



# Technical Assistance Report

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Project Number: 50147-001  
Policy and Advisory Technical Assistance (PATA)  
October 2016

## People's Republic of China: Enhancing Competition in Public Service Delivery

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**Asian Development Bank**

## CURRENCY EQUIVALENTS

(as of 12 September 2016)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1495
\$1.00	=	CNY6.6876

## ABBREVIATIONS

ADB	–	Asian Development Bank
CPPPC	–	China Public Private Partnerships Center
GDP	–	gross domestic product
GPAT	–	government procurement system assessment tool
GPL	–	Government Procurement Law
MAPS	–	Methodology for Assessing Procurement Systems
MOF	–	Ministry of Finance
OECD	–	Organisation for Economic Co-operation and Development
PPP	–	public–private partnership
PRC	–	People’s Republic of China
TA	–	technical assistance

## NOTE

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

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## CONTENTS

	<b>Page</b>
POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	1
III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE	3
A. Impact and Outcome	3
B. Methodology and Key Activities	3
C. Cost and Financing	4
D. Implementation Arrangements	5
IV. THE PRESIDENT'S DECISION	5
APPENDIXES	
1. Design and Monitoring Framework	6
2. Cost Estimates and Financing Plan	8
3. Outline Terms of Reference for Consultants	9

## POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 50147-001</b>	
<b>Project Name</b>	Enhancing Competition in Public Service Delivery	<b>Department /Division</b>	EARD/EAPF
<b>Country</b>	China, People's Republic of	<b>Executing Agency</b>	Ministry of Finance
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ Public sector management	Public administration		0.60
		<b>Total</b>	<b>0.60</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Public financial governance	No gender elements (NGE)	✓
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	No	Nation-wide	High
<b>6. TA Category:</b>	B		
<b>7. Safeguard Categorization</b>	Not Applicable		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.60</b>	
Policy and advisory technical assistance: Technical Assistance Special Fund		0.60	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>0.60</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems		No	
Use of country public financial management systems		No	

## I. INTRODUCTION

1. The Government of the People's Republic of China (PRC) requested policy and advisory technical assistance (TA) from the Asian Development Bank (ADB) for Enhancing Competition in Public Service Delivery. The TA is included in ADB's country operations business plan, 2016–2018 for the PRC.<sup>1</sup> In June 2016, ADB and the Ministry of Finance (MOF) reached an understanding on the objectives, scope, implementation arrangements, costs, and terms of reference for the TA. The design and monitoring framework is in Appendix 1.<sup>2</sup>

## II. ISSUES

2. The PRC's 13th Five-Year Plan for National Economic and Social Development, 2016–2020 provides the market a more prominent role in public service delivery. This includes competing to provide public services, and identifying and applying innovative approaches. The government will refrain from offering a service directly if it can purchase the service. The ways of providing public services will be diversified through increased participation of the social capital sector, which includes the private sector and state-owned enterprises. Competition to deliver public services will be enhanced by promoting public–private partnerships (PPPs), improving the quality of the government's procurement of services, and reforming public entities that provide social services. These commitments will be complemented by proposed reforms in government administration and management systems, including how the government intervenes in and supervises the market.<sup>3</sup>

3. Public services can only be delivered on an effective competitive basis if there are fair and impartial market rules that secure the confidence of market participants. Sound and transparent government procurement systems are essential for effective competition in public service delivery. Development partners such as ADB recognize that government procurement is interwoven with key development issues, including private sector development, economic growth, and poverty reduction. Good procurement practices reduce costs and produce timely results; poor practices lead to waste and delays. Weaknesses in a government's procurement system adversely affect welfare and prospects for growth.<sup>4</sup>

4. In the PRC, government procurement is guided by the Law on Tendering and Bidding, which covers the construction of public works projects, and the Government Procurement Law (GPL), which is used for expenditure funded through the general government budget.<sup>5</sup> The National Development and Reform Commission is responsible for the Law on Tendering and Bidding. MOF, through its Treasury Department, administers the GPL; issues regulations to guide the implementation of the law; supervises day-to-day procurement through its provincial, municipal, and county bureaus; and provides frequent training programs to enhance the capacity of local governments in public procurement.<sup>6</sup>

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<sup>1</sup> ADB. 2016. *Country Operations Business Plan: People's Republic of China, 2016–2018*. Manila.

<sup>2</sup> The TA first appeared in the business opportunities section of ADB's website on 19 August 2016.

<sup>3</sup> Government of the People's Republic of China. 2016. *The 13th Five-Year Plan for National Economic and Social Development of the People's Republic of China, 2016–2020*. Beijing (chapters 34 and 61).

<sup>4</sup> ADB. 2015. *The Governance Brief: Understanding Public Procurement*. <http://www.adb.org/sites/default/files/publication/28646/governancebrief03.pdf>

<sup>5</sup> The Law on Tendering and Bidding became effective in January 2000. The Government Procurement Law became effective in January 2003 and was amended in 2014. The Regulation on Implementing the Government Procurement Law became effective on 1 March 2015.

<sup>6</sup> The regulations include (i) Provisions for the Management of Experts Appraising Government Procurement (2003), (ii) Management Provisions for Publication of Information on Government Procurement (2004), (iii) Tendering and Bidding Management Provisions for Government Procurement of Goods and Services (2004), (iv) Provisions for

5. ADB assessments of the PRC's procurement systems are broadly positive. The laws and regulations governing public sector procurement are based on international good practices and principles. The PRC's procurement systems require the use of competitive bidding as the main procurement method and contain provisions that deal with corrupt practices. Procurement has become more standardized and transparent since the enforcement of the GPL, and protection against malpractice and collusion has improved. Nevertheless, there are opportunities to strengthen procurement systems and practices.<sup>7</sup>

6. The value of government procurement reached CNY1.7 trillion in 2014 to account for 11.4% of public expenditure. This was equivalent to 2.7% of gross domestic product (GDP). Practices in other countries suggest there is significant potential for expansion in government procurement. It typically accounts for 10%–15% of GDP in developed countries and as much as 20% of GDP in developing countries. In 2013, in GDP terms, government procurement expenditures as measured in national accounts amounted to an average of almost 14% of GDP in the European Union and to more than 10% of GDP in the United States.<sup>8</sup> The developed countries have progressed further in employing the purchaser–provider model, transforming the government away from being the dominant supplier of public services, and relying more on the market.

7. The PRC still lacks a national government procurement assessment system that can measure procurement efficiency centrally and locally, identify systematic issues affecting performance, and provide guidance on potential enhancements. It also needs tools that can examine actual procurement practices and provide the information required to establish a program of continuous improvement. The general public raised some concerns on public procurement efficiency and effectiveness in media reports that suggest the government procurement system's operational procedures and fiduciary oversight could be improved. Furthermore, the GPL needs to be aligned with international good practices. During the negotiations that led to the accession of the country to the World Trade Organization, the PRC agreed the GPL would comply with the basic spirit of the World Trade Organization Agreement on Government Procurement.

8. Providing information to buyers, sellers, and other market participants is also essential for effective competition in public service delivery. Lack of information causes inefficiency that unnecessarily adds to the cost of transactions or prevents them altogether, and deters private investors from taking risks. Information shortages can also erode confidence among the broader community about the quality of local governments, which carry most of the responsibility for service delivery in the PRC. Opening access to information about how governments work would help open public services to competition.

9. The government has actively promoted PPPs since late 2013. MOF established the China Public Private Partnership Center (CPPPC) in July 2014 to cover PPP policy advisory, consultations, capacity development, project financing, information disclosure, and international cooperation.<sup>9</sup> Local governments have copied the central government's initiatives, including through the compilation of demonstrative projects and the establishment of PPP centers.

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Resolution of Disputes (2004), and (v) Implementing Provisions for Central Institutions' Governmental Procurement.

<sup>7</sup> ADB. 2015. *Country Governance Risk Assessment: People's Republic of China*. Manila.

<sup>8</sup> Organisation for Economic Co-operation and Development. OECD. Stat. <http://stats.oecd.org/>, (accessed 5 August 2016).

<sup>9</sup> China Public Private Partnerships Center. Introduction. <http://www.cpppc.org/pppzxj/index.jhtml>.

10. High-quality information disclosure on PPPs to the public would help the reforms of the 13th Five-Year Plan for National Economic and Social Development, 2016–2020 for the delivery of public services. The use of PPPs to deliver public services is rising rapidly across a broad range of sectors. CPPPC reported 9,285 PPPs as under development or implementation as of June 2016, most of which are with local governments.<sup>10</sup> The total investment value of about \$1.6 billion for these PPPs is comparable to the annual general budget expenditure by local governments of about \$2.5 billion and annual local government infrastructure spending of almost \$700.0 billion.<sup>11</sup>

11. Ensuring transparency in PPP projects and processes will enhance competition within the PPP program, thereby improving the value for money offered. Transparency can also help generate an understanding of and confidence in the government's performance. Many countries release information about their PPP programs through widely accessible information platforms guided by disclosure policies. In December 2015, MOF issued the Notice on Regulating the PPP Comprehensive Information Platform Operation.<sup>12</sup> The document highlighted the importance of PPP disclosure and designated CPPPC to establish an information platform. In February 2016, the comprehensive PPP information platform released the national digital library on the PPP investment pipeline (footnote 10).<sup>13</sup> Information on PPP pipelines at different levels of government, the status of projects, PPP-related regulations, and operating guidelines are now collected and disseminated on the platform. Information about qualified PPP consulting firms and individual specialists is also posted on the platform. However, more detailed PPP disclosure guidelines are still needed.

### III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

#### A. Impact and Outcome

12. The impact will be the promotion of competition in public service delivery, and is aligned with the PRC's 13th Five-Year Plan for National Economic and Social Development, 2016–2020. The outcome will be enhanced market-based rules and transparency in public service delivery. The performance will be assessed through a government procurement system assessment tool (GPAT) by 2019, and submission to the government of PPP disclosure guidelines within 3 months after completion of the TA.

#### B. Methodology and Key Activities

13. The TA will produce four outputs under two components. Outputs 1 and 2 will form component A, and outputs 3 and 4 will form component B. Component A will assist MOF's Treasury Department in enhancing the present procurement system. Component B will help CPPPC to further develop the PPP information disclosure system.

<sup>10</sup> CPPPC. Comprehensive PPP Information Platform of the Ministry of Finance's PPP Center. <http://www.cpppc.org:8082/efmisweb/ppp/projectLibrary/toPPPMap.do> (accessed 15 August 2016).

<sup>11</sup> National Bureau of Statistics of China. Annual. <http://data.stats.gov.cn/english/easyquery.htm?cn=C01> (accessed 15 August 2016); and International Monetary Fund (IMF). 2015. People's Republic of China: 2015 Article IV Consultation Press Release; Staff Report; and Statement by the Executive Director for the People's Republic of China. *IMF Country Report*. No. 15/234. Washington, DC. <https://www.imf.org/external/pubs/ft/scr/2015/cr15234.pdf>.

<sup>12</sup> Government of the PRC, Ministry of Finance. 2015. *Notice on Regulating the PPP Comprehensive Information Platform Operation*. Beijing. <http://www.cpppc.org/bmwj/2641.jhtml>.

<sup>13</sup> CPPPC. Comprehensive Information Platform. <http://www.cpppc.org:8082/>.

14. **Output 1: Government procurement system assessment tool developed.** Building on past reviews by the PRC, ADB, and other development partners, output 1 will conduct an assessment on the strengths and weaknesses of the government procurement system and the roles of key government agencies involved in procurement. Output 1 also will conduct research on the legal framework governing procurement centrally and locally, and on the procurement practices adopted by different government agencies. It will also identify any weaknesses and opportunities for further improvements, as well as opportunities to align with best international practices. The TA will develop the GPAT in line with international good practices, notably the Methodology for Assessing Procurement Systems of the Organisation for Economic Co-operation and Development. The GPAT will provide a user-friendly tool for ongoing assessments of the quality and effectiveness of government procurement. The TA will pilot the use of the GPAT in selected implementing agencies, which MOF and ADB will jointly identify.

15. **Output 2: Policy recommendations for improvements of the existing procurement system drafted.** Based on the assessment of the present procurement system and the pilot use of the GPAT, the consultant team will prepare recommendations for further refinement of the GPAT and government procurement.

16. **Output 3: Policy recommendations on public–private partnership disclosure drafted.** The TA will review the information disclosure frameworks and practices for PPPs in other jurisdictions. Output 3 will identify the key drivers of disclosure. It will prepare an overview of the general transparency environment, the history and outlook for PPP disclosure, political economy considerations, the legal and policy framework, the disclosure process, the relevant institutions and their roles, and how confidential information is treated. Output 3 will address key issues in PPP contract information disclosure, including confidentiality requirements, templates, technology, and bid terms and conditions. It will also analyze the disclosure approaches for different stages of the PPP project life cycle.

17. Based on international practices and the PRC's experience and special circumstances, the TA will propose a policy package for CPPPC on the further enhancement of PPP program transparency.<sup>14</sup> The emphasis will be on the disclosure of project information. The TA will conduct at least three workshops. Local PPP practitioners, international financial institutions, and international PPP units will participate in the workshops, sharing experience and views on PPP disclosure.

18. **Output 4: Public–private partnership disclosure guidelines drafted.** The TA will draft guidelines for CPPPC's consideration, drawing on output 3. The guidelines will also build on relevant public information disclosure regulations and be consistent with CPPPC's mandates. They will identify the required information disclosure at each stage of project preparation and implementation.

## C. Cost and Financing

19. The TA is estimated to cost \$660,000, of which \$600,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The government will provide counterpart support in the form of office space and local transport, remuneration and per diem of local support staff, equipment, assistance in arranging meetings with counterpart

<sup>14</sup> Close attention will be paid to World Bank. 2016. *A Framework for Disclosure in Public–Private Partnerships*. Washington, DC; and World Bank, ADB, and Inter-American Development Bank. 2014. *Public–Private Partnerships Reference Guide Version 2.0*. Washington, DC.



agencies, and other in-kind contributions. The total budget will be allocated evenly between the two components.

#### **D. Implementation Arrangements**

20. MOF's Department of International Economic and Financial Cooperation will be the executing agency. MOF's Treasury Department will be the implementing agency for component A, while CPPPC will be the implementing agency for component B. The consultants will be tasked to each relevant component. The implementing agencies will be responsible for the day-to-day implementation of the TA, including managing the workshops, surveys, and conferences.

21. The proposed TA will be implemented over a 24-month period from 1 October 2016 to 30 September 2018. Under component A, the TA will require 12 person-months of individual consulting services, including one international consultant (procurement specialist) for 4 person-months and two national consultants (one procurement specialist and one public finance management specialist) for 8 person-months. Under component B, the proposed TA will engage one international consultant (1 person-month) and three national consultants (9 person-months).

22. Consultants will be recruited individually because the timeliness of recruitment is important. TA implementation will make extensive use of participatory workshops, which will require a wide range of skills and experience; therefore, a substantial provision will be allocated for resource person recruitment as needed. Lump-sum payments will be considered during TA implementation. The consultants and resource persons will be engaged in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference is in Appendix 3. Proceeds of the TA will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

23. The TA will be monitored and evaluated based on the implementation of activities and satisfactory delivery of outputs following the agreed timeline and budget allocation. To support monitoring and evaluation, the consultant teams will submit an inception report, a midterm report, a draft final report, and a final report to the government and ADB. All reports will be submitted in English and Chinese to the executing agency and ADB in hard and electronic copies. The TA review missions will be the main mechanism to monitor progress, assess performance, and ensure relevance of the TA.

24. Risks include (i) policy recommendations are not accepted by policy makers, (ii) the support for reforms to improve the procurement system cannot be secured, and (iii) government agencies provided insufficient data and inputs.

#### **IV. THE PRESIDENT'S DECISION**

25. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$600,000 on a grant basis to the People's Republic of China for Enhancing Competition in Public Service Delivery, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

<b>Impact the TA is Aligned with</b>			
Competition in public service delivery promoted (PRC's 13th Five-Year Plan, 2016–2020) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<b>Outcome</b> Market-based rules and transparency in public service delivery enhanced	a. Government procurement system assessment tool (GPAT) adopted for use by 2019 (Baseline: not applicable)  b. Public–Private Partnership (PPP) disclosure guideline submitted to CPPPC by 2019 (Baseline: not applicable)	a. Government announcements (irregular), government procurement system assessment report (annual), and government documents and statements on procurement policy reforms (irregular)  b. TA progress report, TA completion report	Policy recommendations are not accepted by policy makers.  Support for reforms needed to improve the procurement system cannot be secured.  Government agencies provided insufficient data and inputs.
<b>Outputs</b> 1. GPAT developed  2. Policy recommendations on the existing procurement system improvement drafted  3. Policy recommendations on PPP disclosure drafted  4. PPP disclosure guidelines drafted	1. GPAT submitted to Treasury Department of MOF by February 2018 (Baseline: not applicable)  2. Policy recommendations to improve the current procurement system prepared by September 2018 (Baseline: not applicable)  3. Policy recommendations submitted to the executing agency by February 2018 (Baseline: not applicable)  4. PPP disclosure guideline submitted to the executing agency by September 2018 (Baseline: not applicable)	1. Final report on the pilot national government procurement system assessment  2. Meeting minutes of seminars and discussions, TA progress report, government announcements, and TA review missions  3. TA review report, TA completion report  4. TA completion report	Information and data collected for procurement system assessment, e.g., bidding transaction and/or contracting information, and complaint handling reports, are not accessible or are insufficient.

<p><b>Key Activities with Milestones</b></p> <p><b>1. Government procurement system assessment tool developed</b></p> <p>1.1 Conduct an assessment of the strengths and weaknesses of the country procurement system by June 2017.</p> <p>1.2. Conduct research on the legal framework governing procurement at central and local levels, and procurement practices adopted by different government agencies by June 2017.</p> <p>1.3 Identify weaknesses and opportunities for further improvements and opportunities to align with best international practices by June 2017.</p> <p>1.4 Develop GPAT by December 2017.</p> <p>1.5 Hold seminars and other events with relevant stakeholders to provide outreach on the findings and GPAT by September 2018.</p> <p><b>2. Policy recommendations on the existing procurement system improvement drafted</b></p> <p>2.1 Conduct interviews and surveys for the pilot use of the developed tool by December 2017, covering national level and individual purchaser level.</p> <p>2.2 Identify opportunities for further refinement of the GPAT and government procurement.</p> <p>2.3 Prepare and submit a refined GPAT and the final report on procurement system improvement by September 2018.</p> <p><b>3. Policy recommendations on PPP disclosure drafted</b></p> <p>3.1 Review the information disclosure frameworks and practices for PPPs in other countries by June 2017.</p> <p>3.2 Analyze key issues facing other countries in PPP contract information disclosure and approaches for different stages of the PPP project life cycle by June 2017.</p> <p>3.3 Submit by December 2017 a review on the key drivers of disclosure, the general transparency environment, the history and outlook for PPP disclosure, political economy considerations, the legal and policy framework, the disclosure process, the relevant institutions and their roles, and how confidential information is treated.</p> <p>3.4 Prepare a policy package for CPPPC on the further enhancement of PPP program transparency by December 2017.</p> <p>3.5 Hold seminars and other events with relevant stakeholders to provide outreach on the findings and the proposed policy package by September 2018.</p> <p><b>4. PPP disclosure guidelines drafted</b></p> <p>4.1 Review present government information disclosure policies and regulations and consult PPP practitioners by March 2018.</p> <p>4.2 Submit draft guidelines by June 2018.</p> <p>4.3 Prepare and submit refined guidelines by September 2018.</p> <p>4.4 Hold seminars and other events with relevant stakeholders to provide outreach on the findings and the proposed guideline by September 2018.</p>
<p><b>Inputs</b></p> <p>ADB: \$600,000.00</p> <p>Note: The government will provide counterpart support in the form of office space and local transport, remuneration and per diem of local support staff, equipment, assistance in arranging meetings with counterpart agencies, and other in-kind contributions.</p>
<p><b>Assumptions for Partner Financing</b></p> <p>Not Applicable</p>

ADB = Asian Development Bank, CPPPC = China Public Private Partnerships Center, GPAT = government procurement system assessment tool, PPP = public-private partnership, PRC = People's Republic of China, TA = technical assistance.

<sup>a</sup> Government of the People's Republic of China. 2016. *The 13th Five-Year Plan for National Economic and Social Development of the People's Republic of China, 2016–2020*. Beijing.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**

(\$'000)

Item	Amount
<b>Asian Development Bank<sup>a</sup></b>	
<b>A. Component A</b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	100.0
ii. National consultants	56.0
b. International and local travel	60.0
c. Reports and communications	10.0
2. Seminars and conferences <sup>b</sup>	64.0
3. Miscellaneous administration and support costs <sup>c</sup>	10.0
<b>Subtotal (A)</b>	<b>300.0</b>
<b>B. Component B</b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	25.0
ii. National consultants	70.0
b. International and local travel	20.0
c. Reports and communications <sup>d</sup>	20.0
2. Training, seminars, and conferences	
a. Workshops <sup>e</sup>	65.0
b. Resource persons (national and international)	80.0
3. Contingencies	20.0
<b>Subtotal (B)</b>	<b>300.0</b>
<b>Total</b>	<b>600.0</b>

Note: The technical assistance (TA) is estimated to cost \$660,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The government will provide counterpart support in the form of office space and local transport, remuneration and per diem of local support staff, equipment, assistance in arranging meetings with counterpart agencies, and other in-kind contributions. The value of government contribution is estimated to account for 9% of the TA cost.

<sup>a</sup> Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-other sources).

<sup>b</sup> Includes remuneration of the resource persons, translation and interpretation costs, and the dissemination cost of the final report.

<sup>c</sup> Includes report editing, printing, and publicity.

<sup>d</sup> Includes the cost of translation and interpretation of international practices and/or guidelines, reports, and other TA outputs.

<sup>e</sup> Includes three workshops (inception workshop, interim workshop, and the final workshop). Up to two event coordinators for the final workshop will be hired and will help the event organizer arrange logistics, including invitation letter dissemination, follow-up participation confirmation, airline tickets, and hotel booking. Insurance costs for workshop participants will be covered under this category.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The consultants will be responsible for producing the technical assistance (TA) outputs and deliverables effectively and on time, consistent with the design and monitoring framework, and for organizing and carrying out all TA activities, including surveys, field visits, and workshops.

2. The Treasury Department of the Ministry of Finance (MOF) will be the implementing agency for component A, and the China Public Private Partnerships Center (CPPPC) of MOF will be the implementing agency for component B. The implementing agencies will (i) coordinate with government agencies and other stakeholders, (ii) assign appropriate counterpart staff to assist the consultants, (iii) supervise the day-to-day work of the consultants, (iv) administer the budget and disbursement of seminars and workshops, and (v) assume overall responsibility for conducting seminars and workshops.

3. Both components will have a team leader. In cooperation with the executing agency, implementing agencies, and the Asian Development Bank (ADB) project officer, the team leader will coordinate and monitor the consultants for each component. Accordingly, the consultants will maintain close working relations with the implementing agency and ADB, and will regularly discuss project progress and findings.

4. Tripartite meetings involving ADB, the executing and implementing agencies, and consultants will be held when necessary to provide guidance to the consultants and to review draft reports.

### **A. Component A: Development of the Government Procurement System Assessment Tool and Drafting of Policy Recommendations for Improving the Existing Procurement System**

5. Under component A, the TA will provide 12 person-months' inputs of individual consulting services, including one international procurement specialist for 4 person-months and two national consultants (one procurement specialist and one public finance management specialist) for 8 person-months. In addition, the TA will mobilize resource persons when needed. In dialogue with the executing and implementing agencies, ADB will recruit these experts in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The proceeds of the TA will be disbursed in line with *ADB's Technical Assistance Disbursement Handbook* (2010, as amended from time to time). All consultants will be recruited through the individual consultant selection.

6. The consultants will (i) conduct research on the existing legal framework governing procurement nationally and provincially, and procurement practices adopted by different government agencies; (ii) develop the government procurement system assessment tool (GPAT) based on the Methodology for Assessing Procurement Systems (MAPS) of the Organisation for Economic Co-operation and Development (OECD) and other best international practices; (iii) pilot the proposed GPAT in selected executing agencies to be identified in close consultations with MOF of the People's Republic of China (PRC) and ADB; and (iv) propose recommendations for further refining the GPAT and improvements in government procurement policies.

7. **Procurement specialist and team leader** (international, 4 person-months, intermittent). The specialist will have (i) at least 10 years of experience in procurement practices, with a

background in the implementation of development projects, preferably including experience in procurement reviews and/or audits, procurement system assessments, and national procurement reform programs; (ii) a graduate degree in a major relevant discipline in procurement, engineering, law, management, business administration, or another closely related field; and (iii) significant knowledge and familiarity with MAPS or other similar international performance measurement frameworks for government procurement and public financial management. The specialist will perform the following tasks:

- (i) develop the detailed study framework and methodology in consultation with the executing and implementing agencies;
- (ii) ensure the timely implementation of TA activities, which include conducting field investigations and data collection, preparing reports, organizing workshops, and other related activities;
- (iii) conduct research on the Government Procurement Law (GPL) adopted in 2003 and the Implementing Regulation for Government Procurement Law issued in 2015, by analyzing the application of GPL by different government agencies and areas for further improvement;
- (iv) assess the strengths and weaknesses in the country procurement system from the perspective of (a) the legal and regulatory framework; (b) the institutional framework and management capacity at central and provincial levels; (c) procurement operations and market practices; and (d) the integrity and transparency of the public procurement system, including the maturity of the electronic government procurement system in the country;
- (v) assess the roles of key government agencies involved in procurement regulation and oversight at national and provincial levels, such as MOF's Treasury Department;
- (vi) identify the main weaknesses of the country procurement system and areas for further improvements to align with best international practices;
- (vii) assess the strengths and weaknesses of the sector and/or agency procurement systems, including tendering and bidding transaction platforms in provinces, e-procurement procedures, and roles of procurement agents;
- (viii) identify the main weaknesses of the sector and/or agency procurement systems and areas for further improvements to align with best international practices;
- (ix) with the assistance of the national specialist, develop the GPAT based on MAPS-OECD and other best international practices; pilot the proposed GPAT in selected executing agencies to be identified in close consultation with MOF and ADB; and propose recommendations to further refine the GPAT and improvements in the government procurement policies; and
- (x) carry out other tasks necessary to accomplish the TA objectives.

8. **Procurement specialist** (national, 4 person-months, intermittent). The specialist will have (i) at least 10 years of experience in procurement practices with a background in the implementation of development projects, preferably including experience in procurement reviews and/or audits, procurement system assessment, and national procurement reform programs; (ii) a graduate degree in a major relevant discipline in procurement, engineering, law, management, business, or another closely related field; and (iii) significant knowledge and familiarity with the PRC's national procurement system. The specialist will perform the following tasks:

- (i) conduct research on the GPL and its implementing rules by analyzing how the law is applied by different government agencies and areas for further improvement;

- (ii) assess the roles of key government agencies involved in procurement regulation and oversight at national and provincial levels, such as MOF's Treasury Department;
- (iii) identify the main weaknesses of the country procurement system and areas for further improvement to align with best international practices;
- (iv) assess strengths and weaknesses of the sector and/or agency procurement systems, including tendering and bidding transaction platforms (trading centers) in provinces, e-procurement procedures, and roles of procurement (tendering) agents;
- (v) identify the main weaknesses of the sector and/or agency procurement systems and areas for further improvement to align with best international practices;
- (vi) help the team leader to develop the GPAT based on MAPS-OECD and other best international practices; pilot the proposed GPAT in selected executing agencies to be identified in close consultation with MOF and ADB; and propose recommendations for further refining the GPAT and improvements in the government procurement policies; and
- (vii) carry out other tasks necessary to accomplish the TA objectives.

9. **Public finance management specialist** (national, 4 person-months, intermittent). The specialist will have (i) at least 10 years of experience in public finance management practices, including experience in public finance management reviews, audits, procurement system assessments, and national public finance management reform programs; (ii) a graduate degree in public finance, procurement, law, business administration, management or another closely related field; and (iii) significant knowledge and familiarity with the PRC's public finance management. The specialist will perform the following tasks:

- (i) conduct research on the GPL and its implementing rules by analyzing how the law is applied by different government agencies and areas for further improvement;
- (ii) assess the roles of key government agencies involved in procurement regulation and oversight at national and provincial levels, such as MOF's Treasury Department;
- (iii) identify the main weaknesses of the country procurement system and areas for further improvement to align with best international practices;
- (iv) assess the strengths and weaknesses of the sector and/or agency procurement systems, including tendering and bidding transaction platforms (trading centers) in provinces, e-procurement procedures, and roles of procurement (tendering) agents;
- (v) identify the main weaknesses of the sector and/or agency procurement systems and areas for further improvement to align with best international practices;
- (vi) help the team leader to develop the GPAT based on MAPS-OECD and other best international practices; pilot the proposed GPAT in selected executing agencies to be identified in close consultation with MOF and ADB; and propose recommendations for further refining the GPAT and improvements in the government procurement policies; and
- (vii) carry out other tasks necessary to accomplish the TA objectives.

10. **Resource persons** (national, up to 4 persons for 2 discussion seminars, each for 1 day). The resource persons will have a degree in finance, economics, law, public management, business administration, public policy, or a closely related field; and at least 10 years of experience in procurement reviews and/or audits, procurement system assessment, and national procurement reform programs. Reporting to ADB, the resource persons will participate in the seminars to provide specific expertise and experience relevant to the issues addressed by the event.

## **B. Component B: Drafting of Policy Recommendations on Public–Private Partnership Disclosure and Disclosure Guidelines**

11. Under component B, four consultants will be recruited to complete the TA: one international consultant (1 person-month) and three national consultants (9 person-months). In addition, the TA will mobilize resource persons when needed. In dialogue with the executing agency and implementing agency, ADB will recruit these experts in accordance with ADB's Guidelines on the Use of Consultants. The proceeds of the TA will be disbursed in line with ADB's *Technical Assistance Disbursement Handbook*. All consultants will be recruited through individual consultant selection.

12. Consultants will (i) review the information disclosure frameworks and practices in transacted public–private partnership (PPP) contracts in other jurisdictions, and design a policy package for CPPPC on further enhancement of PPP program transparency, especially project-level information disclosure; and (ii) review the PPP project life cycle, identify the proper information to be disclosed at each stage, and draft the PPP information disclosure guidelines for CPPPC consideration.

13. **Legal specialist and team leader** (national, 3 person-months, intermittent). The specialist will have (i) at least 15 years of experience in public project design or implementation; (ii) a master's degree or higher qualification in law, public governance, or another closely related field; and (iii) proficiency in English. Demonstrated consultation experience with the PRC government would be an advantage. As the team leader, the specialist will be responsible for all final outputs of the TA project, as well as for daily coordination and supervision of the team. The specialist will have the following responsibilities:

- (i) Develop the detailed study framework and methodology in consultation with the executing and implementing agencies.
- (ii) Develop the outlines of TA inception, interim, and final reports and assign work to respective specialists.
- (iii) Prepare inception, interim, and final reports and their revision with inputs from the team members. In the reports, the team leader will review the present PPP information disclosure, assess PPP practitioners' public information disclosure needs, and evaluate related international practices. The report will raise practical policy recommendations to further PPP transparency enhancement.
- (iv) Finalize and submit the PPP disclosure guidelines to CPPPC.
- (v) Ensure the timely implementation of TA activities, which include conducting field investigations and data collection, preparing reports, organizing workshops, and other related activities.
- (vi) Guide the international specialists to identify international experience and lessons that can be incorporated by the PRC.
- (vii) Carry out other tasks necessary to accomplish the TA objectives.

14. **Public information management specialist** (national, 3 person-months, intermittent). The specialist will have (i) at least 10 years of relevant experience in public information management and a familiarity with relevant government regulations; (ii) a master's degree or higher qualification in information policy, information technology, or a closely related field; and (iii) a basic understanding of PPP operations, especially the project development life cycle. The specialist will perform the following tasks:

- (i) raise suggestions for PPP information disclosure based on the needs of PPP practitioners at different PPP project life cycle stages,



- (ii) assist the national PPP specialist to design and draft the PPP disclosure guidelines,
- (iii) provide substantial inputs to TA reports,
- (iv) participate in the TA workshops to present and discuss study findings, and
- (v) conduct other related tasks assigned by the team leader.

15. **Public-private partnership specialist** (national, 3 person-months, intermittent). The specialist will have extensive PPP consultation and PPP project implementation experience. The specialist will have at least 10 years of relevant experience and a master's degree in management, economics, business, or a closely related field. The specialist will perform the following tasks:

- (i) assess the information disclosure scope needed for different PPP practitioners in the PPP project life cycle and conduct surveys if necessary,
- (ii) help other team members to understand the PRC's PPP life cycle,
- (iii) help the team leader verify the applicability of international practices,
- (iv) prepare the draft PPP disclosure guidelines,
- (v) provide substantial inputs to TA reports,
- (vi) participate in the TA workshops and present and discuss study findings, and
- (vii) conduct other related tasks assigned by the team leader.

16. **Public-private partnership specialist** (international, 1 person-month, intermittent). The specialist will have (i) at least 10 years of PPP relevant experience and a familiarity with the PRC's PPP market practice and PPP regulatory framework; (ii) a master's degree or higher qualification in business administration, law, or a closely related field; and (iii) strong expertise, extensive experience, and in-depth knowledge of international PPP operations, especially international PPP transparency programs and practices. The specialist will perform the following tasks:

- (i) conduct a comprehensive review of the international policies and regulations on international PPP program transparency,
- (ii) propose policy recommendations on the PRC's PPP disclosure based on the analysis in para. 16 (i),
- (iii) organize the international workshop and make at least one section presentation guided by the team leader,
- (iv) participate in TA workshops to present and discuss findings,
- (v) provide substantial inputs to the TA reports, and
- (vi) conduct other related tasks assigned by the team leader.

17. **Resource persons** (national and international, intermittent, up to 6 persons for each conference or workshop, up to 3 days each). The resource persons will have a degree in finance, economics, law, public management, business administration, public policy, information management, or a closely related field, as well as at least 10 years of experience helping government agencies prepare and implement projects, or managing public information. Reporting to ADB, the resource persons will participate in the regional conferences and knowledge products review workshops to provide specific expertise and experience relevant to the issues addressed by the event.