



Report and Recommendation of the President to the Board of Directors

INTERNAL

Project Number: 53055-001
August 2022

Proposed Results-Based Loan People's Republic of China: Guangxi Wuzhou Healthy and Age-Friendly City Development Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 10 August 2022)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1487
\$1.00	=	CNY6.7238

ABBREVIATIONS

ADB	–	Asian Development Bank
DLI	–	disbursement-linked indicator
GZAR	–	Guangxi Zhuang Autonomous Region
HCBC	–	home- and community-based care
IT	–	information technology
KMAP	–	knowledge management action plan
M&E	–	monitoring and evaluation
PAP	–	program action plan
PIU	–	program implementation unit
PRC	–	People's Republic of China
PSSA	–	program safeguard systems assessment
RBL	–	results-based lending
WMG	–	Wuzhou Municipal Government
WPMO	–	Wuzhou program management office

NOTE

In this report, "\$" refers to United States dollars.

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RESULTS BASED PROGRAM AT A GLANCE

1. Basic Data		Project Number: 53055-001
Project Name	Guangxi Wuzhou Healthy and Age-Friendly City Development Program	Department/Division EARD/EASS
Country Borrower	China, People's Republic of	Executing Agency Wuzhou Municipal Government
Country Economic Indicators	https://www.adb.org/Documents/LinkedDocs/?id=53055-001-CEI	
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=53055-001-PortAtaGlance	
2. Sector	Subsector(s)	ADB Financing (\$ million)
✓ Water and other urban infrastructure and services	Other urban services	25.000
	Urban policy, institutional and capacity development	50.000
Health	Health sector development and reform	12.500
	Health system development	12.500
	Total	100.000
3. Operational Priorities	Climate Change Information	
✓ OP1: Addressing remaining poverty and reducing inequalities	GHG reductions (tons per annum)	3,198.860
✓ OP2: Accelerating progress in gender equality	Climate Change impact on the Project	Medium
✓ OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		
✓ OP4: Making cities more livable	ADB Financing	
✓ OP6: Strengthening governance and institutional capacity	Adaptation (\$ million)	34.120
	Mitigation (\$ million)	18.800
	Cofinancing	
	Adaptation (\$ million)	0.000
	Mitigation (\$ million)	0.000
Sustainable Development Goals	Gender Equity and Mainstreaming	
SDG 3.c	Effective gender mainstreaming (EGM)	✓
SDG 5.4		
SDG 11.3, 11.7	Poverty Targeting	
SDG 13.a	General Intervention on Poverty	✓
4. Risk Categorization:	Low	
5. Safeguard Categorization	Environment: B Involuntary Resettlement: B Indigenous Peoples: C	
6. Financing		
Modality and Sources	Amount (\$ million)	
ADB	100.000	
Sovereign Results Based Lending (Regular Loan): Ordinary capital resources	100.000	
Cofinancing	0.000	
None	0.000	
Counterpart	1,273.080	
Government	1,273.080	
Total	1,373.080	
Currency of ADB Financing: US Dollar		

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed results-based loan to the People's Republic of China (PRC) for the Guangxi Wuzhou Healthy and Age-Friendly City Development Program.

2. The program will transform Wuzhou into a more livable, age-friendly, and socially inclusive city by improving the urban environment, expanding parks and green spaces, encouraging healthy lifestyles, and enhancing home- and community-based elderly care services to promote aging in place.¹ Capacity development will strengthen institutions, improve service delivery, and help bridge the digital divide for older people. The program's knowledge management action plan (KMAP) will support widespread sharing of innovative features and knowledge solutions.²

II. THE PROGRAM

A. Strategic Context

3. Urbanization is a key determinant of health and welfare.³ The urban population of the PRC has increased at an extraordinary pace, from 18% in 1978 to 65% by 2021. This urbanization has coincided with aging and demographic transition: one out of every five people will be more than 60 years old by 2030, increasing to more than one in three by 2050. Many older people will grow to very advanced ages, becoming part of an urban society spanning four generations. As the PRC and the world continue to age and urbanize, sustainable development will depend on making cities more livable. Livability describes the quality of life and community well-being, and at the heart of the transformation of a city to become more livable is an integrated planning approach to provide infrastructure, services, and other public goods based on economic competitiveness, environmentally sustainable growth, social and financial inclusion, and resilience.⁴ Improvements in urban residents' health, well-being, and quality of life will contribute to high-quality development as the overarching goal of the PRC's Fourteenth Five-Year Plan, 2021–2025.⁵

4. **Healthy China 2030.** In 2016, the PRC launched its Healthy China 2030 program, calling for a "health in all policies" approach to prevent disease and to promote health, healthy lifestyles, and physical fitness.⁶ Healthy China 2030 highlights the importance of healthy cities and calls for integrating health in urban planning, design, and management. It defines healthy cities as those that (i) construct healthy environments, (ii) build a healthy society, (iii) optimize health services, (iv) foster healthy people, and (v) develop a health culture.⁷ As the first long-term national strategic plan for health, Healthy China 2030 reflects a strong political commitment to participate in global health governance and achieve the Sustainable Development Goals.⁸ Subnational governments

¹ The Asian Development Bank (ADB) helped prepare the program through the following transaction technical assistance facility: ADB. [PRC: Preparing Urban and Social Development Projects](#).

² Knowledge Management Action Plan (accessible from the list of linked documents in Appendix 2).

³ Unless otherwise noted, this discussion is derived from N. Habib et al. 2020. [Healthy and Age-Friendly Cities in the People's Republic of China: Proposal for Health Impact Assessment and Healthy and Age-Friendly City Action and Management Planning](#). Manila: ADB.

⁴ ADB. 2019. [Strategy 2030 Operational Plan for Priority 4: Making Cities More Livable, 2019–2024](#). Manila.

⁵ Government of the PRC. 2021. [The Outline of the Fourteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035](#). Beijing (in Chinese).

⁶ State Council of the PRC. 2016. [Outline of the Plan for Healthy China 2030](#). Beijing (in Chinese).

⁷ J. Yang et al. 2018. [The Tsinghua-Lancet Commission on Healthy Cities in China: Unlocking the Power of Cities for a Healthy China](#). *The Lancet*. 391 (10135). pp. 2140–2184.

⁸ United Nations. [Sustainable Development Goals](#).

in the PRC have developed plans and programs to adapt this national policy to their local context. In the Guangxi Zhuang Autonomous Region (GZAR), the Wuzhou Municipal Government (WMG) issued Healthy Wuzhou 2030 in 2019.⁹

5. **Making cities healthier and more age friendly.** Holistic approaches and collaboration play a key role in making cities healthier and more inclusive. Coordinated multisector urban governance and planning are required to provide (i) clean, walkable, and barrier-free environments; (ii) accessible health and elderly care services; and (iii) infrastructure that improves the urban environment and encourages healthy lifestyles. All of these will promote public health in an era when infectious diseases, noncommunicable diseases, and the challenges of an aging population are converging, as in the PRC. High-quality urban planning and design—including mixed-use pedestrian-friendly areas with safe and convenient public transport and bike lanes, attractive public spaces and green park networks, exercise facilities, playgrounds, and accessible public toilets—can help improve air and water quality, community fitness, and social connections that promote physical and mental health. Well-planned and conveniently located health and care services help reduce disease, promote well-being and social inclusion, and reduce the care burden that disproportionately falls on women.

B. Program Rationale

6. Wuzhou, a medium-sized city of 2.82 million people, is grappling with an urban environment and services that do not meet the health, safety, and social inclusion needs of a four-generation society. This is the case in the urban center comprising the three districts of Changzhou, Longxu, and Wanxiu, where 16.3% of the population is over the age of 60. The older population reaches 21.9% in Wanxiu, exceeding the national average of 18.7%. The GZAR is one of the less-developed regions of the PRC, ranked 29 out of 31, with a 2020 per capita gross domestic product of CNY44,700, less than 62% of the national average. Among GZAR's 14 cities, Wuzhou ranks in the bottom third at number 10, with a 2020 per capita gross domestic product of CNY25,107, just 56% of the provincial average and 35% of the national average.

7. Three key constraints hamper urban health, well-being, and livability for all ages.¹⁰ First, urban spaces and infrastructure are not conducive to healthy lifestyles. There are insufficient green spaces, public fitness facilities, and gathering places to encourage physical activity, social connection, and community building. Barrier-free movement is a problem for pedestrians and especially for people with disabilities or mobility challenges, especially where traffic-slowing and inclusive design features have not been introduced. Older people must cope with poor lighting and a lack of rest spaces such as benches in areas where they gather to exercise. Unhygienic environments are caused by outdated infrastructure for solid waste management (including waste sorting and collection) and public sanitation, where sufficient separate public toilet facilities for women and infant care facilities are lacking.

8. Second, the supply and quality of age-friendly services do not meet demand. The large and growing share of older persons aged 60 and above in central Wuzhou is straining existing capacity. Gaps in staffing, training, and facilities are evident: there is a shortage of well-trained elderly care staff (who are primarily women) particularly to provide the home- and community-based care (HCBC) services that are strongly preferred by older persons. There is an imbalance

⁹ WMG. 2019. *Healthy Wuzhou 2030*. Wuzhou (in Chinese). Healthy Wuzhou 2030 is further discussed in para. 10.

¹⁰ Discussed in Sector Assessment (Summary): Water and Other Urban Infrastructure and Services (Urban Policy, Institutional, and Capacity Development) (accessible from the list of linked documents in Appendix 2).

between the delivery modalities of HCBC and residential elderly care. A greater emphasis on ensuring broader coverage and affordability of HCBC services will be needed to meet demand.

9. Third, capacity and institutions to plan, deliver, and access healthy and age-friendly spaces and services are weak. Wuzhou's fragmented approach to multisector program planning and implementation and underdeveloped service delivery standards and regulations are the result of knowledge and coordination gaps. Wuzhou smart city management platforms are underdeveloped and underutilized, and use of new technologies is suboptimal. An emerging digital divide puts older persons at a significant disadvantage in accessing and using digital platforms, increasing the risk of social exclusion. Targeted digital literacy training will be required to help older people use information technology (IT) equipment (such as smartphones or tablets) and applications needed to participate in daily life, such as those for health codes, shopping and banking, public transportation use, and the making of health appointments.¹¹

10. **Healthy Wuzhou 2030.** To address these challenges in a targeted, holistic manner, the results-based lending (RBL) program supports a time, geographic, and sector slice of Healthy Wuzhou 2030 (the broader government program). The comprehensive Healthy Wuzhou 2030 covers both public and private investment in health care and health insurance, elderly care, urban and rural development, education, environmental improvement, and food and drug safety, among others, over a 14-year period. The private sector is active in aspects such as private hospitals and residential elderly care homes, outsourced service provision, privately run sports facilities, and municipal solid waste services through a public–private partnership. The WMG has prioritized critical needs and achievable initiatives in the Wuzhou Healthy and Age-Friendly City Action Plan, 2021–2025, which aligns with the second phase of Healthy Wuzhou 2030 (the "deepening and accelerating" stage).¹² This is the RBL program's time slice. The geographic slice is the urban center of Wuzhou municipality comprising the three urban districts of Changzhou, Longxu, and Wanxiu. The sector slice aligns with the work programs of four local government agencies: Wuzhou Civil Affairs Bureau; Wuzhou Health Commission; Wuzhou Urban Administration and Supervision Bureau; and Wuzhou Culture, Broadcasting, Radio, Sports and Tourism Bureau. The RBL program integrates concepts from the World Health Organization's healthy and age-friendly city guidelines,¹³ and responds to the National Health Commission's plan to create 5,000 age-friendly communities around the country by 2025, mobilizing resources to promote healthy aging and build an age-friendly society.¹⁴

11. **Justification for the results-based lending modality.** RBL is the most suitable modality because the complex multisector and multistakeholder nature of the development challenges requires a results- and system-based approach that is holistic and coordinated. With many smaller and dispersed activities, a transaction or input-based approach as under investment lending would not be as efficient, nor would it be as effective in terms of sustainable program results and system-wide improvements. With no single clear-cut sector, a sector development program approach is also not advised. The selection of the modality also considered the strong government ownership, anchored on the national and provincial plans that provide the mechanism

¹¹ X. Yueji. 2021. Digital Generation Gap: As China's Elderly Population Grows, So Too Does the Need to Bridge the Digital Divide. [South China Morning Post](#). 18 May.

¹² The duration of Healthy Wuzhou 2030 spans three government five-year planning periods. The WMG has termed these as three separate phases: (i) stable advancing (2017–2020), (ii) deepening and accelerating (2021–2025), and (iii) comprehensive improvement (2026–2030). The phases have no major significance except that each has its own targets leading to the final 2030 targets.

¹³ World Health Organization. 2020. [Healthy Cities: Effective Approach to a Rapidly Changing World](#). Geneva.

¹⁴ State Council of the PRC. 2020. [China to Create 5,000 Age-Friendly Communities from 2021 to 2025](#). News release. 6 December.

to push initiatives forward, especially for elderly care. These also enhance the potential for national replicability and scaling up. The RBL program builds on earlier Asian Development Bank (ADB) investment lending in Wuzhou for urban and community development to address geohazards.¹⁵ This first RBL program to support healthy and age-friendly urban development will have demonstration and replication impacts within and beyond the PRC, to be achieved through a strong focus on knowledge generation as captured in the KMAP (footnote 2). The KMAP outlines planned knowledge solutions—especially focused on the program's innovations—and the knowledge platforms that can be drawn on to disseminate them. ADB examples of such platforms include the East Asia Forum, the Regional Knowledge Sharing Initiative, and the Livable Cities Forum. Domestic examples include ADB's knowledge partnership with Beijing National University. Many countries are developing new national policies on aging that are converging with policies on urbanization. Countries such as Indonesia, Singapore, and Thailand are focusing on livability and inclusion in the built environment. As a secondary and relatively poorer city in a relatively disadvantaged part of the PRC, Wuzhou is a representative example both for similar areas in the PRC and for ADB developing member countries, where secondary small and medium-sized cities are the fastest-growing segment. Domestic replication of the model within the PRC may also be considered under the future ADB pipeline.

12. **Strategic fit.** The healthy and age-friendly city concept integrates previously isolated concepts and cuts across multiple sectors. It aligns with global initiatives, including the United Nations' New Urban Agenda,¹⁶ and the Decade of Healthy Ageing, 2021–2030,¹⁷ which aim at catalytic effort and collaborative action to support this major global demographic transition. The program aligns with ADB's Strategy 2030 operational priorities of addressing remaining poverty and reducing inequalities; accelerating progress in gender equality; tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability; making cities more livable; and strengthening governance and institutional capacity.¹⁸ It also aligns very closely with several aspects of the country partnership strategy for the PRC, 2021–2025, including (i) the strategic priority of health security and responding to an aging society; and (ii) the emphasis on strengthened institutional capacity, particularly at the local level and in the lagging regions, where ADB aims to deliver most public investment and services to support high-quality development.¹⁹

C. Program Scope

13. The difference between the broader government program and the RBL program is summarized in Table 1.

¹⁵ ADB. [PRC: Guangxi Wuzhou Urban Development Project](#).

¹⁶ United Nations. 2017. [New Urban Agenda](#). Quito. Para. 62 articulates a commitment to addressing the social, economic, and spatial implications of aging populations and harnessing the aging factor as an opportunity for new decent jobs and sustained, inclusive, and sustainable economic growth, while improving the quality of life of the urban population.

¹⁷ United Nations General Assembly. 2020. [Decade of Healthy Ageing: Plan of Action](#). Resolution 75/131. New York.

¹⁸ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila. The program design will also consider the guidance in ADB. 2020. [COVID-19 and Livable Cities in Asia and the Pacific](#). Manila.

¹⁹ ADB. 2021. [Country Partnership Strategy: People's Republic of China, 2021–2025—Toward High-Quality, Green Development](#). Manila. The program will also draw on ongoing knowledge and support technical assistance to strengthen elderly care policy and institutional reforms such as under ADB. [PRC: Policy and Capacity Building for Elderly Care](#).

Table 1: Program Scope

Item	Broader Government Program (Healthy Wuzhou 2030)	Results-Based Lending Program
Outcome	Better health, well-being, and people-oriented socioeconomic development achieved	Livability, ^a age-friendliness, and social inclusion in Wuzhou's urban center improved
Key outputs	Improved health care services Expanded health insurance Healthy environments Health industry development Improved health security	Healthy and safe four-generation urban environments established Integrated age-friendly services and facilities improved Institutional development and capacity building promoted
Activity types	Health education and promotion of healthy lifestyles Smart digital platforms for health information services Development of health care facilities and medical technology Health insurance and social assistance Human resource development Development of a healthy aging industry Pollution control Traffic safety Urban and rural sanitation	Urban environmental improvement and sanitation Upgraded public green spaces and fitness facilities Demonstration of living streets ^b Safe, barrier-free, pedestrian-friendly streets, crosswalks, and sidewalks Development of elderly care services (home- and community-based care and residential care), with private sector participation Promotion of healthy lifestyles Strategic planning, research, and capacity development
Expenditure size	\$47.521 billion	\$1.373 billion
Main financiers and their respective total amounts	Government: \$47.421 billion ADB: \$0.10 billion	Government: \$1.273 billion ADB: \$0.10 billion
Geographic coverage	The municipality of Wuzhou comprising three urban districts, three rural counties, and one county-level city	Wuzhou's urban center, comprising the three urban districts of Changzhou, Longxu, and Wanxiu
Implementation period	14 years, 2017–2030	5 years, 2021–2025

ADB = Asian Development Bank.

^a "Livability" describes the quality of life and community well-being, and at the heart of the transformation of a city to become more livable is an integrated planning approach to provide infrastructure, services, and other public goods based on economic competitiveness, environmentally sustainable growth, social and financial inclusion, and resilience.

^b "Living streets" challenge the assumption that streets are for cars and cars should have priority over people. Their design emphasizes people as opposed to vehicles, placing priority on community interaction. A living street is a social place where people can meet, older people can exercise, and children can play safely; it does not exclude vehicles but is designed to reduce both their speed and dominance.

Source: ADB.

D. Program Results

14. The RBL program's impact will be better health, well-being, and people-oriented socioeconomic development achieved (footnote 9). The outcome will be livability, age-friendliness, and social inclusion in Wuzhou's urban center improved.²⁰

15. **Output 1: Healthy and safe four-generation urban environments established.** Activities under output 1 focus on improving the built environment to promote social inclusion and make it more conducive to the adoption of healthy lifestyles, including more physical exercise, through (i) improving the urban environment and sanitation with at least 250 new and upgraded waste sorting and collection stations and 15 new and upgraded public toilets; (ii) upgrading public

²⁰ The design and monitoring framework is in Appendix 1.

green spaces and fitness facilities, including 10 new age-friendly pocket parks, at least 20 kilometers of new urban trails, and well-lit places to safely walk and exercise;²¹ (iii) designing and constructing two demonstration mixed-use living streets, with public activity spaces for the young and old; and (iv) upgrading 2.7 kilometers of streets with traffic-slowing and inclusive design features to make them pedestrian-friendly and barrier-free.

16. **Output 2: Integrated age-friendly services and facilities improved.** Activities under output 2 emphasize the promotion of aging in place by making it easier for older persons to continue to live in their communities as an alternative to moving into residential care. This will be achieved by improving access to, and quality of, HCBC services and standard health management services for older people. A key goal is to alleviate pressure on family caregivers, who are mostly women. Activities include (i) establishing two new HCBC service centers to ensure full coverage at the street administration office level, (ii) expanding the range and quality of HCBC services, (iii) monitoring satisfaction with HCBC services through new surveys that include at least 52% women's participation, and (iv) designing and piloting a home modification program for low-income and vulnerable households. This output will also improve access to affordable and quality residential care facilities through both new and upgraded facilities.

17. **Output 3: Institutional development and capacity building promoted.** Activity types under this output include (i) developing smart city digital management platforms and subsystems, including a new public opinion subsystem; (ii) planning and implementing an age-friendly digital literacy training and outreach program for at least 10,000 older persons; (iii) introducing a locally appropriate elderly care needs assessment and performance evaluation system, and improving regulations and service standards; (iv) designing gender-sensitive training to improve the knowledge and skills of at least 600 HCBC caregivers, of whom 80% are women; and (v) implementing the program KMAP (footnote 2) to disseminate knowledge solutions especially related to program pilots and innovative features such as living streets, home modification, and digital literacy training. This output also includes public health promotion activities to increase the share of people who regularly exercise and to improve their basic health literacy, in line with the national assessment tools and targets.

18. **Disbursement-linked indicators.** Three disbursement-linked indicators (DLIs) at the outcome level will improve health literacy, expand HCBC services, and increase parks and green spaces. Three output-level DLIs incentivize the pilot programs for living streets, home modification, and digital literacy training. These DLIs were selected from the program results framework to build capacity (DLI 1, DLI 6); introduce innovation (DLI 3, DLI 4); and respond to the preference for aging in place (DLI 2, DLI 5). The DLIs are practical, clearly defined, and capable of being reliably measured and independently verified. Their achievement is under the control of the WMG, the Wuzhou Development and Reform Commission, and the other Wuzhou program management office (WPMO) member agencies; and their financing level creates incentives for stakeholders to deliver while being aligned with financing needs. Partial disbursement will be allowed for DLIs 1, 3, 5, and 6 if 50% of the target for that year is achieved. The number of DLIs and disbursements is streamlined to improve administrative efficiency, based on previous RBL program lessons. Rigorous verification protocols include verification by a credible and independent verification agency; this agency will develop a clear verification methodology for each DLI to be agreed with ADB, and the selection of this agency will be subject to ADB's prior approval. The terms of

²¹ Pocket parks are small urban public spaces for people to gather, relax, and enjoy the outdoors. Built in small open spaces such as street corners, intersections, median strips, and building gaps, these parks provide communities with greenery, fitness equipment, spaces to sit and rest, and an ecological foothold for urban wildlife.

reference are in the program implementation document.²² The DLIs and their disbursement allocations are summarized in Table 2.

Table 2: Disbursement-Linked Indicators

Indicator	Disbursement Allocated (\$ million)	Share of Total ADB Financing (%)
Outcome		
1. Share of urban residents aged 15–69 achieving basic health literacy increased ^a	20.0	20.0
2. Full coverage of at least eight home- and community-based care service centers achieved and maintained	5.0	5.0
3. Per capita area of parks and green space increased to 15 m ² /person	20.0	20.0
Outputs		
4. Design and construction of two new demonstration living streets with public activity spaces for young and old	20.0	20.0
5. Home modification program to support aging in place designed and piloted for low-income and vulnerable households with special difficulties	20.0	20.0
6. Number of urban residents aged 60 and above completing digital literacy training	15.0	15.0
Total	100.0	100.0

ADB = Asian Development Bank, m² = square meter.

^a The age range of 15–69 follows national guidelines for this standardized survey.

Source: ADB.

E. Value Added by ADB

19. ADB's involvement in the program adds value along four main dimensions: results, innovation, knowledge, and institutional development. First, use of the RBL modality has transformed the program design and promoted a strong results and reform culture, providing incentives for performance that otherwise would be missing in the municipal government's broader program. This is the first use of RBL to connect the challenges of urban livability with those of responding to an aging society, and addressing these in a synchronistic way. Second, ADB has introduced concrete innovations through the program—including digital inclusion, living streets, and home modification—which otherwise the government would struggle to introduce in a coordinated way on its own. Third, ADB involvement has introduced a strong knowledge component, anchored on the first program-level KMAP (para. 11), implementation of which is captured in the program action plan (PAP).²³ The KMAP captures the vectors of demonstration and replication. Lessons from this program will be shared through publications and training events to promote replication and mainstreaming of institutional strengthening and reform within the PRC at local and national levels, and for other developing member countries.

20. Finally, ADB additionality derives from strengthening key local economic and social institutions with lower capacity in a disadvantaged region to sustain high-quality development. This aligns with a key commitment of the country partnership strategy that ADB support will focus on improving coordination across sectors and jurisdictions to clarify responsibilities and accountability arrangements for different tiers of government—in this case the municipal level, three district governments, and eight street administration offices. Coordinating health promotion; home- and community-based elderly care services; social service delivery; urban planning and design; infrastructure; public spaces; and building design, construction, and operation will involve the municipal health commission and the bureaus of civil affairs and urban administration, among

²² Program Implementation Document (accessible from the list of linked documents in Appendix 2).

²³ Program Action Plan (accessible from the list of linked documents in Appendix 2).

several others. (The full implementation arrangements are in para. 25.) Using the RBL modality to amplify the leverage and development impact of ADB financing, the program will support the implementation of a large national reform program by local institutions through capacity building, policy and regulatory advice, and coordination mechanisms. The program will strengthen interagency coordination through the Healthy Wuzhou Action Promotion Committee and through improved smart city digital management platforms that facilitate coordinated services, interaction with the public, and infrastructure management.²⁴ The program design draws on lessons from several decades of ADB and development partner engagement in the PRC in urban development, aging and elderly care, and institutional strengthening through RBL (footnote 10). Key lessons include older adults' strong preference for HCBC services as opposed to residential elderly care, minimizing involuntary resettlement, and the importance of setting realistic DLIs aligned with national targets. ADB has introduced national and international good practices to the program, including through involvement of World Health Organization experts, innovative urban planners, and inclusive design specialists, and by drawing on ADB research and knowledge (footnote 3).

F. Expenditure Framework and Financing Plan

21. **Program expenditures.** The RBL program expenditures are estimated to be \$1,373.08 million from 2021 to 2025 (Table 3).

Table 3: Summary of Program Expenditure Framework, 2021–2025^a

Item	Amount (\$ million)	Share of Total (%)
A. Recurrent Expenditure	165.01	12.02
1. Salaries and benefits	69.32	5.05
2. Administrative and maintenance expenses	80.22	5.84
3. Training and capacity building	15.26	1.11
4. Others ^b	0.21	0.02
B. Capital Expenditure	1,208.07	87.98
1. Equipment and materials	543.25	39.56
2. Building construction and upgrades	664.82	48.42
Total	1,373.08	100.00

Note: In 2021 prices.

^a The results-based lending program will disburse funds for results achieved over 4 years, from 2022 (prior results) to 2025. However, the performance baseline includes results achieved by 31 December 2020. Government expenditure in 2021 is included in the program expenditure framework because this expenditure was required to contribute to the program results by 2025. The loan account will remain open into 2026, as independent verification and disbursement for the results achieved by 31 December 2025 can only take place after data becomes available the following year.

^b Other recurrent expenditure includes donations and others not included in the above expenditure categories.

Sources: Asian Development Bank and Wuzhou program management office estimates.

22. **Program financing.** The government will finance \$1,273.08 million and has requested a regular loan of \$100.00 million from ADB's ordinary capital resources to help finance the program. The loan will have a 25-year term, including a grace period of 6 years; an interest rate determined in accordance with ADB's Flexible Loan Product; a commitment charge of 0.15% per year; and such other terms and conditions set forth in the draft loan and program agreements. Based on the straight-line method, the average maturity is 15.75 years, and the maturity premium payable to ADB is 0.30% per year. Relending to the GZAR government and onlending to WMG will be on the same terms and conditions applicable to the loan. Final borrowers will bear loan proceeds'

²⁴ To ensure data privacy and information security, the Wuzhou smart city digital platforms comply with the national standards issued in November 2020. National Information Security Standardization Technical Committee. 2020. *Information Security Technology Guide of Information Security Assurance Framework for Smart Cities, GB/Z 38649-2020*. Beijing. The RBL program's platforms, which have stand-alone hardware and software systems and restricted access, do not include law enforcement.

foreign exchange and interest rate variation risks. The summary program financing plan is in Table 4.

Table 4: Program Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (regular loan)	100.00	7.28
Government	1,273.08	92.72
Total	1,373.08	100.0

Source: Asian Development Bank estimates.

23. **Climate finance.** Climate mitigation is estimated to cost \$258.20 million and climate adaptation is estimated to cost \$468.75 million for the whole RBL program. ADB will finance \$18.80 million (7.28%) of climate mitigation costs and \$34.12 million (7.28%) of climate adaptation costs.²⁵

G. Capacity Development and Program Action Plan

24. Actions included in the PAP (footnote 23) will support achievement of the intended outcome by addressing key capacity issues that may impede the achievement of the outcome. These actions derive from the detailed sector and poverty, social, and gender analyses conducted as part of the program due diligence.²⁶ The PAP will strengthen program systems—monitoring and evaluation (M&E), fiduciary, and safeguards—and gender and social inclusion. The DLIs also emphasize capacity development and innovative approaches.

H. Implementation Arrangements

25. The WMG is the executing agency and accountable for the overall program. The implementing agency is the Wuzhou Development and Reform Commission, which has established the WPMO. The WPMO is responsible for day-to-day supervision, coordination, and guidance of program preparation and implementation, and its member agencies include the Wuzhou Civil Affairs Bureau; Wuzhou Health Commission; Wuzhou Urban Administration and Supervision Bureau; and Wuzhou Culture, Broadcasting, Radio, Sports and Tourism Bureau. Several program implementation units (PIUs) will be responsible for construction, operation, and maintenance under the program. The PIUs are existing units comprising either government divisions or separate public institutions, including the (i) municipal-level agencies under the administrative jurisdiction of the implementing agency and other WPMO member agencies; (ii) district-level equivalents of these municipal agencies in Changzhou, Longxu, and Wanxiu districts; and (iii) Wuzhou Urban Construction and Investment Group, a state-owned enterprise responsible for constructing medium- and large-scale publicly financed infrastructure.

26. **Disbursement arrangements.** The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) and detailed arrangements agreed between the borrower and ADB, to a dedicated account to be opened by the government, based on the verified achievement of DLIs. The currency of the account will be the United States dollar. Advance financing will be allowed to address financing requirements on the understanding that the government will refund any outstanding advance amount if DLIs are

²⁵ Climate Change Assessment (accessible from the list of linked documents in Appendix 2).

²⁶ Sector Assessment (Summary): Water and Other Urban Infrastructure and Services (Urban Policy, Institutional and Capacity Development); and Poverty, Social, and Gender Assessment (accessible from the list of linked documents in Appendix 2).

not achieved. Any outstanding advances will be liquidated before disbursements can be made against achieved DLIs. To meet financing requirements and help introduce innovation under the output DLIs, the WMG indicated it wishes to seek advance financing in the amount of \$25 million (25% of the total loan amount) following loan effectiveness. ADB will provide \$5 million (5% of the total loan amount) as financing for prior results achieved in 2022 that are essential to meeting the program outcome. This follows RBL guidelines for the maximum combined ceiling for advance financing and financing for prior results at 30% of total ADB financing. Pro-rata partial disbursement will be permitted for DLIs 1, 3, 5, and 6, provided at least 50% of the targeted performance improvement is achieved. Disbursements are allowed for early or late achievement of DLIs. The WPMO will prepare and submit to ADB, through the Guangxi Department of Finance, a withdrawal application along with evidence verifying achievement of the DLIs in accordance with the verification protocols.

III. SUMMARY OF ASSESSMENTS

A. Program Technical Assessments

27. **Program soundness and results assessment.** The RBL program will support healthy and age-friendly city development aligned with Healthy China 2030 through a broad range of activities. Program technical assessments conclude that Wuzhou needs to initiate actions and reforms to (i) make urban areas more people friendly and conducive to healthy lifestyles; (ii) improve health literacy and awareness; (iii) enhance elderly care services by improving access, standards, and caregiver capacity; (iv) introduce innovation, including developing smart city management IT platforms and systems; and (v) develop targeted capacity building initiatives, including to address the digital divide. The program results framework, DLIs, and PAP reflect these findings. Due diligence based on historical and predicted revenues, budgets, and expenditures concludes that the program expenditure framework and financing plan are robust. The program soundness assessment justifies the rationale for public provision and financing, and concludes that (i) the RBL program design and implementation arrangements are sound, (ii) the results framework is well designed, (iii) the DLIs are a selection of critical indicators for achieving overall RBL program results, and (iv) the M&E system is fit for purpose.

28. **Economic analysis.** The economic rationale for the program assumes that improved quality of life and increased life expectancy are desirable goals for which most people, subject to affordability constraints, would be prepared to pay. Improvements in the health, well-being, and quality of life of urban residents, both young and old, will contribute to age-friendly and inclusive people-centered development. Healthy people are generally more economically productive, with reduced absenteeism from work. People with heightened awareness of health issues are more likely to adopt healthier lifestyles, take preventive measures, and seek earlier diagnosis and treatment. Health conditions identified early are invariably easier to treat, which reduces the burden on the health system relative to the same conditions identified and treated later. A greater emphasis on HCBC services and aging in place reduces the cost of elderly care. Other economic benefits of the expansion and development of the elderly care sector include the creation of skilled jobs (mostly for women) and the release of family caregivers (mostly women) from unpaid care work. This frees family caregivers to join the workforce or work more hours and become more economically productive. Other jobs will be generated through the living streets pilot and the expansion of public parks and green space. A favorable economic impact of the program is therefore expected through (i) increased productivity of workers, (ii) reduced burden on the health system, (iii) reduced elderly care costs, (iv) job generation, (v) improved quality of life, and (vi) increased life expectancy.

29. **Poverty, social, and gender.** The Government of the PRC announced the eradication of absolute poverty at the end of 2020, shifting the focus of social policy to supporting those with low-income status or identified as having special difficulties. Wuzhou's social assistance system set the urban minimum living security standard at CNY760 per person per month in 2020. The minimum living standard guarantee (*dibao*) program provides unconditional cash transfers to people whose income is lower than this threshold to bring them up to the standard. In 2020, 9,776 households and 24,202 persons (2.8% of the total population in the program area) received *dibao*, including 11,257 women (46.5%), and 187 ethnic minority persons (0.8%). The program's home modification pilot (DLI 5) will specifically target low-income and vulnerable older people.

30. The program will promote gender equality and women's empowerment and is categorized *effective gender mainstreaming*. Gender targets and actions are in the DLIs and verification protocols, program results framework, PAP, and design and monitoring framework. Design features include more public toilets for women including infant care facilities, gender-specific health management service packages, gender-sensitive training for care staff, digital literacy training, gender-sensitive knowledge solutions, and engagement of a gender specialist for the WPMO. To proactively close gender gaps, targets for women's participation are set at 52% because women in the program area live longer than men and comprise a larger share of people over 60 (51.6%) than in the general population (49.5%). This increases with age: among those over 80, 59.2% are women. Older women make up 61.4% of low-income people over the age of 80, indicating increased vulnerability. Chronic diseases also increase with age, and the share of older women suffering from chronic diseases (85.7%) is higher than the share of older men (79.4%). Therefore, a key gender issue is that, on average, women spend longer in ill health with a greater share of time needing care. Other gender issues that the program design addresses include (i) inadequate safe spaces for women's preferred outdoor group exercises; (ii) lower access to and use of the internet and digital technology; and (iii) time poverty stemming from caregiving duties at home, which constrain other pursuits, including work and leisure.

31. **Beneficiaries.** The program's direct beneficiaries will be all residents of Changzhou, Longxu, and Wanxiu districts, with a total population of 0.86 million. This includes (i) 0.43 million women and girls (49.5% of the total); (ii) 0.14 million people over the age of 60 of whom 51.6% are women; (iii) 0.02 million ethnic minorities, mostly from the Zhuang and Yao groups; (iv) Wuzhou's providers of elderly care services (774 in 2021, about 80% women); (v) family caregivers, largely women, who look after older persons with care needs at home; and (vi) 12,589 persons with disabilities, about 41% of whom are women. The program's indirect beneficiaries include the entire population of the municipality (2.82 million) and visitors to Wuzhou, all of whom will benefit from a more livable, age-friendly, and healthy city with inclusive spaces and services. Women will particularly benefit from new elderly care service jobs created, a reduced unpaid care burden because of improved access to better care services, increased provision and improved standards of public toilets, improved urban safety, and a reduced gender gap in digital literacy.

B. Program Systems Assessments

32. **Monitoring and evaluation system.** The program M&E system assessment confirms that M&E arrangements are generally robust, since much of the data is already collected and reported to higher levels of government as part of the arrangements for annual monitoring of Healthy China 2030 and other national plans. Most data is thus subject to supervisory checks. However, some bespoke monitoring arrangements are required for certain capacity building activities. Potential weaknesses include the following: (i) because multiple municipal and district government departments are involved in data collection and reporting, a high degree of interdepartmental coordination and cooperation is required; (ii) information on some indicators depends on self-

reporting at the district level or below, and data quality and accuracy may be compromised; and (iii) the RBL modality is new to the WMG, and the WPMO's capacity for implementation, including data analysis and preparation of documentation for results verification, is inadequate. Mitigating measures have been developed and are described in the program M&E system assessment.²⁷

33. **Fiduciary systems.** The program will use the PRC's fiduciary systems for financial management, procurement, and anticorruption; these are highly standardized across the whole government system. The program fiduciary systems assessment confirms an overall adequate and strong financial management system in the local governments that are part of the program, with sound and integrated budgeting, payment, and accounting and auditing procedures and practices.²⁸ The financial management risk assessment rates the risk level *moderate* before mitigation, and *low* with mitigation measures. The procurement system is aligned with the principles of competition, efficiency, economy, transparency, fairness, and equal opportunities in the ADB Procurement Policy (2017, as amended from time to time). The WMG and the PIUs have mature procurement management systems with a large degree of centralized procurement and oversight. The main types of procurement will be small to medium-sized civil works and equipment, including IT and consulting services. The program will exclude high-value procurement packages and contracts. Risks related to complex procurement system rules and procedures will be mitigated by procurement training for the executing agency (included in the PAP).

34. The Guidelines to Prevent or Mitigate Fraud, Corruption, and Other Prohibited Activities in Results-Based Lending for Programs and ADB's Anticorruption Policy (1998, as amended to date) were explained to and discussed with the executing agency.²⁹

35. **Safeguard systems.** The program's safeguards categorization is B for environment and involuntary resettlement, and C for indigenous peoples. Outputs 1 and 2 will involve civil works on public or collective lands or within existing premises that may have temporary and site-specific environmental impacts, and potential involuntary resettlement impacts. Output 3 will not trigger environmental or involuntary resettlement impacts. Considering the nature and size of civil works, the environmental and social impacts are deemed insignificant. Any activities categorized A are excluded from the program. The ethnic minority population of Wuzhou (3.44%) is predominantly Zhuang (1.6%) and Yao (1.7%), who are widely scattered urban migrants with minimal differences with the majority Han population in language, lifestyle, and livelihoods. There are no specific issues related to access to public services. No differentiated or adverse impacts are expected. The program safeguard systems assessment (PSSA) confirms that the program is likely to pose only *low* to *moderate* environmental and social risks, and that the WMG and the WPMO member agencies have an adequate regulatory framework, technical capacity, and implementation practices for managing any programmatic, institutional, and contextual risks.³⁰

36. The PSSA identifies minor gaps related to program safeguard systems management and coordination, monitoring and data, and public engagement processes. Actions to remedy these gaps include (i) establishing a safeguards unit within the WPMO with dedicated staff; (ii) establishing a locally accessible grievance redress mechanism; (iii) conducting annual training

²⁷ Program Monitoring and Evaluation System Assessment (accessible from the list of linked documents in Appendix 2).

²⁸ Program Fiduciary Systems Assessment (accessible from the list of linked documents in Appendix 2).

²⁹ ADB. 2021. Guidelines to Prevent or Mitigate Fraud, Corruption, and Other Prohibited Activities in Results-Based Lending for Programs. Attachment in ADB. 2021. [Staff Instruction on Business Processes for Results-Based Lending for Programs](#). Manila.

³⁰ Program Safeguard Systems Assessment (accessible from the list of linked documents in Appendix 2).

on resettlement and environment safeguards for staff of the WPMO and its member agencies, PIUs, contractors, and construction supervision companies; (iv) preparing screening reports and environmental assessment documents to fill gaps identified in the PSSA; (v) implementing the environmental management framework and developing site-specific environmental management plans in accordance with national and local regulations, and in compliance with ADB's Safeguard Policy Statement (2009) principles; and (vi) for all construction activities, preparing a screening report and either a resettlement plan (if there is physical or economic displacement as a result of land acquisition or restrictions on land use or access) or a land acquisition and resettlement due diligence report with corrective actions (if there is no new physical or economic displacement, as in the case of existing facilities) and implementing these in line with the Safeguard Policy Statement.

C. Sustainability

37. For the program results to be sustainable, the WMG will need to allocate adequate financial and human resources to enable (i) maintenance of program facilities (new and existing), (ii) service continuity and accessibility, and (iii) sustained public awareness of the benefits of a healthy lifestyle. Resources will only be made available if there is continued government commitment to achieving and sustaining the program goals. There is strong assurance this continued commitment will be forthcoming since the RBL program is part of a medium- to long-term national initiative that commenced in 2016 with the Healthy China 2030 initiative. This national plan sets performance targets for 2025 and 2030, and a standardized set of institutional responsibilities, indicator definitions, and monitoring arrangements have been established and cascaded to subnational levels. The program expenditure and financing assessment indicates a strong likelihood of adequate budget resources being available to the WMG and district governments.³¹

D. Summary of Risk Assessment and Risk Management Plan

38. The overall RBL program risk is rated *moderate*. Major risks and mitigating measures are summarized in Table 5 and described in detail in the risk assessment and risk management plan.³²

Table 5: Summary of Risks and Mitigating Measures

Risks	Mitigating Measures
Results. Staffing shortages because of poor levels of pay and changing demographics increase the demand for elderly care and impact adversely on service levels.	The government provides wage subsidies, social security coverage, and free regular training for qualified nurses and caregivers working in residential and daycare centers for at least 5 continuous years.
Service standards, regulations, and regulatory enforcement procedures are underdeveloped.	Develop guidelines for the scope of services of different care facilities and implement a municipally unified needs assessment and referral system to determine eligibilities to use public-funded or subsidized residential and home- and community-based care services; and develop and enforce an elderly care management information system to monitor and evaluate service performance with clearly defined standards and indicators.
Poor levels of health literacy and public awareness of the benefits of healthy living undermine the success of the program.	The Wuzhou Health Commission recognizes this as a key area where action is needed, and budgets and activities are on an increasing trend. Improved health literacy is included as a program disbursement-linked indicator providing direct incentive to the WMG to prioritize health literacy promotion.
Operating environment. The multisector nature	The WMG agrees to maintain adequate Wuzhou program

³¹ Program Expenditure and Financing Assessment (accessible from the list of linked documents in Appendix 2).

³² Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

Risks	Mitigating Measures
of the program and the many program implementation units increase the program coordination workload. Current Wuzhou program management office staffing is not adequate.	management office staffing throughout implementation and will engage consultants to support specialist tasks, such as preparation of program financial statements, safeguards, and monitoring and evaluation of program performance.
Overall RBL program risk	Moderate

RBL = results-based lending, WMG = Wuzhou Municipal Government.

Source: Asian Development Bank.

IV. ASSURANCES

39. The GZAR government and WMG have assured ADB that implementation of the program shall conform to all applicable ADB requirements, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, financial management, and disbursement as described in detail in the program implementation document and loan documents. The GZAR government and WMG have agreed with ADB on certain covenants for the RBL program, which are set forth in the draft loan and program agreements.

V. RECOMMENDATION

40. I am satisfied that the proposed results-based loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the loan of \$100,000,000 to the People's Republic of China for the Guangxi Wuzhou Healthy and Age-Friendly City Development Program, from ADB's ordinary capital resources, in regular terms, with interest to be determined in accordance with ADB's Flexible Loan Product; for a term of 25 years, including a grace period of 6 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan and program agreements presented to the Board.

Masatsugu Asakawa
President

30 August 2022

DESIGN AND MONITORING FRAMEWORK

Impact the Program is Aligned with Better health, well-being, and people-oriented socioeconomic development achieved (Healthy Wuzhou 2030) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>Outcome Livability, age-friendliness, and social inclusion in Wuzhou's urban center improved</p>	<p>By 2026:</p> <p>a. Proportion of residents aged 7 and above who regularly participate in physical exercise increased to 40% (2020 baseline: 25%)</p> <p>b. Share of urban residents aged 15–69 achieving basic health literacy increased to 25% (2020 baseline: 19.5%) (OP 1.1) (DLI 1)</p> <p>c. 100% coverage of at least eight HCBC service centers achieved and maintained in eight administrative divisions (2021 baseline: 75% coverage; six administrative divisions) (OP 2.4.2) (DLI 2)</p> <p>d. At least 70% of surveyed elderly care service recipients rate HCBC services as satisfactory or higher (2021 baseline: Not applicable) (OP 1.1.2)</p> <p>e. Per capita area of parks and green space increased to 15 m²/person (2021 baseline: 13.4 m²/person) (OP 4.3) (DLI 3)</p>	<p>a. WCBRSTB reports based on annual survey data</p> <p>b. Wuzhou Health Commission reports based on survey data</p> <p>c. Wuzhou Civil Affairs Bureau annual reports</p> <p>d. Program surveys of service recipients</p> <p>e. WUASB annual report</p>	<p>A: Economic growth and public revenue targets are met</p> <p>R: Disaster or pandemic occurs</p>
<p>Outputs 1. Healthy and safe four-generation urban environments established</p>	<p>By 2025:</p> <p>1a. Two new mixed-use demonstration living streets are piloted with public activity spaces for young and old (2021 baseline: 0) (OP 4.1.2) (DLI 4)</p> <p>1b. 10 new age-friendly pocket parks built (2021 baseline: 0) (OP 4.1.2)</p> <p>1c. Urban per capita area of sports facilities increased to at least 2.6 m²/person (2020 baseline: 1.9 m²/person) (OP 4.1.2)</p> <p>1d. Total length of urban trails increased to at least 52 km (2021 baseline: 32 km) (OP 4.1.2)</p> <p>1e. At least 2.7 km of streets upgraded with traffic-slowing, barrier-free, and other safety design features (2021 baseline: 0) (OP 4.1.2)</p> <p>1f. 15 public toilets newly built or upgraded, with separate facilities for men and women, including infant care facilities (2021 baseline: 0) (OP 4.1.2)</p> <p>1g. At least 250 domestic waste-sorting and collection stations built and/or upgraded (2021 baseline: 45) (OP 4.3.1)</p>	<p>1a. WPMO semiannual program progress reports</p> <p>1b. WUASB annual reports</p> <p>1c. WCBRSTB annual statistics</p> <p>1d.–g. WUASB annual reports</p>	<p>R: Staffing shortages and changing demographics impact adversely on service levels</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>2. Integrated age-friendly services and facilities improved</p> <p>3. Institutional development and capacity building promoted</p>	<p>2a. Two new HCBC service centers established to ensure full coverage at the street administration office level (2021 baseline: 6 centers)</p> <p>2b. At least 65% of people aged 65 and above received the standard health management services (2021 baseline: 60%) (OP 1.1.2, OP 2.4.2)</p> <p>2c. Home modification pilot program designed and implemented for at least 500 low-income and vulnerable households (2021 baseline: 0) (OP 1.1.3, OP 2.4.2) (DLI 5)</p> <p>3a. At least two smart city digital management platforms optimized and upgraded (2021 baseline: 0) (OP 4.2.1, OP 6.2.4)</p> <p>3b. At least 600 HCBC caregivers who received training reported upgraded skills, including at least 80% women (2021 baseline: 0) (OP 2.1.1)</p> <p>3c. At least 10,000 urban residents aged 60 and older completed digital literacy training, including at least 52% women (2021 baseline: 0) (OP 1.1) (DLI 6)</p> <p>3d. At least four knowledge products produced and shared in Chinese and English through national and regional knowledge-sharing platforms and events, with at least one focused on gender and the specific needs of women (2021 baseline: 0)</p>	<p>2a, c. Wuzhou Health Commission annual reports</p> <p>2b. Wuzhou Civil Affairs Bureau annual reports</p> <p>3a. WUASB annual reports</p> <p>3b.–c. Program monitoring and evaluation system annual reports</p> <p>3d. WPMO semiannual program progress reports</p>	

Key Program Actions

1. Technical actions

- 1.1 Develop and issue a detailed plan for a home modification pilot program to support aging in place, and test at least 150 participants with low income and special difficulties in the first year (Q1 2023–Q4 2023).
- 1.2 Review elderly care regulations and service standards, including eligibility for government care subsidies for low-income older people and those with special difficulties (Q1 2023–Q4 2023).
- 1.3 Develop and issue an elderly care needs assessment and performance evaluation system (Q1 2023–Q4 2023).
- 1.4 Undertake a survey of care staff working conditions (including salary and benefits) in public and private HCBC and residential institutions, to understand staff turnover issues and to develop and implement actions to promote retention and attractiveness of the profession for both men and women (Q1 2023–Q4 2023).
- 1.5 Develop a survey instrument and sampling methodology, and implement a baseline and endline surveys of older persons to assess access to, and satisfaction with, HCBC services (Q4 2022–Q4 2025).
- 1.6 Implement the program knowledge management action plan and jointly review progress (Q4 2022–Q2 2027).
- 1.7 Effectively implement and monitor the WMG program for recycling and safe disposal of urban solid waste (Q4 2022–Q4 2025).
- 1.8 Ensure that public green space, associated facilities, and public toilets are designed with inclusive design features, for example barrier-free facilities, resting spaces, handrails, adequate infant care facilities, and adequate toilets for women in compliance with national design codes (Q1 2023–Q4 2025).

2. Gender actions

- 2.1 Engage a WPMO gender specialist to monitor and report on gender indicators and targets in the program results framework and program action plan, per the terms of reference in the program implementation document (Q4 2022–Q2 2026).
- 2.2 Develop a gender-sensitive curriculum and training materials for elderly care caregivers' pre- and in-service training covering issues of sexual harassment, prevention of abuse, and psychological assistance (Q1 2023–Q4 2025).

<p>2.3 Ensure at least 52% women's participation in the (i) training program for older persons to bridge the digital divide; and (ii) survey to assess access to, and satisfaction with, HCBC services (baseline Q4 2022–endline Q4 2025).</p> <p>2.4 Systematically collect program data disaggregated by sex, age, and ethnicity, and include in progress monitoring reports (Q1 2023–Q4 2026).</p> <p>3. Environmental and social safeguards actions</p> <p>3.1 Assign safeguard specialists: (i) one for the WPMO to coordinate all E&S safeguards implementation and reporting for the results-based lending program, (ii) one environment officer for each PIU with civil works, and (iii) one resettlement officer for each PIU to (a) carry out screening, impact assessment, preparation of resettlement plans and/or due diligence reports as necessary; and (b) guide implementation (Q1 2023).</p> <p>3.2 Develop E&S safeguards capacity through annual training for PIUs, contractors, and construction supervision companies (Q4 2022–Q4 2025).</p> <p>3.3 Implement and monitor the detailed program safeguard actions in the program implementation document (Q4 2022–Q4 2025).</p> <p>3.4 Prepare and submit semiannual E&S monitoring reports (Q4 2022–Q4 2025).</p> <p>4. Fiduciary actions</p> <p>4.1 Prepare and issue comprehensive program implementation and financial management and reporting guidelines and procedures for use by the WPMO and its member agencies and PIUs (Q4 2022).</p> <p>4.2 Deliver adequate training to all staff involved in procurement and financial management (Q4 2022–Q4 2023).</p> <p>4.3 Strengthen internal audit capacity to comply with regulatory guidance from the Guangxi Audit Office (Q4 2022–Q4 2025).</p> <p>4.4 Disseminate the principles of the Asian Development Bank's Anticorruption Policy (1998, as amended to date) by posting them on the WMG website with clear guidance on how to lodge any complaints (Q1 2023).</p> <p>Financing Plan</p> <p>Total program financing (2021–2025): \$1,373.08 million</p> <p>Government: \$1,273.08 million</p> <p>Asian Development Bank: \$100.00 million (loan)</p>

A = assumption; DLI = disbursement-linked indicator; E&S = environmental and social; HCBC = home- and community-based care; km = kilometer; m² = square meter; OP = operational priority; PIU = program implementation unit; Q = quarter; R = risk; WCBRSTB = Wuzhou, Culture, Broadcasting, Radio, Sports and Tourism Bureau; WMG = Wuzhou Municipal Government; WPMO = Wuzhou program management office; WUASB = Wuzhou Urban Administration and Supervision Bureau.

^a WMG. 2019. *Healthy Wuzhou 2030*. Wuzhou (in Chinese).

Contribution to Strategy 2030 Operational Priorities

The expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2). In addition to the OP indicators tagged in the design and monitoring framework, this operation will contribute results for:

OP 2.1.4: Women and girls benefiting from new or improved infrastructure (number)

OP 3.1: Total annual greenhouse gas emissions reduction (ton of carbon dioxide equivalent/year)

OP 4.1: People benefiting from improved services in urban areas (number)

OP 6.2.1: Service delivery standards adopted and/or supported in implementation by government and/or private entities (number)

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=53055-001-3>

1. Loan Agreement
2. Program Agreement
3. Sector Assessment (Summary): Water and Other Urban Infrastructure and Services (Urban Policy, Institutional, and Capacity Development)
4. Program Soundness Assessment
5. Program Results Assessment
6. Program Results Framework
7. Program Expenditure and Financing Assessment
8. Program Monitoring and Evaluation System Assessment
9. Program Fiduciary Systems Assessment
10. Program Safeguard Systems Assessment
11. Risk Assessment and Risk Management Plan
12. Contribution to Strategy 2030 Operational Priorities
13. Summary Poverty Reduction and Social Strategy
14. Program Implementation Document
15. Program Action Plan
16. Climate Change Assessment
17. Poverty, Social, and Gender Assessment
18. Knowledge Management Action Plan

Supplementary Documents

19. Climate Risk and Vulnerability Assessment
20. Detailed Sector Assessment: Age-Friendly Cities and Elderly Care
21. Detailed Sector Assessment: Healthy Cities and Urban Development

DISBURSEMENT-LINKED INDICATORS, VERIFICATION PROTOCOLS, AND DISBURSEMENT SCHEDULE

Table A3.1: Disbursement-Linked Indicators

Disbursement-Linked Indicators	Baseline Value	Baseline Year	Target Value			
			Prior Results (2022)	2023	2024	2025
Outcome: Livability, age-friendliness, and social inclusion in Wuzhou's urban center improved						
DLI 1: Share of urban residents aged 15–69 achieving basic health literacy increased ^a	Among urban residents aged 15–69, 19.5% have a basic health literacy level	2020	-	23.0%	-	25.0%
DLI 2: Full coverage of at least eight HCBC service centers achieved and maintained ^b	Six HCBC service centers provide 75% coverage	2021	100% coverage from at least eight HCBC service centers	-	-	-
DLI 3: Per capita area of parks and green space ^c increased to 15 m ² /person	Per capita area of parks and green spaces is 13.4 m ² /person	2021		Per capita area of parks and green space increased to at least 14.2 m ² /person	Per capita area of parks and green space increased to at least 14.6 m ² /person	-
Output 1: Healthy and safe four-generation urban environments established						
DLI 4: Design and construction of two new demonstration living streets ^d with public activity spaces for young and old	0 No living streets are constructed	2021	-	Completion of design and construction for the first demonstration living street following the design agreed with ADB	-	Completion of design and construction of the second demonstration living street following improved design with lessons learned from the first demonstration living street
Output 2: Integrated age-friendly services and facilities improved						
DLI 5: Home modification program ^e to support aging in place designed and piloted for low-income and vulnerable households with special difficulties ^f	0 No home modification program is designed or piloted	2021	-	At least 150 households participate in home modification program	At least 150 additional households participate in home modification program	At least 200 additional households participate in home modification program; Wuzhou Civil Affairs Bureau reviews and evaluates the program
Output 3: Institutional development and capacity building promoted						

Disbursement-Linked Indicators	Baseline Value	Baseline Year	Target Value			
			Prior Results (2022)	2023	2024	2025
DLI 6: Number of urban residents aged 60 and above completing digital literacy training ⁹	0 No digital literacy training program conducted	2021			At least 6,000 urban residents aged 60 and older (at least 52% women) have completed digital literacy training	At least 10,000 urban residents aged 60 and older (at least 52% women) have completed digital literacy training

ADB = Asian Development Bank, DLI = disbursement-linked indicator, HCBC = home- and community-based care, m² = square meter.

- ^a Basic health literacy means ability of individuals to access, understand, and use basic health information and services to maintain and promote their own health, as measured by a score of at least 80% on the annual survey undertaken by Healthy Wuzhou Action Promotion Committee.
- ^b Coverage means the percentage of eight street administration offices in the program area (three urban districts) served by operational HCBC service centers. An operational HCBC service center refers to home- and community-based elderly care institutions at street administration office level that provide day care, home care services, short-term residential care (on-site or through collaboration with other facilities), and other service functions for the elderly, with an area of more than 300 m².
- ^c According to the standard for classification of urban green space (CJJ/T85-2017), "parks and green space" refers to land with recreation as the main function, and certain recreation facilities and service facilities with sound ecological beautification, scientific education, and emergency protection functions. "Per capita area of parks and green space" refers to the average per capita area of parks and green spaces within the urban area.
- ^d Living street refers to a social place where people can meet, older people can exercise, and children can play safely; it does not exclude vehicles but is designed to reduce both the speed and dominance of motorized modes; and it allows for safe travel by those walking, cycling, driving cars, using public transport, or delivering goods.
- ^e Home modification program includes physical modifications in the home and provision of assistive technology to create barrier-free and safe living spaces to support aging in place.
- ^f Low-income and vulnerable households with special difficulties are those households formally identified by Wuzhou Civil Affairs Bureau as falling below the minimum living standard or having special difficulties following social assistance regulations.
- ⁹ Digital literacy training means training on the use of smart phones and tablets and commonly used applications for accessing consumer, health, and financial services, including for example WeChat and AliPay and their mini-programs used to access public transport, shopping, banking, food delivery, and health appointment booking systems.

Source: ADB.

Table A3.2: Verification Protocols

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
DLI 1: Share of urban residents aged 15–69 achieving basic health literacy increased				
<p>2023 Share of urban residents aged 15–69 achieving basic health literacy increased to 23%</p> <p>2025 Share of urban residents aged 15–69 achieving basic health literacy increased to 25%</p>	<p>Definitions: "Health literacy" refers to the ability of individuals to access and understand basic health information and services, and to use information and services to make decisions to maintain and promote their own health.</p> <p>"Health literacy level of residents" refers to percentage of residents with basic health literacy as measured by the annual survey undertaken in accordance with guidance issued by the National Health Commission.</p> <p>"Health literacy level of residents" is expressed as a percentage of residents that achieve a score of 80% (which denotes a basic level of health literacy) in relation to the total number of surveyed residents.</p> <p>This DLI is achieved when the health literacy level of residents reaches the targets.</p> <p>Partial Disbursement: The DLI is scalable and partial disbursement is allowed as long as 50% of the target for that year is achieved.</p> <p>Formula for partial disbursement: Partial DLI disbursement = planned DLI disbursement for the year x actual achievement for the year / targeted achievement for the year.</p> <p>Disbursements are allowed for early or late achievement of the DLI. This means that the planned disbursement amount for a given year can be released when the set target is fully achieved, even if the achievement is a year or more late, as long as the achievement is during the program's duration.</p>	<p>Health literacy is monitored by a regular survey of urban and rural residents aged 15–69. A score of at least 80% of questions answered correctly is required to achieve basic health literacy.</p> <p>2023 and 2025</p>	<p>Healthy Wuzhou Action Promotion Committee prepares an annual report showing the process of health literacy monitoring and survey result of the residents.</p> <p>An independent verification agency engaged by WPMO verifies (i) the survey of residents has been carried out in accordance with stipulated guidelines, and (ii) survey results on a sampling basis; and prepares a report.</p>	<p>Information as of 31 December 2023 and 2025</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
DLI 2: Full coverage of at least eight HCBC service centers achieved and maintained				
<p>Prior Result (2022) Full coverage of at least eight HCBC service centers achieved and maintained (100%)</p>	<p>Definitions: An "HCBC service center" refers to home- and community-based elderly care institutions at street administration office level that provide day care, home care services, short-term residential care (on-site or through collaboration with other facilities), and other service functions for the elderly, with an area of more than 300 m². "Coverage" is the percentage of the eight street administration areas in the three urban districts which are served by an operational HCBC service center meeting the above criteria. This DLI is achieved when the coverage of HCBC service centers reaches the target.</p>	<p>Records of construction, operation, management, and service for each HCBC service center; Annual Work Report on Civil Affairs in Wuzhou City; Jinmin Project Information System developed by the Ministry of Civil Affairs; and report of an independent verification agency. 2022</p>	<p>An independent verification agency engaged by WPMO reviews the records of construction, operation, management, and service for each HCBC service center; checks and verifies the data from the Annual Work Report on Civil Affairs in Wuzhou City, and Jinmin Project Information System; and prepares a report.</p>	<p>Information as of 31 December 2022</p>
DLI 3: Per capita area of parks and green space increased to 15 m²/person				
<p>2023 Per capita area of parks and green space increased to 14.2 m²/person 2024 Per capita area of parks and green space increased to 14.6 m²/person</p>	<p>Definitions: According to the standard for classification of urban green space (CJJ/T85-2017), "parks and green space" refers to land with recreation as the main function, and certain recreation facilities and service facilities with sound ecological beautification, scientific education, and emergency protection functions. "Per capita area of parks and green space" is calculated as the total area of parks and green spaces within the urban area divided by the number of permanent residents within the urban area. This DLI is achieved when the per capita area of parks and green space reach the targets. Partial Disbursement: The DLI is scalable and partial disbursement is allowed as long as 50% of the target for that year is achieved. Formula for partial disbursement:</p>	<p>The Annual Statistical Yearbook on Urban (County) Construction in Guangxi Zhuang Autonomous Region; and reports of an independent verification agency 2023 and 2024</p>	<p>WUASB prepares an annual report showing the per capita area of parks and green space for the reporting year. An independent verification agency engaged by WPMO verifies the data reported and prepares a report.</p>	<p>Information as of 31 December 2023 and 2024</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>Partial DLI disbursement = planned DLI disbursement for the year x actual achievement for the year / targeted achievement for the year.</p> <p>Disbursements are allowed for early or late achievement of the DLI. This means that the planned disbursement amount for a given year can be released when the set target is fully achieved, even if the achievement is a year or more late, as long as the achievement is during the program's duration.</p>			
DLI 4: Design and construction of two new demonstration living streets with public activity spaces for young and old				
<p>2023 Completion of design and construction for the first demonstration living street following the design agreed with ADB</p>	<p>Definitions: A "living street" refers to a social place where people can meet, older people can exercise, and children can play safely; it does not exclude vehicles but is designed to reduce both the speed and dominance of motorized modes; and it allows for safe travel by those walking, cycling, driving cars, using public transport, or delivering goods.</p> <p>This DLI is achieved when WUASB completes the construction of the first demonstration "living street."</p>	<p>Project completion report prepared by WUASB; and construction completion acceptance certificate issued by the authorized government department</p> <p>2023</p>	<p>WUASB prepares a project completion report.</p> <p>An independent verification agency engaged by WPMO reviews the reports, conducts an on-site inspection, and prepares a report.</p>	<p>Information as of 31 December 2023</p>
<p>2025 Completion of design and construction of the second demonstration living street following improved design with lessons learned from the first demonstration living street</p>	<p>This DLI is achieved when WUASB completes the construction of the second demonstration "living street."</p>	<p>Project completion report prepared by WUASB; and construction completion acceptance certificate issued by the authorized government department</p> <p>2025</p>	<p>WUASB prepares a project completion report.</p> <p>An independent verification agency engaged by WPMO reviews the reports, conducts an on-site inspection, and prepares a report.</p>	<p>Information as of 31 December 2025</p>
DLI 5: Home modification program to support aging in place designed and piloted for low-income and vulnerable households with special difficulties				
<p>2023 At least 150 households participate in home modification program</p>	<p>Definitions: "Home modification program" includes physical modifications in the home and provisions of assistive technology to create barrier-free and safe living spaces to support aging in place.</p>	<p>Plan for home modification program issued by WCAB; construction completion reports</p>	<p>WCAB prepares an annual report showing the progress made for home modification program in the reporting year.</p>	<p>Information as of 31 December 2023, 2024, and 2025</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>2024 At least 150 additional households participate in home modification program</p> <p>2025 At least 200 additional households participate in home modification program; review and evaluation of the program</p>	<p>Low-income and vulnerable households with special difficulties are those households formally identified by WCAB as falling below the minimum living standard or having special difficulties following social assistance regulations.</p> <p>This DLI is achieved when the number of households participating in the home modification program reaches the targets.</p> <p>Partial Disbursement: The DLI is scalable and partial disbursement is allowed as long as 50% of the target for that year is achieved.</p> <p>Formula for partial disbursement: Partial DLI disbursement = planned DLI disbursement for the year x actual achievement for the year / targeted achievement for the year.</p> <p>Disbursements are allowed for early or late achievement of the DLI. This means that the planned disbursement amount for a given year can be released when the set target is fully achieved, even if the achievement is a year or more late, as long as the achievement is during the program's duration.</p>	<p>prepared by WCAB; and reports of an independent verification agency</p> <p>2023, 2024, and 2025</p>	<p>An independent verification agency engaged by WPMO reviews the reports, conducts an on-site inspection, and prepares a report.</p>	
<p>DLI 6: Number of urban residents aged 60 and above completing digital literacy training</p>				
<p>2024 At least 6,000 urban residents aged 60 and older (at least 52% women) complete digital literacy training</p> <p>2025 At least 10,000 urban residents aged 60 and older (at least 52%</p>	<p>Definitions: "Digital literacy training" refers to training on the use of smart phones and tablets and commonly used applications for accessing consumer, health, and financial services, including for example, WeChat and AliPay and their mini-programs used to access public transport, shopping, banking, food delivery, and health appointment booking systems.</p> <p>This DLI is achieved when the number of urban</p>	<p>WCAB annual progress reports on the training participants, including post-training assessments; and reports of an independent verification agency</p> <p>2024 and 2025</p>	<p>WCAB prepares annual training progress reports and submits to ADB for review and record.</p> <p>An independent verification agency engaged by WPMO to undertake the review and evaluation.</p>	<p>Information as of 31 December 2024 and 2025</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>women) complete digital literacy training</p>	<p>residents aged 60 and above participating in digital literacy training reaches the targets</p> <p>Target values are cumulative numbers.</p> <p>Partial Disbursement: The DLI is scalable and partial disbursement is allowed as long as 50% of the target for that year is achieved and the share of women is 52% or higher.</p> <p>Formula for partial disbursement: Partial DLI disbursement = planned DLI disbursement for the year x actual achievement for the year / targeted achievement for the year.</p> <p>Disbursements are allowed for early or late achievement of the DLI. This means that the planned disbursement amount for a given year can be released when the set target is fully achieved, even if the achievement is a year or more late, as long as the achievement is during the program's duration.</p>			

ADB = Asian Development Bank, DLI = disbursement-linked indicator, HCBC = home- and community-based care, m² = square meter, WCAB = Wuzhou Civil Affairs Bureau, WPMO = Wuzhou program management office, WUASB = Wuzhou Urban Administration and Supervision Bureau.
Source: ADB.

Table A3.3: Disbursement Schedule
(\$ million)

Disbursement-Linked Indicators	Total ADB Financing Allocation	Share of Total ADB Financing (%)	Financing for Prior Results (2022)	2023	2024	2025
Outcome						
DLI 1: Share of urban residents aged 15–69 achieving basic health literacy increased	20.0	20.0		10.0		10.0
DLI 2: Full coverage of at least eight home- and community-based care service centers achieved and maintained	5.0	5.0	5.0			
DLI 3: Per capita area of parks and green space increased to 15 m ² /person	20.0	20.0		10.0	10.0	
Outputs						
DLI 4: Design and construction of two new demonstration living streets with public activity spaces for young and old	20.0	20.0		10.0		10.0
DLI 5: Home modification program to support aging in place designed and piloted for low-income and vulnerable households with special difficulties	20.0	20.0		7.0	7.0	6.0
DLI 6: Number of urban residents aged 60 and above completing digital literacy training	15.0	15.0			8.0	7.0
Total	100.0	100.0	5.0	37.0	25.0	33.0

ADB = Asian Development Bank, DLI = disbursement-linked indicator, m² = square meter.

Source: ADB estimates.