Program

Training	Attendees	Contents	Times	Total Days	No. Trainees	Cost (CNY / person / day)	Total CNY
EMP implementation	PMO, implementing agencies, contractors	EMP roles and responsibilities, monitoring, supervision, reporting procedures, review of experience (after 12 months)	Once prior to, and once after, the first year of project implementation	2	20	600	24,000
Grievance Redress Mechanism	PMO, implementing agencies, contractors	Roles and responsibilities, Procedures	Once prior to, and once after, the first year of project implementation	1	20	600	12,000
Environmental protection and monitoring	PMO, implementing agencies, EPB	Pollution control on construction sites (air, noise, waste water, solid waste)	Once (during project implementation)	1	20	600	12,000
Emergency procedures	Senior operating staff of Elderly Care and HBCS facilities	Emergency response plan for fire, earthquake and natural calamities. include both readiness plans and operational plans under emergency conditions.	Once, prior to commissioning	2	30	600	36,000
Solid and medical waste handling and disposal	Senior operating staff of Elderly Care and HBCS facilities	Handling, storage and disposal of different types of solid waste.	Once, prior to commissioning	1	30	600	18,000
Air quality protection	Senior operating staff of Elderly Care and HBCS facilities	Procedures for responding to poor air quality triggers in air quality forecasts (from real time AQI forecasts by MEP).	Once, prior to commissioning	1	30	600	18,000
Total estimated cost:							120,000

Source: Asian Development Bank.

J. Grievance Redress Mechanism, Consultation

25. A GRM will be established, at least 2 months before project implementation commences, as part of the project EMP to receive and manage any public environmental issues which may arise due to the Project. The PMO will ensure that potentially affected communities are informed about the GRM at an early stage of the project. During the project preparation phase, the implementing agencies and PMO personnel received training on the GRM from the PPTA team.

26. The PMO is the lead agency responsible for overall management, implementation, and reporting of the GRM. The PMO-EO coordinates the GRM and: (i) instructs the implementing agencies and contractors on their responsibilities in the GRM; (ii) establishes a simple Complaints Register, to document and track grievances received (including forms to record complaints and how they have been resolved); and (iii) reports on progress of the GRM in the annual environmental monitoring and progress reports (EMR) to ADB.

27. Each implementing agency will assign a member of staff, who is responsible for implementation of the GRM and other relevant aspects of the EMP. This will be the IA-ES. Tasks include keeping a record of complaints. At least two months before construction commences, these contacts will be publicized at each construction site and forwarded to local village committees to ensure that entry points to the GRM are well known. The list of implementing agency contact people and their addresses is set out in Table A9.9 below:

Table A6.9: GRM Contact Information

Name of Subproject	Name of Environmental Supervisor	Contact information
Xinji Parents' Paradise Elderly Care Community Center	Mr. Nie Jingzhang	+86-15833911955 nie218@126.com
Julu County Healthcare and Elderly Care Integrated Service Center	Mr. Ma Shaoxing	18003192188, 15100889897@163.com
Chengde Shuangluan District Haoren Health and Elderly Care Service Center Project	Ms. Zhang Minjuan	+86-18232606059 279520114@qq.com
Yanshan University, Qinhuangdao.	Mr. Cong Xihui	18633515865, 762808@qq.com
Shexian County Binhe Elderly Care and Rehabilitation Center	Mr. Sun Xintao	+86-15933203939 15933203939@163.com
Baoding Lixian County Elderly Care Comprehensive Service Center	Mr. Zhang Weiliang	+86-13663246333 lxmzjshswg@163.com
PMO	Mr. Zhang Ming	18531128188, zhangmingwz@vip.163.com

Source: Asian Development Bank.

28. **GRM readiness procedures prior to start of construction.** To be successful and reduce the likelihood of public concerns, the following measures will be implemented before any construction:

- (i) On-site procedures: (i) all contractors and CSC staff will be briefed by the PMO-EO and IA-ES on the GRM. Contractors and workers will be instructed to be courteous to local residents and, in the event they are approached by the general public with an issue, to immediately halt their work and report the issue to the foreman; (ii) at least one sign will be erected at each construction site providing the public with updated project information (the purpose of the project activity, the duration of disturbance, the responsible entities on-site), the GRM process, and contact names and details for the GRM entry points.

- (ii) Non-project agencies: Prior to project construction, the PMO-EO will notify all relevant agencies about the project and GRM, so that if these agencies receive complaints, they know to contact the PMO-EO and follow up as necessary. This will include, but not be limited to, the EPB, and local police.
29. The procedure and timeframe for the GRM is shown in Figure A9.1 and is as follows.

- (i) **Stage 1 (maximum 5 working days):** Affected persons can submit a written or oral complaint to the contractor, CSC or implementing agency. Complaints received by any other institutions will be referred back to the implementing agency for action. The implementing agency will notify the PMO-EO of the complaint within two days. The PMO-EO will enter the complaint in the Complaints Register.

Where the complaint has been lodged via the EPB Hotline, the EPB will advise the implementing agency and contractor and monitor the corrective actions.

The contractor, in consultation with the implementing agency, attempts to resolve the issue directly with the affected person. Within five working days of receiving the complaint, the agency will provide clear advice to the affected person on the proposed corrective action and by when it will be taken. The corrective action will be implemented not later than 10 working days from receipt of the complaint. The PMO-EO will enter the resolution in the Complaints Register.

If quick corrective action is not possible, or the implementing agency is unsure how to proceed, or the complainant is not satisfied by the initial corrective action, then the complaint will be referred to the PMO-EO for Stage 2.

- (ii) **Stage 2 (maximum 5 working days):** For complaints not resolved in Stage 1, Stage 2 is initiated. The PMO-EO, contractor, CSC and implementing agency will meet with the affected person and together discuss the issue and identify possible solutions. At the meeting, a possible solution will be agreed upon. The contractor or implementing agency, as appropriate, will implement the agreed solution and report the outcome to the PMO-EO.
- (iii) **Stage 3 (maximum 10 working days):** If Stage 2 is unsuccessful (i.e. no solution can be identified or the affected person is not satisfied with the proposed solution) the PMO-EO will convene a multi-stakeholder meeting and involve the Project Coordinating Group to ensure that any needed inputs from other project agencies are coordinated. The workshop will identify a solution acceptable to all. The agreed solution will be implemented and a report on the outcome provided to the PMO and ADB.

No part of the project GRM affects the existing rights of affected persons to take their complaints to the courts. If Stage 3 is unsuccessful in addressing the issue, this course is still available to affected persons.

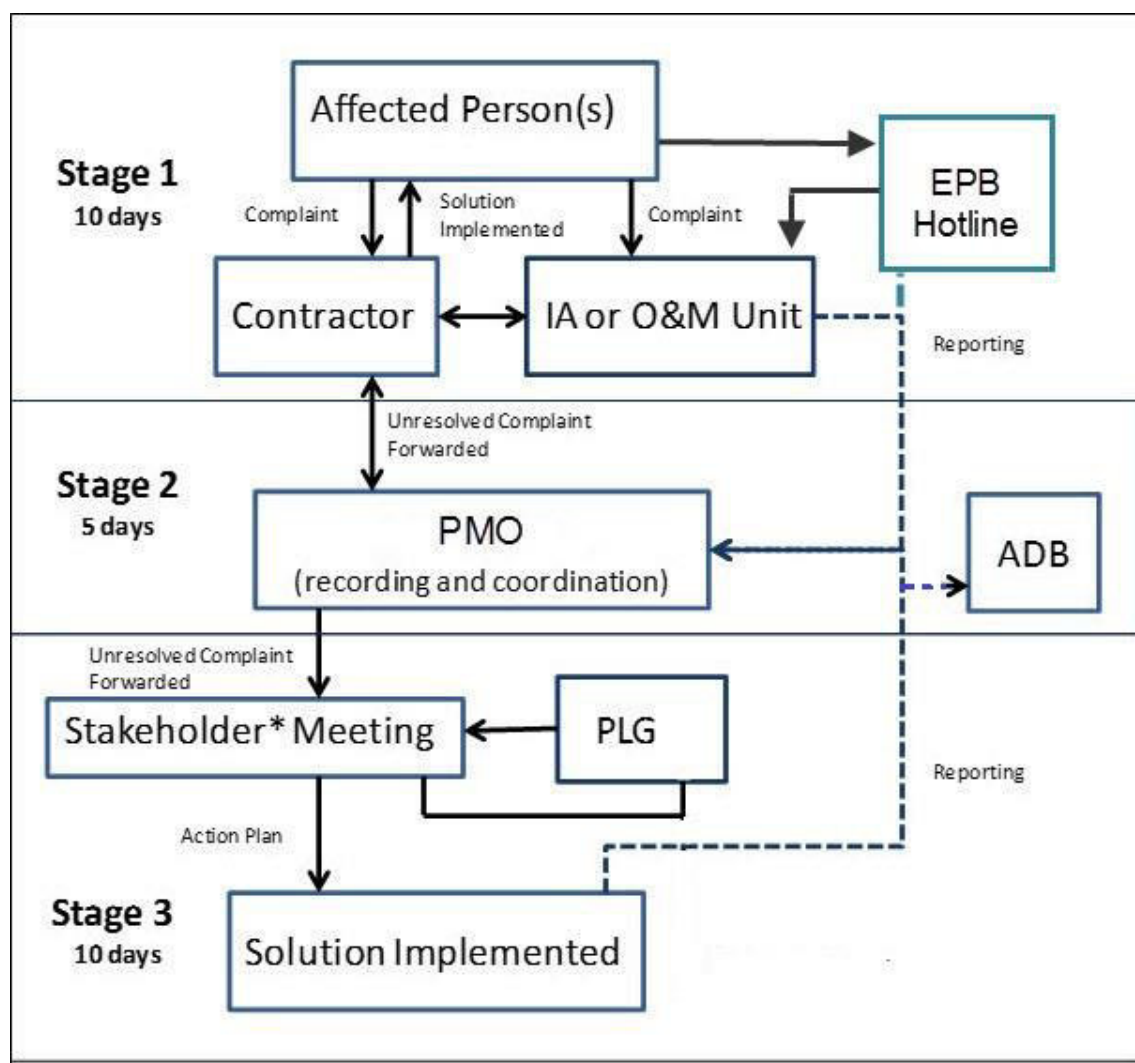
The above steps relate to the construction phase where most complaints will be directed in the first instance to the contractor, CSC or implementing agency. During initial operations, complaints will be received by the operations and maintenance (O&M) units of the facilities.

PMO will inform ADB of all complaints and actions under the GRM and include all relevant documents in its progress reports to ADB.

30. Any costs incurred to receive and document grievances will be paid by the PMO. The grievance procedures will remain valid throughout the duration of project construction and the first two years of project operation.

31. If the above steps are unsuccessful, people adversely affected by the project may submit complaints to ADB's Accountability Mechanism. All parties should employ their best effort to solve problems that are reported through the GRM. Only when these are exhausted should the ADB's Accountability Mechanism be accessed.³⁵³ The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures.

Figure A6.1: The Project Grievance Redress Mechanism



* Stakeholders involved will depend upon the nature of the complaint and will include as a minimum the affected person(s), PMO, implementing agency, and EPB. Other stakeholder agencies relevant to particular concerns can be called upon to contribute through the PLG.

Note: AP = affected person, EPB = environmental protection bureau, O&M = operation and maintenance, PMO = project management office; IA = Implementing Agency.

K. Cost Estimates

32. This section provides an estimate of the cost of implementing the EMP. The cost comprises three categories: mitigation and management measures (from Table A9.3); environmental monitoring (from Table A9.5); and, training (from Table A9.8). Refer to Tables A9.3, A9.5 and A9.8 for more details of each item. Costs are presented for the construction and operational phases of the project duration (until PCR stage). The costs do not include: (i) detailed design revisions and adjustments; (ii) facility operating costs (which include environmental safeguards); and (iii) the salaries of PMO environment staff. Costs for the mitigation measures are based on estimates in the domestic EIA and the experience of the PPTA team and PMO in other projects. Costs for the monitoring and training are also estimates based on the experience of the PPTA team in similar projects and discussed with the PMO.

33. The total estimated cost of implementing the EMP is CNY 1.8 million over the project duration (Table A9.10). It is anticipated that about CNY 2.07 million (59%) will be paid through the construction contractors, CNY 605,000 (34%) paid through the implementing agencies (mainly for external monitoring) and CNY 125,000 (7%) through the PMO.

Table A6.10. Estimated cost (CNY) of Implementing the EMP over 5 Years

See Tables A9.3, A9.5 and A9.8 for details of activities.

Item	PMO	Implementing agencies	Contractors and CSCs
MITIGATION (EMP Table A9.3)			
PRE-CONSTRUCTION			
A.1 Air Quality Protection Plan		70,000	
A..2 GRM	5,000	35,000	
A.2 Asbestos survey and removal planning			100,000
CONSTRUCTION			
B.2 Soil and water contamination			100,000
B.3 Pollution of surface and groundwater			120,000
B.4 Construction and domestic solid wastes			30,000
B.5 Noise and vibration			100,000
B.6 Dust management			100,000
B.6 Vehicle emissions			35,000
B.8 Site health and safety			55,000
B.8 Community safety			100,000
Sub-total	5,000	105,000	740,000
MONITORING (EMP Table A9.5)			
CONSTRUCTION			
Internal monitoring			
Dust and noise			120,000
Water quality			120,000
Soil erosion and contamination			30,000
Solid and liquid waste management			30,000
Site health and safety			30,000
External monitoring			
Dust and noise		400,000	
OPERATION			
External monitoring			
Odor from hospital WWTP (Xinji and Shuangluan)		60,000	
Groundwater quality at Shexian County Elderly Care Center		40,000	
Sub-total		500,000	330,000
TRAINING (EMP Table A9.8)			
EMP implementation	24,000		
GRM	12,000		
Environmental monitoring	12,000		

Item	PMO	Implementing agencies	Contractors and CSCs
Emergency procedures	36,000		
Solid and medicinal waste	18,000		
Air quality protection	18,000		
Sub-total	120,000		
GRAND TOTAL CNY	125,000	605,000	1,070,000
Total USD (USD1=CNY6.5)	18,939	91,667	162,121
Proportion of total (%)	7	34	59

GRM = Grievance Redress Mechanism, PMO = Project Management Office CSC = Construction Supervision Company.

Source: Asian Development Bank.

34. During project implementation, the budget will be adjusted based on actual requirements. Contractors will bear the costs of all mitigation measures and internal monitoring during construction, which shall be budgeted in the bids. Implementing agencies will bear the costs related to setting up and running the GRM, mitigation measures during operation and external environmental monitoring during construction. Training costs will be part of the Project Implementation Support component of the project's capacity building output, through the PMO.

L. Mechanism for feedback and adjustment

35. Based on environmental monitoring and reporting systems in place, the PMO shall assess whether further mitigation measures are required as corrective action, or improvement in environmental management practices are required. The effectiveness of mitigation measures and monitoring and inspection plans will be evaluated by a feedback reporting system. If the PMO identifies a substantial deviation from the EMP, or if any changes are made to the project scope that may cause significant adverse environmental impacts or increase the number of affected people, then the PMO shall immediately consult ADB to identify EMP adjustment requirements.

M. Public Consultation Plan

36. Two rounds of public consultation, including information dissemination, have been undertaken during the PPTA and are described in Chapter VII of the IEE. Plans for public involvement during the detailed design, construction and operation phases have also been developed during project preparation. These plans include public participation in (i) monitoring impacts and mitigation measures during the construction and operation stages, (ii) evaluating environmental and economic benefits and social impacts, and (iii) interviewing the public after the sub-components are completed.

37. Public participation plans are part of the project implementation and management plan. The implementing agencies are responsible for public participation during project implementation and operation. Costs for public participation activities during construction are covered by project funding. The unit costs are estimated as CNY5,000 (\$770) for each public workshop, and CNY6,000 (\$920) for each press conference.

Table A6.11: Public Consultation Plan

Organizer	Approach	Times/Frequency	Subjects	Participants
Construction				
Implementing agencies, PMO	Public consultation and site visits	At least once a year	Adjusting mitigation measures if necessary, construction impacts, comments and suggestions	Work staff within construction area; Residents within construction area

Organizer	Approach	Times/Frequency	Subjects	Participants
	Public workshop	At least once a year	Adjusting mitigation measures if necessary, construction impacts, comments and suggestions	Representatives of residents and social sectors
	Consultation at HSBC Center worksites	Before construction at each site	Confirming the construction schedule based on community suggestions to minimize disruption of services. Discuss safety issues with nearby communities	Community center residents, clients and staff
Operation				
Implementing agencies	Public consultation and site visits	At least once	Effects of mitigation measures, impacts of operation, comments and suggestions	Residents adjacent to project sites
	Public workshop	As needed based on public consultation	Effects of mitigation measures, impacts of operation, comments and suggestions	Representatives of residents and social sectors
	Public satisfaction survey	At least once	Comments and suggestions	Project beneficiaries

PMO = project management office.

Source: Asian Development Bank.

ANNEX A: DRAFT TERMS OF REFERENCE: PMO ENVIRONMENT OFFICER (PMO-EO)

A. Background

1. Development projects which are assisted by the Asian Development Bank (ADB) routinely require the establishment of a Project Management Office (PMO). The PMO is responsible for project implementation. Compliance with the Loan and Project Agreements includes implementation of an Environment Management Plan (EMP), which is prepared as part of the project environment impact assessment. The EMP is the critical guiding document to manage, monitor, and report upon potential project environmental impacts. Implementation of the EMP is a full-time task. For this reason, the PMO assigns a full-time officer for this role. These terms of reference describe the requirements for this officer.

B. Scope and Duration of Work

2. The officer will work on behalf of the PMO to implement the project EMP. The officer will report directly to the PMO. The position is for the entire project duration (five years).

C. Qualifications

3. The officer will have: (i) an undergraduate degree or higher in environmental management or related field; (ii) at least five years of experience in environmental management, monitoring, and/or impact assessment; (iii) ability to communicate and work effectively with local communities, contractors, and government agencies; and (iv) ability to analyze data and prepare technical reports. Desirable, but not essential, is a proficiency in spoken and written English.

D. Detailed Tasks

4. The PMO Environment Officer will have a detailed understanding of the project EMP and supporting documents, including the domestic environmental reports, the project EIA, and project environmental assurances. The officer will have the following tasks.

- (i) Assess whether the EMP requires updating due to any changes in project design which may have occurred after the EMP was prepared.
- (ii) Distribute the Chinese language version of the EMP to all relevant agencies, including the implementing agencies, provincial and municipal agencies for environment protection. This should occur at least three months before construction begins.
- (iii) Conduct meetings with agencies as necessary to ensure they understand their specific responsibilities described in the EMP.
- (iv) Ensure that relevant mitigation, monitoring and reporting measures in the EMP are included in the bidding documents, contracts and relevant construction plans.
- (v) Confirm that the Implementing Agencies (IAs) responsible, through their contractors, for the internal environment monitoring described in the EMP understand their tasks and will implement the monitoring in a timely fashion.
- (vi) At least two months before construction begins, establish and implement the project Grievance Redress Mechanism (GRM) described in the EMP. This will include: (a) prepare a simple table and budget identifying the type, number and cost of materials needed to inform local communities about the GRM and starting dates and scope of construction; (b) design, prepare and distribute these materials, and plan and conduct the community meetings; (c) prepare a form to record any public complaints; (d) prepare a summary table to record all complaints, including dates, issues, and how they were resolved; and (e)

ensure that all relevant agencies, including contractors, understand their role in the GRM.

- (vii) Prior to construction, ensure that implementing agencies and their contractors have informed their personnel, including all construction workers, of the EMP requirements. This will include all mitigation measures relating to impacts to air, water, noise, soil, sensitive sites, ecological values, cultural values, worker and community health and safety, respectful behavior when communicating with local communities, and responding to and reporting any complaints.
- (viii) During project construction, make regular site visits with LIEC to assess progress, meet with contractors and/or local communities, and assess compliance with the EMP.
- (ix) Ensure that all relevant agencies submit required progress reports and information, including environmental monitoring and reports of any issues or grievances.
- (x) Compile, review, and store environmental progress reports from the implementing agencies, records of any grievances, and any other relevant issues. Maintain digital copies of all information. When necessary, enter data into summary tables in digital format (e.g. to transfer records of grievances from hard copy forms). Ensure that all information is stored in the PMO filing system, backed up, and can be easily retrieved.
- (xi) Prepare environment progress reports for ADB.
- (xii) Work closely with the PMO, implementing agencies, loan implementation consultants, and other agencies and personnel as necessary to conduct these tasks.

E. Reporting Requirements

Annual environment monitoring reports, using the template provided by ADB or a domestic format reviewed and approved by ADB.

F. Logistical Support Provided by PMO to the Environment Officer

- (i) Provision of hard and soft copies of the project EMP, domestic and project environmental reports, feasibility study reports, loan and project agreements, maps, and other supporting materials as necessary to ensure the officer can implement the tasks.
- (ii) Vehicle transport, office materials, and other logistical support as necessary for the officer to visit the project construction sites and local communities, arrange and conduct meetings, and prepare and distribute consultation materials.
- (iii) Overall coordination, including review of the draft annual monitoring reports and final responsibility for submission of the monitoring reports to ADB.

ANNEX B: DRAFT TERMS OF REFERENCE: LOAN IMPLEMENTATION ENVIRONMENTAL CONSULTANT (LIEC)

A. Background

1. Implementation of the Project will be overseen and coordinated by a Project Management Office (PMO). The PMO will be assisted by a Loan Implementation Consultant team. The Loan Implementation Environmental Consultants (LIEC) will be a part of this team and will assist the PMO with implementation of the project Environmental Management Plan (EMP).

B. Scope and Duration of Work

2. This position could be a firm or individuals (one national, 9 person-months) engaged by the PMO. It is not part of the PMO in-house environmental specialist or the implementing agencies. The specialists will report directly to the PMO. The positions are for the entire project duration (5 years). The LIEC should be recruited as soon as possible after loan effectiveness, as the first task is to confirm project environmental readiness (EMP Table A9.4).

C. Qualifications

3. The specialists will have: (i) a Masters degree or higher in environmental management or related field; (ii) at least five years of experience in environmental management, monitoring, and/or impact assessment; (iii) familiarity with ADB project management requirements and national environmental management procedures; (iv) ability to communicate and work effectively with local communities, contractors, and government agencies; (v) ability to analyze data and prepare technical reports; and (vi) proficiency in spoken and written English.

D. Detailed Tasks

1. Before Construction

- (i) Ensure project environmental readiness, including: (a) checklist in Table A9.4 of the EMP is achieved; (b) all contractor contracts include, and will comply with, the EMP; and (c) relevant sections of the EMP are incorporated in construction plans and contracts.
- (ii) Assist the PMO to implement the GRM, including: (a) establish and publicize the GRM; and (b) collate and evaluate grievances received.
- (iii) Develop procedures to (a) monitor EMP implementation progress, (b) collate and evaluate data collected in the EMP environmental monitoring program, and (c) prepare and submit the annual environmental monitoring reports to ADB (to continue until PCR).
- (iv) Undertake training of project agencies as required by the EMP training plan.
- (v) Provide hands-on support and on-the-job training to the PMO, implementing agencies, and contractors on the specific requirements of the EMP as required.

2. During Project Implementation

- (i) Undertake site visits to all implementing agencies, and project sites during subproject construction and operating phase.
- (ii) Assist in the ongoing public consultation process as described in the EMP Table A9.11.
- (iii) Conduct EMP compliance assessments, identify any environment-related implementation issues, and propose necessary responses in corrective action

- plans.
- (iv) Assist in training of project agencies as required by the EMP training plan (EMP Table A9.8).
 - (v) Assist PMO to prepare annual environmental monitoring progress reports for submission to ADB.

ANNEX C: TERMS OF REFERENCE FOR IMPLEMENTING AGENCY ENVIRONMENTAL SUPERVISOR

A. Background

1. Development projects which are assisted by the Asian Development Bank (ADB) require compliance with the Loan and Project Agreements. This includes implementation of an Environment Management Plan (EMP), which is prepared as part of the project environment impact assessment. The EMP is the critical guiding document to manage, monitor, and report upon potential project environmental impacts. Implementation of the EMP by each implementing agency and their contractors requires the full time assignment of an Environmental Supervisor within the construction management team of each implementing agency. These terms of reference describe the requirements for this officer.

B. Scope and Duration of Work

2. The IA-ES will work with the PMO Environment Officer, contractors and other relevant personal, to implement the EMP. The manager will report to implementing agency construction manager. Duration will be for the project implementation period up to PCR stage.

C. Qualifications

3. The IA-ES will have: (i) an undergraduate degree or higher in a relevant field; (ii) experience in environmental management, monitoring, and/or impact assessment; (iii) ability to communicate and work effectively with local communities, contractors, and government agencies; (iv) ability to analyze data and prepare technical reports; and (v) willingness and health to regularly visit the sub-project sites.

D. Detailed Tasks

4. Working closely with the PMO Environment Officer, and contractors, the environmental supervisor will:

- (i) develop a high level of familiarity with the EMP;
- (ii) assist the contractors to prepare Site Management Plans for each major work location, which incorporates all relevant EMP provisions;
- (iii) assist the PMO-EO in setting up and publicizing the GRM at the local level;
- (iv) coordinate the receiving of complaints and corrective responses at the local level for the GRM;
- (v) undertake, coordinate, and supervise internal monitoring as per EMP Table A9.7;
- (vi) receive and evaluate monthly reports of work performance from contractors
- (vii) prepare environmental monitoring reports for quarterly submission to the PMO; and
- (viii) attend training as required.

E. Reporting Requirements

5. Quarterly environmental reports to the PMO, using the template provided by ADB or a domestic format reviewed and approved by ADB.

APPENDIX 7: CONSULTING TERMS OF REFERENCE

A. Project Readiness Consultancy—Funded by the Project Preparatory Technical Assistance Budget³⁵⁴

a. Objective and Scope of Work

66. The objective of this consulting is to support the Hebei project management office (HPMO) and implementing agencies by providing a program of priority capacity building to ensure these key agencies are as prepared and trained in advance of loan effectiveness as is reasonably practicable, in order that they can perform their respective project implementation duties in a satisfactory manner. A small group of consultants fully familiar with relevant Asian Development Bank (ADB) project implementation requirements will be used following on from the detailed project preparatory technical assistance work. The necessary advice, support, and training will cover, but not necessarily be restricted to, the following:

- (viii) Working with HPMO leadership to establish effective project management arrangements for the implementation, including developing standard templates for routine notifications and requests from implementing agencies to HPMO and HPMO of ADB.
- (ix) Providing project progress reporting templates customized to the needs of the project and ADB information needs, together with training in their use.
- (x) Assisting in the preparation of a project financial management manual for the project in conjunction with HPMO financial staff and Hebei Provincial Finance Department. Training in the use of the manual, project accounting requirements in associated record keeping and financial controls, and in financial progress reporting needs.
- (xi) Establishing procurement systems and procedures at implementing agency and HPMO level, and working with HPMO to prepare the request for proposals and related documentation for contract CS01 (project implementation consulting) in order to expedite the engagement of this consultant.
- (xii) Undertaking design review and assisting in the preparation of the technical part of bidding documents.
- (xiii) Establishing systems and providing advice and training needed for the effective implementation of resettlement plans and reporting to HPMO and/or ADB thereon.
- (xiv) Organize and conduct a project implementation seminar to discuss implementation strategies and harmonize individual implementing agency project implementation approaches and timelines, and maximize inter-implementing agency communications and cooperation.

67. Fuller terms of reference (TOR) and specific outputs required are in this appendix. However, actual work required and/or possible prior to loan effectiveness will depend on (i) how smoothly the loan processing, approval, and signing milestones are achieved; and (ii) the rate of progress made with the preliminary and detailed design of the project facilities. The deployment of consulting resources will therefore depend in large part on these factors. Table 1 gives an initial estimate of consulting inputs required and Table 2, the required budget.

Table 1: Estimate Consultants' Inputs during Start-up Phase

Expert Inputs	Person-months
---------------	---------------

³⁵⁴ ADB. 2015. *Technical Assistance to the People's Republic of China for the Hebei Elderly Care Development Project*. Manila (TA 8996-PRC).

Financial management specialist (national)	1.0
Procurement specialist (national)	1.0
Resettlement specialist (national)	1.5
EC design review specialist (national)	1.5
Environmental specialist (national) - unlikely to be needed	TBD
Other resource persons	TBD
Total	5.0

EC = elderly care, TBD = to be determined.

Table 2: Consultants' Outline Budget

Item	Amount (\$)
5. Consultants fees and per diem	35,000
6. Workshop and seminar	27,500
7. Miscellaneous travel costs	1,250
8. Contingency	6,250
Total	70,000

Source: Asian Development Bank estimates.

3. The required qualifications, duties, and responsibilities of the different consultants within this team will be as follows:

b. Financial Management Expert (national, 1 person-month)

4. The financial management expert should have at least 10 years total relevant experience and have full familiarity and substantial (5 years minimum) working experience in the implementation of ADB projects in the People's Republic of China (PRC). The expert must also be fully familiar with both PRC Government accounting and financial management arrangements and the accounting, and financial reporting requirements under the PRC enterprise law as applicable to the project's private implementing agencies. This expert will work closely with the HPMO and the implementing agencies to accomplish the following tasks:

- a. establish the financial and accounting systems necessary for discharging the financial management responsibilities under the project;
- b. training on ADB disbursement procedure and ADB project accounting and financial reporting to be provided to HPMO and all implementing agencies;
- c. a comprehensive financial policies and procedures manual to be developed in HPMO in order to guide PMO and implementing agency staff activities and ensure staff accountability;
- d. written job descriptions for implementing agency financial staff to be prepared to reflect project responsibilities; and
- e. assist each implementing agency to prepare a 5 year project budget covering the years 2015–2019 and update this on an annual basis. The starting point for the preparation of the initial budget should be the project financial forecasts agreed between the Hebei Provincial Government (HPG) and ADB at loan negotiations and as subsequently recorded in the project administration manual (PAM).

c. Procurement Specialist (national, 1 person-month)

5. The specialist shall have at least 10 years extensive and broad project management experience of the implementation of ADB and/or World Bank loan projects in the PRC. Good working knowledge of ADB's business practices, procurement guidelines, and procedures for the recruitment of consultants. The specialist will have excellent Chinese language, very good English language skills, and shall be computer literate (word processing, spreadsheets, presentation software, project planning software, etc.). The specialist will:

- (i) Provide advice and support to the project management office (HPMO) and the project implementing agencies in the initial setting up of (a) project management systems, (b) procurement systems, and (c) related record keeping systems.

- (ii) In conjunction with the HPMO procurement agent, provide advice on (a) procurement procedures in accordance with the ADB procurement guidelines; (b) the timely recruitment of the consultants who will support the HPMO and the implementing agencies during the implementation period, making use of the ADB advance procurement action facility (to include involvement in review of expressions of interest, shortlisting, and preparation for the request for proposal and proposal evaluation); and (c) any other advance contracting activities that the HPMO or individual implementing agencies wish to undertake (e.g. for the Yanshan University (YSU) subproject).
- (iii) Assist HPMO in the development of an updated procurement plan (should this become necessary in advance of loan effectiveness) and procedures for the periodic monitoring and updating of procurement plans.
- (iv) Identification of training needs for procurement activities.
- (v) Participate in the proposed implementation workshop and provide on-the-job training (OJT) and briefings on procurement related matters to HPMO and the implementing agencies.

d. **Resettlement Specialist** (national, 1.5 person-months)

6. This expert will be qualified and experienced resettlement specialist with at least 10 years of practical experience in both the preparation and implementation of resettlement plans for ADB projects in the PRC. A comprehensive and up to knowledge of the relevant ADB safeguards policies and procedures is required, including how these are applied at the project level. This expert will advise the HPMO and implementing agencies and local government resettlement offices in relation to:

- (i) finalizing the resettlement plans by revisions arising from census of affected persons, land survey, and/or made by detailed engineering design;
- (ii) collecting additional information and/or conducting additional consultation, if necessary, to ensure the final resettlement plan will be in full compliance with ADB safeguard policy;
- (iii) assisting in setting up the resettlement grievance procedure and making this operational;
- (iv) assisting in setting up record systems for the internal monitoring of resettlement activity; and
- (v) providing training on the ADB involuntary resettlement safeguards policy and related procedures (e.g. monitoring systems and the grievance redress mechanism (GRM)).

e. **Elderly Care Design Review Specialist** (national, 1.5 person months)

7. Likely a professionally qualified architect or design engineer, this specialist will have at least 10 years of experience in the design and construction of elderly care facilities, and be fully familiar with the model form of works contract that is used for all ADB financed national competitive bidding contracts in the PRC. Bilingual capability in English and Chinese is highly desirable. The specialist will:

- (i) Undertake a technical review of the preliminary and detailed design's prepared for the implementing agencies to ensure that all project-financed buildings are technically sound, meet all relevant technical and safety standards, and incorporate energy-efficiency and resources-conservation measures. This review will ensure that all design related assurances provided by HPG to ADB in the Project Agreement or are stipulated in the PAM have been incorporated during the design process.
- (ii) Undertake a review of any bidding documents (as prepared by the design institutes appointed by the implementing agencies) and give advice and

support in the finalization of these documents(based on current scheduling this is only likely to be needed in relation to initial works contracts at YSU); and

f. **Environmental management expert** (national, inputs to be determined)

8. The environment expert will have at least 10 years of work experience in environmental impact assessment and in design and implementation of environmental monitoring systems. The expert must be equally comfortable working in both the English and Chinese languages. The expert will:

- (i) Undertake all the activities specified for the environmental project readiness consultant in the project initial environmental examination (IEE) and environmental monitoring plan (EMP) documentation, including any necessary training workshop(s).
- (ii) Provide support to the elderly care (EC) design review specialist in reviewing the preliminary and detailed designs to ensure that all project-financed buildings are technically sound; meet all relevant technical and safety standards; and incorporate energy-efficiency, resources-conservation measures, and other environmental measures.

B. Loan Financed Consulting

k. **Support for Project implementation** (Contract Package CS-01)

a. **Objective and Scope of Work**

9. The objective of this package is to support the HPMO and (especially) the project implementing agencies in the discharge of their project implementation agencies. The consultants will work under the general guidance of the HPMO, providing advice, assistance and necessary training. The work required can be viewed as comprising three main parts; (i) project implementation support for the design and construction of the required EC infrastructure, (ii) implementation support to the implementing agencies to help operationalize the EC services they plan to provide; and (iii) organization and execution of an EC training program.

10. The work required under each of these three areas is outlined below with the TOR for each consulting position.

b. **Project Implementation Support for the Design and Construction of the Required Elderly Care Infrastructure**

11. The following expected provision of comprehensive support and guidance to the implementing agencies (and HPMO, as required) on all aspects of the design, procurement, and physical construction of the project's EC infrastructure are as follows:

- (x) Updating of project implementation plans, physical progress monitoring, project progress reporting to ADB, participation at ADB supervisory and review missions, and support to HPMO in the preparation of the borrower project completion report (PCR).
- (xi) Design review and advice to local design institutes (with particular emphasis on the incorporation of best practices.
- (xii) Establishing procurement systems and procedures.
- (xiii) Supporting bidding document and/or request for proposals preparation and/or review, participation in bid evaluations procurement plan updates and advice on resolving contractual issues arising during construction.
- (xiv) Construction management (progress tracking, potential contract variations, contract claims, resolving unforeseen technical issues, etc.).

- (xv) Establishing project accounting and financial reporting systems and ongoing support in financial reporting.
- (xvi) Environmental monitoring and updating of environmental management plan.
- (xvii) Updating resettlement plans based on final design and detailed measurement survey of affected persons (if not achieved during the start-up period) and resettlement plan implementation (including internal monitoring).
- (xviii) Advice, training, and support associated with the implementation of the social and gender action plan (SGAP).
- (xix) Design, training, and operation of the project performance management system (PPMS) and support in PPMS reporting to ADB.

I. Implementation Support to the Implementing Agencies as Service Provider on Operationalizing Elderly Care Services

12. This part of the consulting package will recommend steps for each implementing agency to follow, to ensure that EC services are made operational in a timely manner, and that appropriate systems and procedures are put in place to ensure quality standards are achieved from the outset. Consulting work in support of the implementing agencies will include:

- (ix) Advice and support to implement the agreed program of pilot initiatives.
- (x) Help in dissemination of the results of pilot initiatives and roll out across all implementing agencies.
- (xi) Provide advice, guidance, and support on the detailed planning and execution of the roll out of each implementing agencies' home and community-based care (HCBC) services.
- (xii) Provide advice and guidance on maximizing the potential value-added role of EC call centers and optimizing the use of information and communications technology (ICT) for this purpose.
- (xiii) Preparing and updating the operational business plans of the implementing agencies.
- (xiv) Provide advice, guidance, and support on the development of residential EC management and operational systems and procedures, including:
 - d) quality assurance and patient safety systems,
 - e) medical rehabilitation and health and/or EC integration initiatives, and
 - f) dementia recognition and care.
- (xv) Advice on the preparation of local human resources and training plans and their execution, also advice on human resources issues that arise during the pre-operation and early operation stages.
- (xvi) Organizing stakeholder consultations and surveys to ensure a participative approach to the monitoring and evaluation of EC services provided under the project.

a. Organization and Execution of an Elderly Care Training Program

13. The outline training needs that this program will need to respond to have been identified as follows:

- (iv) International study, ideally in an Asian country with cultural similarities to the PRC, and which already has an advanced EC system in place that is comparable with best international practices. Japan has been provisionally selected as the most suitable.
- (v) Part-time residential care training modules delivered over 18 months–2 year period, with implementing agency managers and staff as the main targets, and including:
 - i) characteristics and clinical issues of EC users,
 - j) EC management training,

- k) generic quality assurance system,
- l) dementia care, and
- m) medical rehabilitation center operations.
- (vi) Home and community care training that includes:
 - n) HCBC management training,
 - o) home safety assessment training, and
 - p) contractor training for home adaptations.

Table 3: Contract Package CS01—Consultants' Inputs

Expert Inputs	Person- Months
C. International Experts	
Home and community care specialist	5
Residential care specialist	6
Human resources specialist	2
Subtotal (A)	13
D. National Experts	
Team leader and/or construction management specialist	30
Procurement and contract management specialist	10
Financial management specialist	18
Social and gender specialist	8
Environmental specialist	9
Resettlement specialist	6
EC design specialist	5
Home and community care specialist	18
Residential care specialist	18
Human resources specialist	18
Information, communication, and technology specialist	4
Stakeholder consultation, monitoring, and valuation specialist	6
Subtotal (B)	150
Total (A+B)	163

Source: Asian Development Bank estimates.

Table 4: Contract Package CS01—Consultants' Outline Budget

Item	Amount (\$)
8. International consultants (remuneration, travel to Hebei, per diem, and fees)	260,000
9. National consultants (remuneration, travel to Hebei, per diem, and fees)	1,155,000
10. Training workshops in Hebei	54,000
11. Specialist training (as itemized in appendix 7)	813,000
12. Travel in Hebei	38,000
13. Office administration and operation	155,000
14. Project completion and evaluation survey and consultations	25,000
Total	2,500,000

C. Terms of Reference for Each Consulting Position

- a. **Team Leader / Construction Management Specialist** (national, 30 person-months)

14. **Qualifications and experience required.** The expert shall be a professionally qualified civil engineer and must have at least 10 years relevant post qualification work experience. The expert shall have a background in all aspects of ADB project management; will be thoroughly conversant with ADB's procedures and guideline publications; and will be expected to possess good report writing, presentation, and training skills. Previous successful team or deputy team leadership on the implementation of at least two ADB or World Bank funded loan projects is also required, together with bilingual ability in English and Mandarin Chinese.

15. **Tasks assigned.** In addition to overall team leadership and coordination responsibilities for all three main parts of the consulting assignment, the duties will include, but not be limited to, the following:

- (i) Develop comprehensive project implementation plans and procedures for monitoring and controlling the overall project and activities undertaken by the implementing agencies.
- (ii) Develop a streamlined and practical document control system.
- (iii) Using the template in Appendix 11 of the PAM as a starting point, develop procedures and formats for the reporting of project progress to the ADB, including the procurement plan, construction progress, withdrawal of funds and payment to contractors and suppliers and the implementation of action plans necessary to facilitate compliance with the ADB Safeguards Policy Statement (2009) and specific loan assurances contained in the project legal documents. Provide related training on this to implementing agency staff.
- (iv) Monitoring and evaluation of overall project progress (includes overseeing the establishment of the PPMS and provide advice and support in its ongoing operation).
- (v) Prepare progress reports, midterm, and PCR in accordance with PAM requirements for HPMO submission to ADB.
- (vi) Advise the human resources training specialist in the preparation of overall training plan, especially in relation to construction management training needs.
- (vii) Advice to the implementing agencies on all aspects of construction management, including active support in the resolution of any issues that arise during the construction process.
- (viii) Advice on action needed to ensure adherence to ADB safeguard policies and project agreement covenants.
- (ix) Reviewing bidding documents and making written review reports to the relevant implementing agency and HPMO.
- (x) Assist the implementing agencies to establish effective construction supervision systems and procedures, and provide advice to the implementing agencies (and construction supervision firms engaged by the implementing agencies) on construction management procedures including:
 - a) approval of materials and equipment;
 - b) reviewing the contractor's applications for subletting part of the works;
 - c) the comprehensive quality assurance for equipment and materials, including inspection, arranging for rectification, evaluating at commissioning, performance certification, and warranty assessment;
 - d) approval of the contractor's and suppliers' working drawings by local construction supervision firm's and if necessary to issue further drawings and/or give instructions to the contractors;
 - e) provision of data to the contractor for the setting out of the works;
 - f) approving or disapproving the contractors' superintendence, key personnel and construction programs, materials and/or sources of materials;
 - g) controlling and reviewing the progress of the works, and ordering, if required, the suspension of the works and/or determining the amount of extension of the period for completion of the works;
 - h) inspecting the performance of the works with regard to workmanship and compliance with the specifications, and ordering and supervising or performing tests on plant and materials and/or works before covering up and approving or disapproving the contractors' plant, equipment, and workmanship;
 - i) ordering as required the uncovering of completed works and/or the removal and substitution of improper materials and/or works;
 - j) systematically checking the progress of the works and ordering the

- initiation of certain works, which are part of the contracts;
 - k) supervising the installation, performance testing and commissioning of plant, including all electrical and mechanical equipment and systems; and
 - l) coordinating and reviewing contract package work programs submitted by contractors.
- (xi) Assist the implementing agencies, PMOs, and construction supervision firms engaged by implementing agencies to establish appropriate project progress monitoring and reporting procedures.
- (xii) Review and evaluate variations and assist the implementing agencies and local construction supervision firms engaged by implementing agencies in fixing rates for unpriced works, order day work and /or decide on alternatives, and issuing variation orders.
- (xiii) Review claims and making recommendations to the implementing agencies.
- (xiv) Review monthly construction supervision reports, which shall be developed to monitor contractors' progress in financial and physical terms.
- (xv) Assess training needs and develop training programs/seminars pertaining to the ADB's procedures and requirements concerning construction and contract management, and quality assurance.
- (xvi) Provide OJT and hold practical workshop based training for staff of the implementing agencies to strengthen their project and construction management capabilities.
- (xvii) At project completion—and working closely with the stakeholder consultation, monitoring, and valuation specialist—oversee the preparation of the draft borrower's PCR ensuring the involvement of all necessary consultants and parties in the process.
- (xviii) To facilitate meaningful PCR, on an ongoing basis, identify and document all significant changes made to the original project design, the reasons for these changes, and evaluate the effect of such changes to project outcome and impact.

a. Implementation Support for the Construction of Elderly Care Infrastructure

- b. **Procurement and Contract Management Specialist** (national, 10 person-months)

16. **Qualifications and experience required.** This expert has Engineering background or technical discipline with at least 10 years continuous work experience in international and national procurement for ADB and/or World Bank projects in the PRC. The expert must also be highly accomplished in reading and writing in the English language, and fully familiar with the practical application of ADB procurement guidelines.

17. **Tasks assigned.** Working under the overall guidance of the team leader, this expert will provide comprehensive technical assistance to the HPMO and the implementing agencies to establish procurement procedures in accordance with ADB's Guidelines on Procurement that include the review bidding documents, preparation of bid evaluation reports, contracts, contract variations and other procurement related documents. Specific tasks this expert will undertake will include but are not necessarily restricted to the following:

- (i) Update the project procurement plan during the project inception phase and obtain PMO and ADB sign-off.
- (ii) Thereafter undertake at least an annual updating of the procurement plan, but with ad hoc updates if changes in the project require this.

- (iii) For any ICB contracts that are needed (currently there are none) prepare a detailed set of procurement milestones to smooth the ICB procurement process and provide active support as needed to avoid procurement delays.
- (iv) Undertake a detailed review and suggest detailed modifications to all ICB bidding documents.
- (v) Continually review the performance of the appointed procurement agent and report as appropriate to the HPMO.
- (vi) Ensure all implementing agency, HPMO and the procurement agent staff involved in project procurement are fully briefed on project specific procurement requirements including contract provisions regarding:
 - a) adherence to EMP provisions and requirements,
 - b) social protection and equality covenants,
 - c) PPMS reporting obligations of contractors,
 - d) relevant bidding documents to include for contractors to provide equipment operating and maintenance manuals in Chinese and that training in equipment and maintenance is adequately provided for, and
 - e) anti-corruption measures.
- (vii) Attend ADB review missions and contribute to project progress reports as required.
- (viii) Explain ambiguities and/or discrepancies in the contract documents and assist the implementing agencies in the settlement of any disputes with the contractors that involve interpretation of contract provisions.
- (ix) Provide ongoing procurement training as required.
- (x) Give backstop advice as necessary to other members of the consulting team, the HPMO, implementing agencies, and the procurement agent. Most especially in respect of contractual provisions for contract variations, evaluating the validity of contractual claims and in the settlement of contractual disputes.

c. Financial Management Specialist (national, 18 person-months)

18. **Qualifications and experience required.** The national financial expert shall be professionally qualified and must have at least 10 years work experience in financial management, at least 3 years of which should be on the implementation of ADB or World Bank funded projects in the PRC. Good working knowledge of ADB disbursement procedures, ADB's Financial Management and Analysis of Projects, and the PRC Ministry of Finance's requirements for project accounting for ADB and World Bank funded projects is essential.

19. **Tasks assigned.** Assist the team leader to prepare the quarterly work plans and budgets to implement the project:

- (i) Assist the implementing agencies in all aspects of project accounting.
- (ii) Develop and modify financial management systems to handle contract awards, disbursement, and other financial information.
- (iii) Work with the team leader to prepare quarterly contract awards and disbursement targets and monitor progress closely to ensure timely disbursement.
- (iv) Review financial statements of implementing agencies and prepare consolidated project financial statements.
- (v) Provide assistance to the HPMO to ensure compliance of annual financial auditing requirements under the project.
- (vi) Conduct periodic visits to the implementing agencies to provide guidance on the preparation of financial statements, financial management and the preparation and monitoring of commercial business plans.
- (vii) Regularly update the project financing plan including counterpart funding, ADB funding, and other source of financing.
- (viii) Prepare financial parts of the project progress reports.

- (ix) Collect necessary information for ADB loan administration missions and assist to conduct financial analysis during the loan midterm review and after the project completion.
- (x) Provide training on all aspects of financial management and accounting.

d. **Social and Gender Specialist** (national, 8 person-months)

20. **Qualifications and experience required.** The national gender and social development specialist shall be professionally qualified and must have at least 10 years work experience in gender and social impact assessment, preferably within the context of social sectors projects (i.e. health, education, elderly care, etc.). In addition the expert must be fully familiar with the requirements of ADB's social dimensions policies (gender, poverty, labor, and indigenous peoples) and be able to demonstrate previous experience in the successful practical application of these policies during a previous project assignment(s).

21. **Tasks assigned.** The specialist will be responsible for (i) ensuring that ADB social safeguards policies are adhered to, and OJT and briefings on these to HPMO, implementing agency staff, contractors, and other stakeholders as appropriate. The specialist will undertake specific duties that include but are not necessarily restricted to the following:

- (i) Help the HPMO and implementing agencies establish management supervision mechanisms for implementation, monitoring and reporting of the project safeguards issues based on the SGAP and provide support for their implementation.
- (ii) In consultation with the EC experts on the team: design, prepare, and conduct gender awareness training material for EC managers and caregiving staff.
- (iii) Help the HPMO and implementing agencies to ensure smooth implementation of the GAP and SAP requirements by conducting necessary workshops and focus groups meetings.
- (iv) Assist in the conduct of surveys and consultations required in the SGAP and in the follow up of issues that arise from these. This exercise will be led by the stakeholder consultation, monitoring and evaluation expert, but the social and gender specialist will be expected to become closely involved.
- (v) Assist the HPMO and implementing agencies to develop reporting formats and establish mechanisms to prepare and submit the social safeguards related reports specified in the PAM, and loan and project agreements.
- (vi) Conduct compliance monitoring of social safeguards issues, assist the HPMO and implementing agencies to formulate corrective actions where necessary, and help the HPMO to prepare the social safeguards section in the semiannual progress report and relevant safeguards monitoring reports.
- (vii) Prepare a guidance note on the avoidance of gender bias in EC curriculum design, and learning and teacher materials and provide training in the use of this guidance once it has been approved by YSU.
- (viii) Identify barriers to social inclusiveness in EC service provision and suggest measures to improve the inclusiveness of services provided.
- (ix) Work with the HCBC experts to identify social issues created by family provided care-giving and how these might be mitigated.
- (x) Work with the human resources specialists on the consulting team to ensure implementing agency's human resources policies are gender sensitive, and prepare training for implementing agency and civil affairs bureau (CAB) staff on incorporation age and gender sensitive principles.

e. **Environmental Specialist** (national, 9 person-months)

22. **Qualifications and experience required.** The national environmental expert shall have a postgraduate degree related to environmental engineering and a specialization in

environmental management systems (EMS). The specialist shall have a minimum of 10 years of experience in environmental management of ADB- or international financial institution-funded projects and shall be familiar with relevant ADB environmental guidelines and requirements. Bilingual written ability in English and Chinese is highly desirable.

23. **Tasks assigned.** The expert will support the implementation of the EMP, including, but not necessarily restricted to the following requirements:

- (i) Assess the project outputs' environmental readiness prior to implementation based on the readiness indicators defined in the EMP).
- (ii) Update the EMP including monitoring plan as necessary to revise or incorporate additional environmental mitigation and monitoring measures, budget, institutional arrangements, etc., that may be required based on the detailed design; submit to ADB for approval and disclosure.
- (iii) Provide advice and support to the implementing agencies to ensure compliance with the PRC's environmental laws and regulations, ADB's Safeguard Policy Statement (2009) and Public Communications Policy (2011), and the World Bank Group's Environmental, Health and Safety Guidelines.
- (iv) If required, update the IEE report for changes in the project during detailed design (for example if there is a major scope change) that would result in adverse environmental impacts not within the scope of the approved IEE.
- (v) Support HPMO, the implementing agencies, and the appointed procurement agent in preparing tender documents; ensure that the bidding documents and civil works contracts contain provisions requiring contractors to comply with the mitigation measures in the EMP and that relevant sections of the project EMP (or updated EMP, if prepared) are incorporated in the bidding and contract documents.
- (vi) Assist HPMO and the implementing agencies to establish a GRM, and provide training for the HPMO and GRM access points.
- (vii) Conduct regular EMP compliance verification, undertake site visits as required, identify any environment-related implementation issues, propose necessary corrective actions, and reflect these in a corrective action plan.
- (viii) Assist HPMO to prepare annual environmental monitoring and progress reports to ADB.
- (ix) Provide training to HPMO, the implementing agencies and contractors on environmental laws, regulations and policies, safeguard, EMP implementation, and GRM in accordance with the training plan defined in the EMP.
- (x) Assist the HPMO, and implementing agencies, in conducting consultation meetings with relevant stakeholders as required, informing them of imminent construction works, updating them on the latest project development activities, and the GRM.

f. **Resettlement Specialist** (national, 6 person-months)

24. **Qualifications and experience required.** The national resettlement shall be professionally qualified and must have at least 10 years work experience in the implementation of land acquisition and resettlement programs within the PRC. In addition the expert must be fully familiar with the requirements of ADB's involuntary resettlement policy and be able to demonstrate previous experience in the successful practical application of this policy during previous project assignments.

25. **Tasks assigned.** The duties include, but are not limited to, providing advice and support to the HPMO, the implementing agencies and local county governments on:

- (i) Updating resettlement plans based on the detailed design (to the extent this task has not already been completed under the PPTA funded consulting).
- (ii) Advice and support in implementing the resettlement plans.

- (iii) Helping setup monitoring and reporting systems for resettlement plan implementation and advice on any land acquisition and resettlement issues that arise (e.g. dealing with grievances) and providing training in their use.
- (iv) Review of all external monitoring and providing advice to HPMO and relevant implementing agencies on the implementation of any corrective action required.
- (v) Resolving specific land acquisition and resettlement related disputes.
- (vi) Interpretation of resettlement related PPMS data with recommendations on required follow-up action.
- (vii) Inputs to project progress and safeguards compliance reports required under the PAM and/or the project agreement.
- (viii) Assist as required at ADB missions and in the PCR.
- (ix) Provide refresher training as may be needed during the course of project implementation.

g. **Elderly Care Design Specialist** (national, 5 person-months)

26. **Qualifications and experience required.** The EC design specialist will be a professionally qualified architect with at least 5 years of experience in the design of EC and health facilities, including relatively large scale EC residential complexes for semi-dependent and fully dependent elderly persons.

27. **Tasks assigned.** In close liaison with the EC specialists and the team leader, the duties include, but are not limited to the following:

- (i) Provide recommendations on technical design and equipment design and procurement suitable to the implementing agencies, having regard to successful international and national experience.
- (ii) Undertaking a technical review of the detailed design's prepared for the implementing agencies to ensure that all project-financed buildings are technically sound, meet all relevant technical and safety standards, incorporate best practise EC design principles (as per Appendix 2 of the PAM) and incorporate energy-efficiency and resources-conservation measures. This review will ensure that all design related assurances provided by HPG to ADB in the Project Agreement or are stipulated in the PAM have been incorporated during the design process.
- (iii) Support the team leader in respect of:
 - a) bidding document review,
 - b) review of construction plans,
 - c) any issues arising during construction that need EC design expertise, and
 - d) inspection and handover upon completion of construction.
- (iv) Supported by the HCBC design and service specialists, ensure the design and layout of the rehabilitated community centers (including day care areas) is appropriate to ensure safety, quality, accessibility and suitability for purpose, and ensuring where possible global best practice is embedded.
- (v) Sign-off on completed community centers that expected design and construction standards have been reached.
- (vi) Providing design related advice to the land acquisition and resettlement and other members of the consulting team as and when required.
- (vii) Identifying design related training needs, contributing to training workshops and providing on the job training to implementing agency staff and, where necessary, to their appointed design institutes.

h. **Home and Community Care Specialist** (international, 5 person-months)

28. **Qualifications and experience required.** The HCBC specialist should be an expert in the development of long term care systems and services with a focus on HCBC. The specialist should have experience in both theory (academic) and practice in delivery HCBC services. The expert should have considerable experience (10 years) in assessment, planning, implementation, and monitoring of long term care systems (focused on home and community care) and services in Asia, and strong knowledge of elderly care systems globally. The consultant should have a postgraduate degree in a field related to gerontology, nursing, or other relevant subject. Experience in working in the PRC is highly desirable and Chinese language skills a strong advantage.

29. **Tasks assigned.** The HCBC international specialist will undertake tasks, including but not necessarily restricted to the following:

- (i) Provide overall direction and technical support to the team of national consultants.
- (ii) Provide leadership in the design and methodology of the following technical activities including:
 - a) developing quality standards and monitoring system,
 - b) developing appropriate care assessment and planning tools,
 - c) ensuring community centers are design fit for purpose,
 - d) conducting participatory and multi stakeholder consultation process on needs, design and delivery of HCBC in five subprojects, and
 - e) developing HCBC service specifications for each sub project including areas of services to be provided, and service specifications for service providers.
- (iii) Develop appropriate training material related to the technical activities listed above.
- (iv) Facilitation and support to national and international study tours.
- (v) Develop the monitoring framework for Output 1 of the project including defined responsibilities.
- (vi) Provide technical input into the development on relevant pilot projects (EC assessment, horizontal integration (Xinji), and vertical integration (Julu).
- (vii) Preparing training and activity reports for the team leader, and inputs into inception, midterm and PCRs.

i. **Home and Community Care Specialist(s)** (national, total 18 person-months)

30. As the roll out of HCBC services faces considerable uncertainty in demand, management, and financing the detailed allocation of consulting person month inputs can only be considered indicative at present and may need to be changed in the light of detailed implementation planning or external factors, such as new government requirements, or financing arrangements. However currently it is envisaged the expertise defined below will be needed.

j. **Home- and Community-based Care Service Design and Delivery Specialist** (national, 8 person-months)

31. **Qualifications and experience.** The specialist should be an expert in the development of long term care systems and services with a focus on HCBC. The specialist should have experience in both theory (academic) and practice in delivery HCBC services. The expert should have considerable experience (10 years) in assessment, planning, implementation (focused on home and community care) in PRC or globally. The consultant should have a postgraduate degree in a field related to gerontology, nursing, or other relevant subject. Strong written and spoken English skills required.

32. **Tasks assigned.** The specialist will undertake tasks including but not necessarily

restricted to the following:

- (i) Provide overall coordination to the team of national consultants
- (ii) Work with the HCBC international consultant to develop methodology and process for identifying exact HCBC services, based on real demand of services in implementing agency localities, and inputs from other local stakeholders.
- (iii) Support implementing agencies through process of identifying appropriate services, and subsequent development of detailed service specifications and operational guidelines.
- (iv) Assess and design home modification program and services; provide training to implementing agencies on implementation.
- (v) Work with EC design specialists to ensure rehabilitated community centers designed and equipped to be fit for purpose.
- (vi) Work with Human Resources Development specialist to support implementing agencies in the development of human resource strategy, plan, and implementation for HCBC staff. This will include identification and facilitation of appropriate on the job placements for community center management staff, and identification of appropriate training opportunities for HCBC staff (management and operational).
- (vii) Provide technical input into pilot project on horizontal integration (Xinji, Output 4), and vertical integration (Julu, Output 4) to develop integrated systems with the HCBC services and community care providers.
- (viii) Delivery of training to implementing agencies and CABs on HCBC management and service delivery.
- (ix) Ongoing monitoring of services provided and mentoring to improve quality.
- (x) Work with ICT specialist and HCBC system specialist to ensure the design of services for the call centers are relevant, useful, and accessible services for elderly people, including preventative and promotive services.

k. **Home- and Community-based Care System Specialist** (national, 4 person-months)

33. **Qualifications and experience.** The specialist should be an expert in the development of long-term care systems with a focus on HCBC. The specialist should have experience in both theory (academic) and practice in implementing HCBC systems. The expert should have considerable experience (5 years) in assessment, planning, monitoring and management of home and community care in PRC or globally. The consultant should have a postgraduate degree in a field related to gerontology, nursing, or other relevant subject.

34. **Tasks assigned.** The specialist will undertake tasks including but not necessarily restricted to the following:

- (i) With the support of other consultations, identify, test, and train on appropriate care planning and assessment tools, to be used in rural and urban settings after evaluation roll out and embed in implementing agencies.
- (ii) Provide technical support to the pilot project in Chengde to develop comprehensive EC assessment systems including eligibility for services, and which will also explore the potential use of ICT in the EC service needs of home-based elderly persons (especially those living alone and not fully independent).
- (iii) Develop quality standards and quality management systems for the HCBC service providers, which feed into external reporting systems.
- (iv) Develop and provide training on quality standards and quality management systems.
- (v) Quarterly monitoring of quality systems implemented and mentoring to improve systems.

- (vi) Work with ICT specialist and HCBC service specialist to ensure the management information system (MIS) of the call centers are providing useful data and analysis for the HCBC services (identification of potential clients, including high risk clients, analysis of use and satisfaction of services via call centers, etc.).
 - (vii) Preparing training and activity reports for the team leader, and inputs into the inception, midterm, and final reports.
- l. **Home- and Community-based Care Community Organizer** (national, 4 person-months)

35. **Qualifications and experience.** The specialist should be an expert in community mobilization ideally in the area of HCBC and working with the elderly. The specialist should have extensive practical experience of 8 years in working on the development and capacity building of social organizations as including community groups and NGOs and mobilization of social resources (volunteers, community resources) in both rural and urban settings. The consultant should have a postgraduate degree in a field related to social sciences, development, social work, or other relevant subject.

36. **Tasks assigned.** The specialist will undertake tasks including but not necessarily restricted to the following:

- (i) Map current informal social services and organizations providing HCBC services to elderly in five localities, including community groups, volunteers, village, and community structures. This assessment will also include the potential of these groups to take a role in HCBC service delivery.
 - (ii) Develop capacity building plan for social organization, implementing agencies, and CABs to build on community and social structures. The plan should include financing, fund raising, roles and responsibilities, management and organizational development.
 - (iii) Develop and provide training for implementing agencies, CABs, and community groups on implementation of the capacity building plan.
 - (iv) Provide regular mentoring to implementing agencies, CABs, and community groups on their services.
 - (v) Work closely with the HCBC service specialist and implementing agencies on development of options to support family caregivers (training and support groups).
 - (vi) Support implementing agencies to implement chosen options for family care givers, including support on training, facilitation, development of independent elderly caregiver material.
 - (vii) Preparing training and activity reports for the team leader, and inputs into the inception, midterm, and final reports.
- m. **Home- and Community-based Care Community Care Design Specialist** (national, 2 person-months)

37. **Qualifications and experience.** The home and community care design specialist should be an expert in the design of daycare and community centers. The specialist should have experience in designing daycare and community care centers that are fit for purpose. The expert should have 5 years' experience working in HCBC in the PRC or globally. The consultant should have a postgraduate degree in a field related to architecture, design, or other relevant subject.

38. **Tasks assigned.** The specialist will undertake tasks including but not necessarily restricted to the following:

- (i) Working closely with the EC design specialist (in the project implementation team) and HCBC service specialist provide technical input to the design and

layout of the rehabilitated community centers (including day care areas) to ensure safety, quality, accessibility, and suitability for purpose, ensuring where possible global best practice is embedded.

- (ii) Work with the team of specialists and implementing agencies to develop list of equipment and supplies to be purchased for the community centers.
 - (iii) Develop and agree maintenance plans for community centers and replacement schedule for equipment and supplies.
 - (iv) Prepare and activity reports for the team leader and inputs into the inception, midterm, and final reports.
- n. **Residential Care Specialist** (international, 6 person months; national, 18 person-months)

39. These specialists will work as a team and the consulting firm can determine the number of specialists and their detailed skills sets to include in their proposal. However, it will be important to demonstrate the team of specialists as a whole can provide comprehensive support to the implementing agencies in operationalizing their residential and other institutional based EC services.

40. **Qualifications and experience.** All specialists should have a postgraduate degree in gerontology or in a related field and extensive experience working in the EC sector including the management of EC facilities, some experience in service integration (both horizontal and vertical) and/or quality management in the provision of EC residential services. For the international specialist a broad knowledge of all aspects of best practices in residential EC and health/EC is expected, and the ability to converse and read in the Chinese language would be a distinct advantage.

41. **Scope of work.** The team of specialists in collaboration with other members of the consulting team will be expected to support the implementing agencies in the implementation of the residential biased pilot projects and to operationalize the residential and rehabilitation facilities to be constructed under the project.

42. **Detailed tasks and/or expected outputs.** The specialist will undertake tasks including, but not necessarily restricted to, the following:

- (i) **Pilot in Vertical Health and Elderly Care Integration, including Medical Rehabilitation Center**
 - a) Identify international and national good practices in vertical health and EC integration in the PRC.
 - b) Review current government policies, ADB reports, etc. in order to gain an insightful understanding of EC in Hebei and in the respective municipality.
 - c) Identify and develop key strategies in vertical integration including but not limited to shared client care records, care and/or case management, use of clinical protocols or guidelines, and the revamping of health and social care services.
 - d) Meet with respective implementing agency, health, and civil affairs to agree on the inclusion of the following elements in the current EC system through of vertical health and EC integration.
- (ii) **Complex Nursing Care (sub-acute care)**
 - a) oxygen therapy,
 - b) tub feeding,
 - c) ostomy management, and
 - d) intravenous, etc.

43. **Transitional care (post-acute care)** is the coordination and continuity of care during an EC user moving along a medical/health and EC continuum.
44. **Rehabilitation service** is the coordination and organization of physiotherapy, occupational therapy, speech therapy, massage therapy, recreational therapy, etc.
45. **End of life care** is offering health and social care, not only to those in the final hours or days of their lives, but more broadly to those with terminal conditions that has become advanced, progressive and incurable.
46. **Chronic disease management** is to conduct education activities to help EC users with chronic diseases, such as diabetes, high blood pressure, etc., to understand and monitor their conditions and to live successfully with it.
47. **EC special clinics** such as memory, wandering, incontinence, fall, eye and hearing clinics, etc.
48. Other tasks are to:
- (i) Develop a functional plan for the medical rehabilitation center based on the above key strategies (2) and elements (3).
 - (ii) Ensure diversity, including gender is included in the vertical integration of health and EC.
 - (iii) Ensure the development of medical rehabilitation center is compatible with the EC situation in Hebei and the respective municipality.
 - (iv) Document health and EC vertical integration in Chinese including all related protocols and procedures.
 - (v) Share the health and EC vertical integration with respective stakeholders and to invite their inputs.
 - (vi) Oversee the implementation of EC vertical integration on a trial basis.
 - (vii) Identify impartial 3rd party for pilot project evaluation
 - (viii) Work with the impartial third party in the evaluation of the pilot project.
 - (ix) Assist the rolling out of the project to other implementing agencies if it proves to be effective.
49. Pilot in horizontal health and EC integration tasks are:
- (i) Identify international and national good practices in horizontal health and EC integration in the PRC.
 - (ii) Review current government policies, ADB reports, etc. in order to gain an insightful understanding of EC in Hebei and in the respective municipality.
 - (iii) Identify and develop key strategies for horizontal integration including but not limited to shared client care records, care/case management, use of clinical protocols or guidelines, and the revamping of health and social care services.
 - (iv) Agree with the health authority (hospital) and implementing agency on the health/EC elements to be integrated horizontally and key process required
 - (v) Develop contractual agreements between implementing agency (EC) and health (hospital).
 - (vi) Negotiate with the office of human resources and social security pertaining to the reimbursement of health care delivered to the elderly in both health and EC settings through medical insurance, along with the respective IA, hospital and office of health.
 - (vii) Develop contractual agreements between implementing agency, health (hospital) and the office of human resources and social security.
 - (viii) Ensure diversity including gender is included in the horizontal integration of health and EC.

- (ix) Ensure horizontal integration between health and EC is compatible with the current EC services in Hebei and the respective municipality.
 - (x) Document horizontal integration between health and EC in Chinese including all related protocols and procedure.
 - (xi) Share horizontal integration between health and EC, and related protocols with respective stakeholders and to invite their inputs
 - (xii) Oversee the implementation of horizontal integration between health and EC on a trial basis.
 - (xiii) Identify impartial third party for pilot project evaluation.
 - (xiv) Work with the impartial third party in the evaluation of the pilot project.
 - (xv) Assist the rolling out of the project to other implementing agencies if it proves to be effective.
50. Pilot in quality management system tasks are:
- (i) Identity international and national good practice of quality management system in EC in the PRC.
 - (ii) Review current government policies, ADB reports, etc. in order to gain an insightful understanding of EC in Hebei and in the respective municipality.
 - (iii) Meet with respective implementing agency and civil affairs to agree on the key components of the quality management system, including but not limited to quality monitoring, quality improvement, and quality planning with respective implementing agency and civil affairs.
 - (iv) Conduct training in quality monitoring, quality improvement, and quality planning.
 - (v) Launch plan, do, study, and act process in quality monitoring, quality improvement, and quality planning.
 - (vi) Establish quality management system consisting of quality monitoring, quality improvement, and quality planning.
 - (vii) Ensure diversity, including gender is included in the development of quality management system in EC.
 - (viii) Ensure the quality management system developed is compatible with the current EC services in Hebei and the respective municipality.
 - (ix) Document the quality management system in Chinese, including all related protocols and procedures.
 - (x) Share the quality management system and related protocols with respective stakeholders and to invite their inputs
 - (xi) Oversee the implementation of quality management system on a trial basis.
 - (xii) Identify impartial third party for pilot project evaluation.
 - (xiii) Work with the impartial third party in evaluating the pilot project.
 - (xiv) Assist the rolling out of the project to other implementing agencies if it proves to be effective.
51. Other tasks relating to the operationalization of residential EC services:
- (i) Working with each implementing agency management, draw up a viable and comprehensive plan for operational residential care related EC services for each individual implementing agency.
 - (ii) With the support of the human resources manpower planning specialists and in conjunction with the implementing agencies on a facility by facility basis:
 - a) preparation of staffing and recruitment plans for the project facilities,
 - b) preparation of job descriptions and associated skills requirements,
 - c) design optimal staffing rosters,
 - d) identifying staff and management training needs,
 - e) development of a training policy and plans, and
 - f) development of staff terms and conditions that offer good staff retention prospects.

- (iii) Advise on required regulatory permits and licenses needed and provide support needed to obtain these in a timely manner.
- (iv) Support the implementing agencies in the preparation of emergency procedures (facility evacuation, infection control, etc.).
- o. **Human Resources Specialist** (international, 2 person-months)

52. **Qualifications and experience.** The specialist will be a senior HR professional with at least 15 years of experience in the development of enterprise HR policies and strategies, including at least 5 years of experience within the EC sector. Furthermore, this experience must include broad international experience, including within the PRC.

53. **Tasks assigned.** In close collaboration with the HCBC and residential care specialists, this specialist will undertake tasks including but not necessarily restricted to the following:

- (i) Together with the support of the national human resources specialists, review existing human resources policies, regulations and issues relevant to the Hebei EC sector and develop a generic strategy for how current issues might best be overcome in order that the risk of EC service quality being adversely affected by human resources constraints is minimized.
- (ii) Provide direction to the national human resources specialists on the technical support provided to implementing agencies to use the generic strategy to develop their own human resource strategies, plans, and their subsequent implementation for the benefit of residential care and HCBC staff. This strategy will include support to implementing agencies:
 - a) to develop competency-based job descriptions for key residential care and HCBC staff,
 - b) for human resources staff and management to identify formal and on the job training needs and competency development requirements,
 - c) to identify recruitment strategies, staff development plans, retention strategies, etc., and
 - d) to provide training and ongoing mentoring to implementing agency management and human resources staff.
- (iii) In liaison with the social and gender specialist, ensure support to implementing agency human resources policies are gender sensitive, and prepare training for implementing agency and CAB staff on incorporation age and gender sensitive principles.
- (iv) Be a source of advice and guidance to the national human resource specialists and to the international HCBC and residential care specialists.
- (v) Help in the design and participate in a training workshop on human resource strategy for senior EC managers and relevant local government departments (CABs and human resources, and social security bureaus).
- (vi) At project completion, based on feedback from the national consultants, the EC specialists and implementing agency EC management undertake a desk review of the implementation of the implementing agencies HR strategies and suggest improvements

- p. **Human Resources Specialists** (national, 18 person-months)

54. It is envisaged that there will be a need for a minimum of two national experts comprising (i) expertise in the development and execution of human resources strategies and plans with a general human resources background; and (ii) training and capacity building expertise.

- (a) **Human Resource Strategy and Planning Specialist** (national, 9 person-months)

55. **Qualifications and experience.** The specialist will be a qualified human resources professional who has specialized in general human resources work with at least 10 years of post-qualification experience. The specialist should be able to demonstrate previous practical experience of dealing with human resources issues within the EC sector, and also demonstrate successful experience and knowledge in the areas of developing human resources strategies and plans, organization design, job design, and recruitment and retention of staff. Good bilingual written and verbal ability in English and Chinese is highly desirable.

56. **Tasks assigned.** This specialist, under the broad direction of the international human resources specialist, will work with each individual implementing agency to develop an human resources strategy and staffing plans needed to operationalize their EC services, and then to give guidance in the implementation of those plans. This work will cover developing an EC organization that is capable of providing an integrated three-tier system of EC that embraces a full range of required home, community and residential care service offerings. In close collaboration with the HCBC and residential care specialists, this specialist will undertake tasks including but not necessarily restricted to the following:

- (i) Guide each implementing agency to develop a customized human resources strategy and overall human resources plan.
- (ii) Guide each implementing agency in the preparation of key subplans viz (a) organization design and manpower plan, and (b) recruitment plan, etc. In doing so, to pay careful attention to career path planning for caregiver staff.
- (iii) Advice on fixing staff terms and conditions, contents of staff contracts, having specific regard to the creation of staff retention incentives.
- (iv) For residential care and for call centers to advise on the development of efficient staff shift rosters that optimize staff availability at key times of the day. (e.g. possible use of overlapping shifts to handle morning peaks in activity).
- (v) Advice on job design and job enrichment (i.e. improving job content and working methods to give greater job satisfaction).
- (vi) Advice on the creation of suitable staff consultation mechanisms, grievance and disciplinary procedures.
- (vii) Development of a generic staff handbook for each implementing agency to customize.
- (viii) Training of implementing agency management in all of the above.
- (ix) Providing general human resources advice to all members of the consulting team where this is required.

(b) Training Specialist (national, 9 person-months)

57. **Qualifications and experience.** The specialist will be a qualified human resources professional who has specialized in the design and execution of large scale training programs, with at least 10 years of experience in this work. The specialist should be able to demonstrate previous experience and knowledge of capacity building needs within the EC sector, also demonstrate successful experience and skills in the areas of training needs analysis, and the development of training plans and their execution. Bilingual written and verbal ability in English and Chinese is highly desirable.

58. **Tasks assigned.** The specialist will be key part of a consulting team charged with implementing the strategies for building capacity in elderly care management and care work in Hebei province. In close collaboration with the HCBC and residential care specialists and the human strategy and planning specialist, this specialist will work closely with the implementing agencies and undertake tasks including but not necessarily restricted to the following:

- (i) Assist the team leader in preparing the detailed training plan for the whole consulting services assignment (the outline framework in appendix 9 of this PAM should be used as a base).
 - (ii) Assist the implementing agencies in and the assessment of required skills sets for each generic job in the staffing organization and in the identification of training needs (by conducting training needs analysis exercises as needed).
 - (iii) Support the implementing agencies in developing customized and prioritized training plans relevant to their staffing needs.
 - (iv) Provide advice on the execution of training plans, both for the implementing agencies and for the project consulting training plan.
 - (v) Liaise with YSU to help them develop programs and individual courses that meet the training and career development needs of EC staff and managers
 - (vi) Provide advice on selecting optimal training methods for each training need.
 - (vii) Design training modules and provide the required training in (a) conducting training needs analysis, and (b) use of the “train the trainers” approach to skills and knowledge enrichment.
 - (viii) Give advice to the team leader and other members of the consulting team in the organization of training workshops and other training events, including the design of study tours.
 - (ix) Give general training advice within the consulting team on all training matters.
- q. **Information and Communications and Technology Specialist** (national, 4 person months)

59. **Qualifications and experience.** The specialist will have a master degree in information technology (IT), computer science or other relevant discipline. S/he will have at least 10 years of experience in developing of IT networks to support linking consumers to service providers.

60. **Tasks assigned.** The role of this consultant is to ensure the information and communications technology (ICT) activities under the project are effectively management in terms of design review, procurement, contract management, user testing and handover. The specialist will support the implementing agencies to finalize its design for the ICT system and call centers, especially for ICT piloting subprojects (Chengde, Shuangluan District; and She County), including the final content, capacity, cost of operations and maintenance, usage, coverage, monitoring, updating, and training systems. The specialist will undertake tasks, including but not necessarily restricted to the following:

- (i) Provide information on costing, activities, human resource requirements, timing, outputs and monitoring indicators.
- (ii) Design the component for establishing and improving IT networks to support service delivery and access to information for elderly.
- (iii) Identify opportunities to support the YSU’s ICT elderly care research initiative.
- (iv) Identify the specifications of the new ICT systems (information platforms), ICT systems, and call centers’ on data management and maintenance.
- (v) Develop draft TOR for the technology service providers of the call centers, including the need for user training to be provided to call center staff.
- (vi) Monitor installation, testing and roll out of ICT equipment and systems for the call centers and other EC facilities, where appropriate.
- (vii) Supported by HCBC system specialist, design technical input into the MIS of community centers and their interface with the call centers and residential hubs.
- (viii) Other tasks that may be required for the improvement of the ICT systems and call centers in all subprojects.

- r. **Stakeholder Consultation, Monitoring, and Evaluation Specialist** (national, 6 person-months)

61. **Qualifications and experience.** The specialist shall have a relevant post-graduate degree and minimum of 10 years of experience organizing staff consultation programs and in project evaluation in the PRC and shall be fully familiar with the relevant ADB performance monitoring and evaluation guidelines and requirements, most particularly the use of the design and monitoring framework, and the derivation from this of a PPMS, including previous experience in PPMS design and making such a system operational. Good bilingual written and verbal ability in English and Chinese is required.

62. **Tasks assigned.** The specialist will undertake tasks including but not necessarily restricted to the following:

- (i) In consultation with other consulting team members, provide advice and support to the project management office in the design of the PPMS, undertaking necessary consultation with the implementing agencies to ensure the design is practical in terms of data availability and capture, as well as ensuring compatibility with implementing agency MIS insofar as these already exist. The PPMS design must be capable of meeting the M&E needs relevant to all project outputs and the monitoring of all safeguards and other action plans as contained in the PAM.
- (ii) Following ADB endorsement of the PPMS design, develop a PPMS operations manual for use by HPMO and implementing agency staff.
- (iii) Assist the team leader in developing progress reporting procedures and formats and the training of implementing agency staff in their use.
- (iv) In consultation with the national environmental specialist, ensure that requirements of the agreed environmental management plan (EMP) are fully integrated into project performance monitoring systems.
- (v) In consultation with the social and gender specialist, ensure that requirements of the agreed SGAP are fully integrated into project performance monitoring systems.
- (vi) In collaboration with the HCBC specialists,
 - a) develop and lead a process on participatory community and stakeholder consultation in 5 subproject areas to identify what demand for what HCBC services there is, based on real demand of services in implementing agency localities, and inputs from other local stakeholders (provide separate analysis between rural/urban);
 - b) be responsible for ensuring client and families' inputs, feedback and views are incorporated into all aspects of HCBC service delivery;
 - c) support the implementing agencies through a process of identifying appropriate services, and subsequent development of detailed service specifications and operational guidelines;
 - d) develop and implement grievance and accountability mechanism for HCBC services; and
 - e) support HCBC system specialist to develop quality standards and quality management systems for the HCBC service providers, which feed into external reporting systems.
- (vii) In collaboration with the social and gender specialist plan, organize and participate where appropriate in all required stakeholder consultations as documented in the PAM.
- (viii) In consultation with the social and gender specialist and other consulting team members as appropriate (notably the HCBC specialists), to design and arrange for a project socioeconomic survey necessary to fully evaluate project performance at the project completion stage.

- (ix) During project implementation and especially at project completion, project completion hold consultative discussions with HPMO, the implementing agencies, and the various consultants engaged to support the different aspects of project implementation.
- (x) Assist the team leader in the preparation of a PCR that meets the obligations of the HPG to ADB in respect of project completion reporting and circulate the report in draft form to project stakeholders (as agreed with HPMO) and based on feedback received to modify and finalize the PCR; and.
- (xi) Attend the ADB's PCR mission to Hebei and support the mission activities as appropriate.

63. **Note.** The PCR report (which must be submitted in English and Chinese) will cover, but not necessarily be restricted to, the following:

- (i) Project outputs and an assessment of project outcome as stated in the original project design and monitoring framework, including reference to changes in design and the impact of those changes (task (d) above refers).
- (ii) Financial performance covering, project costs relative to initial estimates, the disbursement of loan relative to the "S-curve", any financial management issues during implementation, the timeliness of counterpart financing, and an update of the fiscal sustainability analysis conducted during the PPTA.
- (iii) The economic performance of the project including a re-calculation of the EIRR for the project as whole and for each project school.
- (iv) Project procurement performance relative to agreed procurement plans and any significant procurement.
- (v) The implementation of the project EMP and a summary of the monitoring results.
- (vi) The implementation of the SGAP and any significant issues which arose the timely implementation and outcome (i.e. affected household satisfaction) of the corrective actions identified in the resettlement due diligence report prepared during the PPTA and as signed off by HPMO on behalf of HPG.
- (vii) An assessment of implementing agency implementation performance and an objective self-assessment of HPMO and overall HPG implementation performance.
- (viii) An assessment of the design and operation of the PPMS and its ability to provide the information needed to compile the PCR.
- (ix) An assessment of ADB performance and support provided the project implementation and any significant issues which arose.
- (x) A summary of lessons learned.

D. Reporting and Timetable

64. The capacity building should be programmed over a period of five years duration to last for the whole implementation period. However the emphasis of capacity building effort will vary with the most intensive period for the part 1 of capacity building being the first two years of project implementation. The capacity building effort for the other two parts of the assignment will need to be linked to the IAs plans to operationalize their EC services.

65. The provider of the consulting services will be selected/engaged as soon as possible after loan effectiveness and should be required to provide the following reports:

- (i) An inception report (within one month of commencement).
- (ii) A detailed training plan (within three months of commencement).
- (iii) Half-yearly progress reports compatible with HPMO's reporting obligations to ADB.

- (iv) A completion report that is compatible with HPMO's reporting obligation to ADB at the conclusion of project implementation
- (v) EC and other capacity building reports as required by the detailed TOR.

66. All reports under (i) to (iv) above will be submitted in Chinese and English to the HPMO who will decide what further distribution is required. Recommendations arising from the capacity building that require any form of formal client action or approval (i.e. by HPMO or a specific project implementing agency or a local CAB are to be presented in report format with an appropriate level of justification to support the recommendations made. These reports and those under item (v) above can be provided in Chinese only unless HPMO specifically requests an English version for the purpose of dialogue with ADB.

E. Facilities to be provided as part of the capacity building

67. The contract for providing the capacity building will include provisions for the consultant to provide the following items, and this requirement is to be made clear in the request for proposals:

- (i) All staff and personnel costs, including international, national and local travel, accommodation and subsistence.
- (ii) In-province travel costs for visits to the implementing agencies.
- (iii) Office equipment (including basic office furniture), computer equipment and related hardware (printers, etc.) and software necessary for the effective conduct of the consultancy, including an allowance for consumables.
- (iv) Arrangements and financial provision for in country training programs to be reimbursed at cost.
- (v) Provision of secretarial support and an interpreter, where necessary.
- (vi) Costs of all reports and document preparation and printing.

F. Other Requirements Expected of the Consulting Firm

68. The consulting firm should be experienced in implementing similar capacity building programs in the PRC. Prospective consulting firms, in tendering for the capacity building work should be encouraged to make any comments on and suggestions for improvement to the proposed program in submitting their technical proposal. The financial implications, if any, of these suggestions should be clearly indicated in the financial proposal. These suggestions will then be dealt with at the negotiation stage of the procurement of the consultant.

69. In their technical proposals, the prospective consulting firms are asked to demonstrate a clear understanding of the client's requirements and indicate inter-relationships between the different tasks within the assignment. An indicative program of work and for the deployment of the various specialists should be provided.

70. The technical proposals should include a methodology and proposed assessment criteria under which the client can measure the performance in the conduct of the capacity building work. This should include an assessment of work quality as well as timeliness of outputs. In submitting such assessment criteria the consulting firms confirm they accept their use by HPMO in measuring their own performance.

G. Facilities to be Provided by the Client

71. The PMO as client will provide, or make available to the consultant, the following:

- (i) a suitable counterpart staff to work alongside the consulting team,
- (ii) office accommodation,
- (iii) free Internet access,
- (iv) a DDD telephone line (usage to be charged to the consultant),

- (v) meeting rooms and training facilities necessary for the conduct of the services (see note), and
- (vi) assistance in the arrangement of work visas (where necessary).

H. Yanshan University Capacity Building and Training (YS-S01)

72. The objective of this package(s) is to provide a mix of best practice advice, support, and training to the management and staff of YSU involved in the development of their proposed EC training courses and research. The overall work involved is described in Appendix 5 of this PAM. A total sum of \$2.21 million has been budgeted by YSU for this purpose of which an estimated \$1,280,000 will be financed from the ADB loan on capacity building and training (this package) and \$930,000 equivalent from YSU counterpart funds on curriculum development and study (procurement plan ref YS-S02). However, the detailed composition of the services needed under both these packages and indeed the optimum procurement approach have yet to be finalized. The work to fully specify the services needed will continue over the coming months and the results, detailed TOR, and the procurement arrangements will be confirmed with ADB no later than the project inception mission.

I. Non- Bank Financed Consulting Services

73. The following consulting contracts will be financed from counterpart funds and procured using domestic procedures.

74. **Yanshan University curriculum development and study** (procurement plan ref YS-S02. This is a complementary package to YS-S01 referred to above. Detailed design of the package is to be worked on over the coming months in parallel with the design of YS-S01. The budget estimate for these services is \$930,000 equivalent and decisions have yet to be made on how many separate packages will be involved—a matter that will be decided only after the detailed services required have been defined.

75. **Appointment of external auditor** is a sole source appointment made by the PRC National Audit Office. The normal practice is for this work to be undertaken by the provincial audit department or a qualified audit institute/company they assign. There is a standard TOR used for all such audits, which can be varied dependent the specific needs of an individual project. In this case no specific additional requirements have been identified. There is no budget line item for this contract, which is provided for in the general project management cost line item, with costs shared by the implementing agencies in proportion to their ADB loan size.

76. **Elderly care design institutes.** Each implementing agency will need to appoint a suitably qualified design institute to undertake the preliminary and detailed design of the project facilities, to prepare the technical parts of bidding documents, and to review the need and suggest design changes during construction when issues arise. It is normal practice for this procurement to be the subject of competitive bidding but all bidders will have to demonstrate to the appointing implementing agency that they have the required qualifications and experience. It is also normal for such work to be let on a fixed price output based contract. There is no budget line item for this contract which is provided for in the general project management cost line item, with each individual implementing agency responsible for bearing their own costs. The TOR for these appointments will encompass the following tasks:

- (i) Preparation of preliminary designs in accordance with client (implementing agency) requirements and justifying these to the approving authority(s).
- (ii) Preparation of detailed designs in accordance with client (implementing agency) requirements and justifying these to the approving authority(s).
- (iii) Preparation of technical specifications/bills of quantities and drawings for inclusion in contract bidding documents.
- (iv) Advice and re-design work (likely to be charged as additional work) needed by

the client as a result of problems encountered during construction or client requested design changes.

77. **Use of a professional procurement agent.** HPMO will appoint a suitably experienced and qualified procurement agent to advise and support the implementing agencies in their project procurement work in relation to all contracts funded by ADB. There is no budget line item for this contract, which is provided for in the general project management cost line item, with costs shared by the implementing agencies in proportion to their ADB loan size. The tasks of the procurement agent will include in consultation with HPMO and the relevant implementing agencies, the following:

- (i) Preparation of model forms of the commercial part of bidding packages.
- (ii) Drafting the commercial part of all bidding documents where requested by the relevant implementing agency and/or HPMO (this will include for all ADB funded contracts).
- (iii) Compilation (and checking for completeness and consistency) of all bidding packages.
- (iv) Drafting and issue of procurement notices in the name of the implementing agencies and/or HPMO.
- (v) Issue of bidding packages to potential bidders who express interest.
- (vi) Responding to queries raised by potential bidders (in consultation with HPMO or the relevant implementing agency as necessary).
- (vii) Receipt and custody of contractor/consultant bids.
- (viii) Organizing bid opening and bid evaluation meetings.
- (ix) Supervision of bid evaluation meetings to ensure correct procedures are followed and for the preparation of minutes and bid evaluation reports.
- (x) Support and advice during contract negotiations to ensure correct procedures are followed and that contract terms and requirements are clearly understood by both parties.
- (xi) Contract drafting.

78. **Construction supervision companies.** Each implementing agency will need to appoint a suitably qualified construction supervision company that will undertake the day-to-day responsibility for contract site supervision. These contracts will be procured using domestic procedures using standard TOR for this type of work. The contracts are bid on a lump sum basis.

79. **Environmental monitoring.** Each implementing agency will need to appoint a suitably qualified environmental monitoring institute or company to undertake any specialist environmental monitoring that is stipulated in the project's environment monitoring plan (EMP). Given the localized nature of this monitoring activity it is quite likely these will be sole source negotiated price contracts. The required budget for this monitoring is estimated in the EMP and forms part of the environmental management line item in the project cost tables.

80. **External resettlement monitoring.** Each of the four implementing agencies where land acquisition and resettlement is required for the project will need to appoint an independent external monitoring agency to review how the resettlement plans are implemented, to confirm that all resettlement activity has been conducted in accordance with the resettlement plan and to report on any outstanding issues. It is important that only institutions previously experienced in ADB resettlement work are considered and a generic TOR for the required monitoring duties is included below. The costs of external monitoring are provided for in the resettlement budget contained in each resettlement plan.

81. An external resettlement and social monitors will be engaged intermittently for the entire duration of project implementation. The consultant firm/institute will be engaged by a

domestic version of the Consultant's Qualifications Selection method. The external resettlement and social monitor will:

- (i) conduct baseline survey of affected persons and regular monitoring to ensure implementation of the resettlement plan, is in compliance with ADB's safeguard and other relevant policies;
- (ii) evaluate income restoration and post-resettlement conditions of the affected persons and host communities;
- (iii) pay special attention to vulnerable groups, including women and the poor, to assess whether they have participated and improved their standard of living;
- (iv) specifically monitor and evaluate the following aspects of the affected persons' situation and the resettlement process: (a) economic situation prior to and after displacement of land or structures, (b) timely disbursement of funds, (c) environmental conditions, (d) social adaptability after resettlement, (e) rehabilitation of the vulnerable groups, (f) measures taken to restore affected production and livelihoods of the affected persons, and (g) living conditions and economic status of affected persons following resettlement in comparison to the non-affected household in the project area;
- (v) making recommendations to resolve any issues or problems on implementation of resettlement plan; and
- (vi) submitting English and Chinese external resettlement monitoring reports to HMG and ADB.

APPENDIX 8

TERMS OF REFERENCE FOR CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

Establishment of an Integrated Comprehensive Three-Tier System for Elderly Care

A. Background

1. Increased life expectancy and lower birth rates over the last 30 years mean that the number of elderly in the People's Republic of China (PRC) is increasing rapidly and makes up an ever increasing proportion of the population. While support from the family remains the backbone of elderly care in the PRC, the impacts of (i) the one child policy, and (ii) rural to urban migration by young family members (empty nest phenomena) are placing increased strain on families. The PRC's Thirteenth Five-Year Plan recognizes this issue and lists the elderly care industry as one of 10 priorities.³⁵⁵ The plan also provides for increased government support, while stressing the need to mobilize private sector and voluntary organizations to improve access, quality, and coverage of services for all elderly.

2. The planning processes in the elderly care sector are currently weak, generally based on high level supply side assumptions and do not take account of the needs of local elderly persons. There is no system in place to assess the care needs of individual elderly and ensure they get the care they require. In the PRC, the voluntary sector is less involved in the care of the elderly than in many other countries and/or regions (e.g. Hong Kong, China) and therefore is a largely untapped resource. Local civil affairs bureaus (CAB) need to enhance their regulatory and enforcement capacity to ensure the growing number of private sector elderly care service operators maintain adequate standards of service provision and patient safety. The caregivers in the family and among friends lack professional support and guidance.

3. The Hebei Elderly Care Development Project (HECDP), approved by ADB in xxxx with loan financing of \$100 million, will seek to create a socially inclusive three-tier (home, community, and residential) elderly care system in its project cities as envisaged in national policy guidance, and in a way that aligns elderly care service levels with the expectations of the elderly. It is a flagship demonstration project both for the PRC Government and ADB, the outcome of which will attract interest, not just in the PRC, but also to other ADB member countries facing similar issues. The capacity development technical assistance (TA) is expected to complement the ADB loan investment by strengthening local governments' capacity to plan, monitor, and regulate public and private elderly care services provided in their area, and to mobilize voluntary organizations to provide their support. This will strengthen implementation and result in the development of balanced and sustainable elderly care systems and services that address the care needs of the elderly.

4. The overall goals of the project are aligned with those of the PRC Thirteenth Five-Year Plan to establish an integrated comprehensive three-tier system of elderly care that:

- (i) improves access to elderly care services;
- (ii) provides quality care services in line with the essential needs of the elderly; and
- (iii) mobilizes resources from family, the private sector, and voluntary organizations, with government providing financial support targeted at the most vulnerable, together with sector planning and regulatory oversight.

5. The impact of the project will be the creation of a system for providing (i) elderly care services for a wide spectrum of financial means, and (ii) convenient access to the essential care services for the elderly. The outcome will be the enhanced capacity of elderly care service

³⁵⁵ Government of the PRC, State Council. 2015. *National Economy and Social Development Thirteenth Five-Year Plan, 2016–2020*. Beijing.

providers, and the involvement of the voluntary sector.

B. Objectives of the Technical Assistance Assignment

6. The TA will put in place essential building blocks to achieve the project goals identified above, which include the following:

- (i) As an essential public service, the provision of elderly care services need to be properly planned and regulated. The TA will provide the tools and capacity building to achieve this.
- (ii) A system that allows the care needs of individual elderly to be diagnosed and attended to.
- (iii) Effective mobilization of the voluntary sector.
- (iv) Improved support to family and friends who bear the brunt of much elderly care provided in the PRC.

7. In addition the achieved of required goals will need to be achieved through a program of activities that will address the following challenges:

- (i) The detailed care needs of all elderly that require assistance with daily living are identified and assessed, and the elderly are directed to an appropriate service provider(s), so that they can obtain the care they need.
- (ii) Local CABs are provided the capacity to (a) undertake scientific demand based planning for the development of elderly care services, and (b) regulate the operations of elderly care service providers to ensure minimum standards of care and patient safety are maintained.
- (iii) Greater involvement of voluntary organizations in the provision of elderly care services, especially for home and community care services.
- (iv) Greater empowerment and support to the elderly, for either living independently or supported at home by family and friends.

C. Scope of Services

8. The appointed consulting firm will report to the designated Hebei project management office (HPMO) project officer, and will involve the effective implementation of five outputs, together with the dissemination and knowledge sharing activities as follows:

- (i) A model-demand based elderly care sector plan and supporting planning manual.
- (ii) Demonstration elderly care assessment system, including user toolkits, computer software, and implementation guidance.
- (iii) Model procedures for the effective regulation of elderly care service providers.
- (iv) Creation of a model arrangement for the effective involvement of the voluntary sector in the provision of elderly care (that can be replicated elsewhere).
- (v) Pilot an online support facility for family caregivers.

9. Specific activities under the TA will include

- (i) project inception workshop;
- (ii) survey of voluntary organizations the TA will engage with;
- (iii) selection of partner(s) voluntary organization(s);
- (iv) development of draft elderly care plans, systems, and procedures;
- (v) pilot testing and stakeholder feedback;
- (vi) finalization of model plans, systems and procedures, and/or manuals;
- (vii) evaluation and review by HPMO in conjunction Hebei Civil Affairs Department (HCAD) , local CABs involved in the TA activities, and ADB;
- (viii) a conference on TA outputs and lessons learned;
- (ix) conduct workshops to disseminate the lessons learned and best practices in implementing the TA;
- (x) training (an overarching activity that continues throughout the TA assignment);

- and
- (xi) appropriate stakeholder consultations (another overarching activity that continues throughout the TA assignment).

10. TA knowledge sharing through dissemination is elaborated para. 28.

11. It should be noted that this TA assignment focuses primarily on the capacity building of local CABs in the project cities and/or counties. There will be a parallel loan financed capacity building program targeted primarily at the project implementing agencies that will be responsible for the delivery of EC services to be provided under the project. It is expected the TA consulting team will need to cooperate closely with the EC experts engaged on the loan financed consulting work.

D. Key Expertise Required

12. Proposing entities will determine the number and the nature of experts they will require to achieve the objectives of the contract, in accordance with their proposed approach and methodology. However, HPMO requires a minimum of two key experts, one of which will be expected to act as Team Leader:

- (i) one international expert in the provision of home- and community-based elderly care services, and
- (ii) one national expert in the provision of home- and community-based elderly care services.

13. The expert in home- and community-based care (international, minimum 3 person-months, Intermittent). The nominated expert should meet the following qualification requirements:

- (i) be an expert in the development of long-term care systems with a focus on HCBC;
- (ii) have experience in both theory (academic) and practice in implementing HCBC systems;
- (iii) have considerable experience (15 years) in assessment, planning, monitoring, and management of home and community care in the PRC and/or globally;
- (iv) has a postgraduate degree in a field related to gerontology, nursing, or other relevant subject;
- (v) ability to work with multiple stakeholders, including, government, private sector, community organization and/or volunteer sector, community organizations and/or the volunteer sector, and donor agencies;
- (vi) demonstrated change management skills; and
- (vii) excellent English language skills, including ability to conduct oral presentations and to produce written reports of high quality.

14. The expert in home- and community-based care (national, minimum 8 person-months, Intermittent) The nominated expert should meet the following qualification requirements:

- (i) expert in the development of long-term care systems with a focus on HCBC;
- (ii) have at least experience in both theory (academic) and practice in implementing HCBC systems;
- (iii) experience in assessment, planning, monitoring, and management of home and community care in the PRC and/or globally;
- (iv) a postgraduate degree in a field related to gerontology, nursing, or other relevant subject;
- (v) ability to work with multiple stakeholders including civil society, government, community organizations, private sector, and donor agencies; and
- (vi) good English language reading ability.

15. One of the above two experts should be designated as the TA team leader and will combine team leader functions with those of an expert in home- and community-based elderly care. This expert must be able to demonstrate the ability to supervise a similar sized team of experts and to interface with the various stakeholders of the project, address contract execution issues as they arise, and ensure the timely delivery of contract outputs.

16. The proposing entity's technical proposal should clearly spell-out team leadership arrangements and how work will be coordinated within the team. In addition to the above required key experts, the proposing entities should also include in their technical proposal, personnel work plan, and financial proposal all other "non-key experts" required, in accordance with their proposed approach and methodology. The proposal should clearly indicate which experts are the required two key positions. The proposing entity must also determine and indicate the number of person-months for which each key or non-key expert will be required. In determining the composition of their team, the proposing entities are expected to carefully balance the need for close and efficient team working with the need for comprehensive knowledge and experience of the issues the TA will address.

17. In order to successfully conduct the assignment the consulting firm will need to conduct a number of the training and information sharing events in the form of expert presentations, workshops, etc. The consulting firm may consider the quality of such events would be enhanced by the engagement of resource persons on short term contracts. Should this be the case, it is the consulting firms responsibility to identify and recruit such experts (both HPMO and ADB may be able to offer suggestions if required), but these need not be named or CVs provided in the consulting firm's proposal. However, the total duration of anticipated resource person engagement should be stated in the technical proposal and the cost included in the financial proposal.

18. All experts engaged under the contract, whether key or non-key experts must be citizens of one of the ADB eligible countries. The only exception to this is the engagement of short term resource persons in accordance with the ADB policy paper *"Enhancing Operational Efficiency of the Asian Development Bank."*

E. Implementation Arrangements

19. Hebei Provincial Government (HPG) will be the executing agency and the Hebei Provincial Finance Department, through the HPMO, will be the implementation agency.

20. The TA will share the same oversight arrangement as the project with the project leading group providing high level direction and coordination to the TA. It is intended that the TA be implemented over a 36-month period commencing in July 2017, with the TA team mobilized as soon as possible after the ADB loan and its associated grant are made effective. Implementation monitoring of the TA project will be undertaken jointly by HPMO and ADB in parallel with the monitoring of the HECDP. As each output is completed, this would be pilot tested, the results jointly evaluated by ADB experts and local stakeholders—and then finalized. Project stakeholders will have inputs to the evaluation process through participation in various workshops and seminars for this purpose. The workshops will be held after pilot testing of individual outputs. It is envisaged that there will be two workshops per year, with larger conferences at the project inception stage to further refine TA design based on stakeholder feedback. There will be another conference before TA closing to discuss the TA outcome and proposed follow-up actions and dissemination plans for the outputs and outcome.

F. Preparation of Proposal

21. Proposing entities are requested to prepare a detailed description of how they propose

to deliver on the outputs of the TA in the section of their proposal called “Approach and Methodology”. In this narrative, entities should be explicit in explaining how they will achieve the outputs, and include any information on their existing activities upon which they may eventually build as well as the details of what staff will comprise the project team.

22. Entities must also describe their experience of undertaking similar assignments in the PRC and their ability to operate in an environment where use of the Chinese language is predominantly used.

23. Only one curriculum vitae must be submitted for each key and non-key expert included in the proposal. Only the curriculum vitae of key experts will be scored as part of the technical evaluation of proposals. The curriculum vitae of non-key experts will not be scored, however ADB will review and individually approve or reject each CV for each non-key expert position in the proposal.

24. All positions under the contract, both key and non-key experts, must be included and budgeted for in the financial proposal in accordance with the person-month allocation required for each as defined by the proposing organization.

G. Terms and Conditions

25. The experts will be based in Shijiazhuang, the capital of Hebei Province, when on project location but regular field visits will be required to the participating project cities and counties (Chengde, Qinhuangdao [Beidaihe] and Xinji cities; and She, Li, and Julu counties) and possibly other locations within Hebei. It is also quite likely that some meetings in Beijing may be required for the experts to consult with leading PRC sector experts and researchers, as well as view and assess best PRC practices. The duration of the assignment is 3 years from the start date, expected to be in July 2017, and the assignment of experts is intermittent in nature.

26. The terms will be revised based on consultations between the parties involved in the TA according to changes and/or additional requirements identified during the course of TA implementation. In particular, the pace of implementing some aspects of the assignment may need to take account of the rate of progress made in implementing the loan project.

27. **Knowledge sharing.** TA output dissemination will be carried out primarily within Hebei, but all provinces will be able to participate and given free access to and usage of the TA materials. Specific dissemination activities for which the consulting firm is responsible include:

- (i) a closing conference to present and discuss the TA project findings and results;
- (ii) production and distribution of manuals and training materials, and reports on the pilots; and
- (iii) creation of a central repository for TA manuals and training materials with online access.

28. Knowledge sharing will be a continuous process throughout the TA. During TA implementation, there will be sharing of experiences and progress between the counties and cities participating in the HECDP, and to other local civil affairs administrations within Hebei through HCAD. Main knowledge sharing will be achieved through (i) six workshops and two conferences; (ii) establishment of a TA website (or specific pages added to an existing site, such as the HCAD site), allowing download of TA outputs and resource materials; (iii) presentations by TA participants at conferences and/or workshops across the PRC; and (iv) encouraging visits to the TA demonstration facilities by interested parties from inside and outside Hebei.

APPENDIX 9

OUTLINE OF TRAINING REQUIREMENTS

This appendix gives an analysis of training needs identified during the project preparatory phase, including indicative groups to be trained, potentially relevant training methods, and priorities and suggested timing (based on the current project implementation plan). The intention is that this document should inform the preparation of the detailed training plan to be delivered and/or organized by the project implementation consultants, with support from the capacity development technical assistance consultant, where appropriate. It should be noted that different trainees may need different levels of training from others and using different methods. The training specialist in the project implementation team will need to consider this issue in drawing up the overall training plan.

Area of Training		Target Trainees				Relevant Training Methods					Training Qtr/Year	Duration	Priority	Notes
	Implementing Agency Project Staff	Elderly Care Managers	Care Staff	Civil Affairs Bureau	Others	Train the Trainers	Local Work-shops	Short External Courses	Study Tour	On-the-Job Training		Days		
Project Construction Related Training														
Project management	√	√				√	√	√		√	3/17	2	H	
Project planning and control	√						√			√	3/17	2	H	
Financial control of projects	√	√					√			√	3/17	2	H	
ADB procurement procedures	√						√	√		√	1/17	1	H	1
ADB safeguards policies	√				√		√			√	1/17	1	H	1,2
ADB reporting procedures and/or PPMS	√	√			√		√			√	4/17	1	H	2
Use of standard contract documents	√						√			√	3/17	1	H	
EC design review	√	√		√		√	√			√	2/17		H	1
Construction supervision (general)	√				√	√	√			√	4/17	2	H	2

Area of Training	Implementing Agency Project Staff	Target Trainees				Relevant Training Methods					Training Qtr/Year	Duration	Priority	Notes
		Elderly Care Managers	Care Staff	Civil Affairs Bureau	Others	Train the Trainers	Local Work-shops	Short External Courses	Study Tour	On-the-Job Training		Days		
Site records and control	√				√		√			√	4/17	2	H	2
Site safety	√				√	√		√		√	4/17	1	H	2
Quality control in construction	√				√		√	√		√	4/17	1	H	2
Evaluation of contract claims	√				√		√			√	2/18	1	M	3
Resettlement monitoring	√						√			√	2/17	1	H	
Environmental monitoring	√				√		√			√	3/17	1	H	2
Management Training														
General management		√		√			√	√		√	1/18	2	M	3
Business and/or corporate planning		√			√		√			√	3/17	1	H	
Marketing		√						√			3/20	2	L	
Quality management		√	√	√		√	√		√	√	3/18	2	M	
Training needs assessment		√		√		√	√			√	2/19	1	L	
Performance measurement		√	√	√	√		√			√	2/19	2	L	3
Personal skills development		√	√	√	√			√		√	Ongoing		L	
ICT awareness		√	√	√	√		√	√	√	√	1/18	1	M	
Use of outsourcing		√		√	√		√	√			3/18	1	M	3,4
Procedure writing		√		√	√		√	√			2/18	1	M	3,4
Financial Training														
Principles of financial management	√	√		√	√		√	√			3/18	2	M	3

Area of Training	Implementing Agency Project Staff	Target Trainees				Relevant Training Methods					Training Qtr/Year	Duration	Priority	Notes
		Elderly Care Managers	Care Staff	Civil Affairs Bureau	Others	Train the Trainers	Local Work-shops	Short External Courses	Study Tour	On-the-Job Training		Days		
Enterprise financial accounting					√		√	√		√	3/19		L	3
Cost and management accounting					√		√			√	1/19		M	3
Project accounting	√				√		√			√	2/17	2	H	3
Financial planning		√			√		√			√	1/19	2	L	3
Project internal auditing	√				√		√	√			1/18	2	M	3
Elderly Care Training														
Introduction to elderly care			√	√	√		√			√	3/18	3	M	4
EC management		√		√	√		√	√	√	√	3/18	Various	M	5
EHS in an EC work environment			√				√	√	√	√	3/18	3	M	
EC facilities management	√	√					√	√			2/19	2	L	
Partnering with the voluntary sector		√		√			√		√	√	3/18	2	M	5
EC sector planning		√		√	√		√		√	√	4/17	Various	H	3,5
EC market research		√	√				√	√		√	3/18	3	M	
HCBC management		√		√			√	√	√	√	4/17	Various	H	5
Assessing HCBC needs		√	√	√	√	√	√			√	2/18	2	M	6
Home safety assessment		√	√		√	√	√	√			2/18	2	M	6

Area of Training	Implementing Agency Project Staff	Target Trainees				Relevant Training Methods					Training Qtr/Year	Duration	Priority	Notes
		Elderly Care Managers	Care Staff	Civil Affairs Bureau	Others	Train the Trainers	Local Work-shops	Short External Courses	Study Tour	On-the-Job Training		Days		
Call center operator training		√	√			√	√			√	3/19	5	L	
Falls prevention		√	√		√	√	√			√	2/18	2	M	6
Family caregiver training			√	√	√	√	√			√	4/17	TBD	H	7
Characteristics and clinical issues of EC		√	√	√					√		3/18	TBD	H	
Dementia care		√	√				√	√			4/19	TBD	L	
Palliative care		√	√					√		√	4/19	TBD	L	
Medical rehabilitation		√	√		√		√	√	√		4/19	TBD	L	
Health condition awareness		√	√		√	√	√			√	2/18	2	M	6
Other Training														
Gender awareness	√	√	√	√	√	√	√			√	2/18	1	M	2,4
Social inclusion awareness		√	√	√	√	√	√			√	2/18	1	M	4
Environmental awareness	√	√	√	√	√	√	√			√	3/17	1	H	2,4
Community health awareness	√	√	√	√		√	√	√	√		3/17		H	
Public engagement - its uses and benefits		√		√			√	√			1/18	1	M	
How to plan and conduct effective public consultation		√		√			√	√			1/18	4	M	

ADB = Asian Development Bank, EC = elderly care, EHS = environmental health and safety, HCBC = home- and community-based care, ICT = information and communications technology, PPMS = project performance monitoring system, TBD = to be determined.

Training priorities are: H = high (should be undertaken during 2017), M = medium (should be undertaken before end 2018), L = low (could be deferred to 2019 or later). These priorities are when initial training is needed; much of the training will then need to be repeated on a regular basis, either by repeat workshops or through use of a “train the trainers” knowledge dissemination approach.

Notes:

1. Training should be commenced in project readiness and start-up phase (i.e., in advance of loan effectiveness).
2. Training to include contractors and construction supervision company staff.
3. Especially relevant for financial staff.
4. Potentially relevant for staff of all disciplines.
5. 14-day study tour to Japan suggested to cover EC planning, management, and best practices.
6. These topics are also relevant to family and volunteer caregivers and should be included in that training.
7. This training is something the capacity development technical assistance can help setup and is something that could have a an immediate beneficial impact.

APPENDIX 10:

OUTLINE DESIGN OF PROJECT PERFORMANCE MONITORING SYSTEM (PPMS)

Provisional PPMS Indicators, Targets, and Data Sources

Ref	Performance Monitoring Indicator	Target	Baseline Performance (2016)	Data Source
Outcome: Capacity of the ECS and quality of ECS services in Hebei improved (to be achieved by end 2022)				
0.1	Coverage of community EC centers with in-home stations	Urban 100% Rural 90%	70%	Annual HCAD reports (provincial data)
0.2	Government availability rate for residential beds achieved and maintained by 2022	3%	2.2%	
0.3	Proportion of EC managers and care workers with a license to practice	Managers 100% Care workers 90%	TBD	
Output 1: Community and home care services improved				
1.1	The number of elderly served by home-based services provided by the project implementing agencies (age-, sex-, location-disaggregated)	TBD	0	Implementing agency monitoring reports, semiannual progress reports
1.2	Number of community centers constructed or rehabilitated and resourced with equipment under the project	51	0	
1.3	Number of calls received and responded to by the call center (disaggregated by sex, age, urban and/or rural, kind of assistance requested)	TBD	0	Annual call center reports, semiannual progress reports
Output 2: Residential EC service capacity increased and quality improved				
2.1	Average occupancy of residential care beds provided under the project (occupancy to be disaggregated by sex, age, and care need level)	50%	0	Implementing agency MIS, semiannual progress reports
2.2	All implementing agencies offer a minimum set of services comprising residential care facilities, providing care and nursing services for semi-disabled and disabled older persons, dementia care, and rehabilitation services.	5	0	Semiannual progress reports
2.3	Percentage of managerial positions during the operation period given to women	35%	0	Implementing agency MIS progress reports
Output 3: Development of human resources and industry capacity improved				
3.1	EC training programs developed by YSU	5	0	YSU and HPMO progress reports
3.2	Number of new EC priority area textbooks developed, including gender-sensitive learning materials (disaggregated by priority area)	TBD	0	
3.3	Certifications awarded in new EC short- and long-term courses by 2022 (disaggregated by sex, course, and certification level)	4,000	0	
Output 4: Capacity of EC sector organizations improved				
4.1	Number of project city governments to have comprehensive EC sector plans approved, including the financing section	2	0	
4.2	Number of implementing agencies and CABs to have developed volunteer groups for elderly support	10	TBD	
Social and Gender Equality Measures				
SG1	Number of temporary construction jobs	866	0 , currently 5%	

Ref	Performance Monitoring Indicator	Target	Baseline Performance (2016)	Data Source
	created (20% to be poor and 15% to be female)	(690 skilled)	female in construction	
SG2	Number of permanent jobs created for operational stage (30% to be poor and 50% to be female)	1374 (of which 1211 skilled)	0, currently 35% female	
SG3	Number of self-support groups; number of groups' participants (age-and sex-disaggregated)	At least one per county	0?	
SG4	Number of elders trained in the use of ICT networks (age- and sex-disaggregated)	TBD	0	
SG5	Develop a HCBC services working group	At least 50% of membership to be female	n/a	
SG6	Number of staff receiving orientation and in-service training on diversity and inclusion	90% of staff includes carers At least 70% to be female	0	
Financial Sustainability Measures (each implementing agency to report separately where relevant)				
F1	Current ratio	At least 1.00	n/a	Implementing agency financial statements
F2	Debt service coverage ratio	At least 1.00	n/a	
F3	Debt equity ratio	2.33 or less	n/a	
F4	Cost recovery ratio	At least 1.00	n/a	
Safeguard Compliance Indicators				
S1	Number of affected persons resettled			Progress reports
S2	Percentage of affected persons satisfied with their resettlement outcome	90%	0	
S3	No of affected persons who claim the project has made them worse off	0	n/a	
S4	Percentage of EMP actions successfully discharged	100%		
Project Implementation Progress Indicators				
A.	Land Availability			
PI1	Area (percentage) of project land made available as scheduled	>70%	n/a	Progress reports
PI2	Area (percentage) of project land made available up to 6 months late	<30%	n/a	
PI3	Area (percentage) of project land made available over 6 months late	0%	n/a	
B	Contract Letting			
PI4	Number of contracts let on time	>70%	n/a	Progress reports
PI5	Number delayed 3 months or less	<20%	n/a	
PI6	Number delayed 3 to 6 months	<10%	n/a	
PI7	Number delayed 6 to 12 months	0%	n/a	
PI8	No delayed more than 12 months	0%	n/a	
C	Contract Completion			
PI9	Contracts completed on time	>70%	n/a	Progress reports
PI10	Number delayed 3 months or less	<20%	n/a	
PI11	Number delayed 3 to 6 months	<10%	n/a	
PI12	Number delayed 6 to 12 months	0%	n/a	
PI13	No delayed more than 12 months	0%	n/a	
D	Disbursement Progress			
PI14	Percentage of planned cumulative disbursement	100%	n/a	Progress reports
PI15	Percentage of current year target	100%	n/a	
E	Covenant compliance			
PI16	Number fully complied with	80% or more	n/a	Progress reports
PI17	Number with delayed compliance	20% or less	n/a	
PI18	Number not complied with	none	n/a	
F	Capacity Building Inputs			
PI19	Amount of consulting time	163 months	0	Progress reports
PI20	Number of training days	TBD	0	

CAB = civil affairs bureau, EC = elderly care, HCAD = Hebei Civil Affairs Department, HPMO = Hebei project management office, ICT = information and communications technology, MIS = management information system, n/a = not applicable, TBD = to be determined, YSU = Yanshan University.

APPENDIX 11:

TEMPLATE FOR SEMIANNUAL AND/OR ANNUAL PROJECT PROGRESS REPORT

CONTENTS

Key Point Summary

Chapter 1. Introduction and Basic Data

- 1.1 Purpose of the Report
- 1.2 Introduction to the Project
- 1.3 Basic Data Project Management Arrangements

Chapter 2. Project Scope and Changes

- 2.1 Project Scope
 - 2.1.1 Overview
 - 2.1.2 Chengde Shuanglan
 - 2.1.3 Li County
 - 2.1.4 Xinji
 - 2.1.5 Julu County
 - 2.1.6 She County
 - 2.1.7 Yanshan University
- 2.2 Variations in Scope (if any have occurred or are likely)

Chapter 3. Implementation Arrangements

- 3.1 Major Implementation Milestones
- 3.2 Project Management Office Organization
- 3.3 Consulting Services

Chapter 4. Implementation Progress

- 4.1 General Overview
- 4.2 Project Management
 - 4.2.1 Coordination and Management of the Project
 - 4.2.2 Progress and Other Reporting
 - 4.2.3 Liaison with ADB
 - 4.2.4 Supervision of the Project Management Consultant
 - 4.2.5 Covenant Compliance
 - 4.2.6 Establishment of the Project Financial Management System
 - 4.2.7 Ensuring the Availability of Counterpart Finance
 - 4.2.8 Disbursement Progress
- 4.3 Subproject 1: Chengde Shuanglan District
 - 4.3.1 Physical Progress
 - Land Acquisition and Resettlement*
 - Bidding Document Preparation and Procurement*
 - Construction Progress*
 - 4.3.2 Development of Home- and community-based Care
 - 4.3.3 Preparations for the Provision of Residential Care
 - 4.3.4 Human Resources Development Progress
- 4.4 Subproject 2: Li County
- 4.5 Subproject 3: Xinji City
- 4.6 Subproject: Julu County
- 4.7 Subproject 5: She County
- 4.8 Subproject 6: Yanshan University
- 4.9 Consulting Services and Capacity Building
 - 4.9.1 Reporting

- 4.9.2 Provision of Training
- 4.9.3 Procurement
- 4.9.4 Contract Management
- 4.9.5 Land Acquisition and Resettlement
- 4.9.6 Environmental Management and Monitoring
- 4.9.7 Financial Management
- 4.9.8 Project Performance Monitoring System
- 4.9.9 Social Inclusion (including Gender Equality)
- 4.9.10 Elderly Care Capacity Building Activity

Chapter 5. Implementation Plans for the Next Year (in annual report only)

Chapter 6. Summary of Key Issues and Proposed Solutions

Likely Appendices Needed

- Appendix 1 Schedule of Contract Procurement, Execution, and Disbursements
- Appendix 2 Amended Project Design and Monitoring Framework
(if needed and annual report only)
- Appendix 3 Project Performance Management System Indicators, Targets, and
Performance Data
- Appendix 4 Computation of Weighted Progress for the Project to Date
- Appendix 5 Environmental Management (annual report only)
- Appendix 6 Involuntary Resettlement
- Appendix 7 Implementation Status of Social and Gender Action Plan
- Appendix 8 Status of Compliance with Loan Covenants
- Appendix 9 Work Plans and Key Milestones for 2016
- Appendix 10 Updated Procurement Plan (annual report only)

APPENDIX 12

LIST OF ALL CONTRACT PACKAGES UNDER THE HEBEI ELDERLY CARE
DEVELOPMENT PROJECT

Package Number	General Description	Estimated Value (\$ million)	Procurement Method	Review (Prior / Post)	Advertisement Date (Quarter / Year)
Chengde Subproject					
Civil Works					
CD-C01	EC residential care center and EC service information center	5.75	NCB	Prior	Q3/2017
CD-C02	Medical rehabilitation center	10.40	NCB	Post	Q3/2018
CD-C03	Landscaping and outdoor facilities	0.73	NCB	Post	Q2/2020
CD-C04	Home- and community-based EC service centers	1.00	NBF		Q3/2017
Subtotal		17.89			
Equipment					
CD-E01	Medical rehabilitation equipment	3.12	NCB	Prior	Q2/2019
CD-E02	Intelligent EC service platform	1.39	NCB	Post	Q2/2020
CD-E03	Nursing equipment and facilities	2.08	NCB	Post	Q2/2020
CD-E04	Office and leisure equipment	0.22	NCB	Post	Q2/2020
CD-E05	Auxiliary living facilities and vehicles	0.32	NCB	Post	Q2/2020
CD-E06	Wastewater treatment facilities	0.15	NCB	Post	Q2/2020
CD-E07	Daycare equipment and facilities	0.96	NBF		Q3/2017
Subtotal		8.24			
Total		26.13			
Julu Subproject					
Civil Works					
JL-C01	EC service center	10.25	NCB	Post	Q4/2017
JL-C02	Pipings	0.53	NBF		Q4/2018
JL-C03	Rehabilitation of community based EC service centers	0.44	NBF		Q4/2018
Subtotal		11.22			
Equipment					
JL-E01	Electric transformation and distribution equipment	0.26	NBF		1/2018
JL-E02	Water pumping equipment	0.07	Shopping	Post	1/2018
JL-E03	Concentrated solar power equipment	0.12	NCB	Post	1/2018
JL-E04	Boiler house and heat exchanging equipment	0.19	NCB	Post	1/2018
JL-E05	Medical wastewater treatment equipment	0.11	NCB	Post	1/2018
JL-E06	Elevators for EC service center	0.50	NCB	Post	2/2018

Package Number	General Description	Estimated Value (\$ million)	Procurement Method	Review (Prior / Post)	Advertisement Date (Quarter / Year)
JL-E07	Wastewater treatment facilities	0.04	Shopping	Post	1/2019
JL-E08	Elevators for community based EC service centers	0.18	NCB	Post	1/2019
JL-E09	Information center equipment	0.61	NCB	Post	1/2019
JL-E10	Medical rehabilitation equipment	0.63	NCB	Post	1/2019
JL-E11	Vehicles	0.20	NCB	Post	1/2019
JL-E12	Kitchen equipment	0.14	NCB	Post	4/2019
Subtotal		3.04			
Total		14.25			
Li Subproject					
Civil Works					
LX-C01	Integrated EC service center and four urban daycare centers	18.33	NCB	Prior	Q3/2018
LX-C02	Six rural daycare centers	1.78	NCB	Post	Q2/2020
Subtotal		20.11			
Equipment					
LX-E01	Equipment for integrated EC service center and daycare centers	3.17	NCB	Post	Q4/2019
LX-E02	Health examination and rehabilitation equipment	1.04	NCB	Post	Q4/2020
LX-E03	Information service equipment	1.26	NCB	Post	Q4/2019
LX-E04	Elevators	0.76	NCB	Post	Q3/2018
Subtotal		6.23			
Total		26.34			
She Subproject					
Civil Works					
SX-C01	EC service center	11.79	NCB	Post	Q4/2017
SX-C02	Home- and community-based EC service centers	0.23	NBF		Q2/2018
Subtotal		12.02			
Equipment					
SX-E01	Liquid oxygen equipment	0.05	NCB	Post	Q3/2019
SX-E02	Central ventilation system	0.10	NCB	Post	Q3/2019
SX-E03	Office furniture	0.32	NCB	Post	Q3/2018
SX-E04	Nursing equipment	1.23	NCB	Prior	Q3/2018
SX-E05	Electronic information equipment	1.36	NCB	Post	3/2019
SX-E06	Electronic information equipment	0.48	NCB	Post	Q3/2019
SX-E07	Health Rehabilitation and fitness equipment	0.66	NCB	Post	Q3/2018
SX-E08	Medical equipment	1.95	NCB	Post	Q3/2019
SX-E09	Vehicles	0.54	NCB	Post	Q3/2018

Package Number	General Description	Estimated Value (\$ million)	Procurement Method	Review (Prior / Post)	Advertisement Date (Quarter / Year)
Subtotal		6.69			
Total		18.72			
Yanshan Subproject					
Civil Works					
YS-C01	Training center	10.50	NCB	Prior	Q2/2017
Subtotal		10.50			
Equipment					
YS-E01	Teaching equipment and living facilities	0.38	NCB	Post	Q2/2018
YS-E02	Simulation and practical training equipment	1.09	NCB	Post	Q2/2018
YS-E03	Office equipment	0.25	NCB	Post	Q1/2019
YS-E04	Research equipment	0.81	NCB	Post	Q2/2019
YS-E05	Special equipment: robot	0.74	NBF		Q2/2018
Subtotal		3.26			
Consulting Services					
YS-S01	Capacity building and training	1.28	TBD	Prior	Multiple activities
YS-S02	Curriculum development and study	0.93	NBF		Multiple activities
Subtotal		2.21			
Total		15.97			
Xinji Subproject					
Civil Works					
XJ-C01	Nursing clinic and rehabilitation center	12.22	NCB	Prior	Q4/2017
XJ-C02	Dining hall, leisure center, and outdoor facilities	2.79	NCB	Post	Q1/2019
XJ-C03	Community based EC facilities	2.35	NCB	Post	Q1/2019
Subtotal		17.36			
Equipment					
XJ-E01	Elevators and public equipment	1.17	NCB	Prior	Q4/2017
XJ-E02	Fitness and leisure equipment	1.09	NCB	Post	Q1/2019
XJ-E03	Medical rehabilitation and nursing equipment, office equipment, etc.	2.24	NCB	Post	1/2019
XJ-E04	Equipment for geriatric Hospital	2.02	NCB	Post	Q1/2019
Subtotal		6.53			
Total		23.89			
Hebei Project Management Office					
CS-01	Project implementation support	2.50	QCBS	Prior	Q1/2017
Grand Total		127.79			

EC = elderly care, NBF = nonbank financial, NCB = national competitive bidding, QCBS = quality- and cost-based selection, TBD = to be determined.