

Project Administration Manual

Project Number: 50050-005
Loan Number: 4122
September 2021

Multitranche Financing Facility
People's Republic of China: Guangxi Regional
Cooperation and Integration Promotion Investment
Program (Tranche 3)

ABBREVIATIONS

ADB	–	Asian Development Bank
ADSL	–	asymmetric digital subscriber line
AP	–	affected persons
ASEAN	–	Association of Southeast Asian Nations
BEZs	–	border economic zones
EARF	–	environment assessment review framework
EEM	–	external environmental monitor
EIR	–	environmental impact reports
EIT	–	environment impact tables
EM	–	ethnic minorities
EMP	–	environmental management plan
EMS	–	environment monitoring specialist
FGD	–	focus group discussion
FM	–	financial management
FMA	–	financial management assessment
GDOF	–	Guangxi Department of Finance
GMS	–	Greater Mekong Subregion
GPMO	–	Guangxi Foreign Loans Project Management Office
GRM	–	grievance redress mechanism
GWP	–	global warming potential
GZAR	–	Guangxi Zhuang Autonomous Region
ICT	–	information and communication technology
IEE	–	initial environmental examination
IPPF	–	Indigenous Peoples Planning Framework
LAR	–	land acquisition and resettlement
MFF	–	multitranche financing facility
MIS	–	management information system
M&E	–	monitoring and evaluation
NCB	–	national competitive bidding
PRC	–	People's Republic of China
PIE	–	project implementing entity
PFRR	–	periodic financial request report
PMC	–	project management consultant
PPMS	–	project performance monitoring system
PMO	–	project management office
PMU	–	project management unit
PPMS	–	project performance monitoring system
PSA	–	social and poverty analysis
PTZ	–	pan, tilt, zoom
QCBS	–	quality- and cost-based selection
RDDR	–	resettlement due diligence reports
RF	–	resettlement framework
RFID	–	radio frequency identification
RP	–	resettlement plan
RV	–	recreational vehicle
SDGAP	–	social development and gender action plan
SMEs	–	small and medium-sized enterprises
SOE	–	statement of expenditures
WA	–	withdrawal application

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Project Administration Manual Purpose and Process

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

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

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

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

I. PROJECT DESCRIPTION

1. The proposed Guangxi Regional Cooperation and Integration Promotion Investment Program will assist the Guangxi Zhuang Autonomous Region (GZAR) of the People's Republic of China (PRC) implement its strategies and action plans for regional cooperation and integration with countries of the Association of Southeast Asian Nations (ASEAN), with a focus on developing the North–South Economic Corridor under the Greater Mekong Subregion Cooperation Program (GMS). The administrative areas covered by tranche 3 of the Investment Program include: (i) Baise Municipality, (ii) Chongzuo Municipality, and (iii) Fangchenggang Municipality.

2. **Impacts and Outcome.** The impacts of tranche 3 of the Investment Program will be (i) economic growth potential of border areas in the PRC and Viet Nam realized; (ii) efficient transport and trade operations along GMS North–South Economic Corridor achieved; and (iii) economic integration between GZAR and rest of the GMS further strengthened. The outcome will be benefits of regional cooperation and integration in border areas of Guangxi and northern Viet Nam captured.

3. **Outputs (Tranche 3):** The third tranche of the multitranche financing facility (MFF) will cover major investments in cross-border e-commerce and border economic zones (BEZ). In line with the framework financing agreement, those investments strongly support GZAR's Strategy and Action Plan for participation in GMS Program, aiming to deepen economic cooperation and integration with ASEAN member countries.¹ The six subprojects to be financed by tranche 3 are:

- (i) **Output 1: Support for small and medium-sized enterprises (SMEs) in border areas expanded.** The two subprojects are the a) Baise University Sino–Viet Nam Cross-border Training Center project and b) Baise Cross-border Agricultural Products Industry Chain Upgrading Project. The first subproject involves expansion of Baise University to increase its training capacity in skills sought by local employers such as international trade, e-commerce, tourism, food security, agriculture, and language, and translation, and includes an Art, and Culture Exhibition Hall, Culture Exchange Performance Center, and PRC–Viet Nam Training Center, including training laboratories for e-commerce data operation, and surrounding landscaping. The second subproject includes the construction of a facility with fruit sorting and packaging lines, fruit processing lines, and a fruit, and vegetable trading area, having the initial aim of value addition for key agricultural products produced by local SMEs and their onward distribution by rail transport, but also having potential for handling agricultural imports from ASEAN countries.
- (ii) **Output 2: Integrated logistics facilities and cross-border e-commerce platforms for the PRC and Viet Nam developed.** The Chongzuo Cold Chain Logistics Demonstration subproject will construct logistics facilities comprising a bonded warehouse adjacent to the newly constructed river port serving the economic zone, and a cold storage facility located close to rail and expressway junctions on the principal Pinxiang–Chongzuo–Nanning transport corridor. The digital platform will be developed to provide warehouse management, payment settlement, and cross-border electronic transaction service. These facilities will serve companies in the economic zone. The cold storage facility will also serve logistics providers transporting imported products brought overland from ASEAN countries, as well as products imported from the nearby seaports.

¹ Government of Guangxi. 2014. *Strategy and Action Plan for Participation in the Greater Mekong Subregion Economic Cooperation Program, 2014–2022*. Nanning.

- (iii) **Output 3: Key infrastructure and trade-related services in border economic zones provided.** The two subprojects are: a) Phase II of subproject 1 of tranche 2 (Chongzuo Sino–Viet Nam Border Economic Zone Demonstration Project) which involves the construction of 12.39 kilometers (km)—six new roads, 46 km of water supply pipes, and an expansion of the current capacity of its fresh water treatment plant by 15,000 cubic meter per day; b) Fangchenggang Sino–ASEAN Trade and Culture Exchange Center involving the construction of processing factory workshops for frozen imported aquaculture products, logistics facilities, and an exhibition center.
- (iv) **Output 4: Cross-border tourism facilities and policy coordination improved.** Chongzuo Daxin Sino–Viet Nam Cross-border Tourism subproject will enhance GMS tourism sector cooperation through upgrading of two roads totaling 16.28 km in length, and construction of a visitor center to accommodate steadily rising visitor numbers to the Detian waterfall which lies on the PRC–Viet Nam border and is the site of a planned bilateral cross-border tourism cooperation zone.

	2021		2022				2023				2024				2025				
	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
Supply and installation of blast freezer, trucks																			
Supply and installation of fruit processing and packaging lines																			
Construction of cold warehouse, factory building																			
Construction of bonded warehouse and storage yard																			
Supply / installation / commissioning of integrated logistics / e-commerce system																			
Supply of forklifts for cold chain and bonded warehouse sites																			
Construction of freshwater treatment plant and pipelines																			
Construction of roads 2, 3, 4																			
Construction of roads 1, 5, 6																			
Construction of processing factory workshops, logistics center, exhibition center, service building																			
Realignment / upgrading of two roads, construction of visitor center																			
Construction of various tourist attractions and outdoor activities																			
Supply / installation / commissioning of surveillance system																			
Data center and network system																			
Application server and applications																			
Recruitment of Start-up consultants																			
Recruitment of project management firm																			
Inception/Annual/Midterm review																			
Implement the environmental management plan, resettlement plan, social development and gender action plan and prepare monitoring reports to ADB																			
Loan closing procedures																			

Note: Project implementation starts from domestic approval of feasibility study reports and ends at the completion of works, goods, or consulting services.

Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

4. The GZAR through the Guangxi Foreign Loans Project Management Office (GPMO) will be the executing agency (EA). Respective municipal governments will be the implementing agencies (IA) and designated local state-owned enterprises will be the project implementing entities (PIE).

Table 3: Implementing Agency and Project Implementing Entity for Each Subproject

No.	Project name	Implementing agency	Project Implementing Entity
1	Baise University Sino–Viet Nam Cross-border Training Center Project	Baise Municipal Government	Baise University
2	Baise Cross-border Agricultural Products Industry Chain Upgrading Project	Baise Municipal Government	Guangxi Baise No. 1 Agricultural Development Co. LTD
3	Chongzuo Cold Chain Logistics Demonstration Project	Chongzuo Municipal Government	Guangxi Chongzuo City Industrial Investment Development Group Co. LTD
4	Chongzuo Sino–Viet Nam Border Economic Zone Demonstration Project (Phase II)	Chongzuo Municipal Government	Chongzuo Xinghe Investment Development Co. LTD
5	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project	Daxin County Government	Guangxi Daxin Anping Investment Group Co. LTD
6	Fangchenggang Sino–ASEAN Trade and Cultural Exchange Center Project	Fangchenggang Municipal Government	Fangchenggang Fangcheng District Rural Travel Investment Co. LTD

ASEAN = Association of Southeast Asian Nations, Co = Company, LTD = Limited.

Source: Asian Development Bank.

5. Project management offices (PMOs) have been set up for each IA, which also manages subprojects under tranche 1. A project management unit (PMU) will also be established under each PIE.

6. The PIEs and their PMUs will be responsible for day-to-day implementation of their respective subprojects under guidance by their IA, and supervised by the EA. Each IA will designate staff, including procurement, and financial management staff, to its PMO to ensure appropriate and efficient project implementation. Each PIE will also designate qualified staff to carry out their responsibilities and ensure compliance with relevant ADB guidelines and rules, and safeguards requirements.

7. **Project Management Consultant.** To support the implementation of the subprojects, a project management and capacity development consultant (PMC) will be engaged by the EA as project consultant under ADB loan. Their outline terms of references are described in the summary of tranche 3 subprojects. A procurement agent (firm) will be hired by the EA by its own financing and will be responsible for implementation of procurement of all ADB-financed procurement packages including consulting services, goods, and works. The procurement agent will implement each step of the procurement process (preparation of draft bidding documents, bid evaluation report, etc.), while the PMC will provide support to ensure sound financial management and the compliance of procurement activities with all requirements of ADB project guidelines rules and covenants.

8. Design institutes and construction supervision consultants will be hired by PIEs for each subproject by their own financing. The PMC as well as procurement agent, design institutes, and construction supervision consultants will work with the IAs and PIEs to carry out the actual implementation of each subproject, and report to the EA. The EA shall actively monitor all implementing activities, particularly schedule, procuring goods and works, and contracting. The relevant project consultants will support the financial management of the subprojects, including accounting, financial reporting, and internal auditing. The project consultants will report to the EA and support the EA in the preparation of all needed documents for project financial management.

9. **Start-up Consultants.** To support advance action procurement activities, individual consultants will be engaged by the EA and having expertise in procurement, civil works, building works, and design of information and communication technology (ICT) systems. They will support the PIEs in management of design institutes to prepare qualification criteria for potential bidders, drawings, specifications, and bills of quantities that is consistent and of the required quality. Similar positions are also included in the PMC team to support design and procurement activities for the remaining packages, as well as to provide technical and contractual advice to the EA and PIEs during contract implementation. The PMC will include social and gender, resettlement, and environment experts who will ensure compliance with safeguards requirements for each subproject. All consultants will work with respective IAs and PIEs and will report to the EA which shall take responsibility for monitoring and the overall supervision.

10. **External Monitoring.** Consultants for external safeguards monitoring will be engaged by the EA and financed by the ADB loan. The consultants will report to the EA and the IAs of respective subprojects for external safeguards. The IAs will monitor the implementation of all safeguards requirements, while the EA will supervise the overall implementation.

Table 3: Investment Program Implementation Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
<p>Executing Agency</p> <ul style="list-style-type: none"> • Government of Guangxi Zhuang Autonomous Region through Guangxi Foreign Loans Project Management Office (GPMO) 	<ul style="list-style-type: none"> ➤ Take overall responsibility and provide overall coordination for implementation of the tranche 3 subprojects. ➤ Establish and maintain project advance account (administered by Guangxi Department of Finance). ➤ Submit withdrawal applications for tranche 3 subprojects to the ADB. ➤ Ensure that counterpart funds and other resources for tranche 3 subprojects are provided in a timely manner. ➤ Engage and manage consulting services including project management consultant, start-up support and individual consultants, and organize project implementation, and management training. ➤ Engage procurement agent(s) to implement procurement of all ADB-financed contracts for consulting services, goods, and works; and provide guidance to implementing agencies and PIEs on procurement issues. ➤ Submit bidding documents, bid evaluation reports, and other necessary documentations for tranche 3 subprojects to ADB for necessary approval. ➤ Perform consolidated financial statements; coordinate and ensure the annual audit; submit the annual audit report. ➤ Ensure disbursement coordination, and monitor budget allocations. ➤ Ensure that resettlement plans are implemented in a timely manner. ➤ Overall responsibility for EMP implementation and GRM coordination.

Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> ➤ Engage safeguards experts with suitable qualifications and experience for issues related to environment (including climate change and wildlife trafficking), involuntary resettlement, and indigenous peoples (ethnic minorities), and ensure compliance. ➤ Engage a national social and gender specialist with suitable qualifications to assist the GPMO in implementing the SDGAP. monitoring its progress. ➤ Engage external environment, resettlement, and social and gender monitoring experts and ensure proper monitoring of implementation of safeguard plans and the SDGAP. ➤ Submit social and gender progress reports and safeguards monitoring reports to ADB. ➤ Ensure compliance with all relevant covenants in the loan and project agreements under tranche 3. ➤ Monitor the project implementation progress and compliance status of tranche 3 and prepare and submit to ADB regular progress reports reflecting issues and time-bound actions taken (or to be taken). ➤ Prepare and submit to ADB project completion report of tranche 3 in a timely manner. ➤ Ensure sustainability of projects under tranche 3 during post implementation stage and report to ADB on the assessed development impacts.
<p>Steering Committee</p> <ul style="list-style-type: none"> • Leading Group for Utilization of Foreign Loans of Guangxi Zhuang Autonomous Region 	<ul style="list-style-type: none"> ➤ Headed by Vice Governor and consists of heads or representatives of Guangxi Development and Reform Commission, Guangxi Department of Finance, Environmental Protection Department, Education Department, Housing, Urban, and Rural Development Department, Human Resources and Social Security Department, Transport Department, Land Resources Department, Commerce Department, Culture and Tourism Department, Industry, and ICT Commission, Audit Department, Entry-Exit Inspection and Quarantine Bureau, Nanning Customs District, Banking Regulation Bureau, and CAPF Border Defense Force. ➤ Provide strategic and policy guidance to ensure successful implementation of tranche 3. ➤ Ensure adequate and smooth interagency coordination for tranche 3. ➤ Meet regularly (at least twice a year) to discuss key issues of tranche 3 and make decisions for effective resolutions of the issues.
<p>Implementing Agencies</p> <ul style="list-style-type: none"> • Daxin County Government 	<ul style="list-style-type: none"> ➤ Take overall responsibility for implementation of the tranche 3 subproject of Chongzuo (Daxin County) PRC–Viet Nam Cross-border Tourism Comprehensive Improvement Project. ➤ Ensure provision of counterpart funds and other resources for the Daxin tranche 3 subproject in a timely manner. ➤ Ensure financial management functions, including accounting, reporting, funds flow, disbursement, budgeting. ➤ Ensure adequate and smooth interagency coordination. ➤ Repay and/or guarantee repayment of the loan for the Daxin County tranche 3 subproject. ➤ Provide guidance to and supervise subproject implementation by PIEs. ➤ Supervise implementation of tranche 3 subproject in Daxin including: procurement and contract management, financial management,

Project Implementation Organizations	Management Roles and Responsibilities
	<p>preparation of separate project accounts, and financial reporting of such accounts.</p> <ul style="list-style-type: none"> ➤ Prepare and submit completion report of tranche 3 subprojects to GPMO in a timely manner.
<ul style="list-style-type: none"> • Chongzuo Municipal Government 	<ul style="list-style-type: none"> ➤ Take overall responsibility for implementation of the tranche 3 subprojects (i) Chongzuo Cold Chain Logistics Demonstration Project and (ii) Chongzuo Sino–Viet Nam Border Economic Zone Demonstration Project (Phase II) ➤ Ensure provision of counterpart funds and other resources for tranche 3 subprojects in Chongzuo in a timely manner. ➤ Ensure financial management functions, including accounting, reporting, funds flow, disbursement, budgeting. ➤ Ensure adequate and smooth interagency coordination. ➤ Repay and/or guarantee repayment of the loans for tranche 3 subprojects in Chongzuo. ➤ Provide guidance to and supervise subproject implementation by PIEs. ➤ Supervise implementation of tranche 3 subprojects in Chongzuo including: procurement and contract management, financial management, preparation of separate project accounts, and financial reporting of such accounts. ➤ Prepare and submit completion report of tranche 3 subprojects to GPMO in a timely manner.
<ul style="list-style-type: none"> • Baise Municipal Government 	<ul style="list-style-type: none"> ➤ Take overall responsibility for implementation of the tranche 3 subprojects of (i) Baise Sino–Viet Nam Cross-border Training Center and (ii) Baise Cross-border Agricultural Products Industry Chain Upgrade Project. ➤ Ensure provision of counterpart funds and other resources for tranche 3 subprojects in Baise in a timely manner. ➤ Ensure financial management functions, including accounting, reporting, funds flow, disbursement, budgeting. ➤ Ensure adequate and smooth interagency coordination. ➤ Repay and/or guarantee repayment of the loans for tranche 3 subprojects in Baise. ➤ Provide guidance to and supervise subproject implementation by PIEs. ➤ Supervise implementation of tranche 3 subprojects in Baise including: procurement and contract management, financial management, preparation of separate project accounts, and financial reporting of such accounts. ➤ Prepare and submit completion report of tranche 3 subproject to GPMO in a timely manner.
<ul style="list-style-type: none"> • Fangchenggang Municipal Government 	<ul style="list-style-type: none"> ➤ Take overall responsibility for implementation of the tranche 3 subproject of Fangchenggang Sino–ASEAN Trade and Cultural Exchange Center ➤ Ensure provision of counterpart funds and other resources for tranche 3 subproject in Fangchenggang in a timely manner. ➤ Ensure financial management functions, including accounting, reporting, funds flow, disbursement, budgeting. ➤ Ensure adequate and smooth interagency coordination. ➤ Repay and/or guarantee repayment of the loans for tranche 3 subproject in Fangchenggang.

Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> ➤ Provide guidance to and supervise subproject implementation by PIEs. ➤ Supervise implementation of the tranche 3 subproject in Fangchenggang including: procurement and contract management, financial management, preparation of separate project accounts, and financial reporting of such accounts. ➤ Prepare and submit completion report of the tranche 3 subproject to GPMO in a timely manner.
<p>PIEs for Tranche 3 Subprojects Guangxi Daxin Anping Investment Group Co. Ltd.</p>	<ul style="list-style-type: none"> ➤ Under the guidance of the Daxin County Government, carry out day-to-day implementation in Chongzuo (Daxin County) Sino–Viet Nam Cross-border Tourism Project, including procurement of goods, and equipment, construction, and installation supervision, and maintaining separate project accounts in accordance with PRC’s accounting standards. ➤ Secure technical expertise for works prior to bidding and ensure monitoring and quality assurance during construction and installation. ➤ Support Safeguards Unit under GPMO to implement tranche 3 EMP and RP, and report on environmental, social, gender, and resettlement compliance in quarterly progress reports and semiannual environmental and social monitoring reports. ➤ Ensure compliance with EMP. ➤ Responsible for ensuring implementation, achievement of relevant targets, monitoring, and reporting of SDGAP. ➤ Review invoices, payments; prepare and submit withdrawal applications; prepare financial statements; coordinate the audit. ➤ Engage contractors and procure equipment with support of consultants and procurement agent; and administer contracts and monitor performance of contractors and suppliers. ➤ Prepare regular project progress reports. ➤ Responsible for operating and maintaining the completed subproject facilities.
<p>Guangxi Chongzuo City Industrial Investment Development Group Co. Ltd.</p>	<ul style="list-style-type: none"> ➤ Under the guidance of the Chongzuo Municipal Government, carry out day-to-day implementation in Chongzuo Cold Chain Logistics Demonstration Project, including procurement of goods, and equipment, construction, and installation supervision, and maintaining separate project accounts in accordance with PRC’s accounting standards. ➤ Secure technical expertise for works prior to bidding and ensure monitoring and quality assurance during construction and installation. ➤ Support Safeguards Unit under GPMO to implement tranche 3 EMP and RP, and report on environmental, social, gender, and resettlement compliance in quarterly progress reports and semiannual environmental and social monitoring reports. ➤ Ensure compliance with EMP. ➤ Responsible for ensuring implementation, achievement of relevant targets, monitoring, and reporting of SDGAP. ➤ Review invoices, payments; prepare and submit withdrawal applications; prepare financial statements; coordinate the audit. ➤ Engage contractors and procure equipment with supports of consultants and procurement agents; and administer and monitor contractors and suppliers.

Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> ➤ Prepare regular project progress reports. ➤ Responsible for operating and maintaining the completed subproject facilities.
Chongzuo Xinghe Investment development Co. Ltd.	<ul style="list-style-type: none"> ➤ Under the guidance of the Chongzuo Municipal Government, carry out day-to-day implementation in Chongzuo Sino–Viet Nam Border Economic Zone Demonstration Project (Phase II), including procurement of goods, and equipment, construction, and installation supervision, and maintaining separate project accounts in accordance with PRC’s accounting standards. ➤ Secure technical expertise for works prior to bidding and ensure monitoring and quality assurance during construction and installation. ➤ Support Safeguards Unit under GPMO to implement tranche 3 EMP and RP, and report on environmental, social, gender, and resettlement compliance in quarterly progress reports and semiannual environmental and social monitoring reports. ➤ Ensure compliance with EMP. ➤ Responsible for ensuring implementation, achievement of relevant targets, monitoring, and reporting of SDGAP. ➤ Review invoices, payments; prepare and submit withdrawal applications; prepare financial statements; coordinate the audit. ➤ Engage contractors and procure equipment with supports of consultants and procurement agents; and administer and monitor contractors and suppliers. ➤ Prepare regular project progress reports. ➤ Responsible for operating and maintaining the completed subproject facilities.
Baise University	<ul style="list-style-type: none"> ➤ Under the guidance of the Baise Municipal Government, carry out day-to-day implementation in Baise Sino–Viet Nam Cross-border Training Center, including procurement of goods, and equipment, construction, and installation supervision, and maintaining separate project accounts in accordance with PRC’s accounting standards. ➤ Secure technical expertise for works prior to bidding and ensure monitoring and quality assurance during construction and installation. ➤ Support Safeguards Unit under GPMO to implement tranche 3 EMP and RP, and report on environmental, social, gender, and resettlement compliance in quarterly progress reports and semiannual environmental and social monitoring reports. ➤ Ensure compliance with EMP. ➤ Responsible for ensuring implementation, achievement of relevant targets, monitoring, and reporting of SDGAP. ➤ Review invoices, payments; prepare and submit withdrawal applications; prepare financial statements; coordinate the audit. ➤ Engage contractors and procure equipment with supports of consultants and procurement agents; and administer and monitor contractors and suppliers. ➤ Prepare regular project progress reports. ➤ Responsible for operating and maintaining the completed subproject facilities.
Guangxi Baise No. 1 Agricultural Development Co. Ltd.	<ul style="list-style-type: none"> ➤ Under the guidance of the Baise Municipal Government, carry out day-to-day implementation in Baise Cross-border Agricultural Products Industry Chain Upgrade Project, including procurement of goods, and

Project Implementation Organizations	Management Roles and Responsibilities
	<p>equipment, construction, and installation supervision, and maintaining separate project accounts in accordance with PRC's accounting standards.</p> <ul style="list-style-type: none"> ➤ Secure technical expertise for works prior to bidding and ensure monitoring and quality assurance during construction and installation. ➤ Support Safeguards Unit under GPMO to implement tranche 3 EMP and RP, and report on environmental, social, gender, and resettlement compliance in quarterly progress reports and semiannual environmental and social monitoring reports. ➤ Ensure compliance with EMP. ➤ Responsible for ensuring implementation, achievement of relevant targets, monitoring, and reporting of SDGAP. ➤ Review invoices, payments; prepare and submit withdrawal applications; prepare financial statements; coordinate the audit. ➤ Engage contractors and procure equipment with supports of consultants and procurement agents; and administer and monitor contractors and suppliers. ➤ Prepare regular project progress reports. ➤ Responsible for operating and maintaining the completed subproject facilities.
Fangchenggang Fangcheng District Rural Travel Investment Co. Ltd.	<ul style="list-style-type: none"> ➤ Under the guidance of the Fangchenggang Municipal Government, carry out day-to-day implementation in Fangchenggang Sino–ASEAN Economic, Trade and Cultural Exchange Center, including procurement of goods, and equipment, construction, and installation supervision, and maintaining separate project accounts in accordance with PRC's accounting standards. ➤ Secure technical expertise for works prior to bidding and ensure monitoring and quality assurance during construction and installation. ➤ Support Safeguards Unit under GPMO to implement tranche 3 EMP and RP, and report on environmental, social, gender, and resettlement compliance in quarterly progress reports and semiannual environmental and social monitoring reports. ➤ Ensure compliance with EMP. ➤ Responsible for ensuring implementation, achievement of relevant targets, monitoring, and reporting of SDGAP. ➤ Review invoices, payments; prepare and submit withdrawal applications; prepare financial statements; coordinate the audit. ➤ Engage contractors and procure equipment with supports of consultants and procurement agents; and administer and monitor contractors and suppliers. ➤ Prepare regular project progress reports. ➤ Responsible for operating and maintaining the completed subproject facilities.
Asian Development Bank	<ul style="list-style-type: none"> ➤ Assist GPMO and implementing agencies by providing timely guidance at each stage of the project for smooth implementation in accordance with the agreed implementation arrangements. ➤ Review all the documents that require ADB approval. ➤ Conduct periodic loan review missions, a midterm review, and project completion mission. ➤ Monitor compliance with all loan covenants including social, gender, and safeguard requirements.

Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> ➤ Timely process withdrawal applications and release eligible funds. ➤ Monitor compliance with financial audit findings and recommendations. ➤ Regularly post on ADB website the updated project information documents for public disclosure, and social, and safeguards documents as per disclosure provision of ADB's Safeguard Policy Statement (2009).

ADB = Asian Development Bank.

Source: Asian Development Bank

B. Key Persons Involved in Implementation

Executing Agency

Guangxi Foreign Loans Project
Management Office (GPMO)

Mr. Xiong Xiangzhong
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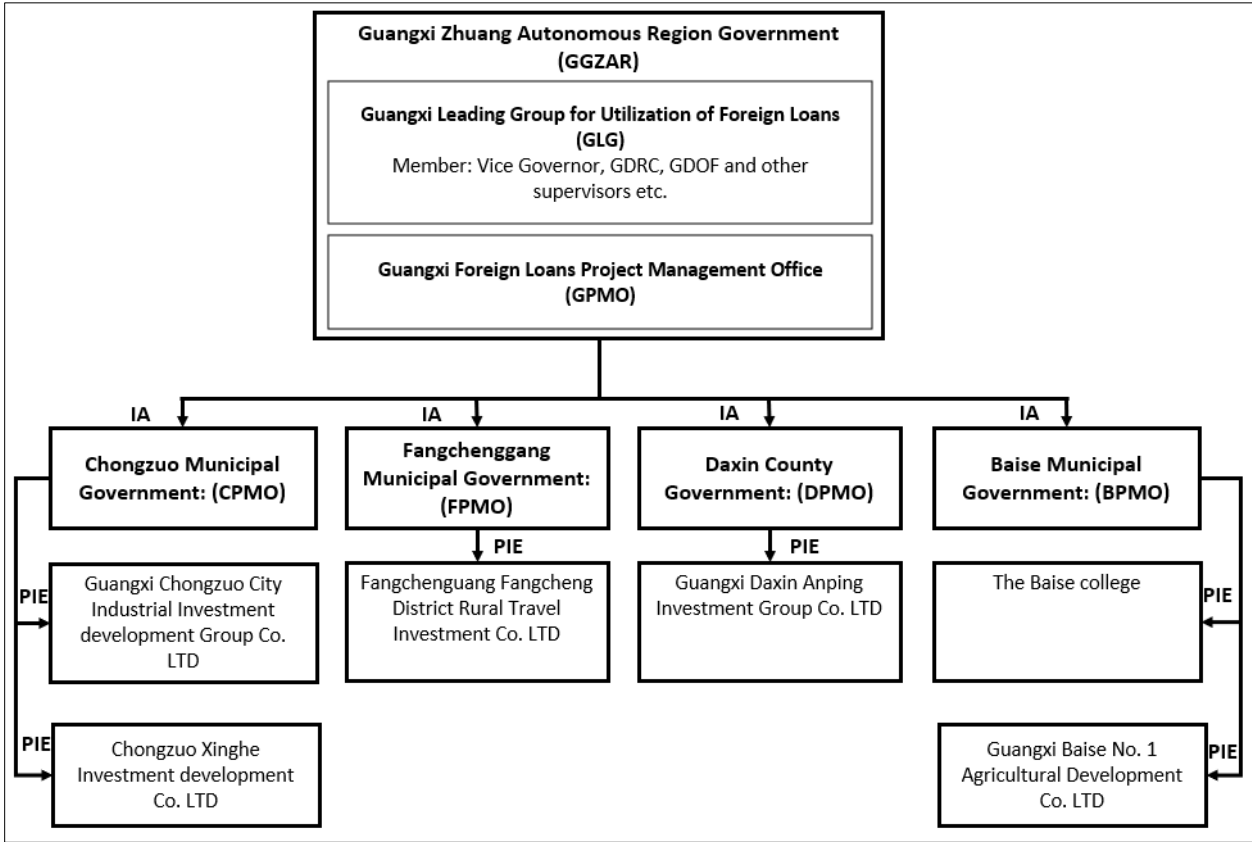
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C. Project Organization Structure

Figure 1: Investment Program Organizational Structure for Project Tranche 3



EA = executing agency, GDOF = Guangxi Department of Finance, GDRC = Guangxi Development and Reform Commission, IA = implementing agency, PIE = project implementing entity.
 Source: Asian Development Bank.

IV. COSTS AND FINANCING

A. Cost Estimates Preparation and Revisions

11. The Government of the PRC has requested a MFF in an amount up to \$450.0 million from ADB’s ordinary capital resources, including the PRC country allocation and regional set-aside, to help finance a part of the investment program. The MFF consists of three tranches, subject to the government’s submission of related periodic financing requests, execution of the related loan and project agreements for each tranche, and fulfillment of terms, and conditions, and undertakings set forth in the framework financing agreement. The first tranche amounting to \$130 million (Loan 3501 and Loan 3508) was approved on 12 December 2016 and loan effectiveness was declared on 28 July 2017. The second tranche (Loan 3652) amounting to \$180 million was approved on 4 April 2018 and declared effective on 14 November 2018. The third tranche is estimated to cost \$140.0 million with a 25-year term, including a grace period of 5 years, interest, and other charges during construction will not be capitalized. It will have (i) a straight-line repayment method, (ii) an annual interest rate determined in accordance with ADB’s London interbank offered rate-based lending facility, (iii) a commitment charge of 0.15% per year, and (iv) such other terms and

conditions set forth in the draft loan and project agreements. The MFF financing plan (Table 4), and ADB financing for the investment program (Table 5) are below.²

Table 4: Summary of Financing Plan
(\$ million)

Source	Tranche 1 ^a	Tranche 2 ^b	Tranche 3 ^c	Total	Share of Total (%)
Asian Development Bank					
OCR loan from country allocation	85.0	90.0	135.0	310.0	29.6%
OCR loan from regional set-aside	45.0	90.0	5.0	140.0	13.4%
Government	150.0	260.0	186.7	596.7	57.0%
Total	280.0	440.0	326.7	1,046.7	100.0%

ADB = Asian Development Bank, OCR = ordinary capital resources, PIE = project implementing entity.

^a The Guangxi Foreign Loans Project Management Office is also responsible for implementing the small and medium-sized enterprise training subproject and the project advisory support activities under tranche 1 in addition to project management. The organizational structure and fund flow diagrams of tranche 1 are in the Facility Administration Manual for MFF and tranche 1.

^b Includes taxes and duties of about \$42 million to be financed from government resources. Such amount does not represent an excessive share of the project cost.

^c Includes taxes and duties of about \$25.41 million. ADB, local financial institution and the Government will finance taxes and duties for the expenditures to be financed by the respective financier. Such amount does not represent an excessive share of the project cost.

Sources: Government of Guangxi Zhuang Autonomous Region and Asian Development Bank.

Table 5: ADB Financing for the Investment Program
(\$ million)

Item	Tranche 1 ^a	Tranche 2	Tranche 3	Total
Small and medium-sized enterprises development	83.0	30.5	35.0	148.5
Cross-border financial services	0.0	0.0	0.0	0
Cross-border e-commerce	22.3	10.7	24.8	57.8
Border economic zone development	6.9	50.9	76.8	134.6
Cross-border connectivity	0.0	72.5	0.0	72.5
Technical and institutional support	8.4	3.1	3.4	14.9
Financial charges during implementation	9.4	12.3	0.0	21.7
Total	130.0	180.0	140.0	450.0

^a Includes a \$63.58 million loan to be provided to small and medium-sized enterprise subprojects through the Guangxi Branch of the Bank of Communications using the Asian Development Bank's financial intermediation loan modality.

Source: Asian Development Bank estimates.

12. The government will make the proceeds of each tranche available for purposes of financing projects under the MFF. It is expected that the government will finance the remaining cost of about \$186.7 million equivalent (for tranche 3), or 57.1% of the total cost, including taxes, duties, and other miscellaneous costs.

B. Key Assumptions

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

- (i) Exchange rate: CNY6.57= \$1.00 (as of 2 April 2021).

² ADB. 2016. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility People's Republic of China: Guangxi Regional Cooperation and Integration Promotion Investment Program*. Manila.

- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 6: Escalation Rates for Price Contingency Calculation

Item	2021	2022	2023	2024	Average
Foreign rate of price inflation	1.60%	1.70%	1.70%	1.80%	1.70%
Domestic rate of price inflation	1.50%	2.30%	2.20%	2.20%	2.05%

Source: Asian Development Bank.

C. Detailed Cost Estimates by Expenditure Category

Table 7: Tranche 3 Cost Estimates by Expenditure Category

No		in CNY million			in \$ million		
		Foreign Cost	Local Cost	Total Cost	Foreign Cost	Local Cost	Total
A.	Investment Costs^a						
	1 Works	-	1,416.3	1,416.3	-	215.6	215.6
	Subproject 1	-	170.3	170.3	-	25.9	25.9
	Subproject 2	-	146.0	146.0	-	22.2	22.2
	Subproject 3	-	302.8	302.8	-	46.1	46.1
	Subproject 4	-	378.3	378.3	-	57.6	57.6
	Subproject 5	-	220.5	220.5	-	33.6	33.6
	Subproject 6	-	198.5	198.5	-	30.2	30.2
	2 Goods		206.0	206.0	-	31.4	31.4
	Subproject 1	-	34.0	34.0		5.2	5.2
	Subproject 2	-	86.0	86.0		13.1	13.1
	Subproject 3	-	28.4	28.4		4.3	4.3
	Subproject 5	-	57.63	57.6		8.77	8.8
	3 Project Management and Capacity Development	2.2	20.2	22.5	0.3	3.1	3.4
	4 Project Preparation and Supervision	-	190.3	190.3	-	28.96	29.0
	5 Land Acquisition and Resettlement	-	85.3	85.3	-	13.0	13.0
	Total Base Cost (A)	2.2	1,918.1	1,920.3	0.3	291.9	292.3
B.	Contingencies						
	1 Physical contingency	-	81.1	81.1	-	12.3	12.3
	2 Price contingency	0.1	77.2	77.3	0.0	11.7	11.8
	Total Contingencies (B)	0.1	158.3	158.4	0.0	24.1	24.1
C.	Financial Charges during Construction						
	1 Interest Charges	22.4	44.3	66.8	3.4	6.7	10.2
	2 Commitment fee	0.9	-	0.9	0.1	-	0.1
	Sub-Total (C)	23.3	44.3	67.6	3.5	6.7	10.3
	Total Project Cost (A+B+C)	25.7	2,120.7	2,146.4	3.9	322.8	326.7

Notes: Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of \$25.41 million (CNY 166.95 million)

Source: Asian Development Bank.

D. Allocation and Withdrawal of Loan Proceeds

Table 8: Allocation and Withdrawal of Loan Proceeds*

Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Loan Account
1	Works, Goods, and Consultants	140,000,000	Up to 100% of total expenditure claimed
	TOTAL	140,000,000	

*Detailed categories and financing percentages to be used during reimbursement are in Table 10.
Source: Asian Development Bank.

Table 10: Detailed Allocation and Withdrawal of Loan Proceeds

Number	Item	Total Amount Allocated for ADB Financing (\$)	Basis for Withdrawal from the Loan Account
1	Works		
	Works for Baise University Sino–Viet Nam Cross-border Training Center Project	16,900,000	88.0% of total expenditure claimed
	Works for Baise Cross-Border Agricultural Products Industry Chain Upgrading	15,000,000	67.5% of total expenditure claimed
	Works for Chongzuo Cold Chain Logistics Demonstration Project - cold and bonded warehouse	24,800,000	53.8% of total expenditure claimed
	Works for Chongzuo Sino–Viet Nam Border Economic Zone Demonstration Project (Phase II) water treatment plant; roads 2,3,4; and roads 1,5,6	30,000,000	52.1% of total expenditure claimed
	Works for Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project	26,800,000	79.9% of total expenditure claimed
	Works for Fangchenggang Sino–ASEAN Trade and Culture Exchange Center project	20,000,000	66.2% of total expenditure claimed
	Goods for Baise University Sino–Viet Nam Cross-border Training Center project (i) supply/installation of audio-visual equipment, stage lighting, and sound system, film studio equipment; and (ii) supply/installation of food product testing laboratory equipment)	3,100,000	100% of total expenditure claimed
2	Consulting Services	3,400,000	100% of total expenditure claimed
	TOTAL	140,000,000	

Source: Asian Development Bank.

E. Detailed Cost Estimates by Financier

Table 11: Tranche 3 Cost Estimates by Financier

No	Item	ADB		LFI		GOVT		Total
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	
A.	Investment Costs^a							
1	Works	133.5	61.9%	30.24	14.0%	51.9	24.1%	215.6
	Subproject 1							
	a. With ADB/LFI financing	16.9	88.0%	2.3	12.0%	-	0.0%	19.2
	b. Government financing	-	0.0%	6.8	100.0%	-	0.0%	6.8
	Subproject 2	15.0	67.5%	4.2	19.0%	3.0	13.5%	22.2
	Subproject 3	24.8	53.8%	-	0.0%	21.3	46.2%	46.1
	Subproject 4	30.0	52.1%	-	0.0%	27.6	47.9%	57.6
	Subproject 5	26.8	79.9%	6.8	20.1%	-	0.0%	33.6
	Subproject 6	20.0	66.2%	10.2	33.8%	-	0.0%	30.2
2	Goods	3.1	10.0%	19.2	61.2%	9.0	28.8%	31.4
	Subproject 1	3.1	100.0%	-	0.0%	-	0.0%	3.1
	Subprojects 2-6	-	0.0%	19.2	68.0%	9.0	32.0%	28.2
3	Project Management and Capacity Development	3.4	100.0%	-	0.0%	-	0.0%	3.4
4	Project Preparation and Supervision	-	0.0%	-	0.0%	29.0	100.0%	29.0
5	Land Acquisition and Resettlement	-	0.0%	-	0.0%	13.0	100.0%	13.0
	Total Base Cost (A)	140.0	47.9%	49.4	16.9%	102.8	35.2%	292.3
B.	Contingencies							
1	Physical contingency	-	0.0%	-	0.0%	12.3	100.0%	12.3
2	Price contingency	-	0.0%	-	0.0%	11.8	100.0%	11.8
	Sub-Total (B)	-	0.0%	-	0.0%	24.1	100.0%	24.1
C.	Financial Charges during Construction							
1	Interest Charges		0.0%	-	0.0%	10.2	100.0%	10.2
2	Commitment fee		0.0%	-	0.0%	0.1	100.0%	0.1
	Sub-Total (C)	-	-	-	0.0%	10.3	100.0%	10.3
	Total Project Cost (A+B+C)	140.0	42.9%	49.4	15.1%	137.2	42.0%	326.7

ADB = Asian Development Bank, LFI = Local Financial Institution

^a Includes taxes and duties of \$25.41 million (CNY166.95 million).

Source: Asian Development Bank.

F. Detailed Cost Estimates by Outputs

Table 12: Tranche 3 Cost Estimates by Outputs
(\$ million)

Item	Total Costs	SME Development		Cross Border E-Commerce		BEZ Development		Technical and Institutional Support	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs^a									
1 Works	215.6	48.1	22.3%	46.1	21.4%	121.3	56.3%	-	0.0%
Subproject 1	25.9	25.9	100.0%	-	0.0%	-	0.0%	-	0.0%
Subproject 2	22.2	22.2	100.0%	-	0.0%	-	0.0%	-	0.0%
Subproject 3	46.1	-	0.0%	46.1	100.0%	-	0.0%	-	0.0%
Subproject 4	57.6	-	0.0%	-	0.0%	57.6	100.0%	-	0.0%
Subproject 5	33.6	-	0.0%	-	0.0%	33.6	100.0%	-	0.0%
Subproject 6	30.2	-	0.0%	-	0.0%	30.2	100.0%	-	0.0%
2 Goods	31.4	18.3	58.2%	4.3	13.8%	8.8	28.0%	-	0.0%
3 Project Management and Capacity Development	3.4	-	0.0%	-	0.0%	-	0.0%	3.4	100.0%
4 Project Preparation and Supervision	29.0	9.8	34.0%	5.2	18.1%	13.9	47.9%	-	0.0%
5 Land Acquisition and Resettlement	13.0	-	0.0%	1.5	11.2%	11.5	88.8%	-	0.0%
Total Base Cost (A)	292.3	76.2	26.1%	57.1	19.5%	155.5	53.2%	3.40	1.2%
B. Contingencies									
1 Physical contingency	12.3	3.3	26.9%	2.5	20.4%	6.5	52.7%	-	0.0%
2 Price contingency	11.8	3.1	26.1%	2.3	19.5%	6.3	53.2%	0.1	1.2%
Subtotal (B)	24.1	6.4	26.5%	4.8	20.0%	12.8	52.9%	0.1	0.6%
C. Financial Charges during Construction	10.3	3.3	32.5%	0.61	5.9%	6.3	61.3%	0.1	0.9%
Total Project Cost (A+B+C)	326.7	86.0	26.3%	62.5	19.1%	174.6	53.4%	3.6	1.1%

^a Includes taxes and duties of \$25.41 million (CNY 166.95 million)

Source: Asian Development Bank.

G. Detailed Cost Estimates by Year

Table 13: Tranche 3 Cost Estimates by Year
(\$ million)

No	Item	Total Costs	2021	2022	2023	2024
A.	Investment Costs^a					
1	Works	215.6	-	97.0	97.0	21.6
2	Goods	31.4	-	-	31.4	-
3	Project Management and Capacity Development	3.4	0.2	1.1	1.07	1.1
4	Project Preparation and Supervision	29.0	8.7	11.6	8.7	-
5	Land Acquisition and Resettlement	13.0	13.0			
	Total Base Cost (A)	292.3	21.9	109.7	138.1	22.6
B.	Contingencies					
1	Physical contingency	12.3	-	4.9	6.4	1.1
2	Price contingency	11.8	0.2	2.8	6.4	2.3
	Subtotal (B)	24.1	0.2	7.7	12.9	3.4
C.	Financial Charges during Construction	10.3	1.0	3.7	4.8	0.8
	Total Project Cost (A+B+C)	326.7	23.0	121.0	155.7	26.8

^a Includes taxes and duties of \$25.41 million (CNY 166.95 million)
Source: Asian Development Bank.

H. Contract and Disbursement S-Curve

Table 14: Contract Awards and Disbursements (Tranche 3)

Year	Projected Contract Awards (\$'000)					Projected Disbursement (\$ '000)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2022	0	57.11	9.41	8.55	75.07	0	2.16	6.79	8.31	17.26
2023	61.80	3.13	0	0	64.93	17.72	18.33	16.18	16.17	68.40
2024	0	0	0	0	0	17.61	17.61	9.87	9.25	54.34
Total					140.00					140.00

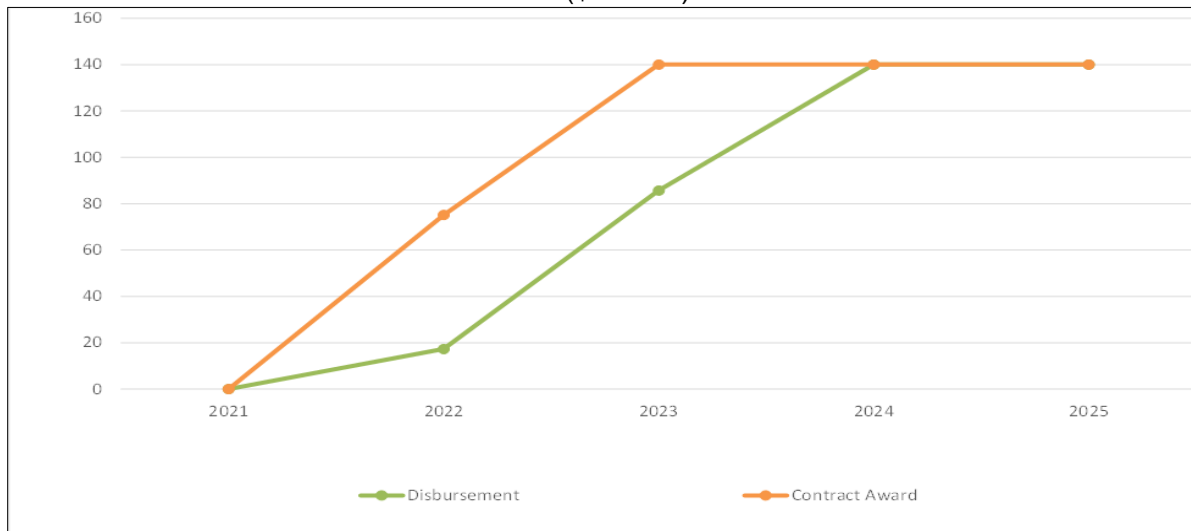
Source: Asian Development Bank estimates.

Table 15: Contract Awards and Disbursements (Tranche 3)
(cumulative \$ million)

Item	2022	2023	2024
Contract Awards	75.07	140.00	140.00
Disbursement	17.26	85.66	140.00

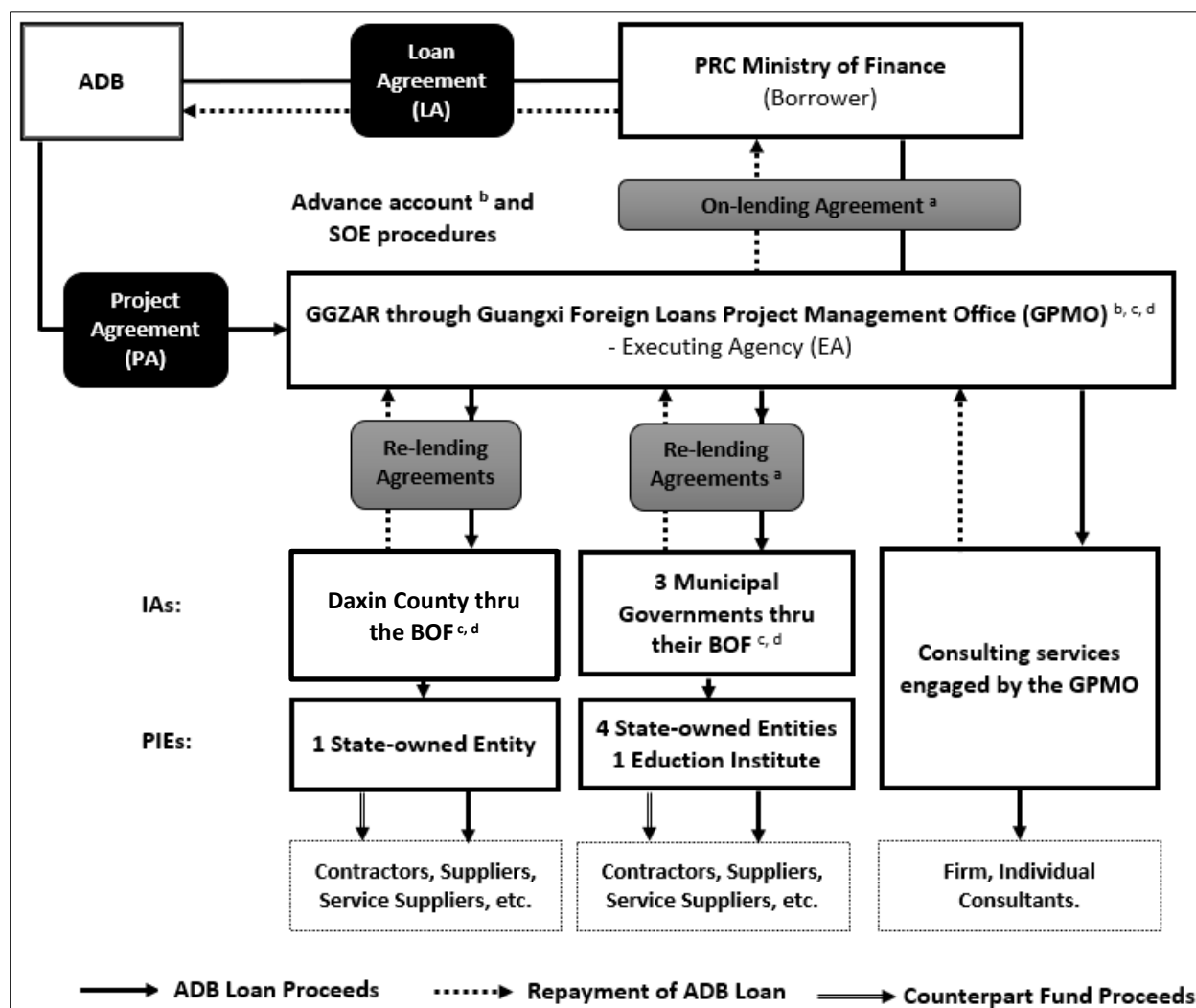
Source: Asian Development Bank estimates.

Figure 2: Contract Awards and Disbursements Projections (Tranche 3)
(\$ million)



I. Fund Flow Diagram

Figure 3: Fund Flow Diagram for Tranche 3 Investment Loan



ADB = Asian Development Bank, BOF = Bureau of Finance, DOF = Department of Finance, EA = executing agency, GGZAR = Guangxi Zhuang Autonomous Region government, GPMO = Guangxi Project Management Office, IA = implementing agency, LA = Loan Agreement, PA = Project Agreement, PIE = project implementing entity, PRC = People's Republic of China, SOE = statement of expenditure.

^a The ADB loan will be onlend/relend on the same terms and conditions as those received by the PRC Ministry of Finance.

^b The advance account is established and administered by Guangxi Department of Finance.

^c GZAR government, implementing agencies, and PIEs will establish and manage separate project accounts.

^d The implementing agencies will each establish and manage a separate loan account for the ADB loan and repay their loan directly to the GZAR's DOF. Subproject day-to-day implementation and management will involve interaction with and supervision by the relevant PIEs.

Source: Asian Development Bank.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

14. The financial management assessment (FMA) was conducted in October 2020 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The FMA considered the capacity of the Guangxi Zhuang Autonomous Region government as the EA, the four IAs and the six PIEs, including funds flow arrangements, staffing, accounting, and financial reporting systems, financial information systems, and internal, and external auditing arrangements. Based on the assessment, the key financial management risks identified are (i) the IAs are not compliant with national accounting framework which brought PRC's updated accounting and financial reporting into substantial compliance with International Financial Reporting Standard (IFRS); (ii) the PIEs lack of familiarity with ADB financial management requirements, particularly relating to accounting, reporting, and auditing, which may delay project reporting and the identification of issues on the use of loan proceeds; and (iii) weakness in internal controls in the verification of fixed assets, budgeting controls, and reporting. It is concluded that the overall pre-mitigation financial management risk of the EA and IAs is moderate.

15. These risks shall be mitigated by:

- (i) strengthening financial management capacities, particularly for IAs, and PIEs, by engaging a financial management consultant, and providing needed training to IAs and PIEs;
- (ii) actions overseen by the GPMO to strengthen (a) the IAs' accounting procedures to align with national accounting standards, and (b) project accounting and financial reporting systems and procedures of the PIEs; and
- (iii) external audit of PIEs shall include the audit on ADB loan project accounts; and
- (iv) the GPMO and Guangxi Provincial Finance Bureau will closely monitor and guide PIEs in project implementation, especially in the early stages of project implementation.

16. With the implementation of these actions, the project's financial management arrangements will satisfy ADB's requirements under tranche 3. The borrower, the GZAR government, and IAs have agreed to implement an action plan as key measures to address the deficiencies. The financial management action plan is shown below.

Table 16: Financial Management Action Plan

	Risk Assessment	Mitigation Measures	Implementation Period
Inherent Risk			
Country-specific risks	Low	None	
Entity-specific risks	Moderate	<ul style="list-style-type: none"> - IAs will oversee and assist PIEs undertaking their project financial management function. - Recruitment of experienced financial management consultant within 1 month of loan effectiveness to enhance the operational capacity. - Relevant information and training will be provided to the IAs and PIEs to ensure adherence national accounting standards 	2021–2024

Risk Assessment		Mitigation Measures	Implementation Period
		as well as ADB procedures, including accounting, and financial reporting requirements.	
Overall Inherent Risk	Moderate		
Project Risk			
Implementing entities	Moderate	The GPMO and financial management consultant will provide training to all IAs and PIEs on subproject accounting and financial reporting requirements.	2022
Funds Flow	Moderate	- The IAs will lend support to the disbursements of the PIEs; in parallel, the PIEs will be provided training at project effectiveness and during implementation, as necessary.	2022–2024
Staffing	Moderate	- EA will provide necessary guidance and assistance to PIEs on ADB procedures. - The accounting, financial management and internal control personnel at the four IAs and six PIEs have sufficient personnel to be deputed to implement the subprojects. - The GPMO shall organize related staff at all levels to participate in training organized by ADB on disbursement, and financial reporting. - Financial management consultant will be recruited under the loan to assist in updating and establishing a standardized the project accounting and reporting systems in the PIEs.	2022
Budgeting	Moderate	- PIEs to provide support for subproject budgeting and procurement planning, based on improved system by the financial management consultant. - IAs project budgeting system to be improved by financial management consultant and ensure the preparation of annual budgets, timed with government budgeting schedule.	2022
Accounting	Moderate	- IAs' accounting and financial reporting to be reviewed and improved by financial management consultant to ensure compliance with national accounting framework. - Financial management consultant engaged under tranche 3 project management will provide training on accrual-based accounting to the relevant staff of the IAs and PIEs as necessary to strengthen their capacity to undertake accrual-based accounting for ADB projects. - Project accounting will be segregated from PIE accounting and will be done by GPMO.	2022

	Risk Assessment	Mitigation Measures	Implementation Period
Asset management policies and practices	Moderate	<ul style="list-style-type: none"> - Financial management consultant to ensure asset management policies and practices are in place at the IAs and PIEs to ensure sufficient internal controls on the verification of fixed assets (e.g., fixed asset registers, periodic asset inventory taking). - Training on improved asset management system at the IAs and PIEs. 	2022
Internal Audit	Low	<ul style="list-style-type: none"> - Financial management consultant engaged under tranche 3 project management will provide training on internal auditing to all PIEs to strengthen their relevant knowledge. 	2022
External Audit	Low	<ul style="list-style-type: none"> - The audited financial statements of all PIEs shall be provided to ADB as required. - The loan assurances will ensure that the audited financial statements are submitted on time. - External auditors acceptable to ADB will be contracted under the project. - External audit will cover the ADB loan project accounts at the PIE's subproject level. 	
Overall Project Risk	Moderate		
Overall Risk	Moderate		

ADB = Asian Development Bank, FM = financial management, GPMO = Guangxi Project Management Office, IA = implementing agency, IAU = Internal Audit Unit, PIE = project implementing entity.

Source: Asian Development Bank.

17. Since the GPMO is already in place and functioning and given the proposed mitigation measures to be carried out, the residual program FM risk is *low* and the planned project arrangements are deemed satisfactory.

B. Disbursement

1. Disbursement Arrangements for ADB Funds

18. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time)³, and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.⁴ Project staff are encouraged to avail themselves of this training to help ensure efficient disbursement and fiduciary control.

19. The planned funds flow for tranche 3 investment loan is shown in Figure 3 above. The PIEs and IAs will be responsible for collecting and retaining supporting documents at the subproject level. The EA will undertake the preparation and submittal of withdrawal applications to ADB.

³ The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>)

⁴ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning.

20. **Advance fund procedure.** To facilitate subproject implementation through timely release of loan proceeds, the EA will—through Guangxi Department of Finance (GDOF)—establish and maintain a separate advance account for the investment loan under tranche 3 promptly after loan effectiveness at a commercial bank. The currency of the advance account is in US dollar. The advance account is to be used exclusively for ADB's share of eligible expenditures. GDOF who administers the advance account is accountable and responsible for proper use of advances to the advance account.

21. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the advance account for the forthcoming 6 months. The EA, through GDOF, may request for initial, and additional advances to the advance account(s) based on an Estimate of Expenditure Sheet setting out the estimated expenditures to be financed through the account(s) for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the EA in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

22. **Statement of expenditure procedures.**⁵ The statement of expenditure (SOE) procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

23. Before the submission of the first withdrawal application (WA), the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the GZAR government, together with the authenticated specimen signatures of each authorized person. The minimum value per WA is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid (i) by the EA and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements.

2. Disbursement Arrangements for Counterpart Fund

24. The EA shall, and shall cause the IAs and other entities, in line with the cost estimate prepared for the subprojects, to make available, promptly, and as needed, the necessary, and stipulated counterpart funding funds as well as facilities, services, land, and other resources.

C. Accounting

25. The GPMO will maintain and, through the IAs, cause the PIEs to maintain separate books and records by funding source for all expenditures incurred for the subprojects. The basis of accounting will be accrual for all PIEs. The GPMO will prepare and, through the IAs, cause the PIEs to prepare in-year and annual financial statements for the subprojects.

⁵ SOE forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

26. The accounting and financial reporting procedures will be supported through initiatives already agreed between the GZAR government and ADB for tranche 1.⁶ This includes that the GZAR government within three months of the date of effectiveness of tranche 3 shall engage a professional accounting firm or consultants, acceptable to ADB, to assess the internal controls of the project management offices and PIEs and to recommend improvements, and shall take appropriate measures to implement such recommended improvements, if any.

D. Auditing and Public Disclosure

27. The GPMO will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the GPMO.

28. For entities preparing independent entity financial statements, the audited entity financial statements, together with the auditor's report and management letter, will be submitted in the English language to ADB within 1 month after their approval by the relevant authority.

29. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) whether the borrower or EA was in compliance with the financial covenants contained in the legal agreements (where applicable).

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

31. The government, GPMO, IAs, and PIEs have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.⁷ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

⁶ Para. 15 in the Schedule of the Project Agreement for Project 1 (Investment Loan Component) and para. 19 in Chapter V of the 2016 facility administration manual for tranche 1.

⁷ ADB's approach and procedures regarding delayed submission of audited project financial statements:

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

32. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Access to Information Policy 2018. After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.⁸

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

33. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower, executing and IAs have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

34. **Advance contracting.** Advance contracting will be applied for the consulting services contracts, and for five works contracts. Steps to be concluded in advance for works contracts are prequalification and shortlisting, issue of bidding documents, and evaluation of bids. Steps to be concluded in advance for consulting contracts are prequalification and shortlisting, issue of request for proposals and evaluation of bids.

35. **Retroactive financing.** Retroactive financing will be applied for consulting service contracts for individual consultants for start-up support and external monitoring. Retroactive financing will be allowed up to 20% of the loan amount for eligible expenditures prior to loan effectiveness.

B. Procurement of Goods, Works, and Consulting Services

36. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). A strategic procurement planning study was carried out. Value for Money is achieved by (i) national competitive bidding (NCB) with national advertising for ADB-financed contracts to achieve competitive bid prices, with ADB finance prioritized for larger contracts with a good state of readiness, and (ii) open competitive bidding with national advertising under domestic procurement regulations by e-procurement using bidding centers for counterpart financed contracts. Counterpart finance is applied to lower value and diverse procurement such as goods and ICT systems for which detailed design is not yet available, and for which a larger number of separate packages or lots may be required. This takes advantage of the low administrative cost (for both client and bidders) and speed of the domestic e-procurement system. NCB contracts would be procured following national procedures in accordance with the PRC Tendering and Bidding Law (1999), subject to modifications as agreed with ADB and consigned in the NCB annex to the procurement plan.

37. NCB with national advertising will be used for procurement of 11 ADB-financed works and goods contracts with total value of \$231.7 million (of which ADB finance portion is \$136.6 million) and estimated contract amounts between \$1.7 and \$36.7 million.

⁸ Access to Information Policy: <http://www.adb.org/documents/access-information-policy>

38. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Guidelines (2015, as amended from time to time).

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

40. The terms of reference for all consulting services are detailed in the tranche 3 subproject summaries. An estimated 193 person-months of consulting services are required to (i) facilitate project management and implementation and strengthen the institutional and operational capacity of the executing and implementing agencies, (ii) carry out external monitoring of safeguards (environmental and social), and (iii) provide start-up support to the EA and IAs. A consulting firm will be engaged using the QCBS method with a quality–cost ratio of 80:20, together with individual consultants.

C. Procurement Plan

Table 17: Basic Data (Tranche 3)

Project Name: Guangxi Regional Cooperation and Integration Promotion Investment Program–Tranche 3		
Project Number: 50050-005	Approval Number: XXXX	
Country: People's Republic of China	Executing Agency: Government of Guangxi Zhuang Autonomous Region, through Foreign Loan Projects Management Office	
Project Procurement Classification: B	Procurement Risk: Medium	
Implementing Agencies: - Baise Municipal Government - Daxin County Government - Chongzuo Municipal Government - Fangchenggang Municipal Government		
Project Financing Amount: \$ 326.7 million ADB Financing: \$140 million Non-ADB Financing: \$186.7 million	Project Closing Date: 30 June 2025	
Date of First Procurement Plan: 7 April 2021	Date of this Procurement Plan: 7 April 2021	
Procurement Plan Duration (in months): 18	Advance Contracting: Yes	e-procurement: No

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

(a) Procurement and Consulting Methods and Thresholds

41. Except as ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works, non-consulting services, and consulting services.

Procurement of Goods, Works, and Non-consulting Services	
Method	Comments
National Competitive Bidding (NCB) – National advertising for civil works for buildings	National suppliers and contractors are available, and the market is competitive
National Competitive Bidding (NCB) – National advertising for goods for Baise University	National suppliers and contractors are available, and the market is competitive

Consulting Services	
Method	Comments
Quality and Cost-Based Selection (QCBS)	Quality and Cost Ratio = 80:20
Consultant Qualification Selection (CQS)	
Individual Consultants Selection (ICS)	

1. List of Active Procurement Packages (Contracts)

42. The following table lists goods, works, non-consulting, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan's duration.

Goods, Works, and Non-consulting services							
Package Number	General Description	Estimated Value (in \$ '000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
BS-CO-C1	Baise University Sino-Viet Nam Cross-border Training Center: Construction of two 12 story and one 3 story buildings with total floor area 31,300 m ² , and a pedestrian / vehicle underpass linking west and east campuses.	21,073	NCB	Prior	1S1E	Q2 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: Yes Bidding document: Works
BS-N1-C1	Baise Cross-border Agricultural Products Industry Chain Upgrading project: Construction of nine 1 story factory buildings, total floor area 89,000 m ²	24,446	NCB	Prior	1S1E	Q2 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: Yes Bidding document: Works
CZ-CT-C1	Chongzuo Cold Chain Logistics Demonstration Project: Construction of cold warehouse (40,000 m ²), factory building (7,500 m ²), other buildings (4,900 m ²)	33,979	NCB	Prior	1S1E	Q2 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: Yes Bidding document: Works
CZ-CT-C2	Chongzuo Cold Chain Logistics Demonstration Project: Construction of bonded warehouse 37,000 m ² , and storage yard 27,000 m ² .	16,715	NCB	Post (Sampling)	1S1E	Q2 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: Yes Bidding document: Works
CZ-CV-C1	Chongzuo Sino-Viet Nam Border Economic Zone Demonstration Project (Phase II): Construction of freshwater treatment plant 15,000 m ³ /day and 25 km pipelines.	18,040	NCB	Post (Sampling)	1S1E	Q2 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: Yes Advance contracting: No Bidding document: Works

Goods, Works, and Non-consulting services							
Package Number	General Description	Estimated Value (in US\$ '000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
CZ-CV-C2	Chongzuo Sino–Viet Nam Border Economic Zone Demonstration Project (Phase II): Construction of roads 2,3,4, total 3.8 km length	19,853	NCB	Post (Sampling)	1S1E	Q2 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: No Bidding document: Works
CZ-CV-C3	Chongzuo Sino–Viet Nam Border Economic Zone Demonstration Project (Phase II): Construction of roads 1,5,6, total 8.5 km length	25,441	NCB	Post (Sampling)	1S1E	Q2 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: Yes Bidding document: Works
CZ-DX-C1	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Realignment / upgrading of two district roads 16 km length, construction of visitor center 7,400 m ² building area with car park.	36,911	NCB	Prior	1S1E	Q2 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: Yes Advance contracting: No Bidding document: Works
FC-FCD-C1	Fangchenggang Sino–ASEAN Trade and Culture Exchange Center project: Construction of 2 to 6 story buildings with total floor area 83,000 m ² as logistics center, processing facilities, exhibition center, service building etc.	33,227	NCB	Prior	1S1E	Q3 2022	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: No Bidding document: Works

Consulting services							
Package Number	General Description	Estimated Value (in US\$ '000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
GPMO-CS1	Project management consultant (firm)	2,706	QCBS	Prior	FTP	Q4 2021	Type: Firm; Assignment; International

							Quality/cost ratio: 80/20 Prequalification of bidders: Yes Advance contracting: Yes
GPMO-CS2	Start-up support and individual consultants	732	ICS	Prior	EOI	Q4 2021	Type: Individual; Assignment; International / National Advance contracting: Yes Number of contracts: 12 contracts
GPMO-CS2	External monitoring specialists (environment, social, and resettlement)	303	ICS	Prior	EOI	Q4 2021	Type: Individual; Assignment; National Advance contracting: Yes Number of contracts: 2 contracts

BTP = biodata technical proposal, CQS = Consultant Qualification Selection, EOI = expression of interest, FTP = full technical proposal, ICS = individual consultant selection, NCB = open competitive bidding, PPP = public private partnership, Q = quarter, QCBS = Quality – Cost-Based Selection, RFP = request for proposal, RFQ = request for quotation, STP = short technical proposal.

2. List of Indicative Packages (Contracts) Required Under the Project

43. The following table lists goods, works, non-consulting, and consulting services contracts for which procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e., those expected beyond the current procurement plan's duration).

Goods, Works, and Non-consulting services							
Package Number	General Description	Estimated Value (in US\$ '000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
BS-CO-G1	Baise University Sino–Viet Nam Cross-border Training Center: Supply / installation of audio-visual equipment, stage lighting, and sound system, film studio equipment.	1,674	NCB	Prior	1S1E	Q1 2023	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: No Bidding document: Goods
BS-CO-G2	Baise University Sino–Viet Nam Cross-border Training Center: Supply / installation of food product testing laboratory equipment	1,774	NCB	Post (Sampling)	1S1E	Q1 2023	Advertising: National Number of contracts: 1 Prequalification of bidders: No Advance contracting: No

							Bidding document: Goods
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Consulting services							
Package Number	General Description	Estimated Value (in US\$ '000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments

3. List of Awarded and Completed Contracts

44. The following table lists the awarded and completed contracts for goods, works, non-consulting, and consulting services.

Goods, Works, and Non-consulting Services					
Package Number	General Description	Contract Value	Date of ADB Approval of Contract Award	Date of Completion	Comments

Consulting Services					
Package Number	General Description	Contract Value	Date of ADB Approval of Contract Award	Date of Completion	Comments

4. Non-ADB Financing

45. The following table lists goods, works, non-consulting, and consulting services contracts over the life of the project, financed by non-ADB sources.

Goods, Works, and Non-consulting Services					
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Package Number	General Description	Estimated Value (\$ '000)	Estimated Number of Contracts	Procurement Method	Comments
BS-CO-C2	Baise University Sino–Viet Nam Cross-border Training Center: Construction of road including earthworks, slope protection, and landscaping, a walking trail, and educational exhibits.	7,437	1	NCB	Counterpart finance, Government procurement rules
BS-CO-G3	Baise University Sino–Viet Nam Cross-border Training Center: Supply / installation of furniture, teaching aids, e-commerce training equipment, data center.	2,242	4	NCB	
BS-N1-G1	Baise Cross-border Agricultural Products Industry Chain Upgrading project: Supply / installation of fruit processing equipment (Mango, cherry tomato, citrus, kiwi automatic sorting lines; automatic mango peeling machine, drying room, packaging line; pulping, dicing, candy production line; fruit vinegar / wine production line; carton production line)	7,717	1	NCB	
BS-N1-G2	Baise Cross-border Agricultural Products Industry Chain Upgrading project: Supply of trucks (5 No.13.5m tractor/trailer, 20 No. refrigerated containers, 15 No. 5 ton delivery vehicles)	4,660	1	NCB	
BS-N1-G3	Baise Cross-border Agricultural Products Industry Chain Upgrading project: Supply / installation of warehouse air conditioning and quick freezer equipment	1,473	1	NCB	
BS-N1-G4	Baise Cross-border Agricultural Products Industry Chain Upgrading project: Supply / installation of food product testing equipment	551	1	NCB	
CZ-CT-G1	Chongzuo Cold Chain Logistics Demonstration Project: Supply / installation / commissioning of integrated logistics / e-commerce system including network hardware / software, e-commerce system, cross-border transaction system, supply chain finance system, vehicle tracking, and management system.	4,646	2	NCB	
CZ-CT-G2	Chongzuo Cold Chain Logistics Demonstration Project: Supply of 10 No. 3.5 ton forklifts	109	1	NCB	
CZ-DX-G1	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Supply / installation / commissioning of traffic and parking management system based on RFID tags, automatic license plate recognition	642	1	NCB	

CZ-DX-G2	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Supply / installation / commissioning of surveillance system comprising 500 PTZ cameras, 100 dome cameras, and supports, control room displays, vehicle / facial recognition software, data storage.	3,738	1	NCB	
CZ-DX-G3	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Data center and network system comprising 5-year 100M ADSL leased lines, 4 No. application and database servers and software, disaster recovery backup system.	1,536	1	NCB	
CZ-DX-G4	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Application server and applications including Cross-border tourism booking, mobile app, marketing application, management application, human resources application, E-commerce application	802	1	NCB	
CZ-DX-G5	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Supply of 15 No. single deck city buses 10m length, 2 door, low step, electric, and 20 No. 20 seat coaches, electric.	2,930	1	NCB	

Consulting Services				
General Description	Estimated Value (cumulative, \$ '000)	Estimated Number of Contracts	Recruitment Method	Comments
Detailed design consultants	7,250	6	QCBS	
Construction supervision consultants	3,170	6	CQS	

National Competitive Bidding (Advertised Nationally)

46. The Borrowers Law of Tendering and Bidding of the PRC promulgated by Order No. 21 of the President of the PRC on August 30, 1999, are subject to the following clarifications required for compliance with the Guidelines:

- (i) All invitations to prequalify or to bid shall be advertised in the national press, or official gazette, or a free, and open access website in the Borrowers country. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum preparation period of thirty (30) days shall be given. The preparation period shall count (a) from the date of advertisement, or (b) when the documents are available for issue, whichever date is later. The advertisement and the prequalification and bidding documents shall specify the deadline for such submission.
- (ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents, and in the prequalification documents if the bidding is preceded by a prequalification process.
- (iii) If bidding is preceded by a prequalification process, all bidders that meet the qualification criteria set out in the prequalification document shall be allowed to bid and there shall be no limit on the number of prequalified bidders.
- (iv) All bidders shall be required to provide a performance security in an amount sufficient to protect the Borrower/Project EA in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such performance security.
- (v) Bidders shall be allowed to submit bids by mail or by hand.
- (vi) All bids shall be opened in public; all bidders shall be afforded an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening.
- (vii) All bid evaluation criteria shall be disclosed in the bidding documents and quantified in monetary terms or expressed in the form of pass/fail requirements.
- (viii) No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower/Project EA.
- (ix) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (a) to be substantially responsive to the bidding documents and (b) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.
- (x) Each contract financed with the proceeds of the Loan shall provide that the suppliers and contractors shall permit ADB, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by ADB.
- (xi) Government owned enterprises in the Borrower's country may be permitted to bid if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law, and (c) are not a dependent agency of the Borrower/Project EA.
- (xii) Rebidding shall not be allowed solely because the number of bids is less than three.

D. Consultant's Terms of Reference

47. The detailed terms of reference of consulting services in Appendix 1 subproject summary document.

VII. SAFEGUARDS

48. **Safeguard classifications.** Potential impacts of tranche 3 of the Program are classified as “B” for environment, “B” for involuntary resettlement, and “B” for impacts on indigenous peoples (ethnic minorities). Tranche 3 has been screened, categorized, and assessed using the safeguard procedures set out in the Program’s environment assessment review framework (EARF), and resettlement framework (RF) which reflect the PRC’s laws, regulations, and guidelines, and also ADB’s safeguard policy requirements, outlined in Safeguard Policy Statement (2009).⁹

49. **Grievance redress mechanism.** The GPMO ensures that each PIE will establish a grievance redress mechanism (GRM) for each subproject with the consent and support of the project-affected persons within 60 days of the loan effectiveness date and before the commencement of any project-related construction activity. A GRM will be established following the guidelines given in the environmental management plan (EMP) and the RPs. Each GRM will set out its procedures for receiving and reviewing, resolving, and recording individual and community concerns, and grievances, and complaints of the APs. It will provide the APs and the affected communities the contact details of focal points for safeguard compliance at the GPMO, IAs, PIEs, contractors, and other relevant agencies at project involved in Project administration. The GPMO will brief all contractors on safeguard requirements of subprojects and the role of the GRM in each subproject. Copies of the Public Information Booklet will be distributed among all the APs and stakeholders before commencing project implementation. Multiple approach points to each GRM will be available including verbal and written complaints, a hotline number, drop boxes, and e-mail contacts. The GPMO will report on complaints and grievances and the progress in their resolution to ADB in a quarterly project progress report and in safeguard monitoring reports.

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

Environment

51. An environmental assessment and review framework has been prepared for the program to categorize and provide guidance on environmental safeguards for subsequent tranches of the MFF. These documents comply with the PRC’s regulatory requirements and ADB’s Safeguard Policy Statement and have been disclosed on ADB’s website.

52. **Environmental assessment, reports, and approvals.** Each subproject proposed through tranche 3 have been classified by ADB as category B for environment. A consolidated initial environmental examination (IEE) and EMP have been prepared based on information provided in the domestic environmental impact reports (EIRs) and environment impact tables (EITs), feasibility study reports, and site reconnaissance. The EIRs and EITs for all subprojects have been approved by the local Environmental Protection Bureaus. The IEE and EMP will be updated during detailed design as required.

⁹ ADB. 2009. Safeguard Policy Statement. Manila.

53. **Environmental impacts and mitigations.** Potential environmental impacts from tranche 3 subproject activities include (i) dust, noise, and soil runoff during construction; (ii) temporary traffic disturbances because of transportation of construction materials; (iii) risks to community and workers' health and safety during construction; and (iv) wastewater and solid waste generated during construction and operation. The EMP defines mitigation measures, monitoring requirements, and institutional arrangements to ensure proper environmental management throughout construction and operation. Potential APs and stakeholders were consulted, and their concerns will be addressed through the implementation of the EMP. The GPMO will submit semiannual environmental monitoring reports to ADB and engage an external monitor who will also submit semiannual monitoring reports to both GPMO and ADB.

54. The construction contractors will be responsible for the implementation of the EMP. GPMO, together with PIEs will have the overall responsibility for supervising the contractors' environmental performance, coordinating public consultations and the project GRM, and reporting to ADB through quarterly project progress reports and semiannual internal environment monitoring reports. Each PIE will assign an environment officer to supervise the implementation of EMP. The responsibilities of the environment officer are (i) reviewing and approving site-specific EMPs, (ii) monitoring of EMP implementation, (iii) establishing GRM, (iv) organizing training on environmental management, and (v) updating IEE and EMP (if necessary). GPMO will engage an external monitor who will validate monitoring results and submit semiannual reports to GPMO and ADB.

55. **Environment budget.** GPMO will make available in a timely manner the necessary budget and human resources to fully implement the EMP. The total estimated cost of the EMP implementation is about \$1.492 million (EMP Table 10: Estimated Budget for Environmental Management Plan Implementation). During implementation, records of actual budget should be maintained and included in the project completion report.

56. **Capacity development and training.** The capacity of GPMO, the IAs, and PIEs to coordinate environmental management will be strengthened through the appointment of qualified staff within the GPMO and each PIE, as environmental coordinators in charge of EMP coordination, implementation, and site inspections including GRM. The PMC will include an Environmental Specialist to guide GPMO and PIEs in implementing the EMP and ensuring compliance with ADB's Safeguard Policy Statement. Each PIE will also commission an independent Environmental Supervision Engineer to provide independent monitoring and verification of EMP implementation, as well as commissioning local environmental monitoring stations to conduct environmental quality monitoring.

57. The capacity of GPMO, PIEs and contractors' staff responsible for EMP implementation and supervision will be strengthened through the appointment of qualified staff and training. All parties involved in implementing and supervising the EMP must understand the goals, methods, and practices of project environmental management. A training plan is included in the EMP (see Table EMP-7: Training Program).

58. **Consultation.** During environmental safeguard due diligence (July–September 2020), stakeholder consultations were carried out using questionnaire surveys. Consultations were carried out at all subproject sites and respondents included affected residents from neighboring villages, farmers, students, village committees, and management committees' members. All persons and organizations consulted expressed support for the project. Further consultations will take place before the start of construction works (with due considerations to national and the

World Health Organization guidelines on COVID-19 risks). Meaningful consultations will continue throughout project implementation. Proposed public consultation during construction and operation are set out in the EMP (Table EMP-8: Public Consultation Plan). Proposals include site visits, interviews, workshops, and investigation of specific issues.

59. **Climate risk and vulnerability assessment.** Climate risk and vulnerability assessment concluded that the level of overall climate risk level for the tranche 3 subprojects is medium. Key climate change impacts will be through the increasing storm intensity. GPMP will ensure that detailed engineering design and drawings to be prepared by design institutes incorporate proactive disaster risk reduction and climate adaptation and mitigation measures.

60. Climate mitigation is estimated to cost \$4.57 million and climate adaptation is estimated to cost \$2.11 million. ADB will finance 86% of mitigation costs and 91% of adaptation costs. Key climate change mitigation measures include making use of advanced energy-saving technologies in subproject design, the installation of solar power system, using zero or low greenhouse global warming potential (GWP) refrigerant in the cold warehouse development, increased transport efficiency, and energy-saving, and water saving design in building development through green-building techniques, sponge urban design concept, and new types of building materials.

Involuntary Resettlement

61. The Project is category B for involuntary resettlement. Land acquisition and resettlement impacts of the Tranche 3 are not deemed significant, as the number of significantly affected persons (those who will lose more than 10% of household income and/or will physically be displaced) is less than 200 persons in each subproject. Moreover, most of the APs do not depend on agricultural land for their livelihood and have easy access to non-agricultural employment and cross-border trade facilities to earn their living. Four subprojects; (i) the Chongzuo Cold Chain Logistics Demonstration Subproject, (ii) Chongzuo Sino–Viet Nam Border Economic Zone Demonstration subproject (Phase II), (iii) Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Subproject, and (iv) Fangchenggang Sino–ASEAN Trade and Cultural Exchange Center subproject will require permanent acquisition and/or occupation of 2,069.52 *mu*¹⁰ of land, of which, rural collective land and state-owned farmland of 794.08 *mu* will be acquired, and the rest 1,275.44 *mu* is existing state-owned construction land. Permanent land acquisition will affect 1,961 persons living in 500 households. Houses and structures of 5,057.17 m² will be demolished, affecting 114 persons in 29 households.

62. The construction of the Baise University Sino–Viet Nam Cross-border Training Center subproject and the Baise Cross-border Agricultural Products Industry Chain Upgrading subproject will be constructed on state-owned land and as a result, there will be no land acquisition and resettlement impacts. In the Chongzuo Sino–Viet Nam Border Economic Zone Demonstration subproject (Phase II) and the Chongzuo Cold Chain Logistics Demonstration Subproject, part of the required land had already been acquired before the Project was formulated. While compensation payments have been completed, skills training and income restoration activities are still ongoing, and the land use rights certificate is still being processed. Progress of these activities will be monitored and reported as part of the internal and external monitoring.

63. A draft resettlement plan (RP) has been prepared for each of the four subprojects. They are based on the findings of the feasibility study and the preliminary measurement surveys, and

¹⁰ A *mu* is a Chinese unit of measurement (1 *mu* = 666.67 square meters).

the results of the consultations and group discussions with the APs, IAs, PIEs, and GPMO. The GPMO has already established a grievance redress mechanism and will ensure that the necessary budget, staffing, monitoring, and coordination activities are in place during project implementation. Capacity building activities will be provided to the GPMO and concerned agencies during project implementation. The RDDRs and RPs have been uploaded on ADB's website and on the local government's website. The RDDRs will be reconfirmed or updated, and the RPs will be updated based on detailed design; and will be submitted to ADB for review and approval before the award of civil work contracts and commencement of land acquisition and resettlement activities.

Indigenous Peoples (Ethnic Minorities)

64. The Project is category B for indigenous peoples. The total population in the Project areas was 4,432,620 in 2019, of which the ethnic minorities (EM) population was about 3,730,629 (84%). The predominant groups are Zhuang and Yao ethnic minorities. The subprojects are unlikely to have adverse impacts on EM communities' culture, religion, and belief systems. Ethnic minorities are expected to share the same project benefits and opportunities while measures to address adverse impacts and risks related to involuntary resettlement are reflected in the RPs.

VIII. GENDER AND SOCIAL DIMENSIONS

65. The SDGAP of tranche 3 focuses on how to increase local people's opportunities for improving their life opportunities through the Investment Project, especially of women, and the poor. The Project will generate a robust socioeconomic base in subproject areas to achieve this key objective. It will also help build the capacity of local communities to respond to new employment and cultural exchange opportunities that will be generated by subprojects. Once such a socioeconomic base is established, local government agencies, Women's Federation, and the project management will improve the capacity of the local population to participate in remunerative and culturally fulfilling community participation programs which will, in turn, help improve their living standards and socioeconomic networks. The SDGAP will ensure equal participation of women in development activities and maximization of project benefits for the local communities with positive gender impacts. The expected outputs of SDGAP are (a) increase the participation of local people in expanded employment opportunities with a guaranteed percentages of 30% of employments allocated to women during the project construction and operation phases (DMF gender targets focus on employment generated during the operation phase); (b) lead businesses and enterprises to benefit from the enhancement of community development and regional cooperation and enable them to absorb trained and skilled women and men in subproject areas to their workforces; (c) engage local people and especially women in institutional strengthening and participatory capacity building for project implementation and management; (d) facilitate their participation in cultural exchanges and cross-border economic transactions, and (e) open a window for local people, especially for women, to benefit from the improvement of border area tourism which would generate more employment and income earning opportunities.

66. **Gender.** The Project is categorized as *effective gender mainstreaming*. As found during the social and poverty analysis (PSA), the Project will provide many opportunities to benefit the local people including women and the poor/low-income households in community-level activities. Women can participate in public awareness programs and play an active role in environmental protection in villages. Also, they can benefit from the Project by getting employed as skilled and unskilled workers during the project construction and operation phases, and by participating in project decision-making processes. In addition, they will get skills training that enables them in getting employed in Project activities and elsewhere, thereby improving their household incomes.

The SDGAP ensures that the Project is socially inclusive for women. Adequate measures are in place to proactively support gender mainstreaming. Focus group discussions (FGDs), consultations, field surveys, individual interviews, document review, and discussions with local women and office bearers of the Women's Federation have revealed that gender issues have long been one of the main focuses of local governments in subproject areas. The local women's federations have also, for a long time, been advocating for women's interests to improve their economic and social status. Such local women's federations with the help of local government departments such as public security bureaus and nongovernment institutions have been making great efforts to guarantee women's rights in households and communities and improve their living conditions. E-commerce is one of the important training fields, and the Women's Federation is already providing such training to women in the border areas. The project will establish local Women's Federation branches first at four pilot villages to assist women to strengthen such efforts and will help local governments on gender mainstreaming and empowerment. During the project implementation phase, the number of villages, which receive direct assistance from the Women's Federation, will be increased based on the experiences of the four pilot villages.

Poverty and Social

67. The Social and Poverty Analysis (PSA) shows that the average poverty rate in the project area is 0.92%, however the average poverty rate varied significantly between the subproject areas. For example, the subproject area of the Chongzuo Daxin Sino–Viet Nam Cross-border Tourism is the poorest with the highest poverty rate of 30.8%. The Xinhe Town where the Chongzuo Sino-Viet Nam Border Economic Zone Demonstration Project (Phase II) subproject is located has the lowest poverty rate of 0.15%.

68. The Project will (a) improve interconnections among the populations in subproject areas, (b) enhance the local living environment, (c) introduce targeted intervention measures, (d) exploit natural and geographical advantages of border areas and characteristic advantages of port trade to achieve innovative development in border trade, cross-border e-commerce, and barter trade between border inhabitants, (e) drive the regional economic growth, (f) absorb local labor force for Project activities, thereby increasing their incomes and living standards, and (g) facilitate cultural exchange between the PRC and Viet Nam broadening social and business links between the two countries.

69. It is estimated that the subprojects will annually provide 4,900 additional job opportunities to local residents during the construction period. During the construction phase, 615 skilled jobs, and 985 unskilled jobs will be created. During the operation phase, 1320 skilled jobs and 2010 unskilled jobs will be generated and 30% - 40% of such jobs will be allocated to women. In allocation of the remaining jobs, poor, and vulnerable households will get priority.

70. Residents in the subproject areas will receive training on labor skills and cross-border e-commerce arrangements. The Project will annually train 3,610 residents in employable skills. 36% of them will be poor persons and 40% will be women. Project implementation will promote local economic growth and residents' life chances. In addition, the Project will promote infrastructure conditions and investment environment on the PRC–Viet Nam border providing convenient conditions for human resource development, labor force search, trade, and cultural exchange generating more income earning opportunities for the poor. The cross-border transactions and improved connectivity will facilitate economic growth and create employment opportunities during the construction and operation phases for local communities.

71. The Program will contribute to economic growth in the PRC–Viet Nam border areas and in the PRC and Viet Nam. The improved cross-border connectivity and increased trade and investment will facilitate economic growth and create employment opportunities for local communities during the construction and operation phases and raise the income of residents.

72. The SDGAP is intended to help maximize the project benefit through: (i) training of the local people with careful consideration of the needs of different social groups such as gender, ethnic, and vulnerable groups; and (ii) creating more employment opportunities and making them available to local people paying attention to their gender, ethnicity, and vulnerability. Each subproject has its own action plan outlining proposed activities, targets, responsible agencies, monitoring indicators, budget, and timelines. They are summarized in Table 18 and fully detailed in the SDGAP.

Table 18: Social Development and Gender Action Plan

Proposed Actions	Target Population and Activities	Monitoring Indicators	Responsible Agencies	Funds and Resources
A. Output 1: Support for SMEs in Border Areas Expanded^a				
A1. Baise University Sino–Viet Nam Cross-border Training Center	<p>Target: Local residents and students</p> <p>Activities:</p> <p>1. Conduct training programs: (a) E-commerce training for students; (b) Skills training for enterprises and individuals engaged in cross-border e-commerce; (c) Cross-border tourism management personnel training for students and employees of travel agencies, hotels, restaurants, and scenic spots; and (d) Training on agricultural product quality testing skills for export and import of agricultural projects between the PRC and Viet Nam</p> <p>2. Conduct cultural exchanges by holding a series of activities such as the PRC–Viet Nam youth micro-film competition, PRC–Viet Nam literary and art works exhibition</p>	<p>1.1. Number of men and women trainees who participated in skill development training programs:(a) e-commerce for students, (b) cross-border tourism management, (c)cross-border tourism management personnel training, and (d) agricultural production quality testing (Baseline 2020:0%)</p> <p>1.2. At least 90% of trainees (of whom 40% are women) report increased knowledge in e-commerce, border tourism management, tourism management personnel training, and agricultural product quality testing through annual training programs (Baseline 2020: 0%)</p> <p>2.. Number of persons participate in cultural exchange (of whom 40% are women) between PRC and Viet Nam (Baseline 2020: 0%)</p> <p>3. 170 skilled jobs^b and 180 unskilled jobs^c generated during the project construction phase, of which 40% for women (Baseline 2020:20%)^d</p> <p>4. 20 skilled jobs and 20 unskilled jobs generated by 2025 (project implementation phase); of which 30% for women</p>	<p>1.Baise College to ensure that training and cultural exchanges targets are realized, and that the opportunities for skills training and cultural exchanges are equally available to all students including the poor, female, and ethnic minority students</p> <p>2. IAs to ensure local employment targets are included in contracts</p> <p>3.Contractors to ensure that the employment opportunities are publicized and made available to local people</p> <p>4.PMO social development specialist (consultant) will monitor all activities and include the results in SDGAP monitoring reports</p>	Project fund

Proposed Actions	Target Population and Activities	Monitoring Indicators	Responsible Agencies	Funds and Resources
		(Baseline 2020: 23.8%)		
A2. Baise Cross-Border Agricultural Products Industry Chain Upgrading project	<p>Target: Local residents, farmers, and businessmen improve their incomes through better employment, marketing, and business facilities.</p> <p>Activities:</p> <p>1. Reduce intermediate links of circulation, save costs in freight and labor, reducing production costs, thereby increasing local incomes.</p> <p>2. Provide a convenient and safe trading center for many businessmen.</p>	<p>1. The number of businesspersons (of whom at least 30% are women) benefited from the upgrading activities. (Baseline 2020:0)</p> <p>2.The trading center established. (Baseline 2020:0)</p> <p>3. At least 40% of 70 skilled and 160 unskilled jobs generated during the project construction phase are for women. (Baseline 2020:20%)</p> <p>4. At least 30% of 600 skilled and 1,200 unskilled jobs generated by 2025 (project implementation phase) are for women. (Baseline 2020:22.9%)</p>	<p>1.Guangxi Baise No.1 Agriculture Development Co. Ltd. to ensure that the targets are realized.</p> <p>2.PMO's social development specialist (consultant) will monitor all activities and include the results in the Social Development Action Reports.</p>	<p>Project fund; Development Fund of Guangxi Baise No.1 Agriculture Development Co., Ltd.</p> <p>Financial Budget of the local government</p>
B. Output 2: Integrated Logistics Facilities and Cross-Border E-commerce Platforms for the PRC and Viet Nam Developed				
B 1. Chongzuo Cold Chain Logistics Demonstration Project	<p>Activities:</p> <p>1. Train owners of local small and medium-sized enterprises in enterprise management, marketing, and cross-border businesses</p>	<p>1. Number of men and women who received enterprise management and marketing training (Baseline 2020: 0%)</p> <p>1.2. At least 90% of trainees (of whom 30% are women) report increased knowledge in enterprise management and marketing, and cross-border businesses. (Baseline 2020: 0%)</p> <p>2. 400 skilled jobs and 70 non-skilled jobs generated during the project construction phase, of which 40% for women (Baseline 2020: 20%)</p>	<p>1.Guangxi Chongzuo City Industrial Investment Development Group Co., Ltd. to ensure the targets are realized</p> <p>2.PMO social development specialist (consultant) will monitor all activities and include the result in SDGAP monitoring reports of the Project</p> <p>3. IAs to ensure local employment targets are included in contracts</p> <p>4.Contractors to ensure that the employment opportunities are</p>	<p>Project fund; Development Fund of Chongzuo City Industrial Investment Development Group Co., Ltd.;</p> <p>Financial Budget of the local government</p>

Proposed Actions	Target Population and Activities	Monitoring Indicators	Responsible Agencies	Funds and Resources
		3. 120 skilled jobs and 30 non-skilled jobs generated by 2025 (project implementation phase); of which 30% for women (Baseline 2020: 24.8%)	publicized and made available to local peoples	
C. Output 3: Key Infrastructure and Trade-Related Services in Border Economic Zone Provided^e				
C1. Chongzuo Sino-Viet Nam Border Economic Zone Demonstration Project (Phase II)	<p>Activities:</p> <p>1. Improve road safety arrangements such as (i) safe entry and exit facilities for local roads and vehicles by providing: (ii) Street lamps in key segments and populated areas of the proposed roads; traffic monitoring facilities, including e-police systems, (iii) deceleration strips and signs near villages, schools, and populated areas for the benefit of school children and mothers</p> <p>2. Provide road safety training and awareness to local communities including elderly people, disabled people, women, and school-aged children</p>	<p>1.1 Number of traffic safety signs, traffic signals, and deceleration strips provided near schools and populated areas^f (Baseline 2020:0%)</p> <p>1.2 Number of persons (of whom 60% are women) state that road lighting facilities, traffic monitoring facilities, and improved signage make transport safer (Baseline 2020:0)</p> <p>2.1. Number of community traffic safety awareness training programs (Baseline 2020:0)</p> <p>2.2. At least 80% participants (of whom 50% are women) that participated in community traffic safety awareness training programs report increased awareness of traffic safety (Baseline 2020:0%)</p> <p>3. 100 skilled jobs and 250 non-skilled jobs generated during the project construction phase of which 40% for women (Baseline 2020:20%)</p> <p>4. 50 skilled jobs and 30 non-skilled jobs generated by</p>	<p>1. Chongzuo Xinghe Investment Development Co., Ltd. to ensure that the targets are realized.</p> <p>2.PMO social development specialist (consultant) will monitor all activities and include the result of SDGAP monitoring reports</p> <p>3. IAs to ensure local employment targets are included in contracts</p> <p>4. Contractors to ensure that the employment opportunities are publicized and made available to local peoples</p>	Project funds; Local government finance budgets

Proposed Actions	Target Population and Activities	Monitoring Indicators	Responsible Agencies	Funds and Resources
		2025(project implementation), of whom 30% for women (Baseline 2020:16.2%)		
C2. Fangchenggang Sino–ASEAN Trade and Culture Exchange Center Project	<p>Target: Local residents and students in project area</p> <p>Activities:</p> <p>1. Improvement of bilateral cultural exchanges and friendship between Viet Nam and PRC</p> <p>2. Provision of border trade skills training services</p> <p>3. Provision of bilateral trade information sharing service, technical exchange, product display, bilateral cultural exchange</p>	<p>1.1. Number of persons participated in cultural exchanges, of which 40% women (Baseline 2020: 0)</p> <p>2. At least 80% of trainees (of which 40% women) report increase knowledge and understanding after the training. (Baseline 2020:0)</p> <p>3. Number of bilateral trade sharing, technical exchange, and product display completed. (Baseline 2020:0)</p> <p>4. 80 skilled jobs and 220 non-skilled jobs generated during project construction phase, of which 40% for women (Baseline 2020:20%)</p> <p>5. 100 skilled jobs and 250 non-skilled jobs generated by 2025(project implementation phase); of which 30% for women (Baseline 2020:25.0%)</p>	<p>1. Fangchenggang District Rural Travel Investment Co. Ltd. to ensure the targets are realized.</p> <p>2. PMO social development specialist (consultant) will monitor all activities and include the results in SDGAP monitoring reports.</p> <p>3. IAs to ensure local employment targets are included in contracts.</p> <p>4. Contractors to ensure that the employment opportunities are publicized and made available to local peoples.</p>	Project funds; Local government finance budgets,
Output 4: Cross-Border Tourism Facilities and Policy Coordination Improved.				
D1. Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project	<p>Target: Residents and enterprises in project area</p> <p>Activities:</p> <p>1. Convenient personal services provided for residents and enterprises by constructing a comprehensive online platform</p>	<p>1. At least 80% of person (of whom 50% are women) are satisfied with the online platform. (Baseline 2020:0%)</p> <p>2. At least 80% of tourists and local residents (of whom 40% are women) report satisfaction</p>	<p>1. Guangxi Daxin Anping Investment Co., Ltd. to ensure that the targets are realized</p> <p>2. PMO social development specialist (consultant) will monitor all activities and include</p>	Project funds; Local government finance budgets

Proposed Actions	Target Population and Activities	Monitoring Indicators	Responsible Agencies	Funds and Resources
	<p>2. Improve transportation quality by improving the road network and links</p> <p>3. Provide deceleration strips and traffic signs near the villages, schools, and populated areas, and road safety awareness programs especially for women, children, and older persons Road safety training and awareness programs provided to elderly people, disabled people, women, and school-age children.</p>	<p>regarding shortening of cargo transit time, reduction of congestion, and saving of packaging costs (Baseline 2020: 0%)</p> <p>3. Number of traffic safety signs, traffic signals, and deceleration signs established near schools, villages and populated areas (Baseline 2020:0%)</p> <p>4.1. Number of persons attended community traffic safety awareness publicity programs</p> <p>4.2 At least 80% of trainees (of whom 50% are women) report enhanced knowledge in traffic safety through training and awareness programs. (Baseline 2020:0)</p> <p>4.3. 25 skilled jobs and 45 non-skilled jobs generated during project construction phase, of which 40% for women (Baseline 2020:20%)</p> <p>5. More than 50 skilled jobs and 60 unskilled jobs created by 2025, of which 30% are for women (2020 baseline: 28.3%) (OP 1.2, OP 2.1)</p>	<p>the results in SDGAP monitoring reports of the Project</p> <p>3. IAs to ensure local employment targets are included in contracts</p> <p>4. Contractors to ensure that the employment opportunities are publicized and made available to local people</p>	
E. Promote the Capacity Building of Women Federation at Village Level - 4 Pilot Villages				
Promote Women's Participation in the Project and the Capacity of WF at Village Level to Assist	<p>Activities:</p> <p>1. Support the establishment of local branches of WF in four pilot villages in Jiangzhuo district, Daxin county, Fangcheng district, and Youjiang district</p>	<p>1. 4 e-commerce platforms established in pilot villages (Baseline 2020: 0)</p> <p>2. Number of women trained in business promotion</p>	<p>1.GPMO's social and gender consultant with IAs and WF officials at the county/district and village level</p>	<p>Project capacity building budget</p>

Proposed Actions	Target Population and Activities	Monitoring Indicators	Responsible Agencies	Funds and Resources
Local People, Especially Women	<p>2. WF supports the establishment of women's e-commerce platform in each pilot village</p> <p>3. Hold annual business promotion training programs exclusively for women</p> <p>4. Conduct experience-sharing workshops and case studies as tools of women empowerment</p>	<p>(Baseline 2020:0)</p> <p>3. 90% of women trained report enhanced knowledge in business promotion through annual training programs (Baseline 2020:0)</p> <p>4. Number of experience-sharing workshops and case studies prepared and shared as a tool of women empowerment (Baseline 2020: 0)</p>	2.The result of all the activities accomplished will be included in the Semiannual SDGAP monitoring reports	

ASEAN = Association of Southeast Asian Nations, PMO = project management office, PRC = People's Republic of China, SME = small- and medium-sized enterprises.

^a Overall, more than 620 skilled jobs and 1,220 unskilled jobs created under Output 1 by 2025, of which 30% are for women (2020 baseline: 23.6%).

^b A skilled job requires the proof of special training, knowledge, and experience from the job applicant.

^c An unskilled job does not expect training or knowledge or experience from the job applicant.

^d Baseline uses rate of female workers in non-agricultural sector in Gansu Province and in PIs.

^e Overall, more than 150 skilled jobs and 280 unskilled jobs created under Output 3 by 2025, of which 30% are for women (2020 baseline: 20.8%).

^f Efficient traffic monitoring and e-policing will reduce the number of traffic accidents. School children and mothers complained that they feel unsafe to travel on roads and poor quality of road and pedestrian facilities on roads. With road transport system improved and monitored women feel safer and children feel safer to go to school by public transport, allowing their mothers to engage in productive work and earn an income.

Source: Asian Development Bank.

Skills Training Programs for Women—Procedures

73. To ensure effective SDGAP implementation, it is necessary to further clarify how to focus on gender in skills training programs.

1. Number/Percentage of Women for Each Output.

74. Based on interviews with the local WFs, field investigations, percentages of women for various training and assistance programs will be identified to meet the overall SGAP targets.

2. Implementation of Skills and Awareness Training Programs for All Outputs.

75. Women will be encouraged to participate in project activities and improve their ability to earn better income. PMOs and IAs at all levels will be sensitized to this requirement.

- (i) **First Stage: Training syllabus preparation.** Assessment of training needs of residents and SMEs in subproject areas will be done before formulating training content, deciding teaching methods, selecting of training locations, and deciding registration procedures. This will be done by soliciting residents' opinions on training design using questionnaires, interviews, and conferences. Ideas and suggestions and will be collected based on interviews with not less than 50% of female residents in sample villages, at various age categories, and educational levels.
- (ii) **Second Stage: Developing the training implementation plan.** (a) The scope of training targets will be defined, based on training content, and purposes. For example, training targets for employment, and skills development are mainly for women in the age category of 16-64 years, while training on traffic safety and awareness will be given across all ages. (b) Considering the training targets and contents, the training location will be flexibly determined so as to ensure that more women can easily obtain training opportunities; (c) Considering women's low educational levels, training methods will combine course teaching with on site demonstration. (d) The design of training courses will be based on training target selection. For example, e-commerce business training will accomplish skill building of women by the local WF, who can lead and drive the development of more common women in the community. Some women with junior high school and high school education degree or above, and those who have a strong sense of marketing will be chosen as leaders and facilitators.
- (iii) **Third Stage: Issuing training notices and conducting training.** (a) Residents in the subproject areas will be informed of the training programs through community meetings, posting of notices, and/or mobile WeChat group communication. The training notices will specify the training content, location, form, and feedback phone, and contact person. (b) PMOs and IAs will publish a list of candidates who are willing to receive training before the courses start including information such as gender, age, contact information, and addresses. If a woman drops out, the agency will contact a new trainee from the list.
- (iv) **Fourth Stage: Training impact assessment and evaluation.** During or after training, an assessment will be conducted on the content, form, duration, location and the faculty of the training, and such improvement feedback will be incorporated into the next training course.

3. **Cultural Exchange Programs of the Baise University Sino–Viet Nam Cross-border Training Center Subproject**

76. The training programs at the Baise University Sino–Viet Nam Cross-border Training Center are for two groups.

- (i) **National and International Students of Baise University.** Students who are interested in training programs can participate regardless of their age, gender, and ethnic identity. At the same time, students from poor families, ethnic minorities, and women are encouraged to participate in training programs.
- (ii) **Residents with training needs.** Women in the project areas are the main carriers of cultural inheritance and the sharers of folk art and crafts. Therefore, the Project will make full use of the skills of such local women. Firstly, some folk artists who are experts in abstract cultural heritage presentation will be invited as part-time lecturers at the Center. They will also be given priority allocation of venues to display their works. Secondly, the subproject will encourage, and promote more women to participate in cultural exchange activities and training programs, the training will not set restrictions such as age or educational level and, those who are from poor families can apply for some payment relief for training course fees and accommodation.

77. The trainees and visitors can decide where to stay during their training. If they prefer to stay at the hotel, (one of the project buildings), they can get their meals from the school canteen. Fees for accommodation or meals will be lower than the market prices nearby the University.

B. Budget and Implementation Arrangements

78. A Social Development/Gender Specialist (national consultant) will guide the implementation of the SDGAP. The implementation of the SDGAP will be financed by the project budget and local government budgets. With the support from the national consultant, the GPMO will coordinate the implementation of the SDGAP and will assign a focal point at each subproject to assist the implementation of SDGAP. The local WF representatives will also assist the implementation of the SDGAP at the subproject level.

79. IAs in coordination with the contractors and village committees (town government, if necessary) will ensure that local laborers (both men and women) are employed during the project construction and implementation by giving priority to those local people who lost their land partially to the Project.

80. The local government (mainly town government or similar level government) and village committee will ensure that all complaints and appeals relevant to the proposed subprojects are documented and responded to in a timely manner. IAs and contractors will also have focal persons to coordinate the operation of the grievance redress mechanism.

C. Monitoring and Evaluation

81. Monitoring and evaluation of the SDGAP will be incorporated into the overall monitoring and evaluation framework of the Project. The national consultant will work with IAs and the EA to orient them on SDGAP's requirements and to develop a detailed implementation and monitoring plan for SDGAP. The national consultant will guide the drafting of the first SDGAP Implementation

Progress Report and will review subsequent monitoring and progress reports, prepared by the IAs. They will submit semiannual monitoring reports to the EA and ADB for review and approval. Updated and revised project information and SDGAP implementation status will be included in the project progress reports, midterm evaluation reports, and project completion reports. An external monitor will verify the internal monitoring findings. ADB's gender specialists will participate periodically in project review missions and guide the PMO, IAs, and other relevant agencies, which are involved in social and gender development.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

DESIGN AND MONITORING FRAMEWORK FOR PROJECT TRANCHE 3

Impacts the Project is Aligned with			
(i) Economic growth potential for border areas in the PRC and Viet Nam realized (Strategy and Action Plan for Participation in the GMS Economic Cooperation Program) ^a (ii) Efficient transport and trade operations along GMS North–South Economic Corridor achieved (GMS North–South Economic Corridor Strategy and Action Plan) ^b (iii) Economic integration between GZAR and the rest of GMS further strengthened (Strategy and Action Plan for Participation in the Great Mekong Subregion Economic Cooperation Program) ^a			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
Outcome Benefits of regional cooperation and integration in border areas of Guangxi and northern Viet Nam captured	By 2025, cross-border trade between Guangxi and Viet Nam reaches \$32.6 billion (2019 baseline: \$25.2 billion) (OP 7.2) ^c	a. Periodic reports to the GMS Economic Corridor Forum b. GZAR report and statistics c. Project completion report	R: Reduced coordination between the governments of the PRC and Viet Nam on border area development due to shifting priorities
Outputs 1. Support for SMEs in border areas expanded	1a. Expansion of Baise University to increase its training capacity by 2, 650 trainees (including 100 Vietnamese trainees) in skills sought by SME Chinese and Viet Nam employers completed by March 2024. (2020 baseline: 3,000) (OP 7.3.3) 1b. One 89,052 m ² facility with fruit sorting and packaging lines, fruit processing lines, a fruit and vegetable trading area, and refrigerated trucks, and containers constructed at the Sino–ASEAN Agricultural Products Trade Center in Baise by December 2023. (Baseline: 0) (OP 5.2.2) 1c. At least 620 skilled jobs and 1220 unskilled jobs created by 2025, of which 30% are for women (2020 baseline: 23.6%) (OP 1.2, OP 2.1)	1a–1c Project monitoring reports PIE employment records	R: Frequent movement of trained staff in GPMO and PIEs may impact the project implementation

<p>2. Integrated logistics facilities and cross-border e-commerce platforms for the PRC and Viet Nam developed</p>	<p>2a. One 40,000 m² cold warehouse using refrigerant with low greenhouse gas weighting potential in Chongzuo Sino–Thailand Industrial Park constructed by June 2024. (2020 baseline: 0) (OP 3.1.5)</p> <p>2b. Relevant MIS ICT systems in Sino–ASEAN Agricultural Products Trade Center and Chongzuo Sino–Thailand Industrial Park installed and fully functional by June 2024. (2020 baseline: 0) (OP 7.1.1)</p> <p>2c. At least 120 skilled jobs and 30 unskilled jobs created by 2025, of which 30% are for women (2020 baseline: 24.8%) (OP 1.2, OP 2.1)</p>	<p>2a–2c Project monitoring reports</p> <p>PIE employment records</p>	<p>R: Transport network to and from the Chongzuo cold chain facility may not be optimized to achieve full efficiency improvements due to policy coordination difficulties among relevant administration agencies.</p>
<p>3. Key infrastructure and trade-related services in BEZs provided</p>	<p>3a. Construction of six roads (12.39 km) and expansion of one water plant with additional capacity of 15,000 m³/day in Chongzuo Sino–Viet Nam BEZ completed by September 2023 (2020 baseline: 0 km, and 4,000 m³/day) (OP 7.1.1)</p> <p>3b. 46 km of water supply pipes installed or upgraded in Chongzuo Sino–Viet Nam BEZ by August 2023. (2020 baseline: 9 km) (OP 7.1.1)</p> <p>3c. One 83,000 m² facility for frozen imported frozen aquaculture product processing factories, logistics center, an exhibition center, and a service building constructed in Fangcheng BEZ by June 2024 (2020 baseline: 0) (OP 5.2.2)</p> <p>3d. At least 150 skilled jobs and 280 unskilled jobs created by 2025, of which 30% are for women (2020 baseline: 20.8%) (OP 1.2, OP 2.1)</p>	<p>3a–3d Project monitoring reports</p> <p>PIE employment records</p>	
<p>4. Cross-border tourism facilities and policy coordination improved</p>	<p>4a. One visitor center and 16.28 km access roads for Chongzuo Daxin Sino–Viet Nam Cross-Border Tourism Cooperation Zone constructed by March 2024. (2020 baseline: 0) (OP 7.1.1)</p> <p>4b. At least one measure related to Chongzuo Daxin Sino–Viet Nam Cross-Border Tourism Cooperation Zone administration and operation agreed and implemented by GZAR and Cao Bang Province of Viet Nam by March 2025. (2020 baseline: none applicable) (OP 7.2.1)</p> <p>4c. More than 50 skilled jobs and 60 unskilled jobs created by 2025, of which 30% are for women (2020 baseline: 28.3%) (OP 1.2, OP 2.1)</p>	<p>4a–4c. Project monitoring reports</p> <p>PIE employment records</p>	
<p>Key Activities with Milestones</p>			

1. Support for SMEs in border areas expanded

SP1. Baise University Sino–Viet Nam Cross-border Training Center subproject

- 1.1.1 Complete detailed design by Q3 2021
- 1.1.2 Advertise for procurement contracts by Q2 2022
- 1.1.3 Complete bidding process by Q3 2022
- 1.1.4 Complete training facilities construction and equipment installation by Q1 2024

SP2. Baise cross-border agricultural products industry chain upgrading subproject

- 1.2.1 Complete detailed design by Q3 2021
- 1.2.2 Advertise for procurement contracts by Q2 2022
- 1.2.3 Complete bidding process by Q3 2022
- 1.2.4 Complete facilities construction and equipment installation by Q4 2023

2. Integrated logistics facilities and cross-border e-commerce platforms for the PRC and Viet Nam developed

SP3. Chongzuo cold chain logistics demonstration subproject

- 2.1.1 Complete detailed design by Q4 2021
- 2.1.2 Advertise for procurement contracts by Q2 2022
- 2.1.3 Complete bidding process by Q3 2022
- 2.1.4 Complete civil works for cold chain related facilities by Q4 2023
- 2.1.5 Install goods for cold chain related facilities by Q1 2024
- 2.1.6 Confirm the functioning of expanded cold chain facilities by Q2 2024

3. Key infrastructure and trade-related services in BEZs provided

SP4. Chongzuo Sino–Viet Nam Border Economic Zone demonstration subproject (Phase II)

- 3.1.1 Complete detailed design by Q1 2022
- 3.1.2 Advertise for procurement contracts by Q2 2022
- 3.1.3 Complete bidding process by Q3 2022
- 3.1.4 Complete civil works for related facilities by Q3 2023

SP6. Fangchenggang Sino–ASEAN Trade and Culture Exchange Center subproject

- 3.2.1 Complete detailed design by Q4 2021
- 3.2.2 Advertise for procurement contracts by Q3 2022
- 3.2.3 Complete bidding process by Q4 2022
- 3.2.4 Complete civil works construction of trade center by Q2 2024

4. Cross-border tourism facilities and policy coordination improved

SP5. Chongzuo Daxin Sino–Viet Nam cross-border tourism subproject

- 4.1 Complete detailed design by Q4 2021
- 4.2 Advertise for procurement contracts by Q2 2022
- 4.3 Complete bidding process by Q4 2022
- 4.4 Complete civil works update of two roads and the construction of visitor center by Q1 2024

Project Management Activities

Complete consultant selection by Q1 2022

Prepare and manage implementation and procurement plans (Q3 2021–Q1 2025)

Monitor project performance and ensure timely delivery of outputs (Q3 2021–Q1 2025)

Inputs

ADB: \$140.0 million (loan)

Government: \$186.7 million

BEZ = border economic zone, GMS = Greater Mekong Subregion, GPMO = Guangxi Foreign Loans Project Management Office, GZAR = Guangxi Zhuang Autonomous Region, ICT = information and communication technology, MIS = management information science, OP = operational priority, PIE = project implementing entity, PRC = People's Republic of China, Q = quarter, RCI = regional cooperation and integration, SMEs = small and medium-sized enterprises, SP = subproject, SPS = sanitary and phytosanitary.

^a Government of Guangxi Zhuang Autonomous Region. 2014. *Strategy and Action Plan for Participation in the Greater Mekong Subregion Economic Cooperation Program, 2014–2022*. Nanning.

^b ADB. 2010. *Strategy and Action Plan for the Greater Mekong Subregion North–South Economic Corridor*. Manila.

^c Outcome indicator is same as the whole facility outcome indicator, hard to split into each tranche.

Source: Asian Development Bank.

Contribution to Strategy 2030 Operational Priorities:

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 (Appendix 5 of the PFRR).

B. Monitoring

82. **Project performance monitoring.** The project performance monitoring system indicators, as specified in the design and monitoring framework, will include (i) gross domestic product growth, and (ii) Guangxi's cross-border trade with Viet Nam. At the start of project implementation, the EA, IAs, and PIEs, with support of the project management consultants will develop comprehensive PPMS procedures to generate data systematically on project outcome, inputs, and outputs of each subproject. These will be used to measure the tranche 3 impacts, outcome, outputs, and compliance with ADB safeguard policy requirements. The EA will (i) refine the PPMS framework, (ii) establish and/or verify the baselines, (iii) confirm achievable targets, (iv) finalize the monitoring and recording arrangements, and (v) establish data collection systems and reporting procedures no later than nine months after the loan effectiveness. A project performance monitor specialist, engaged under the project management support for tranche 3, will support the executing, and IAs and PIEs to conduct appropriate project monitoring. Disaggregated baseline data and output and outcome indicators gathered during project processing will be updated and reported quarterly through the quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.¹¹

83. **Compliance monitoring.** The EA, with assistance of the IAs, PIEs, and the project management consulting service will conduct compliance monitoring, submit periodic (at least semiannual) reports to ADB concerning the use of the loan proceeds, project implementation, project implementation performance, and compliance of loan, and project covenants. These reports will also include (i) progress reports on project implementation including environment, involuntary resettlement, and SDGAP; (ii) consolidated annual reports; (iii) semiannual internal environmental monitoring report; (iv) semiannual environmental external monitor report; (v) semiannual external resettlement monitoring report and SDGAP; and (vi) a project completion report, which should be submitted not later than three months after the completion of the project facilities. The compliance status of loan and project covenants will be reported and assessed through quarterly progress report and consolidated annual reports. ADB review missions will verify the status.

84. **Environmental compliance monitoring.** Three types of project monitoring will be conducted under the EMP:

- (i) **Project readiness monitoring:** Conducted by the PMC environment specialist or GPMO environmental focal point (under the support of EEM);
- (ii) **Environmental quality monitoring:** Conducted by a local environment monitoring specialist (EMS) (contracted by the project implementation units) involving the collection and analyses of air quality and noise data at designated monitoring locations to assess compliance with applicable environmental quality and emission standards during construction; and
- (iii) **Compliance monitoring or auditing:** Conducted by the external environment monitor to verify EMP compliance during project.

85. The Environmental Supervision Engineers will carry out day-to-day supervision of implementation of the EMP. The environment specialist of PMC will visit the project sites on regular basis and support GPMO in developing the quarterly project progress reports and the

¹¹ ADB's project performance reporting system is available at <https://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

semiannual environmental monitoring reports. The reports should confirm the project's compliance with the EMP and local legislation, identify any environment-related implementation issues and necessary corrective actions. Operation and performance of the project GRM, environmental institutional strengthening, and training, public consultation, compliance with all covenants under the project and site photographs will also be included in the report. A template for the environmental monitoring report is included in the IEE.

86. ADB will oversee project compliance based on the quarterly project progress reports and annual environmental monitoring reports provided by GPMO and review missions (generally 1-2 times/year).

87. **Involuntary resettlement:** Internal and external monitoring of the RP implementation will be conducted. The GPMO will carry out internal supervision and monitoring to ensure compliance with the provisions of the RPs and corrective actions and submit internal resettlement monitoring reports semi-annually during project implementation, to be submitted together with the semiannual social monitoring reports. The GPMO will also employ an external monitoring agency to carry out its own verification and monitoring. Semiannual external monitoring reports and resettlement completion reports will be prepared and submitted to the GPMO and ADB and will be uploaded on the ADB website.

88. **Gender and social dimensions monitoring.** In accordance with ADB's PPMS requirements, a M&E plan for the gender and social development activities will be developed during the tranche 3 implementation. The plan will provide key indicators for monitoring poverty, gender, and social aspects of each subproject. In addition to the internal monitoring conducted by the project city governments and the project management consulting services, a resettlement and social external monitoring consultant—a qualified consulting company or a research institute or an individual consultant—will be engaged by GPMO to analyze socioeconomic, gender, and poverty impacts of the subprojects. The key indicators in the SDGAP will be monitored and included in PPMS.

C. Evaluation

89. The EA, IAs, and ADB will undertake semiannual review mission to evaluate the progress of project implementation. The EA, IAs, and ADB will undertake a comprehensive midterm review two years after the start of project implementation to have a detailed evaluation of the scope, implementation arrangements, resettlement, achievement of scheduled targets, and progress on the agenda for policy reform and capacity building measures. Feedback from the PPMS activities will be analyzed. Within three months of physical completion of the project, the EA will submit a project completion report to ADB.

D. Reporting

90. The EA and IAs will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; (iii) semiannual environment and resettlement safeguards monitoring reports and (iv) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts, audited project financial statements, and the audited entity financial statements together with the associated auditor's report, should be adequately reviewed.

91. Table 19 summarizes key reporting requirements during the subproject implementation.

Table 19: Key Reporting Requirements

Related LA/PA Clauses	Name of the Report/Document/Content	Timing of Reporting
Project Implementation Management		
PA Article II, section 2.09(a)	<ul style="list-style-type: none"> Audited financial managements of project accounts Auditor's Report (including Auditor's opinion) 	Before 30 June of each year from 2022 throughout implementation period
PA Article II, section 2.08(b)	<ul style="list-style-type: none"> Quarterly progress reports on project implementation Consolidated Annual Report 	Every quarter until the completion of project
PA Article II, section 2.08(c)	Project Completion Report	Within three months after the physical completion of the project
Environment		
PA Schedule, Para. 3	Internal Environmental Monitoring	Included in the quarterly progress report
PA Schedule, Para. 10 (a) (i)	Semiannual Environmental Progress Report	Semi-annually until the project completion and annually until two years after the completion of the project
PA Schedule, Para. 10 (a) (i)	Semiannual Environmental Monitoring Report	Semi-annually until the project completion and annually until two years after the completion of the project
PA Schedule, Para. 10 (a) (i)	Semiannual External Environmental Monitoring Report	Semi-annually until the project completion and annually until two years after the completion of the project
Resettlement		
PA Schedule, para. 10 (a) (ii)	Semiannual Internal resettlement and social monitoring report	Included in the quarterly progress report
PA Schedule para. 10 (a) (ii)	Semiannual external resettlement monitoring report	Semi-annually until the Project completion and annually until two years after the completion of resettlement activities
PA Schedule para. 10 (a) (ii)	Resettlement completion report (provided for each resettlement plan)	When the resettlement programs are completed
Gender & Social aspects		
PA Schedule para. 15	Progress of the implementation of social development and gender action plan	Reported annually in the consolidated annual report, and verified by the external resettlement and social monitoring report

E. Stakeholder Communication Strategy

92. The Stakeholder Communication Strategy is based on the principles of transparency, timeliness, meaningful participation, and inclusiveness. The strategy ensures that vulnerable groups, such as the poor, and women, who risk further marginalization, are provided opportunities for communication and feedback during subproject design and implementation. Meaningful participation is defined as a process that: (i) begins early in the project preparation stage; and is carried out throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to the APs.

93. Stakeholders include: (i) each subproject's direct and indirect beneficiaries especially small business operators and employees of cross-border trade-related businesses; (ii) mass organizations; (iii) BEZ and border crossing point management committees, and PIEs that are responsible for community-level border social economic development, and site management; (iv) private sector operators who share an interest in the outcomes and/or impacts of the subproject; and (v) government agencies having a role in subproject implementation. The strategy serves to inform and support community development, enhance government capacity to manage project outcomes, and enhance project benefits while mitigating negative impacts.

94. The Stakeholder Communication Strategy is designed to ensure: (i) a regular flow of reliable project information; (ii) ownership over project outcomes and interest and/or willingness to take advantage of the project benefits; (iii) inclusion of vulnerable groups in benefit distribution and project implementation; and (iv) the promotion of border regional development.

95. The EA and IAs will develop, establish, and maintain a dedicated website or new media tools like "WeChat" public platform for this project. The website or platform will include the following information: (i) periodic financial request report (PFRR) and the PAM for tranche 3; (ii) procurement information (bidding procedures, bidders, and contract awards); (iii) annual work plans; (iv) quarterly and annual progress reports and the project completion report; (v) environmental and social safeguards documents and their monitoring reports; (vi) information on grievance redress mechanisms; and (vii) technical reports and knowledge products produced by the project. ADB will provide a quarterly update on the program on its website. The EA and IAs will upload the above information on their websites and platforms.

X. ANTICORRUPTION POLICY

96. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹² All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the EA and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.¹³

97. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project.

¹² Anticorruption Policy: <https://www.adb.org/documents/anticorruption-policy>.

¹³ ADB's Integrity Office web site: <https://www.adb.org/integrity>.

XI. ACCOUNTABILITY MECHANISM

98. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.¹⁴

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

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

No.	Description of Revision	Date

¹⁴ Accountability Mechanism. <https://www.adb.org/who-we-are/accountability-mechanism/main>.

Appendix 1: TRANCHE 3 SUBPROJECT SUMMARY

I. SUBPROJECT 1: BAISE UNIVERSITY SINO-VIET NAM CROSS-BORDER TRAINING CENTER

A. Project Description

1. Baise University servicing around 17,600 students, is located around six-kilometer (km) north of central Baise City, near the border with Viet Nam and provides vocational education and training including subjects such as cross-border trade, e-commerce, tourism, food security, agriculture, and language and translation. The university is building partnerships with local companies to supply much needed skills and plans to increase its capacity to around 30,000 students within the next five years.

2. The proposed training center is on the existing campus of Baise University and will primarily serve the School of Continuing Education which trains adult students and provides corporate training programs, has more than 3,000 students and yet does not have permanent facilities. The new facilities will also be accessible to existing students and faculties.

3. The Project involves expansion of Baise University to increase its training capacity by around 2,650 students in skills sought by local employers such as international trade, e-commerce, tourism, food security, agriculture, and language, and translation, and includes particular features such as an Art and Culture Exhibition Hall, Culture Exchange Performance Center, and PRC-Viet Nam Training Center including training laboratories for e-commerce and data center operation, together with surrounding landscaping. Accordingly, the subproject is expected to promote small- and medium- enterprises (SME) development in the border area.

Table 20: Subproject 1 Project Elements

No.	Item	Description
1	Training center	
1	International Exchange Center	12 floors above ground, 1 floor underground, floor height 3.6 m, floors 1 - 3 are 4.8 m high, building height 46.80 m Total floor area 14,155 m ² , Building area 1,089 m ²
2	Practice Teaching Center	12 floors above ground, 1 floor underground, floor height 3.6 m, building height 46.80 m Total floor area 14,155 m ² Building area 1,089.00 m ²
3	Cultural Exchange Center	3 floors above ground, 1 floor underground, floor height 4.8 m, building height 14.40 m, The performance center height is 9.6m high. Total floor area 3,001 m ² Building area 846 m ²
2	Teaching base	
1	Site area	493,764 m ²
2	Road for vehicles	5 m wide, 3,700 m long
3	Walking trail	3 m wide, 5,262 m long
4	Kiosk	569 m ²
5	Cultural corridor	1,530 m ²
6	Teaching site engineering	3,057 m ²
7	Landscaping	Tree, shrub, and grass planting, 15,000 m ²

No.	Item	Description
8	Site paving	272 m ²
9	Side slope	20,000 m ³
10	Earthwork	100,000 m ³
11	Underpass	200 m long, 9 m wide, 4.5 m high
12	Chain bridge	100 m long, 2 m wide
13	Public toilet	2 locations, 30 m ² each
14	110kV high voltage line relocation	

kV = kilovolt, m = meter, m² = square meter, m³ = cubic meter

B. Costs and Financing

Table 21: SP1 Detailed Cost Estimates by Financier

No	Item	Amounts in Mn CNY			Amounts in Mn USD			% of Cost Category		
		ADB	Govt	Total	ADB	Govt	Total	ADB	Govt	Total
A	Investment Costs									
1	Works	110.80	59.48	170.28	16.86	9.05	25.92	65.1%	34.9%	100.0%
2	Goods	20.60	13.39	33.99	3.14	2.04	5.17	60.6%	39.4%	100.0%
3	Project Preparation and Supervision	-	25.64	25.64	-	3.90	3.90	0.0%	100.0%	100.0%
	Total Base Costs (A)	131.39	98.51	229.90	20.00	14.99	34.99	57.2%	42.8%	100.0%
B	Contingencies									
1	Physical contingency		10.21	10.21		1.55	1.55	0.0%	100.0%	100.0%
2	Price contingency		9.29	9.29		1.41	1.41	0.0%	100.0%	100.0%
	Subtotal (B)	-	19.50	19.50	-	2.97	2.97	0.0%	100.0%	100.0%
C	Financial Charges during Construction	-	14.33	14.33	-	2.18	2.18	0.0%	100.0%	100.0%
	<i>ADB</i>									
1	Interest		3.31	3.31		0.50	0.50	0.0%	100.0%	100.0%
2	Commitment fee		0.18	0.18		0.03	0.03	0.0%	100.0%	100.0%
	<i>LFI</i>									
	Interest		10.84	10.84		1.65	1.65	0.0%	100.0%	100.0%
	Total Cost	131.39	132.34	263.73	20.00	20.14	40.14	49.8%	50.2%	100.0%

C. Procurement Packages

1. ADB Financing

Goods, Works, and Non-consulting services						
Package Number	General Description	Estimated Value (in \$ '000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)
BS-CO-C1	Baise University Sino-Viet Nam Cross-border Training Center: Construction of two 12 story and one 3 story buildings with total floor area 31,300 m ² , and a pedestrian / vehicle underpass linking west and east campuses.	21,073	NCB	Prior	1S1E	Q2 2022
BS-CO-G1	Baise University Sino-Viet Nam Cross-border Training Center: Supply / installation of audio-visual equipment, stage lighting, and sound system, film studio equipment.	1,674	NCB	Prior	1S1E	Q1 2023

BS-CO-G2	Baise University Sino–Viet Nam Cross-border Training Center: Supply / installation of food product testing laboratory equipment	1,774	NCB	Post (Sampling)	1S1E	Q1 2023
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2. Non-ADB Financing

Goods, Works, and Non-consulting services				
Package Number	General Description	Estimated Value (\$ '000)	Estimated Number of Contracts	Procurement Method
BS-CO-C2	Baise University Sino–Viet Nam Cross-border Training Center: Construction of road including earthworks, slope protection, and landscaping, a walking trail, and educational exhibits.	7,437	1	NCB
BS-CO-G3	Baise University Sino–Viet Nam Cross-border Training Center: Supply / installation of furniture, teaching aids, e-commerce training equipment, data center.	2,242	4	NCB

II. SUBPROJECT 2: BAISE CROSS-BORDER AGRICULTURAL PRODUCTS INDUSTRY CHAIN UPGRADING PROJECT

A. Project Description

4. The site is 12 km southeast of Baise City center, adjacent to an interchange of two expressways, and with a freight station on Nanning–Kunming Railway to the south, and a branch line to a fuel storage facility to the north of the site. The site occupies part of a larger plot which is already partially developed and currently includes: i) two cold storage buildings with capacity of 56,000 tons, and ii) a service center building. In addition to the proposed development a seafood processing facility is planned, and an e-commerce center building is under construction.

5. The proposed subproject includes the construction of a facility with fruit sorting and packaging lines, fruit processing lines, a fruit and vegetable trading area, and refrigerated trucks, and containers, having the initial aim of value addition for key agricultural products produced by local SMEs and their onward distribution by rail transport, but also having potential for handling agricultural imports from ASEAN countries.

6. Relying on abundance of local agricultural resources, Baise plays an important role in the national program of fruit and vegetable in the South supply to the North and further development under this subproject aims to i) eliminate rural poverty and the promotion of rural development, ii) promote agricultural industry cooperation in the PRC–ASEAN free trade agreement member countries, iii) promote rail logistics to Europe, iv) provide integrated service platform and network system of cold chain logistics, promoting production and marketing linkage, and promoting agricultural production and increasing farmers' income.

Table 22: Subproject 2 Project Elements

No.	Item	Area (square meters)	Stories
1	Mango processing workshop	57,460	1
2	Agricultural products trading area (including fruit sorting lines)	31,592	1
3	Total building area (new construction)	89,052	1

B. Costs and Financing

Table 23: SP2 Detailed Cost Estimates by Financier

No	Item	Amounts in Mn CNY			Amounts in Mn USD			% of Cost Category		
		ADB	Govt	Total	ADB	Govt	Total	ADB	Govt	Total
A	Investment Costs									
1	Works	98.56	47.46	146.01	15.00	7.22	22.22	67.5%	32.5%	100.0%
2	Goods	-	86.01	86.01	-	13.09	13.09	0.0%	100.0%	100.0%
3	Project Preparation and Supervision	-	39.01	39.01	-	5.90	5.94	0.0%	100.0%	100.0%
	Total Base Costs (A)	98.56	172.48	271.03	15.00	26.22	41.25	36.4%	63.6%	100.0%
B	Contingencies									
1	Physical contingency	-	11.60	11.60	-	1.77	1.77	0.0%	100.0%	100.0%
2	Price contingency	-	10.91	10.91	-	1.66	1.66	0.0%	100.0%	100.0%
	Subtotal (B)	-	22.51	22.51	-	3.43	3.43	0.0%	100.0%	100.0%
C	Financial Charges during Construction		7.62	7.62		1.16	1.16	0.0%	100.0%	100.0%
	Total Cost	98.56	202.61	301.17	15.00	30.80	45.84	32.7%	67.3%	100.0%

C. Procurement Packages

1. ADB Financing

Goods, Works, and Non-consulting services						
Package Number	General Description	Estimated Value	Procurement Method	Review	Bidding Procedure	Advertisement Date
		(\$'000)				
BS-N1-C1	Baise Cross-Border Agricultural Products Industry Chain Upgrading project: Construction of nine 1 story factory buildings, total floor area 89,000 m ²	24,446	NCB	Prior	1S1E	Q2 2022

2. Non-ADB Financing

Goods, Works, and Non-consulting services				
Package Number	General Description	Estimated Value (\$ '000)	Estimated Number of Contracts	Procurement Method
BS-N1-G1	Baise Cross-Border Agricultural Products Industry Chain Upgrading project: Supply / installation of fruit processing equipment (Mango, cherry tomato, citrus, kiwi automatic sorting lines; automatic mango peeling machine, drying room, packaging line; pulping, dicing, candy production line; fruit vinegar / wine production line; carton production line)	7,717	1	NCB
BS-N1-G2	Baise Cross-Border Agricultural Products Industry Chain Upgrading project: Supply of trucks (5 No.13.5m tractor/trailer, 20 No. refrigerated containers, 15 No. 5 ton delivery vehicles)	4,660	1	NCB
BS-N1-G3	Baise Cross-Border Agricultural Products Industry Chain Upgrading project: Supply / installation of warehouse air conditioning and quick freezer equipment	1,473	1	NCB

BS-N1-G4	Baise Cross-Border Agricultural Products Industry Chain Upgrading project: Supply / installation of food product testing equipment	551	1	NCB
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III. SUBPROJECT 3: CHONGZUO COLD CHAIN LOGISTICS DEMONSTRATION PROJECT

A. Project Description

7. The two facilities are planned to be constructed in the PRC–Thailand Chongzuo Industrial Park, on two separate plots around 8 km apart. The sites are around 10 km east, and 15 km northeast of Chongzuo City, respectively. The bonded warehouse (not temperature controlled) is proposed for a plot adjacent to the Zuo River, while the cold storage facility will be located adjacent to the Nanning to Xiangxiang railway which is under construction and expected to open in 2022.

8. There is currently no cold storage in the PRC–Thailand Chongzuo Industrial Park, although some individual companies have their own warehouses on a smaller scale, and the need for cold storage is growing rapidly at an annual rate of 15%–20% in response to market demand. In Guangxi in 2019 there was existing cold storage of 1.38m tons, and there were plans to add 0.6m tons in 2020. In Chongzuo, it is estimated 0.12m tons are needed.

9. The information and communication technology (ICT) component of the project is the supply/installation/commissioning of an integrated logistics/e-commerce system including network hardware/software, e-commerce system, cross-border transaction system, supply chain finance system, vehicle tracking, and management system. Elements of the ICT system would be applicable to both the cold storage and bonded warehouse components.

10. The subproject will construct logistics facilities comprising a bonded warehouse (36,960 m²) and yard (26,605 m²), adjacent to the newly constructed river port serving the economic zone, and a cold storage facility (cold storage [39,691 m²], standard factory building [7,480 m²], auxiliary warehouse, business office building, etc. [4,896 m²]) located close to rail and expressway junctions on the principal Pinxiang–Chongzuo–Nanning transport corridor. These facilities will serve companies in the economic zone, and the cold storage facility will also serve logistics providers transporting imported products brought overland from ASEAN countries, as well as products imported from the nearby seaports. The proposed facilities will serve 12% of fruit and 25% of meat of the total import demand of Chongzuo City.

B. Costs and Financing

Table 24: Subproject 3 Detailed Cost Estimates by Financier

No	Item	Amounts in Mn CNY			Amounts in Mn USD			% of Cost Category		
		ADB	Govt	Total	ADB	Govt	Total	ADB	Govt	Total
A	Investment Costs									
1	Works	162.92	139.86	302.78	24.80	21.29	46.09	53.81%	46.2%	100.0%
2	Goods	-	28.40	28.40	-	4.32	4.32	0.0%	100.0%	100.0%
3	Project Preparation and Supervision	-	34.47	34.47	-	5.25	5.25	0.0%	100.0%	100.0%
4	Land Acquisition and Resettlement	-	9.60	9.60	-	1.46	1.46	0.0%	100.0%	100.0%
	Total Base Costs (A)	162.92	212.32	375.24	24.80	32.32	57.11	43.4%	56.6%	100.0%
B	Contingencies									
1	Physical contingency	-	16.56	16.56	-	2.52	2.52	0.0%	100.0%	100.0%
2	Price contingency	-	15.08	15.08	-	2.29	2.29	0.0%	100.0%	100.0%
	Subtotal (B)	-	31.64	31.64	-	4.79	4.82	0.0%	100.0%	100.0%
C	Financial Charges during Construction	-	4.02	4.02	-	0.61	0.61	0.0%	100.0%	100.0%
	Total Cost	162.92	247.98	410.90	24.80	37.72	62.54	39.7%	60.3%	100.0%

C. Procurement Packages

1. ADB Financing

Goods, Works, and Non-consulting services						
Package Number	General Description	Estimated Value	Procurement Method	Review	Bidding Procedure	Advertisement Date
		(\$'000)				
CZ-CT-C1	Chongzuo Cold Chain Logistics Demonstration Project: Construction of cold warehouse (40,000 m ²), factory building (7,500 m ²), other buildings (4,900 m ²)	33,979	NCB	Prior	1S1E	Q2 2022
CZ-CT-C2	Chongzuo Cold Chain Logistics Demonstration Project: Construction of bonded warehouse 37,000 m ² , and storage yard 27,000 m ² .	16,715	NCB	Post (Sampling)	1S1E	Q2 2022

2. Non-ADB Financing

Goods, Works, and Non-consulting services				
Package Number	General Description	Estimated Value (\$ '000)	Estimated Number of Contracts	Procurement Method
CZ-CT-G1	Chongzuo Cold Chain Logistics Demonstration Project: Supply / installation / commissioning of integrated logistics / e-commerce system including network hardware / software, e-commerce system, cross-border transaction system, supply chain finance system, vehicle tracking, and management system.	4,646	2	NCB
CZ-CT-G2	Chongzuo Cold Chain Logistics Demonstration Project: Supply of 10 No. 3.5 ton forklifts	109	1	NCB

IV. SUBPROJECT4: CHONGZUO SINO-VIET NAM BORDER ECONOMIC ZONE DEMONSTRATION PROJECT (PHASE II)

A. Project Design

11. Tranche 2 (Phase I) financed construction of six roads and a wastewater treatment plant (WWTP) for development of the border economic zone and its linkage with Xinhe Town. The WWTP will serve the existing and expanded border economic zone, with capacity 10,000 cubic meters per day (m³/day), and included construction of 21.9 km of predominately trunk pipes laid along the project roads.

12. In Tranche 3 (Phase II), financing is proposed for (a) construction / upgrading of an additional six roads as asphaltic concrete, with a total length around 12.4 km to further develop the BEZ road network and external linkages, and for connection with the urban center; and (b) capacity expansion of a water treatment plant, with additional capacity of 15,000 m³/day, and construction of 46 km of water supply pipes. This plant will serve the existing and expanded border economic zone activities (55%) as well as the urban area and surrounding villages (45%). The existing water plant in Xinhe Town has capacity of 4,000 m³/d and is already insufficient leading

to supply outages so is currently being upgraded by 15,000 m³/day to serve immediate needs, while the subproject will provide additional capacity for medium / long term needs.

13. The Chongzuo Sino–Viet Nam border economic zone in 2017 employed around 31,000 Vietnamese labor (mainly seasonal labor for sugar cane cutting), and in future this is expected to increase to 60,000. This is about 40%-50% of the labor. Current main industry in the zone is a sugar refinery and its related industries. Main planned industries are fruit processing (imported from Viet Nam, processed, sold in PRC) and light textiles (materials from PRC, processed, sold in Viet Nam).

Table 25: Subproject 4 Project Roads

Road No.	Road	Length (m)	Width (m)	Design speed (km/h)	Road type/purpose
1	Northern section of Xinghe Road	6,461	21	50	Main northern access road to the town / economic zone
2	Xingui Road	493	18	30, 40	Access road to the northern part of the economic zone
3	Xingui Road	2,596	18, 30	3050	Arterial east west spine within the economic zone
4	Xingong Road	752	30	50	North–South road within the economic zone giving access from the expressway
5	Baiwu Er Road	1,162	30	50	East west road in the urban area adjacent to the economic zone
6	Xinjuan Road	926	15	30	North–South road in the urban area adjacent to the economic zone
	Total	12,391			

Km/h = kilometer per hour, m = meter

B. Costs and Financing

Table 26: Subproject 4 Detailed Cost Estimates by Financier

No	Item	Amounts in Mn CNY			Amounts in Mn USD			% of Cost Category		
		ADB	Govt	Total	ADB	Govt	Total	ADB	Govt	Total
A	Investment Costs									
1	Works	198.32	179.95	378.27	30.00	27.57	57.58	52.428%	47.6%	100.0%
2	Project Preparation and Supervision	-	35.32	35.32	-	5.38	5.38	0.0%	100.0%	100.0%
3	Land Acquisition and Resettlement	-	29.30	29.30	-	4.46	4.46	0.0%	100.0%	100.0%
	Total Base Costs (A)	198.32	244.57	442.89	30.00	37.41	67.41	44.8%	55.2%	100.0%
B	Contingencies									
1	Physical contingency	-	18.91	18.91	-	2.88	2.88	0.0%	100.0%	100.0%
2	Price contingency	-	20.16	20.16	-	3.07	3.07	0.0%	100.0%	100.0%
	Subtotal (B)	-	39.07	39.07	-	5.95	5.95	0.0%	100.0%	100.0%
C	Financial Charges during Construction	-	5.80	5.80	-	0.88	0.88	0.0%	100.0%	100.0%
	Total Cost	198.32	289.44	487.76	30.00	44.24	74.24	40.7%	59.3%	100.0%

C. Procurement Packages

1. ADB Financing

Goods, Works, and Non-consulting services						
Package Number	General Description	Estimated Value (in \$ '000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)
CZ-CV-C1	Chongzuo Sino- Viet Nam Border Economic Zone Demonstration Project (Phase II): Construction of freshwater treatment plant 15,000 m ³ /day and 25 km pipelines.	18,040	NCB	Post (Sampling)	1S1E	Q2 2022
CZ-CV-C2	Chongzuo Sino- Viet Nam Border Economic Zone Demonstration Project (Phase II): Construction of roads 2,3,4, total 3.8 km length	19,853	NCB	Post (Sampling)	1S1E	Q2 2022
CZ-CV-C3	Chongzuo Sino- Viet Nam Border Economic Zone Demonstration Project (Phase II): Construction of roads 1,5,6, total 8.5 km length	25,441	NCB	Post (Sampling)	1S1E	Q2 2022

V. SUBPROJECT 5: CHONGZUO DAXIN SINO-VIET NAM CROSS-BORDER TOURISM PROJECT

A. Project Design

14. Detian waterfall (Ban Gioc in Viet Nam) which lies on the PRC-Viet Nam border and is the site of a planned bilateral visitor zone, is one of the most beautiful natural attractions in Guangxi province. The Chinese side of the waterfall and surrounding area attracts 1 - 2,000 visitors on weekdays, and up to 10 times that number during golden week. Above the falls there has been a bilateral market for decades, with access to the small market area controlled by border guards on each side, and allowing sellers from either side, with entry by both border residents and tourists, and that this had been successful although on a small scale.

15. This waterfall is already served by a visitor center with 1,700 parking spaces, and subproject is for the upgrading of two roads and construction of an additional visitor center with 314 parking spaces to accommodate steadily rising visitor numbers to the waterfall. The proposed project does not include specific elements relating to opening of the bilateral zone although it does include a surveillance system which may have dual purpose for both traffic management as well as monitoring of the movement of persons and goods.

16. Proposed facilities for construction are:

- Roads: Upgraded X539 and new branch road—16.28 km of 2-lane roads
- Facilities: Construction of new Renai visitor center and parking—18,565m² building area and 314 parking spaces
- ICT system: Various ICT elements including: a traffic and parking management system based on RFID tags, automatic license plate recognition; a surveillance system, control room displays, vehicle / facial recognition software, data storage; Data center and

network system, application, and database servers, and software, disaster recovery backup system; and an application server and applications including cross-border tourism booking, mobile app, marketing application, management application, human resources application, and an E-commerce application

- Buses: Supply of 15 No. single deck city buses 10m length, 2 door, low step, electric, and 20 No. 20 seat coaches, electric

B. Costs and Financing

Table 27: Subproject 5 Detailed Cost Estimates by Financier

No	Item	Amounts in Mn CNY			Amounts in Mn USD			% of Cost Category		
		ADB	Govt	Total	ADB	Govt	Total	ADB	Govt	Total
A	Investment Costs									
1	Works	176.08	44.38	220.46	26.80	6.76	33.56	79.9%	20.1%	100.0%
2	Goods	-	57.63	57.63	-	8.77	8.77	0.0%	100.0%	100.0%
3	Project Preparation and Supervision	-	33.14	33.14	-	5.04	5.04	0.0%	100.0%	100.0%
4	Land Acquisition and Resettlement	-	25.34	25.34	-	3.86	3.86	0.0%	100.0%	100.0%
	Total Base Costs (A)	176.08	160.49	336.57	26.80	24.43	51.23	52.3%	47.7%	100.0%
B	Contingencies									
1	Physical contingency		13.90	13.90	-	2.12	2.12	0.0%	100.0%	100.0%
2	Price contingency		11.22	11.22		1.71	1.71	0.0%	100.0%	100.0%
	Subtotal (B)	-	25.12	25.12	-	3.82	3.82	0.0%	100.0%	100.0%
C	Financial Charges during Construction									
		-	19.75	19.75	-	3.01	3.01	0.0%	100.0%	100.0%
	Total	176.08	205.37	381.44	26.80	31.26	58.06	46.2%	53.8%	100.0%

C. Procurement Packages

1. ADB Financing

Goods, Works, and Non-consulting services						
Package Number	General Description	Estimated Value (\$'000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)
CZ-DX-C1	Chongzuo Daxin Sino-Viet Nam Cross-border Tourism Project: Realignment / upgrading of two district roads 16 km length, construction of visitor center 7,400 m ² building area with car park.	36,911	NCB	Prior	1S1E	Q2 2022

2. Non-ADB Financing

Goods, Works, and Non-consulting services				
Package Number	General Description	Estimated Value (\$ '000)	Estimated Number of Contracts	Procurement Method
CZ-DX-G1	Chongzuo Daxin Sino-Viet Nam Cross-border Tourism Project: Supply / installation / commissioning of traffic and parking management system based on RFID tags, automatic license plate recognition	642	1	NCB
CZ-DX-G2	Chongzuo Daxin Sino-Viet Nam Cross-border Tourism Project: Supply / installation / commissioning of surveillance system comprising 500 PTZ cameras, 100 dome	3,738	1	NCB

	cameras, and supports, control room displays, vehicle / facial recognition software, data storage.			
CZ-DX-G3	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Data center and network system comprising 5-year 100M ADSL leased lines, 4 No. application and database servers and software, disaster recovery backup system.	1,536	1	NCB
CZ-DX-G4	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Application server and applications including Cross-border tourism booking, mobile app, marketing application, management application, human resources application, E-commerce application	802	1	NCB
CZ-DX-G5	Chongzuo Daxin Sino–Viet Nam Cross-border Tourism Project: Supply of 15 No. single deck city buses 10 m length, 2 door, low step, electric, and 20 No. 20 seat coaches, electric.	2,930	1	NCB

VI. SUBPROJECT 6: FANGCHENGGANG SINO–ASEAN TRADE AND CULTURE EXCHANGE CENTER PROJECT

17. The subproject lies within the Fangcheng Border Economic Zone, some 15 km by provincial road 325 from the center of Nalian town in Fangcheng district of Fanchenggang city. It is 30 km west of the major border gate at Dongxing/Mong Cai, 6 km east of the border gate point at Lihuo/Bac Phong Sinh, and 40 km by road east of the border gate at Dongzhong/Hoanh Mo.

18. The subproject which forms part of a draft Master Plan 2017-2030, involves the construction of processing factories for frozen imported aquaculture products, logistics facilities, an exhibition center, and a service building. The plot area is 104,184 m² and proposed construction floor area is 83,000 m².

19. The border economic zone contains two development clusters: the Dongzhong Cluster and the Lihuo–Tansan Cluster. Under the Chinese classification, Dongzhong Port is currently a Grade II port, but is proposed for upgrading to a Grade I Port. Both Lihuo and Tansan are classified as border residents trading points, although they have substantially different scale. Under the Vietnamese classification, Dongzhong/Hoanh /Mo and Lihuo/Bac Phong Sinh are both national border gates (the second level), and Tansan/Po Hen is a border opening (the fourth level).

Table 28: Subproject 6 Project Elements

No.	Item	Type	Construction content and scale
1. Plot TS-B2-11 (34,389 m ²)			
1	Comprehensive Service Building	New	7 stories above ground, footprint 812 m ² , total floor area 6,275 m ² . Functions: Lihuo (Tansan) Border gate management committee office. 130-140 staff
2	Exhibition Center	New	3 floors, 3,300 m ² footprint and floor area 9,600 m ² . Functions: ASEAN customs and culture exhibition area, ASEAN characteristic product exhibition area, and cultural performance exhibition hall. Plan to hold more than 12 large and small trade fairs and promotional activities every year
3	Friendship Building	New	10 floors, 1,206 m ² footprint and floor area 8,775 m ² . Functions: border people cultural exchange meeting, bilateral friendship joint construction association, business meeting, accommodation

No.	Item	Type	Construction content and scale
2. Plot TS-B2-04 (69,794 m ²)			
1	Logistics center	New	4 buildings, two floors, 18,000 m ² footprint and floor area 17,600 m ² . For collection, storage, trading, and distribution of cross-border goods and processed products. Design annual cargo turnover of 300,000 tons
2	Processing workshops	New	12 buildings of two-story steel structure, 20,000 m ² footprint and floor area 40,800 square meters. For processing of frozen imported aquaculture products such as Basa fish, belt fish, shrimp, etc. Designed annual output of 60,000 tons
3. External works			
4	Road in the park	New	2500 meters long road with width 12 meters. Road grade is an urban branch road, the design speed is 30 km/h, and the asphalt pavement is adopted. Includes utility works for water supply and drainage, lighting
5	Parking lot	New	94 large truck parking spaces, 238 car parking spaces, and 416 non-motor vehicle parking spaces
6	Landscaping	New	24,275 m ²
7	Utilities	New	Wastewater treatment plant (output of the processing workshop, with a daily treatment capacity of about 320m ³ /d)

A. Costs and Financing

Table 29: SP6 Detailed Cost Estimates by Financier

No	Item	Amounts in Mn CNY			Amounts in Mn USD			% of Cost Category		
		ADB	Govt	Total	ADB	Govt	Total	ADB	Govt	Total
A	Investment Costs									
1	Works	131.39	67.06	198.45	20.00	10.21	30.21	66%	34%	100%
2	Project Preparation and Supervision	-	22.68	22.68	-	3.45	3.45	0%	100%	100%
3	Land Acquisition and Resettlement	-	21.07	21.07	-	3.21	3.21	0%	100%	100%
	Total Base Costs (A)	131.39	110.82	242.21	20.00	16.87	36.87	54%	46%	100%
B	Contingencies									
1	Physical contingency	-	9.92	9.92	-	1.51	1.51	0%	100%	100%
2	Price contingency	-	9.74	9.74	-	1.48	1.48	0%	100%	100%
	Subtotal (B)	-	19.66	19.66	-	2.99	2.99	0%	100%	100%
C	Financial Charges during Construction	-	16.15	16.15	-	2.46	2.46	0%	100%	100%
	Total Cost	131.39	146.64	278.03	20.00	22.32	42.32	47%	53%	100%

B. Procurement Packaging

1. ADB Financing

Goods, Works, and Non-consulting services						
Package Number	General Description	Estimated Value (in US\$ '000)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)
FC-FCD-C1	Fangchenggang Sino-ASEAN Trade and Culture Exchange Center project: Construction of 2 to 6 story buildings with total floor area 83,000 m ² as logistics center, processing facilities, exhibition center, service building etc.	33,227	NCB	Prior	1S1E	Q3 2022

VII. Project Management and Capacity Building: Institutional Support for EA, IAs, and PIEs for Project Management and Implementation

20. The project will provide consulting services to support the EA, IAs, and PIEs in project management and capacity development. The consulting firm and individual consultants will be recruited in accordance with the ADB Guidelines on the Use of Consultants (2013, as amended from time to time). The Guangxi Foreign Loans Projects Management Office (GPMO) on behalf of the EA will be responsible for engaging consultants through QCBS (quality- and cost-based selection) using 80:20 ratio and individual consultant selection (ICS). The consulting services will be provided in three areas:

- (i) **Project Management and Capacity Building.** Consultants will be engaged through a firm to provide assistance to the EA, IAs, and PIEs in project management and capacity building to comply with ADB requirements during implementation, including: (a) project performance management system, (b) procurement of goods and works, (c) disbursement and contract management, (d) construction planning, supervision and monitoring, (e) reporting requirements, (f) safeguard plans updating, implementation and monitoring, and (g) awareness raising and promoting the enabling environment for implementing subprojects. The consultants will also provide capacity development support to the EA, IAs, and PIEs including: (a) ADB's requirements on procurement, disbursement, safeguards, and financial management; (b) operations and maintenance of project components; (c) capacity development for subprojects; (d) MIS and other IT tools; (e) training, and organization of study visits and workshops; and (f) assist in data and information collection for preparation of EA's project completion report. The detailed terms of reference for the specialists will be further developed by GPMO with assistance from ADB.
- (ii) **Project Start-up Consultants.** While the project management and capacity development consulting services are being engaged through a competitive bidding process, the EA, IAs, and PIEs will be provided assistance in initiating project activities, in accordance with ADB procedural requirements, through engaging individual consultants, and thus avoiding delays in starting project implementation. The assistance will include: (a) assist with recruitment of a procurement agent, and engagement of the project management and capacity development consultant; and recruitment of external resettlement monitoring agency and monitoring of social development and gender action plan. and environmental monitoring consultants; (b) preparation and review of bidding documents for contracts under advance contracting, including carrying out market survey to confirm availability and interest of potential bidders for the proposed packaging, and preparation of appropriate qualification criteria; (c) preparation of necessary reports and provision of on-the-job-training, (d) technical guidance on design and procurement of the various project advisory services; (e) technical review and guidance on the detailed engineering design for civil works, buildings, and ICT packages; and (f) review of the existing financial management manual / systems and providing training. The detailed TORs for these specialists and external monitoring consultants will be further developed by GPMO with assistance from ADB.
- (iii) **External Monitoring Consultants.** National consultants will be provided to undertake external M&E of safeguard compliance of the environment and resettlement plans implementation during tranche 3 implementation.

A. Inputs and Cost of Consulting Services

21. The consulting service inputs for project management and capacity development are summarized below.

Table 30: Consulting Services Inputs (person-months)

	Consultant Inputs	International	National
1	Project Management and Capacity Development		
	Project Management and Regional Cooperation Specialist/Team Leader	4	60
	Procurement Specialist		15
	Environment Safeguards Specialist		15
	National Social and Gender Specialist		12
	Resettlement Specialist		15
	Project Performance Monitoring Specialist		12
	Wild Trafficking Specialist		5
	Sub Total	4	134
2	Project Start-up Consultants		
	Procurement Specialists (2 consultants)	3	10
	Financial Management Specialist		6
	ICT Specialist	2	4
	Cold Chain Specialist	2	3
	Civil Engineer		5
	Architect/Buildings Engineer		5
	Sub Total	7	33
3	External Safeguards Monitoring Consultants		
	External Monitor – Environment		10
	External Monitor – Social and Resettlement		10
	Sub Total		20
	Grand Total	11	187

Source: Asian Development Bank.

B. Consulting Services Budget

Table 31: Consulting Services Budget (\$'000)

Item	Amount
A. Project Management and Capacity Building	
Consultants	
a. Remuneration and Per Diem	
a. International Consultants	80.0
b. National Consultants	1,032.0
b. International and Local Air Travel	149.0
c. Reports, Manuals, and Communication	20.0
Workshops, Conferences, and Meetings	100.0
Capacity Development	
a. Training workshops, facilitators, and resource person	150.0
b. Overseas/domestic study visits (provisional sum)	100.0
Surveys, Public Consultations, Monitoring ¹	150.0
Land Transportation (including vehicle rental and other related expenses)	150.0
Translation and Interpretation	200.0
Miscellaneous Administration and Support Costs	200.0
Contingency	200.0
Sub Total (a)	2,531.0
B. Project Start-Up Consultants	
Consultants	
a. Remuneration and Per Diem	
International Consultants	140.0
National Consultants	278.0

Item		Amount
	b. International and Local Air Travel	68.0
	Survey and Data Collection	50.0
	Land Transportation (including vehicle rental and other related expenses)	10.0
	Miscellaneous Administration and Support Costs	40.0
	Contingency	50.0
	Sub Total (b)	636.0
C. External Environment, and Resettlement, and Social Monitoring		
	Consultants	
	a. Remuneration and Per Diem	
	International Consultants	0.0
	National Consultants	160.0
	b. International and Local Air Travel	20.0
	Survey and Data Collection	50.0
	Miscellaneous Administration and Support Costs	25.0
	Contingency	25.0
	Sub Total (b)	280.0
	Grand Total (a + b + c)	3,447.0

¹ Includes public consultation on environment (\$10,000).

Source: Asian Development Bank estimates.

C. Outline Terms of Reference for Project Management and Capacity Building Consultants

22. Project management and capacity building (PMC) consulting services package is estimated to comprise 4 person-months of international and 129 person-months of national consultants to be engaged through a consulting firm under the QCBS method with a standard quality: cost ratio of 80:20, requiring full technical proposal procedure. The PMC will assist the EA, IAs, and PIEs in the following areas:

- (i) Setting up the institutional framework, operational procedures, document filing system and work plan to guide and facilitate project implementation;
- (ii) Setting up a project performance monitoring system (PPMS) in accordance with ADB requirements, including establishing baseline and operation mechanism for data collection, analysis and reporting and introducing MIS tools as appropriate;
- (iii) Conducting technical review and providing expert comments on detailed design in accordance with the design codes and standards, and to ensure quality, and consistency of drawings, specifications, and bills of quantities for bidding;
- (iv) Support the procurement of remaining packages including coordination with design institutes preparing the detailed designs and the procurement agent preparing bidding documents; carry out market survey / market sounding to confirm availability and interest of potential bidders for the proposed packaging and prepare appropriate qualification criteria; coordinate with approvals agencies for cost estimates, bidding documents, and evaluation reports; support the bidding and evaluations process.
- (v) Promoting awareness of stakeholders, and promoting an enabling environment for subproject implementation;
- (vi) Conducting contract management during project implementation, including monitoring construction progress, regular site visits, and providing technical inputs to construction planning, supervision and monitoring for quality control of subproject construction, preparing progress reports, reviewing and certifying the contractor's claims for payments, providing expert inputs, review, and justification for contract variations and

- preparing necessary documentation, coordinating project implementation among contractors and stakeholders, and coordinating daily operational tasks;
- (vii) Establishing an efficient and effective financial management system for project implementation in accordance with ADB policy and procedural requirements;
 - (viii) Providing support to ensure project compliance with ADB's safeguard policy requirements on environment, involuntary resettlement, ethnic minorities, gender and social development;
 - (ix) Preparing necessary information for ADB's loan administration missions, and assisting in data and information collection for preparation of EA's project completion report;
 - (x) Organizing and providing training on the skills necessary for construction supervision, project management, implementation of social development and safeguard plans according to ADB requirements, project financial management, procurement procedures and anticorruption measures, including coordinating, and preparing study tours on relevant aspects related to the project.

23. The detailed TORs for the specialists required including qualifications and experience will be further developed by GPMO with assistance from ADB. Based on the above scope of services, the indicative list of specialists with roles and responsibilities will include but is not limited to:

Table 32: Indicative Specialists Required for Project Management and Capacity Building

Proposed Specialists and Indicative Roles	International	National
Project management and capacity building consultant	4	60
Project management and capacity building specialist/Team Leader and Deputy Team Leader Overall project management and capacity building with combined support by international and national specialists. (i) closely interact with client for smooth project implementation, and establish project management system with the introduction of MIS, including internal procedures of routine data filing, information exchange among the EA, IAs, and PIEs for PPMS, procurement, disbursement, financial management including internal auditing, and required reporting on project progress and safeguards; (iii) provide scheduling and contractual advice for administration of contracts implemented under the Project, (iv) coordinate all consultant inputs; (v) supervise collecting information for reporting requirements of ADB including, quarterly progress reports, PPMS and PAM updates for ADB's mission; and EA's project completion report preparation; and (vi) providing training, knowledge products and capacity building on project management, procurement, and financial management.		
Environment specialist		15
Overall project implementation support and capacity building on environment management and safeguards for all subprojects, including: (i) review, advise, and monitor implementation of IEE, EMP and environmental and social management system (ESMS), including assisting staff of the EA, IAs, and PIEs to conduct environmental monitoring and reporting in accordance with the environmental management plans; (ii) provide the necessary training for the IAs, PIEs, contractors and operators; (iii) review the compliance monitoring conducted by the external environmental monitor; (iv) assist the PIEs in preparing the annual report on the implementation of environmental management plans to be submitted to ADB; (vi) Undertake quarterly reviews of the list of subproject components proposed for financing and		

carry out spot checks of environment safeguard documentation to ensure requirements are being met; (vii) Identify if there is any additional need for prior review and capacity building support based on performance of ESU; and (viii) Report environmental performance issues to GPMO.		
Resettlement Specialist		15
Project implementation and capacity building support for land acquisition and resettlement includes: (i) assisting the IAs, PIEs in the updating of due diligence reports and resettlement plans following completion of detailed design, (ii) providing technical guidance and support during implementation of updated RPs including progress of corrective actions; (ii) strengthening institutional capacity of IAs and PIEs in carrying out meaningful consultations, disclosure, grievance resolution, monitoring and reporting; (iii) assisting the PIEs in preparing resettlement progress reports; (iv) reviewing safeguard compliance monitoring conducted by the external monitor and supporting the IAs and PIEs in addressing outstanding issues identified to ensure compliance; and (v) assisting in the preparation of semiannual resettlement monitoring reports which will be included in the project's progress reports.		
National Social and Gender Specialist		12
Project implementation support and capacity building for social development and gender include: (i) reviewing, advising and monitoring the implementation of the Social and Gender Action Plan (SGAP); (ii) assisting the EA, IAs, and PIEs to monitor and report the progress in meeting targets listed in the SGAP; (ii) training the IA and PIE staff in social and gender issues; (iv) assisting the PIEs in preparing the semiannual reports on SGAP implementation; and (v) reviewing the external monitor's social and gender reports..		
Project Performance Monitoring Specialist		12
Overall support and capacity building for developing and maintaining project performance management system (PPMS), and appropriate media tools for subproject implementation, including: (i) design, develop and implement the PPMS based on assessment of project and ADB requirements; and (ii) prepare the operations manuals for the PPMS; (iii) provide guidance and training for the staff of the EA, IAs and the PIEs on the PPMS; and (iv) assist EA to prepare project completion report through data collection and other supports.		
Procurement Specialist		15
The Procurement Specialist is responsible for supporting GPMO and the PIEs for procurement of remaining packages including coordination with design institutes preparing the detailed designs and the procurement agent preparing bidding documents; carry out market survey / market sounding to confirm availability and interest of potential bidders for the proposed packaging, and prepare appropriate qualification criteria; coordinate with approvals agencies for cost estimates, bidding documents, and evaluation reports; support the bidding and evaluations process. Review and revise as necessary the procurement plan based on the results of the detailed design outputs including market surveys / market soundings; Review and update as required the Strategic Procurement Plan (SPP) to justify any proposed changes to the procurement plan and implementation procedures and submit for ADB endorsement. Assist GPMO with planning, coordinating, and providing all procurement activities including establishment of bid evaluation committees, preparation of bid documents, invitation for bids, bidders' inquiries, bid evaluation, preparation of bid evaluation minutes and		

reports, preparation of contract negotiations with selected bidders, and submissions for ADB's review.		
Wild Trafficking Specialist		5
The wildlife trafficking consultant will (i) support the GPMO with the development and implementation of wildlife trafficking capacity building training programs; (ii) support the Government and ADB to integrate wildlife trafficking into the bilateral dialogue and collaboration mechanism on trade between PRC and Viet Nam; (iii) monitor and report on progress with implementation of the wildlife trafficking awareness training program to the GZAR and ADB, inputs to be provided for the quarterly project progress report and the annual environmental monitoring report.		

D. Outline Terms of Reference for Project Start-up Consultants

24. Some project management and technical specialists required to enable early start-up of project implementation will be provided separately from the PMC and will be engaged as national individual consultants through the ICS method. The consultants for a total input of 40 person-months will assist the EA, IAs, and PIEs with initial project implementation while the PMC consulting services are being recruited, which normally requires 9 months to complete. The consultants will assist in preparing and reviewing terms of reference and cost estimates, requests for proposals, and bidding documents for contracts procured under advance contracting, establishing a financial management procedure and manual appropriate to the project and provision of initial training in ADB financial reporting requirements, and providing overall guidance, and advice on preparing for implementation of Tranche 3 subprojects. In particular:

1. Procurement Specialists

25. The international (3 person-months) and national specialists (10 person-months) will preferably have a minimum of 10 years of procurement experience with roads, buildings, and consulting services, and will be engaged intermittently for a total of 13 person-months for the project start-up period, as appropriate. The consultants will carry out, but will not be limited to, the following tasks:

- (i) Review and revise as necessary the procurement plan based on the results of the detailed design outputs including market surveys / market sounding
- (ii) Review and update as required the Strategic Procurement Plan (SPP) to justify any proposed changes to the procurement plan and implementation procedures and submit for ADB endorsement.
- (iii) Assist with recruitment of a procurement agent, and engagement of the project management and capacity development consultant; and recruitment of external involuntary resettlement and social safeguards monitoring, and environmental monitoring consultants; Assist in preparation and review of bidding documents for contracts under advance contracting, including carrying out market survey to confirm availability and interest of potential bidders for the proposed packaging, and preparation of appropriate qualification criteria.
- (iv) Conduct training and workshops to build the project implementation capacity of the EA and IAs to produce a suitable procurement package, standard bidding documents, and bid evaluation procedure.
- (v) Prepare standard procurement bidding documents for various contract packages.
- (vi) Provide procurement policy guidance as well as technical advice on strategic procurement activities to relevant officials, to ensure procurement arrangements, and schedules are consistent with project implementation and development objectives.

- (vii) Update subproject status in Tranche 3 with revisions arising from detailed engineering design in terms of technical, social development, land acquisition and resettlement, and environment safeguards.

2. **ICT Specialist**

26. The international (2 person-months) and national ICT (4 person-months) specialists will be engaged to work with the EA, IAs and the ADB project team to assist in the development and design of the ICT component of relevant Tranche 3 subprojects. Coordinating closely with the Cold Chain specialist, the procurement specialists, the detailed design consultants, and the procurement agent the ICT specialist will formulate and implement appropriate ICT systems for the subprojects.

- (i) Assess the proposed ICT component, including comparison of the business plan with and without each of the proposed ICT elements / modules, market assessment for the business plan of the subproject with and without each of the proposed ICT elements / modules, including survey of key competitors in the market, the services they offer and rates, and examination whether the proposed investment to offer a more competitive service in the market;
- (ii) Market survey of the availability of off the shelf commercial solutions including pricing and mode of purchase (outright purchase, annual lease, user fees etc.) and recommendation on the most appropriate ICT solution for each of the proposed ICT elements / modules;
- (iii) Carry out market survey / market sounding to confirm availability and interest of potential bidders to ensure adequate competition in bidding for the proposed packaging, and prepare appropriate qualification criteria; coordinate with approvals agencies for cost estimates, bidding documents, and evaluation reports; support the bidding and evaluations process;
- (iv) Review technical and performance specifications for software and hardware solutions, as well as conditions of contract and after sales service requirements;
- (v) Help the project implementing agencies conduct risk assessment to secure the communication systems adopt best practices on cyber security and data protection processes;
- (vi) review of implementation and training plans for pilot testing and phased implementation.

3. **Cold Chain Specialist**

27. The international (2 person-months) and national (3 person-months) Cold Chain specialists will be engaged to work with the EA and IAs to formulate and/or further strengthen the design of the cold chain component of relevant tranche 3 subprojects. Together with the ICT and the procurement specialists, the Cold Chain specialists will formulate a scalable design for the Cold chain subproject including the following tasks:

- (i) Work with the detailed design consultant to review and develop an appropriate scope of works appropriate to the proposed business plan. This will clearly define the role of the PIE whether solely as a provider of cold storage space, or as a wider role including provision of a logistics service, or providing e-commerce sales.
- (ii) Determination of the appropriate scope of works should be supported by detailed market assessment of existing service suppliers / competitors, market rates, and assessment of potential openings in the market for the proposed services.
- (iii) Review and assess potential key customers for the subproject, for example i) rental of the entire facility to an existing logistics provider (i.e., fixed revenue), ii) lease of

space to an existing logistics provider (revenue according to demand), or iii) marketing and direct lease of space and / or sale of products by e-commerce etc. to end users. Based on this assessment make recommendations on the proposed business, and operation, and maintenance model.

- (iv) Provide specialist knowledge on ICT applications for use in cold chain storage and logistics, including identification of key technical solutions, pricing, and comparative analysis. Provide input as required for updating of the Strategic Procurement Plan.
- (v) Review detailed design drawings, cost estimates, bills of quantities, and conditions of contract for packages relating to the cold chain component of relevant Tranche 3 subprojects, support the bidding process including bid evaluation.

4. **Financial Management Specialist**

28. The national Financial Management specialist will be engaged intermittently for a period of 6 person-months and will be responsible for establishment of overall financial management systems for investment program implementation and related capacity building, including:

- (i) Development of operating plans and schedules as agreed between ADB and the EA for project implementation and subsequent operating activities;
- (ii) In accordance with national accounting framework, develop and install improved financial management systems for the project at the IA and PIE levels;
- (iii) Develop and establish a manual and standard procedures for project accounting, internal control, funds flow management, budgeting, asset management, information system, financial reporting and auditing aligned to national accounting framework and standards as agreed between ADB and the EA;
- (iv) Orientation for IAs on the PRC national accounting framework to initiate compliance thereof at least in the project level; and
- (v) Provision of training and knowledge products to the staff from EA, IAs, and PIEs.

5. **Civil Engineer**

29. The national Civil Engineer will be engaged intermittently for a period of 5 person-months and will assist and support the design institutes for civil works packages in the preparation of (a) qualification criteria for bidding documents (supported by market analysis and analysis of previous experience if required), (b) preparation of specifications with sufficient quality, (c) preparation of BOQs for bidding documents (rather than simply cost estimates). Additional tasks may include support to the GPMO and PIEs during bid evaluation, contract award, and project implementation on technical issues, scheduling and progress reporting, and contractual issues such as design changes and contract variations.

30. Additional tasks include:

- (i) Monitoring of the projects on site and guide the construction contractors in carrying out their services for construction supervision and quality control of the works;
- (ii) Periodic inspection of the works and ensure that the quality of works executed are as specified;
- (iii) Check and approve testing of materials and works and maintain the record of test results and certificates;
- (iv) Verification with the contractor on labor and equipment mobilization and deployment at work sites and notify contractors if the resources are not adequate;
- (v) Verification of measurement of works at site and certification of the contractor's interim payments;

- (vi) Analysis of the contractor's claims on cost and time, and submit recommendations to the Team Leader;
- (vii) Prepare progress reports in approved format; and assist the Team Leader in finalization of the reports;
- (viii) Coordinate with all the concerned agencies for compliance of all the required formalities to ensure smooth implementation of civil works; and
- (ix) Verify the Contractor's As-built drawings.

6. Architect/Building Engineer

31. The national Architect/Building Engineer will be engaged intermittently for a period of 5 person-months and will be responsible assist and support the design institutes for architectural and building related packages to prepare (a) qualification criteria for bidding documents (supported by market analysis and analysis of previous experience if required), (b) preparation of specifications with sufficient quality, (c) preparation of BOQs for bidding documents (rather than simply cost estimates). The consultant's tasks will be similar to those outlined for the National Civil Engineer position.

E. Outline Terms of Reference for External Safeguards Monitoring Consultants

1. External Monitor – Environment (10 person-months)

32. A national external environment specialist with at least 10 years similar experience will be engaged under the ICS method, for a total of 10 person-months. This specialist will work intermittently as required during the implementation period to conduct the external environmental monitoring consisting of:

- (i) Sampling and monitoring of environmental quality data related to the project;
- (ii) Conducting independent monitoring on EMP implementation status and additional environmental monitoring, if necessary, to verify that issues reported in the internal environmental monitoring report, quarterly progress report and semiannual environmental progress report are in compliance with ADB's safeguards and other relevant policies;
- (iii) Making recommendations and due diligence to resolve any issues or problems on implementing the EMP and providing advice to the subprojects in Tranche 3 as reasonably requested by PMOs and PIEs; and
- (iv) Submitting English and Chinese external environmental monitoring verification report to the GZAR government and ADB with quality acceptable to ADB on semiannual basis during project implementation period.

2. External Monitor – Resettlement and Social Development (10 person-months)

33. A national external resettlement and social development specialist with at least 10 years of experience will be engaged under the ICS method for a total of 10 person-months. The specialist will have academic qualifications in sociology or anthropology or other related subjects. This specialist will work intermittently as required during the project implementation period to conduct external monitoring comprising:

- (i) Monitor LAR activities of subprojects and progress of corrective actions (i.e., consultation and disclosure, compensation and provision of support, livelihood and relocation, budget availability, etc); and report on key findings and proposed measures to improve implementation and/or address any non-compliance issues.

- (ii) Verify social and resettlement issues reported in the internal monitoring report, the quarterly progress reports, and the semiannual progress reports against ADB's safeguard policy requirements and other relevant policies,
- (iii) Assess capacity of implementing agencies and concerned departments in implementing and monitoring social and resettlement activities;
- (iv) Monitor functioning of the GRM;
- (v) Monitor and report on the process of public consultations and participation including stakeholder consultations as per SGAP, and advise IAs and PIEs as required;
- (vi) Monitor and report on the progress of activities outlined in the SGAP and the adequacy of the budget and trained staff to implement the SGAP;
- (vii) Train resettlement focal and the SGAP implementation staff;
- (viii) Make recommendations through due diligence to resolve issues and problems and advise IAs and PIEs; and
- (ix) Submit external monitoring reports including record of grievances received in English to ADB and the GPMO on semiannual basis during the project implementation period.