Advance Contracting Notice

Date: 23 September 2014

Country/Borrower: People’s Republic of China (PRC)

Title of Proposed Project: 47009-PRC: Guangxi Baise Vocational Education Development Project

Name and Address of Executing Agency:

Baise Municipal Government
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Brief Description of the Project:

1. The proposed project will improve the supply of skilled human resources in Baise Municipality, Guangxi Zhuang Autonomous Region to support the transformation of the local economy, meet the demands of industry, and promote inclusive growth. The project will play a demonstration role for the sector and provinces in creating multilevel TVET (MLT) systems. The impact of the proposed project will be economic development and industrial transformation of Baise Municipality. The outcome will be a high quality, flexible, and responsive MLT system developed which meets industry needs.

2. The project has four outputs:

   (i) **TVET quality improved and capacity developed.** This component will (a) develop an integrated MLT system that provides integrated curriculum linking vocational secondary, college, and undergraduate levels of TVET; (b) implement a competency-based approach to curriculum, instruction, and assessment in priority areas across different majors and course levels; (c) upgrade teacher skills through pre-service and in-service professional development; (d) upgrade assessment and quality assurance based on industry standards; (e) develop curriculum in entrepreneurship and employability skills; and (f) develop a TVET

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1 The Asian Development Bank provided project preparatory technical assistance for Guangxi Baise Vocational Education Development Project (TA 8448-PRC), for $500,000, approved on 4 September 2013.
2 Selected priority areas are: aluminum processing, preschool education, design, engineering management and agriculture. Development of curriculum for new majors in tourism and logistics will also be conducted. These are in line with the priority growth sectors to support Baise becoming a new economic base.
teacher training center. The project will develop curriculum and teaching materials including digital content.

(ii) **Chengbi campus constructed and environmental sustainability promoted.** The component will construct Phase II teaching and residential buildings and facilities in the new Chengbi campus. The component includes the construction of 12 buildings with a total of 160,693 square meters building area.\(^3\) A 3.86 million kilowatt hour photovoltaic power system will be installed, and campus roads, sport facilities, slope protection, and other school facilities constructed. Teaching and lab equipment for the new campus will be financed by domestic funding. The Green Sustainability Center will ensure development and sustainability of green principles in campus management, curriculum development, and community outreach.

(iii) **TVET Innovation and relevance promoted.** The component will support strengthening school-industry partnerships, expanding regional cooperation activities and implementing strategic research. It will (a) enhance industry participation in management and delivery of curriculum and assessment; (b) provide staff opportunities for industry visits, assignments, and training attachments; (c) promote integration and enhancement of short-term migrant training into MLT; (d) develop a regional cooperation management team and activities; and (e) conduct research on enterprise-TVET partnerships, emerging priority sectors, and future course and qualifications needs.

(iv) **Project implementation management.** This component will support capacity building for the project management office and TVET institutions in project management, monitoring, and evaluation to ensure efficient and effective project implementation in compliance with PRC and Asian Development Bank (ADB) requirements.

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**Brief Description of Goods and Related Services, Works or Consulting Services to be Procured and Retroactive Financing:**

ADB has approved advance contracting and retroactive financing for smooth project implementation. Advanced contracting has been requested to engage two consulting service contracts and one civil works contract. Retroactive financing for one civil works contract and one consulting services contract. Advance contracting will include (i) prequalification of contractors, tendering, and bid evaluation for civil works contract packages; (ii) awarding of contracts; and (iii) recruitment of consultants. The advance contracting includes civil work contract packages and consulting service contracts. The issuance of invitations to bid, and the draft prequalification and bidding documents under advance procurement action will be subject to ADB approval. The government was informed that as a general rule, retroactive financing is permitted only if (i) it is specifically agreed by ADB and the Borrower; (ii) the goods, works, services, and consultants for which it is requested are procured in accordance with ADB’s Procurement Guidelines (2013, as amended from time to time) and ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time); (iii) the amount to be retroactively financed does not exceed 20% of the loan amount; and (iv) the expenditures must have been incurred before effectiveness of the relevant loan but, generally, no earlier than 12 months before signing of the Loan Agreement. In either instance, detailed assessments (due diligence) on each retroactive financing proposal must demonstrate that (a) the expenditures incurred are genuine, reasonable, and material to getting the project off the ground; and (b) they were incurred for

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\(^3\) An overview of the campus construction, equipment, and special features is in Appendix 5 of the project administration manual.

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proper reasons, in a transparent manner over a reasonable period of time. The government has been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

**Date of Advance Contracting and Retroactive Financing Approval:** 18 September 2014