

## SBF Project Implementation Monitoring Report

### China: Emergency Assistance to China Public Health Infrastructure Project

#### 1. Project Information

Project ID:	000367	Investment Number:	L0367A
Member:	China	Region:	Eastern asia
Sector:	Public Health	Sub-sector:	Public Health - NA
AIB Financing Type:	Loan: 355 USD million	Co-financier(s):	N/A
E&S category:	B	Borrower:	Government of People's Republic of China
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Municipal Government of Beijing; Municipal Government of Chongqing		
Project Team Leader:	Anzheng Wei		
Project Team Members:	Shiyan Chao, Public Health Consultant (Implementation) Yunlong Liu, Sr. Procurement Specialist Chongwu Sun, Sr. Environmental and Social Consultant Yi Geng, Sr. Financial Management Specialist Mengmeng He, Finance Associate Liu Yang, Counsel Xiao Zhang, Project Assistant		
Completed Site Visits by AIB:	Dec, 2020 A mission from Asian Infrastructure Investment Bank (the Bank) visited Beijing of China from December 9-11, 2020, carrying out the implementation support mission (the Mission) for AIB Loan No: LN-000367-CHN: Emergency Assistance to China Public Health Infrastructure Project -Part 2 Beijing Public Health Program (the Project). The Mission comprised of Anzheng Wei, Project Team Leader; Shiyan Chao, Public Health Consultant ; Chongwu Sun, Sr. Environmental Consultant; Yi Geng, Sr. Financial Management Specialist; Yunlong Liu, Sr. Procurement Specialist; and Mengmeng He, Finance Associate. The draft AM has been prepared and shared with the Client. AIB is waiting for the confirmation from the Client Nov, 2020 1.A mission from Asian Infrastructure Investment Bank (the Bank) visited Chongqing of China from November 23 to 27, 2020, carrying out the implementation support mission (the Mission) for the Emergency Assistance to China Public Health Infrastructure Project of AIB Loan No: LN-000367-CHN (the Project). The Mission comprised of Anzheng Wei, Project Team Leader; Shiyan Chao, Public Health Consultant ; Chongwu Sun, Sr. Environmental Consultant; Yi Geng, Sr. Financial Management Specialist; Yunlong Liu, Sr. Procurement Specialist; and Mengmeng He, Finance Associate. The draft AM has been prepared and shared with the Client. AIB is waiting for the confirmation from the Client		
Planned Site Visits by AIB:	Nov, 2020		

#### 2. Project Summary and Objectives

To strengthen the public health emergency response infrastructure in Chongqing and Beijing through the upgrading of public health infrastructure and the provision of emergency equipment and supplies.

#### 3. Key Dates

Approval:	Apr. 3, 2020	Signing:	Jun. 15, 2020
Effective:	Jul. 10, 2020	Restructured (if any):	
Orig. Closing:	Mar. 31, 2021	Rev. Closing (if any):	

#### 4. Disbursement Summary (USD million)

a) Committed:	355	b) Cancellation (if any):	
c) Disbursed:	368	d) Most recent disbursement: (amount / date)	368, Jul. 23, 2020
e) Undisbursed:	-13	f) Disbursement Ratio(%) <sup>1</sup> :	103.7

<sup>1</sup> Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e.,  $f = c / (a - b)$

## 5. Project Implementation Update

The project implementation is going well, according to the implementation support missions in Nov. and Dec. 2020, majority of the procurement under the Project have been completed, the delivery and the financial payment is ongoing, the project is expected to be completed on time as planned in the loan agreement. The Loan amount is RMB2,485 million, the actual disbursement amount is RMB2,480 million, the actual undisbursed amount is about RMB5 million, the actual Disbursement Ratio is: 99.7%.

The 'over disbursement' issue was purely caused by the FX rate, specifically, the appreciation of RMB against USD in 2020. The loan is denominated in RMB. The total loan amount in the Loan agreement is RMB 2,485 million. All the disbursement, accounting and financial management during the project implementation uses RMB. However, the IPM workflow system uses the USD to reflect the loan amount in the report, and applied different exchange rates in the project approval stage and implementation stage, which caused the false appearance of over disbursement.

In this case, the exchange rate was 7 CNY/USD (Feb. 27, 2020) as the basis of the project approval, and the USD-equivalent loan amount in the final PD was USD 355 million. However, the exchange rate of RMB/USD raised to 6.53 RMB per USD on Dec. 31, 2020, which recorded near 7% appreciation of RMB against USD in the last 10 months of 2020. When the IPM workflow system used the higher exchange rate in Dec. to convert the disbursed loan amount from RMB to USD, it became higher than the initial USD-equivalent loan amount in the PD. The similar issue could be applied to other non-USD denominated loans. To avoid confusing the readers, Project Team strongly suggest the IPM system to change and correctly reflect the exposure.

The project team plans to launch the project completion missions by the end of Q1, 2021, but it will be subject to the development of the COVID situation which may lead to some restrictions to the travel.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1.1 Sustainable development of Chongqing's public health infrastructure and system (RMB1,054 million)	around 97%	According to the loan agreement, the Environmental & Social Audit report will be prepared during the project implementation. The implementing entity is to engage with consultant working on it under the guidance of AIIB ES specialist.	around 100%
Component 1.2 Emergency response (RMB31 million)	around 100%	N/A	around 100%
Component 2.1 Sustainable development of Beijing's public health infrastructure and system (RMB1,187 million)	around 73%	According to the loan agreement, the Environmental & Social Audit report will be prepared during the project implementation. The implementing entity is to engage with consultant working on it under the guidance of AIIB ES specialist.	around 100%
Component 2.2 Emergency response (RMB213 million)	around 100%	N/A	around 100%

### Financial Management:

Project Team is working closely with the implementing entities, specifically in reviewing the progress report and other FM reports. Project team has carried out FM review and supervision during the implementation support missions in the field. According to the documents reviewed during the mission, there is no outstanding issue has been observed. Project financial management system has been maintained as agreed with the Bank during appraisal, and Project financial statements have been prepared in the accordance with the format agreed with the Bank to reflect the project implementation status and financial position for the reporting period.

## 6. Status of the Grievance Redress Mechanism (GRM)

Up to now, the project has not received any complaint.

## 7. Results Monitoring

The loan became effectiveness in July 2020 and the implementation is on going till end of march 2021. According to the PD, the results will be monitored by the end of the project.

Baseline Year: Jan. 1, 2020 End Target Year: Mar. 31, 2021

Project Objective Indicators	Year	Target	Actual	Others, if any
N/A	Mar. 31, 2020	N/A	N/A	
Intermediate Result Indicators	Year	Target	Actual	Others, if any

Number of CDCs (including all administrative levels) that complete the planned upgrading through the support of the Project (Chongqing)	Mar. 31, 2021	>10 units	N/A	
Number of public health and medical workforce receiving training supported by the Project (Chongqing)	Mar. 31, 2021	>2000 persons	N/A	
Increase in capacity (in terms of number of beds) for medical treatment of infected patients through the support of the Project (Beijing)	Mar. 31, 2021	1330 beds	N/A	
Establishment of unified Emergency Dispatch and Command Information System at municipal level (Beijing)	Mar. 31, 2021	Yes	N/A	

**Remarks:**