

**Appendix:**

**Interpretation of the Terminology in the Measures of the Management of Turn-key  
Foreign Assistance Projects**

**1. Chapter 4**

**Programme design**: refers to the preliminary engineering plan and content of the project overall layout, the graphic composition, the space configuration, the functional layout, and construction materials and the major structure systematically determined within the range of the construction boundary agreed by both the Chinese and foreign sides and the investment estimate made according to the investment matching principle within the range of the investment pre-estimate.

**Professional investigation**: refers to, on the basis of the feasibility study, further collate the project economic and technical materials, develop a detailed understanding of the relevant laws and regulations, design specifications, technical standards and conventional practices in the recipient country; revise and improve the engineering programme, and determine with the recipient the construction site, the engineering programme, the construction standards, the division of labor between two parties, the progress of work at the technical level; and assist the project management agency and the recipient in consulting and deciding on the programme engineering.

**Detailed engineering**: refers to determine the design construction plan of the project, the plane and facade design, the shape and size, material requirements, decoration and refurbishing effect of each partitioned and itemized construction work, the systematic layout, selection of function and type and installment requirements of the matching engineering and electrical and mechanical installation works; compiled the

detailed technical specification manual to select and decide on the type of the main equipment and materials; clearly demonstrate the possible risk elements at the construction stage, and compile the construction volume list and the investment estimate according to the investment matching principle within the range of the investment pre-estimate.

**Construction detailed drawing engineering**: refers to clarify detailed construction methods of each part of the detailed engineering, taking into full account the actual situation in the construction site and the construction technical measures.

**Maintenance and use manual**: refers to the project maintenance and use introduction composed of each partitioned and itemized construction work which includes the daily maintenance and use of completed projects, the warranty period of equipment and materials, the requirements for maintenance and repair, the operating instructions for normal use, the handling of exceptional cases, the information of the manufacturer of the main equipment and materials and the contact information for maintenance and repair.

**Long-term technical support**: refers to the operational and management personnel training provided by the general contracting company, the long-term provision of spare parts and fittings, technical support and supportive services like operational management upon the project completion to ensure the sustained and effective operation of the project.

**The guiding principles for the project engineering** refer to:

- 1) **The applicability of the specifications**: To adhere to combine Chinese construction engineering specifications and technical standards with the actual situation in the recipient country, and does not force the implementation of the advanced technical content of Chinese specifications

and standards which are evidently beyond the social and economic development levels in the recipient country and other contents related to comfortability and economicability; the locally specifications and customs are preferred when they are synergized with the local municipal facilities, in conformity with local natural conditions and are related to mandatory requirements like local construction laws and regulations, and occupational safety and environmental protection.

- 2) **The overall planning and engineering**: To effectively establish the guidelines for overall planning and engineering, and base mainly on the capacity of the existing infrastructure and supporting facilities in the recipient country, ensure the functions are sound, the matching facilities are complete and the technologies are advanced and applicable, to meet the “turn-key” and demonstration requirements.
- 3) **To prioritize the function**: to prioritize the user-friendly functional engineering and strengthen the “people-centered” engineering concept, and on the premise that the inherent functional engineering is completed, take into account the external effects like the decoration and refurbishing to improve the overall quality and level of the project engineering.
- 4) **To match the investment**: to ensure the engineering matches with the investment, appropriately determine the construction standard and increase the investment scale in advance, and establish a positive assistance and demonstration image in the local community in the recipient country.
- 5) **To introduce technological innovation**: to fully encourage engineering innovation, and follow the principles of “reliable, applicable and economically reasonable” and actively introduce new technologies and materials which can fully reflect the level of the construction development.
- 6) **Green and environmental**: To emphasize green design, to comprehensive introduce environmental assessment and the independent environmental assessment by the recipient country for projects which may have a significant impact on the environment; to properly develop the environmental protection technical plan for projects which may have significant pollutants

and realize non-polluting emission; for projects in culturally and socially distinctive regions, to fully respect the local cultural and environmental features and customs and realize the harmony with the environment.

- 7) **Easy to maintain**: The selection of the type of the technical equipment shall meet the feasibility and convenience requirements for the recipient to undertake long-term maintenance and periodic overhaul by the recipient, ensure the large-scale technical equipment meets the basic local after-sales service conditions in the recipient country.
- 8) **Sustainable development**: To integrate the project sustainable development into the engineering range, take into account the maintenance management and costs throughout the project cycle from the aspects of engineering programme, technical measures, the selection of the type of equipment and materials and investment control, to create the enabling conditions for the sustainable operation and development of the project upon its completion.

## 2. Chapter 9

**Political and diplomatic risks**: refer to the impact on the implementation of the project caused by political and diplomatic changes or policy changes and include: war between countries and nuclear war; change of diplomatic relations between China and the recipient government; legitimate confiscation and expropriation by the recipient; and change of laws, regulations and regulations related to the project implementation.

**The owner's liability risks**: refer to the impact on the implementation of the project due to MOFCOM's responsibilities or MOFCOM's agreement to undertake the recipient's responsibilities and mainly include: adjustment of project construction content, standard, duration, and the roles and responsibilities and division of labor between the Chinese and foreign sides consulted and agreed on between MOFCOM and the recipient; MOFCOM voluntarily requests to change the project contract conditions; MOFCOM's liability for contract breach and MOFCOM's agreement to undertake the recipient's liability for contract breach.

**Force majeure risks**: refer to the impact on the implementation of the technical assistance project caused by unpredictable, insurmountable and inevitable actual situation and include: natural disasters; accidents; emergencies like civil war, strike, riot and civil commotion.

**Engineering change risks**: refer to the impact on the project implementation due to the errors, defects and omission in the survey and engineering or the management of the survey and engineering.

**Operational risks**: refer to the impact on the project implementation caused by changes in the market or the operational management responsibilities of the general contracting company and include operational accidents like the price and exchange rate fluctuations beyond the bidding quotations and the differences in the actual construction volume and the sporadic changes in the construction site.

### **3. Chapter 10**

**Technical materials**: refer to all types of technical documents formed in the project preparation, survey and engineering and organization and implementations processes and whose preservation are of value, and the relevant vehicle which reflect the project preparation and implementation.

**Survey and engineering documents**: mainly include the feasibility study, the project proposal (including the investment pre-estimate) and the approval document, the professional investigation report, the programme engineering report and the investment pre-estimate, the construction survey document, the detailed engineering document and the investment estimate, and staged engineering self-examination or internal and external examination and approval documents.

**Construction documents**: mainly include the project procurement agreement, the

detailed construction drawing engineering document, the construction organization document, the special guarantee plan and special technical programme, the site personnel management document and labor contracts, the document of the procurement, transportation, inspection and sign-off documents of the equipment and materials and construction machinery and equipment, the record of the inspection, testing, examination, and review and acceptance of the construction process, the construction memo, the site financial materials, regular reports and special reports.

**Project completion documents:** mainly include the completion drawing, the maintenance and use manual and the no-defect quality warranty.

**Review and acceptance documents:** mainly include the interim inspection request and the attachments, the interim inspection report, the completion review and acceptance request and the attachments, the completion review and acceptance report and the external technical review and acceptance memo.

**Project management documents:** mainly include the project management plans and the project management implementation regulations, the commence of work, the suspension of work and the restoration of work review and approval documents, the review and verification record of the subcontractor in the construction site, the domestic inspection record of main equipment and materials, the inspection and acceptance record in the construction process, the project management memo, the technical consultation documents, the management notice and instructions, the project management meeting memo or records, external coordination and consultation documents like the construction evidence signed off by the site representative of the recipient, notices and meeting memos, site financial materials, regular report and special reports.

#### **4. Chapter 13**

**General quality and safe production incident**: refer to quality and safety incident which leads to the casualties of 2 (inclusive) or below, or the property loss of above RMB 100,000 (inclusive) and below RMB 300,000 (inclusive).

**Major quality and safe production incident**: refer to quality and safety incident which leads to the casualties of 3-9, or the property loss of above RMB 300,000 and below RMB 1,000,000.

**Serious quality and safe production incident**: refer to quality and safety incident which leads to the casualties of above 10, or the property loss of above RMB 1,000,000 and below RMB 3,000,000 (inclusive).

**Particularly serious quality and safe production incident**: refer to quality and safety incident which leads to the casualties of 30 (inclusive) and above, or the property loss of above RMB 3,000,000 (inclusive).