

Performance  
Evaluation Report

# People's Republic of China: Facility-Type Technical Assistance





Performance Evaluation Report  
April 2013

## Facility-Type Technical Assistance in the People's Republic of China

Reference Number: TPE: PRC 2013-04  
Technical Assistance Numbers: 4200-PRC; 4365-PRC;  
4790-PRC; 4933-PRC; 7313-PRC; 7862-PRC  
Independent Evaluation: TE-59

Independent  
Evaluation  ADB

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

# Abbreviations

ADB	– Asian Development Bank
DFID	– Department for International Development, United Kingdom
IED	– Independent Evaluation Department
IEM	– independent evaluation mission
LGOP	– State Council Leading Group Office of Poverty Alleviation and Development
MOF	– Ministry of Finance
PRC	– People’s Republic of China
PRF	– Poverty Reduction Fund
TA	– technical assistance
TCR	– technical assistance completion report
TPER	– technical assistance performance evaluation report

# Currency Equivalents

	At Approval	At Completion	At Evaluation
<b>TA 4200-PRC: Fund for Strategic Policy Conferences and Studies for Poverty Reduction</b>	<b>21 Oct 2003</b>	<b>31 Oct 2006</b>	<b>28 Feb 2013</b>
Y1.00	\$0.1208196404	\$0.1270034799	\$0.1605909748
\$1.00	Y8.276800	Y7.873800	Y6.227000
<b>TA 4365-PRC: Facility for Policy Reform</b>	<b>26 Jul 2004</b>	<b>30 Sep 2006</b>	<b>28 Feb 2013</b>
Y1.00	\$0.1208196404	\$0.1265166180	\$0.1605909748
\$1.00	Y8.276800	Y7.904100	Y6.227000
<b>TA 4790-PRC: Facility for Reform Support and Capacity Building</b>	<b>22 May 2006</b>	<b>30 Jun 2010</b>	<b>28 Feb 2013</b>
Y1.00	\$0.1246571927	\$0.1498239569	\$0.1605909748
\$1.00	Y8.022000	Y6.674500	Y6.227000
<b>TA 4933-PRC: Facility for Policy Reform and Poverty Reduction</b>	<b>28 May 2007</b>	<b>30 Jun 2010</b>	<b>28 Feb 2013</b>
Y1.00	\$0.1306557613	\$0.1498239569	\$0.1605909748
\$1.00	Y7.653700	Y6.674500	Y6.227000
<b>TA 7313-PRC: Facility for Policy Reform and Capacity Building III</b>	<b>20 Jul 2009</b>	<b>31 Aug 2012</b> (Ongoing; original closing date)	<b>28 Feb 2013</b>
Y1.00	\$0.1463764510	\$0.1574604774	\$0.1605909748
\$1.00	Y6.831700	Y6.350800	Y6.227000
<b>TA 7862-PRC: Strengthening Institutional Reform and Capacity Building</b>	<b>9 Sep 2011</b>	<b>Ongoing</b>	<b>28 Feb 2013</b>
Y1.00	\$0.1565386181		\$0.1605909748
\$1.00	Y6.388200		Y6.227000



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# Acknowledgments

A team of staff and consultants from the Independent Evaluation Department (IED) prepared this evaluation report, including analysis, desk reviews, interviews, research, survey, and data collection. The core team included Rajesh Vasudevan (team leader), Lucille Ocenar, and Valerie Melo. This report used the services of a consultant, John Edward Coulter, and a 2012 IED on-the-job trainee, Hari Prasad Sharma. In addition, valuable inputs and comments at various stages were received from the staff of the Asian Development Bank (ADB) People's Republic of China Resident Mission, ADB East Asia Regional Department, ADB Knowledge Sharing and Services Center and the ADB Operations Services and Financial Management Department.

The report benefited from the guidance of Vinod Thomas and Walter Kolkma.

The team would like to thank ADB staff and the People's Republic of China government officials, who were interviewed, for their time and opinions. The team would also like to acknowledge comments on the draft provided by the People's Republic of China Ministry of Finance government officials. IED retains full responsibility for this report.

The guidelines formally adopted by IED on avoiding conflict of interest in its evaluations were observed in the preparation of this report. To the knowledge of IED, there were no conflicts of interest of the persons preparing, reviewing, or approving this report.

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# Executive Summary

This technical assistance performance evaluation report (TPER) covers six facility-type technical assistance (TA) operations approved by the Asian Development Bank (ADB) for the People's Republic of China (PRC) since October 2003.<sup>1</sup> These six facility-type TA operations have had separate yet parallel executing agencies—the Ministry of Finance (MOF) and the State Council Leading Group Office of Poverty Alleviation and Development (LGOP) of the Government of the PRC—unlike the usual TA activities, which are managed by ADB. The TPER was reviewed by ADB's East Asia Department, PRC Resident Mission, and Operations Services and Financial Management Department in January 2013. A later version was reviewed by staff of the Government of the PRC's MOF in February and March 2013, who provided pertinent feedback and further inputs to finalize the report.

ADB developed the facility-type TA modality in October 2003 in partnership with the government as a flexible, quick-response mechanism wherein multiple subprojects aligned with the PRC's priorities and the ADB country program are funded under a single TA. The subprojects are prioritized by MOF and selected jointly with the resident mission in the PRC on the basis of a set of pre-identified selection criteria. Although ADB's Operations Manual does not discuss the facility-type TA as a separate modality, it appears as a hybrid of small-scale TA, where the cost of each project does not exceed \$225,000, and a TA cluster, where subprojects are planned from a long-term perspective. Some aspects of the guiding principle of facility-type TA operations are similar to that of the more recent infrastructure-related project design facilities that were piloted by ADB in 2011. Both seek improved client responsiveness through quick-disbursing funds for need-based activities, with project design facilities earmarked for project preparation work like feasibility studies, safeguards, procurement, and pre-implementation work. A facility-type TA is a small grants program aimed to improve responsiveness to country needs, formulated on short notice.

Facility-type TA activities are not fully delegated, although there was a separate pilot study initiated by ADB in August 2003 on delegation of consultant recruitment and supervision functions to executing agencies. This separate pilot study covered 20 TA projects in nine ADB member countries, five of which were in the PRC. None of the facility-type TA projects were part of this separate pilot study on delegation. These six TA facilities present a variant in the mode of engagement with the executing agencies in that MOF and implementing agencies have a greater role than usual in ADB's TA, for instance, in selecting consultants. While the executing and implementing agencies advertise for, identify, and propose potential consultants, ADB recruits the consultants, signs contracts, and jointly supervises the consultants' performance with the executing and implementing agencies. This process has worked well in the PRC and seems to be a model that ADB could also apply in other countries.

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<sup>1</sup> The six projects are: (i) TA 7862: Strengthening Institutional Reform and Capacity Building (September 2011, \$1.3 million, 20 subprojects); (ii) TA 7313: Facility for Policy Reform and Capacity Building III (July 2009, \$1.5 million, 28 subprojects); (iii) TA 4933: Facility for Policy Reform and Poverty Reduction (June 2007, \$965,000, 18 subprojects); (iv) TA 4790: Facility for Reform Support and Capacity Building (June 2006, \$500,000, 10 subprojects); (v) TA 4365: Facility for Policy Reform (July 2004, \$450,000, 13 subprojects); and (vi) the precursor TA 4200: Fund for Strategic Policy Conferences and Studies for Poverty Reduction (Oct 2003, \$400,000, 22 subprojects).

The resident mission and MOF work together in prioritizing and selecting subprojects, finalizing the work plan and budget agreements for subprojects selected, and identifying national or international consultants, who are recruited through ADB's Consultant Management System. A total of 144 consultants have been selected under the five most recent facility-type TA activities: 139 national and 5 international consultants. The evaluation finds that, to add international perspectives, the TA should consider using more international consultants. Such consultants could also be used to enhance peer review of activities undertaken by national consultants. The quality of interim draft reports as supplied by national consultants has sometimes been mixed, and the quality of national consultants selected needs to improve in some cases.

Following the selection of consultants and peer review of the interim knowledge products within subprojects, the resident mission works closely with the executing and implementing agencies in the disbursement process. The disbursements or utilization rates have remained consistently high. However, disbursement procedures need to be streamlined to avoid the delays experienced, as the typical subproject life cycle in the most recent facilities, from proposal to final reporting, has been less than a year. Also, differences in remuneration between national and international consultants, who command higher daily rates, resulted in the preference of implementing agencies for younger national consultants, given the limited financial resources available to each subproject. Process management by the resident mission has been adequate.

A total of 89 subprojects under the five most recent facility-type TA operations have covered 11 ADB themes and sectors. Social protection and health, capacity development, environment, governance, and regional cooperation and integration have accounted for just over 70% of the total. The profile of implementing agencies has widened from ministries and agencies based in Beijing to provincial-level departments. There has also been an increase in sophistication of topics analyzed, with a shift away from a blueprint approach, based on the experience of other countries, to a frontier approach needing real-time response. The end products of subprojects have been standardized into studies (for policy reforms), activity reports (for capacity development), and synopses (in English and Chinese) to summarize issues and lessons.

The overall rating of facility-type TA projects is *successful*. The subratings under the four standard IED evaluation criteria are *relevant*, *effective*, *efficient*, and *likely sustainable*. The TA facilities have gained in importance to the government, and ADB serves as a sounding board for policy analyses around prioritized topics.

## Issues

**Limited information about the use of products of subprojects.** There is limited documentation on the use of the end products of the subprojects, beyond the required two-page technical assistance completion report, individual studies, synopses, and an August 2006 report prepared by the China Foundation for Poverty Alleviation on the results of the 22 subprojects approved under TA 4200, the precursor to facility-type TA.

**Weak feedback of knowledge created into ADB country operations.** This is an important area to strengthen, given the recent shift in the orientation of subprojects away from a blueprint approach, based on the experience of other countries, to a more frontier approach that allows real-time response to newly emerging issues. Good supporting practices for strategic products, like the involvement of senior experts as task managers, have been developed under ongoing regional TA and could be incorporated.

## Lessons

**Introducing facility-type TA in middle-income country contexts increases goodwill for the wider ADB country portfolio.** In the PRC, the view of knowledge as a product, and the consciousness of the costs embedded in knowledge production, enhance the prospects for the further development. ADB should consider formalizing a discussion on knowledge products and services strategy in the annual country programming review exercises. However, success in introducing this facility in other developing member countries, including middle-income countries, would depend on government ownership, in-country institutional strengths, and capacity to manage.

**Improved quality assurance of facility-type TA projects is resource intensive, but a must for their success.** Proper quality assurance imposes high demands on ADB staffing and time allocated to facility-type TA. Close involvement of ADB staff members is also needed to keep subprojects from degrading into routine activities of implementing agencies, and to preserve the merit base of consultant selection. Some of this quality assurance work could perhaps be funded through the TA itself, and done through international consultants kept on a retainer basis, and used on request for peer review.

**Value addition by ADB on substantive issues is crucial to the eventual success of facility-type TA operations.** This starts with active ADB involvement in the screening of proposed subprojects and the appointment of senior ADB staff members as task managers who actively engage with implementing agencies during subproject implementation and are involved in the preparation of periodic sector and thematic assessments to build institutional knowledge.

## Recommendations to the Resident Mission

The TPER has two:

- (i) **Continue to work with facility-type TA, and strengthen the use of ADB staff and international consultants for providing international perspectives, supervisory support, and peer review of locally produced studies. ADB needs to pursue further delegation of consultant recruitment and procurement functions to the PRC resident mission.** ADB's procurement accreditation skills program should help on this, with support from the Operations Services and Financial Management Department and the Controller's Department (as necessary). The PRC resident mission should explore ways to improve selection of national consultants with international experience and international consultants alike. The resident mission could also constitute an advisory panel to plan subprojects, guide consultants, and develop knowledge products.
- (ii) **Improve the monitoring of subproject outcomes through the preparation of sector and thematic assessments, and make these assessments part of each facility-type TA.** Ex-post sector or thematic assessments can be undertaken to track outcomes of previously produced knowledge products and be made part of each TA. Alternatively, executing agencies can be made responsible for tracking subproject results. The inclusion of ADB staff members at this stage would be crucial to build both institutional knowledge and goodwill with in-country clients. Meetings could be held with ADB specialists, and periodic knowledge briefs prepared, to convert tacit into codified knowledge, for subsequent circulation to ADB staff and others.



# CHAPTER 1

## Introduction

### A. Evaluation Purpose and Process

1. This technical assistance performance evaluation report (TPER) covers six facility-type technical assistance (TA) grants approved by the Asian Development Bank (ADB) for the People's Republic of China (PRC). ADB developed this modality in October 2003 in partnership with the Government of the PRC as a flexible, quick-response mechanism where multiple subprojects aligned with the PRC's development priorities and ADB's country strategy and program are funded under a single TA. A total of 111 subprojects that have been used in the country policy reforms have so far been programmed under the six facility-type TA activities.

*Flexible, quick-response mechanism with multiple subprojects funded under a single TA*

2. These six facility-type TA projects have separate yet parallel executing agencies—the Ministry of Finance (MOF) and the PRC's State Council Leading Group Office of Poverty Alleviation and Development (LGOP)—with ADB's resident mission in the PRC playing a supervisory role, unlike the usual TA projects, which are entirely managed by ADB. Topics for subprojects are identified jointly by ADB and the executing agency through a sequenced selection process. National consultants (and international consultants in fewer instances) on identified topics are brought in as resource persons on a short-term basis to undertake analysis and prepare output for the subprojects to inform the policy discourse.

3. ADB serves as an objective interlocutor, bringing to bear international good practice on identified topics, including identifying the implications for government. Flexibility in offering a rapid response to the government's policy discourse and efficiency in terms of reduced time and costs are two key intended features of this mode of engagement. ADB's Operations Manual does not discuss the facility-type TA as a separate modality. The approach is a hybrid of small-scale TA, where the total cost of each activity does not exceed \$225,000, and a TA cluster, under which subprojects are planned and implemented from a long-term perspective.<sup>1</sup>

*ADB serves as an objective interlocutor bringing to bear international good practice*

4. This TPER is the first evaluation of the facility-type TA projects to be undertaken by ADB's Independent Evaluation Department (IED). The TPER is focused on the working of this facility-type TA approach, how it evolved, its present status, and the contributions of subprojects to the government's policy reforms and capacity development efforts. It needs to be noted that this TPER is not a subproject-by-subproject assessment of output and outcomes. The TPER identifies lessons and offers recommendations to ADB on whether and how to plan and manage similar modes of engagement with governments in upper- and middle-income countries that have relatively strong in-country capacities. The findings are to feed into a special evaluation study on the role of TA in ADB, planned by IED for 2014.

5. The specific objectives of the TPER are to assess (i) how relevant the facility-type TA projects have been to PRC's country context, compared with the common TA

<sup>1</sup> ADB. 2011. Bank Policies. *Operations Manual*. OM D12/BP, page 4, para. 22. Manila.

approach, where ADB plans and manages typical TA activities; (ii) how efficient this mode of engagement has been in responding rapidly to the policy reform priorities and capacity development initiatives of the government; (iii) how effective the analytical and operational products prepared under selected subprojects have been in informing government actions; and (iv) how sustainable the facility-type TA projects are. Table 1 summarizes the details of the six facility-type TA projects covered by this TPER.<sup>2</sup>

**Table 1: Details of Six Facility-Type TA Operations Evaluated in this Report, as of 1 December 2012**

TA Name	Amount Committed (% used)	Executing Agency	No. of Implementing Agencies	Start Date	End Date	TCR Rating	TCR Quality	Evaluation Method Used
TA 7862: Strengthening Institutional Reform and Capacity Building	\$343,818 (26.4%)	MOF	20	Sep 2011	Active	—	—	Interviews, survey, desk review
TA 7313: Facility for Policy Reform and Capacity Building III	\$1.5 million (78.7%)	MOF	21	Jul 2009	Active	—	—	Interviews, survey, desk review
TA 4790: Facility for Reform Support and Capacity Building	\$500,000 (97.5%)	MOF	10	Jun 2006	Jun 2010	Successful	Satisfactory	Interviews, survey, desk review
TA 4933: Facility for Policy Reform and Poverty Reduction	\$965,000 (87.5%)	MOF, LGOP	18	Jun 2007	Jun 2010	Successful	Satisfactory	Desk review
TA 4365: Facility for Policy Reform	\$450,000 (98.9%)	MOF	13	Jul 2004	Sep 2006	Successful	Less than satisfactory	Desk review
TA 4200: Fund for Strategic Policy Conferences and Studies for Poverty Reduction	\$400,000 (99.5%)	LGOP	22	Oct 2003	Oct 2006	Successful	Satisfactory	Desk review

— = data not available, LGOP = State Council Leading Group Office of Poverty Alleviation and Development, MOF = Ministry of Finance, TA = technical assistance, TCR = technical assistance completion report.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

### *Individual and joint interviews with 19 implementing agencies were undertaken*

6. For the facility-type TA projects in the first three rows, individual and joint interviews with 19 implementing agencies were undertaken by an independent evaluation mission (IEM) in Beijing, PRC, on 21–31 October 2012.<sup>3</sup> An additional 13 implementing agencies responded to the survey, taking the total of such agencies covered by the evaluation team to 32. For the TA projects in the next two rows, only a desk review was undertaken. The TA in the last row was a precursor to the facility-type TA projects and is discussed only briefly in this TPER.

7. The IED guidelines on the contents of a TPER were adapted for the purposes of this report.<sup>4</sup> Evidence was gathered from several sources through the data-gathering methods listed in Table 1. A desk review of the TA documentation, country strategy,

<sup>2</sup> ADB. 2004. *Technical Assistance to the People's Republic of China for the Facility for Policy Reform*. Manila; ADB. 2006. *Technical Assistance to the People's Republic of China for the Facility for Reform Support and Capacity Building*. Manila; ADB. 2007. *Technical Assistance to the People's Republic of China for the Facility for Policy Reform and Poverty Reduction*. Cofinanced by the Poverty Reduction Cooperation Fund. Manila; ADB. 2009. *Technical Assistance to the People's Republic of China for Facility for Policy Reform and Capacity Building III*. Manila; and ADB 2011. *Technical Assistance to the People's Republic of China for Strengthening Institutional Reform and Capacity Building*. Manila.

<sup>3</sup> The IEM team comprised Rajesh Vasudevan (team leader and evaluation specialist) and John Coulter (consultant).

<sup>4</sup> IED. *Guidelines for Preparing Performance Evaluation Reports for Public Sector Operations*. Addendum 2: Contents of a Technical Assistance Performance Evaluation Report. Manila: ADB.



and country programming was first completed. ADB staff members at headquarters who had previously worked on these facility-type TA projects were interviewed.

8. Key findings from the initial desk review and interviews with headquarters-based ADB staff members were verified and validated through in-country consultations, and additional data and information were collected to develop the TPER. The IEM team undertook structured interviews with ADB staff members at the resident mission who have been at the forefront of the planning and management of these facility-type TA projects. The team also interviewed focal persons at the MOF. After that, representatives of 10 Beijing-based implementing agencies for 17 subprojects were interviewed jointly and individually.<sup>5</sup> In addition, the mission team went on a 2-day visit to Zhengzhou, Henan Province, to interview staff members of the implementing agencies for two subprojects.<sup>6</sup>

9. A questionnaire survey was administered to the remaining 32 implementing agencies for the three facility-type TA projects that were the focus of the in-country mission (TA 7862, TA 7313, and TA 4790). The MOF had suggested this project focus in view of the availability of the focal persons for the subprojects. In the other three TA projects, most of the focal persons had moved to new positions. The responses received from 13 implementing agencies were used in this TPER.

*A questionnaire survey was administered to the remaining 32 implementing agencies*

10. Additional interviews were held with staff members of ADB's Knowledge Sharing and Services Center under the Regional and Sustainable Development Department and with front-office staff members of the East Asia Department. Through the joint and individual interviews, and the questionnaire responses, data were gathered from 32 of the 51 implementing agencies that have supported the three facility-type TA projects that were the focus of the in-country visit. The TPER was reviewed by ADB's East Asia Department, PRC Resident Mission, and the Operations Services and Financial Management Department in January 2013. A later version was reviewed by staff of the Government of the PRC's MOF in February and March 2013, who provided pertinent feedback and further inputs to finalize the report.

11. This TPER is divided into six sections. After this introductory section, section II contains a summary of the design and implementation aspects of the six facility-type TA projects. Section III elaborates on the performance assessment of the facility-type TA projects based on four standard, equally weighted criteria: relevance, efficiency, effectiveness, and sustainability. Section IV discusses the impact of the facility-type TA projects, and the performance of ADB and the executing and implementing agencies. Section V presents the key findings, and the sixth and final section lists issues, lessons, and recommendations.

## B. Objectives of the Six Facility-Type TA Operations

12. The six facility-type TA projects have had an evolutionary trajectory in the context of rapid economic reforms and growth in the PRC. The rules of engagement of

<sup>5</sup> The 10 implementing agencies covered were: (i) the Tax Policy Department, under the MOF; (ii) the Department of Budget, under the MOF; (iii) the Ministry of Human Resources and Social Security; (iv) the Ministry of Civil Affairs; (v) the National Development and Reform Commission; (vi) the Supreme People's Court of the PRC; (vii) the China Rural Technology Development Center, under the Ministry of Science and Technology; (viii) the China Institute of Public Finance; (ix) the China Beijing Environment Exchange; and (x) the China Institute of Internal Audit.

<sup>6</sup> The two agencies were the Henan Provincial Department of Finance, and the Henan Industry and Information Technology Department.

*Rules of engagement of the facility-type TA projects can be traced to the PRC window of the Poverty Reduction Fund created by ADB and DFID*

the facility-type TA projects can be traced back to the PRC window of the Poverty Reduction Fund (PRF), which was created in July 2003 by ADB and the Department of International Development (DFID) of the United Kingdom. Each activity supported under the PRF–PRC window could cost up to \$1 million and proposals prepared either by ADB or the government needed to be screened by the PRC's MOF, DFID, and the resident mission. Between 2003 and 2007, 18 TA projects totaling \$9.2 million were approved under this PRF–PRC window. Among them was TA 4200: Fund for Strategic Policy Conferences and Studies for Poverty Reduction, the precursor to facility-type TA.<sup>7</sup>

13. The objective of TA 4200 (\$400,000, approved in October 2003) was to increase information exchange between the government, research institutes, civil society organizations, and the private sector in poverty reduction, employment, and social security. The government's LGOP was the executing agency. The LGOP had requested ADB to provide a flexible TA that supported the inclusion of subprojects during TA implementation, according to predefined selection criteria. Because standard TA design and processing schedules could not offer this needed flexibility, the ADB team adapted principles developed under the overall PRF–PRC window to develop the facility-type TA, which allowed the funding of small-scale interventions. TA 4200 was approved in October 2003 and completed in September 2006. Twenty-two research projects were approved in two batches. The 11 subprojects in the first batch were approved between October 2003 and October 2005, and 11 other subprojects approved between November 2005 and September 2006 made up the second batch. Forty proposals were received from over 30 agencies. Sixteen of the 22 subprojects involved the preparation of research reports; three, the conduct of workshops; and the remaining three, poverty-related activities like support for a LGOP mission to form a Poverty Research Center.<sup>8</sup>

14. The second facility-type grant, TA 4365: Facility for Policy Reform (\$450,000, approved in July 2004) was aimed at providing a flexible mechanism in support of priority reforms of the government that aligned with the focus areas of ADB's Country Strategy and Program 2005–2007).<sup>9</sup> These focus areas were inclusive growth, an improved enabling environment for private sector participation, regional cooperation, and environment sustainability. The TA applied the same operational specifications as the earlier TA 4200, the precursor to the facility-type TA projects. Four subprojects were identified during the TA fact-finding mission: (i) a private sector study, (ii) the preparation of a report on government procurement, (iii) the development of a fiscal expenditure efficiency evaluation system, and (iv) the conduct of a road safety conference. After approval, nine more subprojects were selected by ADB and the MOF. TA 4365 was completed in September 2006.

15. The third facility-type TA grant, TA 4790: Facility for Policy Reform and Capacity Building (\$500,000, approved in June 2006), was to serve as a rapid-response facility to support the government's priorities in its 11th Five-Year Plan for 2006–2010 and ADB focus areas. The MOF was the executing agency. Three of 10 subprojects were identified during TA approval, while seven others identified during implementation. The TA was extended by 2 years beyond the original completion date of June 2008, to August 2010, because of the 2008 global financial crisis.<sup>10</sup>

<sup>7</sup> IED. 2008. *Special Evaluation Study of Asian Development Bank's Poverty Reduction Technical Assistance Trust Funds: Poverty Reduction Cooperation Fund and Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies*. Manila: ADB.

<sup>8</sup> ADB. 2006. *PRC: Strategic Policy Conferences and Studies for Poverty Reduction*. A TA report prepared by the China Foundation for Poverty Alleviation. TA financed by Poverty Reduction Cooperation Fund. Manila.

<sup>9</sup> ADB. 2004. *Country Strategy and Program Update: People's Republic of China, 2005–2007*. Manila.

<sup>10</sup> ADB. 2011. *Technical Assistance Completion Report: Facility for Reform Support and Capacity Building in the People's Republic of China*. Manila (TA 4790-PRC).

16. The fourth facility-type TA grant, TA 4933: Facility for Policy Reform and Poverty Reduction (\$965,000, approved in June 2007), signaled an inflection point in the degree of sophistication of the facility-type TA projects. Of the total resource envelope, ADB allocated \$900,000 from its TA funds and cofinancing of \$65,000 came from the PRF funded by DFID. Two executing agencies, the LGOP and the MOF, were to manage two components under which all subprojects were subsumed. The first component was sectoral policy studies and capacity development (with a budget of \$500,000, managed by MOF) and the second component supported innovations in poverty reduction (with a budget of \$450,000, managed by LGOP). Subproject outputs was standardized and included either a series of studies (for the sectoral policy studies component) or a series of activity reports (for the capacity-building component). The TA also required, for the first time, a synopsis monograph in both English and Chinese that summarized the issues and lessons for each subproject.

*Fourth facility-type TA grant signaled an inflection point in the degree of sophistication*

17. The objectives of the fifth TA facility, TA 7313: Facility for Policy Reform and Capacity Building III (\$1.5 million, approved in July 2009), were to increase ADB's responsiveness to government requests as it prepared the country's 12th Five-Year Plan for 2011–2015, to develop policy measures to mitigate the downside of the global financial crisis and the economic slowdown, and to support the rebalancing of the growth strategy.<sup>11</sup> Twenty-eight subprojects, involving policy reforms and capacity development, were approved. Ten subprojects were identified at the fact-finding stage. The others were selected during implementation on the basis of predefined criteria.

18. The implementation period of the most recent TA grant, TA 7862: Strengthening Institutional Reforms and Capacity Building (\$550,000, approved in September 2011, and increased by \$800,000 in May 2012), coincides with the 12th Five-Year Plan for 2011–2015. The policy advice component includes studies and workshops to be used by the central government and selected provincial governments in different areas such as rural development, and social sector reforms. The capacity development component is aimed at increasing the management capacity of central government and selected provincial governments through diagnostics, assessments, training, and workshops.<sup>12</sup> Twenty subprojects are being implemented.

19. The technical assistance completion reports (TCRs) prepared for TA 4200, TA 4365, TA 4790, and TA 4933 rated these projects *successful*. All four TCRs evidently had to keep within the required maximum length of two pages for each report, according to ADB's TCR template, while at the same time evaluating multiple subprojects within the exact structure of the template. The coverage of performance information for individual subprojects under each TA facility was therefore constrained, as was the discussion of how the subproject approach evolved. In accordance with the TCR guidelines, all four reports attempted to develop their narrative according to the design and monitoring framework set out in the TA reports, in the process limiting the discussion of subproject results. Each TCR gives the number of consultants recruited and the total staff time expended, but does not have similar information at the subproject level. The limited dissemination of subproject findings was among the lessons identified in the TCR for TA 4200, which called for "clear guidelines and mechanisms for dissemination of knowledge generated," but this issue has persisted through subsequent TA facilities. The TCR for TA 4365 was, moreover, incomplete. The quality of three other reports, in terms of coverage and lessons, was adequate.

*Lessons identified in the TCR for TA 4200 called for "clear guidelines and mechanisms for dissemination of knowledge generated" but this issue has persisted*

<sup>11</sup> ADB. 2009. *Technical Assistance to the People's Republic of China for Facility for Policy Reform and Capacity Building III*. Manila.

<sup>12</sup> ADB. 2011. *Technical Assistance to the People's Republic of China for Strengthening Institutional Reform and Capacity Building*. Manila.

## CHAPTER 2

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# Design and Implementation

### A. Rationale

*Growth strategies of previous decades need to be reconfigured for the country to avoid the middle-income trap and achieve continued expansion based on high-value-added products*

20. The PRC is the world's second-largest economy with a gross national income per capita of about \$4,940 in 2011, making it an upper-middle-income country<sup>13</sup> after 3 decades of sustained economic reforms and growth. However, it is widely recognized that the growth strategies of previous decades need to be reconfigured for the country to avoid the middle-income trap and achieve continued expansion based on high-value-added products.<sup>14</sup> Greater flexibility in policy setting, private sector participation, and good governance are seen as requirements for a suitable response to the government priorities of ensuring inclusive growth, reducing income inequality, improving water resource management, and using more efficient and environment-friendly energy.<sup>15</sup>

21. A unique feature of the PRC is its unprecedented development, which has caused rapid shifts in new policy requirements. The main driver of that development is the pursuit of growth in gross domestic product or per capita income. A related driver is the need to contain or reverse the effects of environmental degradation, including diminished water quality and the threat of climate change, on all aspects of life. The pressures exerted by changes in society, especially migration from rural to urban areas, and the aging of the population, are another driver of development. The national and provincial governments have responded by striving to understand the emerging conditions, especially those with the potential to destabilize. But officials interviewed by the IEM team said that many of the problems encountered appeared to have no precedent. No experts and no textbooks could provide answers.

22. The ADB country program has seen an increasing focus on technical support and knowledge content. ADB has approved 486 advisory TA projects (including policy and advisory TA and capacity development TA) totaling \$260.8 million, but this TA support has been marked by fluctuations. A 2001 ADB report<sup>16</sup> on improving the effectiveness of advisory TA projects in the PRC identified executing agency commitment and ownership as critical determinants of TA success. Consequently, the contribution of ADB-supported TA to the country's development has remained limited. The TA 4365 report explains the limited utility of ADB-supported TA projects in the PRC thus: "Policy reform in PRC is a dynamic exercise as the government undertakes significant research on policy issues simultaneously. And the chance of a typical ADB TA activity to correctly project sequencing of reforms a few years in advance is remote."

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<sup>13</sup> The country groups are as follows: low-income country, \$1,005 or less; lower-middle-income country, \$1,006–\$3,975; upper-middle-income country, \$3,976–\$12,275; and high-income country, \$12,276 or more.

<sup>14</sup> ADB. 2011. Keynote Speech of the ADB President at ADB–PRC Knowledge Sharing Forum held to commemorate 25 years of ADB–PRC Partnership on Opportunities and Challenges of Middle Income Transition. Beijing.

<sup>15</sup> ADB. *Asian Development Outlook 2012, Economic Trends and Prospects in Developing Asia: East Asia*. Manila.

<sup>16</sup> ADB. 2001. *Improving the Effectiveness of Advisory Technical Assistance in the People's Republic of China*. Manila.

23. ADB developed the facility-type TA modality in October 2003 in partnership with the government as a flexible, quick-response mechanism. Some aspects of the guiding principle of facility-type TA are similar to that of the more recent infrastructure-related project design facilities that were piloted by ADB in 2011.<sup>17</sup> Both seek improved client responsiveness through quick-disbursing funds for need-based activities, although the project design facilities are earmarked for project preparation like feasibility studies, safeguards, procurement, and pre-implementation work. A facility-type TA is a small grants program in itself aimed to improve results of ADB-supported TA activities through increased country ownership. The TA 4365 report summarized the rationale of the facility-type TA projects as follows:

Supporting the final policy decision-making requires knowledge of related technical know-how, implementation methods, information dissemination, and international experience in balancing the parties' interests and addressing other possible difficulties. Such information will help the government select the best implementation actions, paths, and contingency plans related to policies under consideration.<sup>18</sup>

24. All subprojects approved under each of the six facility-type TA projects aimed to broadly achieve this objective. The initial rationale of the facility-type TA mode of engagement was to allow ADB to respond more quickly to government requests to support workshops and "first-pass" investigations of emerging issues. A new TA would take too long to approve. Despite disparities in technical details between subprojects under subsequent facility-type TA projects, a common thread has been the urgent need to respond rapidly to new developments. The term "policy advice," used commonly in proposals, refers to expert research commissioned to discover more about emerging problems, including statistics and the nature of the drivers and pressures, with final reports attempting to suggest workable solutions. The evaluation team noted that stakeholders were generally unanimous in declaring that a problem existed and had to be studied, understood in all its details, and solved.

*Initial design was to allow ADB to respond more quickly to government requests and support workshops and "first-pass" investigations of emerging issues*

25. A question that can be raised is whether the PRC really needs this kind of grant and truly benefits from the subprojects commissioned. The subprojects indeed appear to benefit from ADB support for a variety of reasons mentioned to the IEM team by Chinese respondents. Funds are often mobilized quickly. ADB grant funding also gives more scope for subproject selection or pilot testing. New and topical issues are easier to fund this way than through conventional ADB TA. Feedback from MOF emphasized that, while the PRC is capable of funding these TA activities on its own, ADB-supported TA activities are welcomed, given the access to more international viewpoints and experiences, and ADB's knowledge "brand name," which gives additional credibility to the findings. ADB staff's involvement in the TA is appreciated more than that of international consultants, which were used only sparsely. While limited use of international consultants increases the cost efficiency of facility-type TA for the users, this situation brings additional cost to ADB in terms of the time spent on the TA by its staff members in the PRC resident mission.

## B. Formulation

26. The PRC joined ADB in 1986 and the country program since then has seen an increasing focus on technical support and knowledge content. As noted in the World

<sup>17</sup> ADB. 2011. *Policy Paper on Establishing a Project Design Facility*. Manila.

<sup>18</sup> ADB. 2004. *Technical Assistance to the People's Republic of China for Facility for Policy Reform*. Manila.



Bank's approach paper on the ongoing evaluation of its knowledge-based country programs by its Independent Evaluation Group, the product mix in a country that undergoes sustained economic growth shifts to a more prominent role for technical support and knowledge content (Table 2).<sup>19</sup> The PRC has become less dependent on program financing, given its high-growth trajectory and increased access to alternative sources of financing.

**Table 2: Loans and Technical Support for the PRC Approved by ADB, 1987–2011**

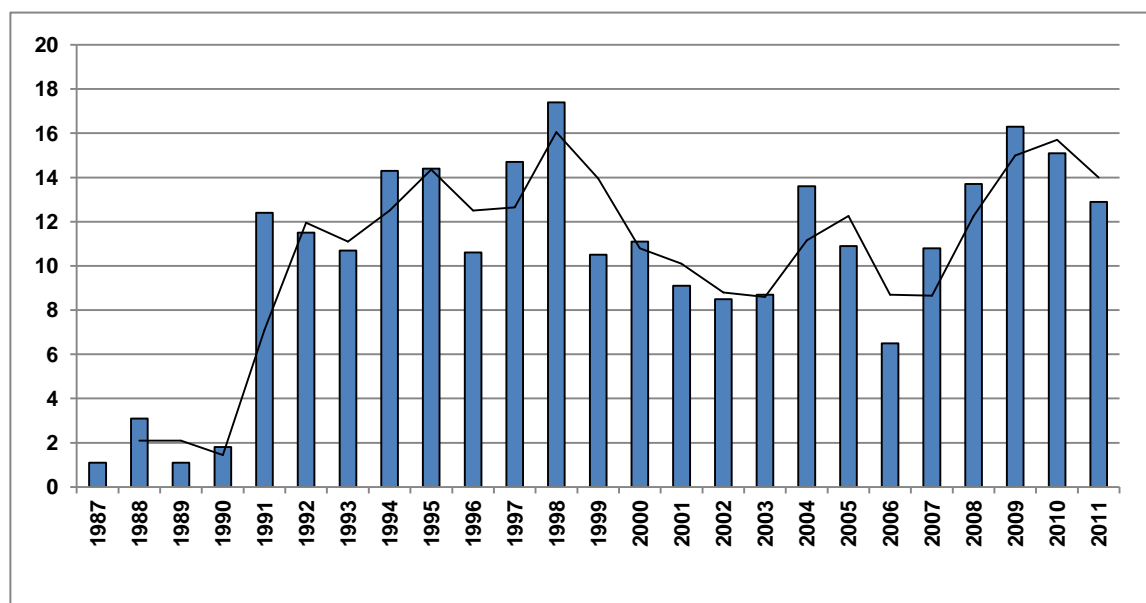
Activities Approved	1987–1998	1999–2011	Total
Loans approved (number)	71	125	196
Amount of loans approved (\$ million)	8,166	17,804	25,970
TA grants approved (number)	303	360	663
Amount of TA grants approved (\$ million)	146.6	233.4	380

ADB = Asian Development Bank, PRC = People's Republic of China, TA = technical assistance.  
Source: ADB Annual Reports for 1998 and 2011.

*On average, around \$10.4 million in advisory TA (about 19 projects) are approved for the PRC every year*

27. The TA grant approvals include 486 advisory TA grants (policy, advisory, and capacity development TA) totaling \$260.8 million that were approved between 1987 and 2011. On average, around \$10.4 million in advisory TA (about 19 projects) are approved for the PRC every year, a sizable figure. However, the approval amounts fluctuated significantly in 1987–2011, as shown in Figure 1.

**Figure 1: Amount of Advisory TA Approved in 1987 and 2011**  
(million)



Note: Solid line shows the 2-year moving average.

TA = technical assistance.

Source: ADB's loans, technical assistance, grants, and equity approvals database; and ADB. 2001. *Improving the Effectiveness of Advisory Technical Assistance in the People's Republic of China*. Manila.

28. A 2001 ADB report (footnote 16) identified lack of commitment and low ownership by the executing agency as main reasons for the *less than successful* performance of ADB-supported TA projects in the country overall. It highlighted the

<sup>19</sup> World Bank. 2012. *Approach Paper on Evaluation of Knowledge-Based World Bank Country Programs*. Prepared by the Independent Evaluation Group. Washington, DC.

following deterrents to the success of such projects: the passive role of the MOF in the selection of TA priorities; unrealistic consideration of consultants' input in TA design, resulting in frequent contract variations; the lack of involvement of the executing agency in consultant selection and recruitment; and the lack of executing agency jurisdiction or commitment to using and disseminating TA output.

29. Table 3 lists the issues identified in the 2001 report, which rated TA performance in the PRC *less than successful*.

**Table 3: TA Performance Issues Identified in the 2001 ADB Report on the Effectiveness of ADB's Advisory TA in the PRC**

<p><b>Selection of Topics for TA</b></p> <ul style="list-style-type: none"> <li>Selection of topics not of critical concern to top policy makers in the PRC</li> <li>Passive role of Ministry of Finance in prioritizing TA topics</li> <li>Lack of competition in the selection of TA topics</li> <li>ADB initiation of topics that are not of critical importance to the government</li> <li>Lack of flexible TA programming and topic prioritization</li> </ul>
<p><b>TA Design</b></p> <ul style="list-style-type: none"> <li>Unrealistic consideration of consultants' input, leading to frequent contract variations</li> <li>Unrealistic division of responsibilities between international and national consultants</li> <li>Low percentage of cost sharing by executing agencies compared with that of other partners</li> <li>Ambiguous terms of reference and types of recommendations expected</li> <li>Suboptimal commitment from EA to provide support during TA implementation</li> <li>Lack of consultation and mutual understanding on TA objectives and methodologies</li> <li>Need to establish a technical advisory panel or steering committee for TA design</li> </ul>
<p><b>TA Implementation</b></p> <ul style="list-style-type: none"> <li>Too short initial time frames for TA implementation, often leading to delays in completion</li> <li>Lack of involvement of the EA in consultant selection and recruitment</li> <li>Difficulties in coordination between international and national consultants</li> <li>Absence of a mechanism for involving the EA in TA administration and consultant supervision</li> <li>Lack of a flexible mechanism for reporting, review, and work-plan adjustment</li> </ul>
<p><b>Post-completion Phase</b></p> <ul style="list-style-type: none"> <li>Lack of EA jurisdiction or commitment to using and disseminating TA output</li> <li>Inadequate follow-up by ADB on TA output</li> <li>Lack of mechanism for regular assessment and monitoring of TA results</li> </ul>

ADB = Asian Development Bank, ADBA = advisory technical assistance, EA = executing agency, EARD = East Asia Department, ECRD = East and Central Asia Department, IA = implementing agency, PRC = People's Republic of China, TA = technical assistance.

Source: Memorandum of 8 February 2002 from the Director General, ECRD (former name of EARD), on ADB. 2001. *Improving the Effectiveness of Advisory Technical Assistance in the People's Republic of China*. Manila.

30. ADB developed the facility-type TA modality in October 2003, in partnership with the government, as a flexible and quick-response mechanism. ADB's Operations Manual does not discuss facility-type TA as a separate modality and it appears to be a hybrid between small-scale TA and a TA cluster, where subprojects are designed and implemented on the basis of a medium- to long-term plan. Facility-type TA projects are never fully delegated. However, they benefit from a deeper involvement from the executing agency than is the case in all other country TA administered by ADB. Under facility-type TA, ADB usually identifies an initial set of subprojects during the fact-finding stage, and the executing agency adds others during implementation, in close consultation with resident-mission project staff members and on the basis of a pre-agreed set of selection criteria. Two criteria for facility-type TA projects after TA 4933 were the following: proposed subprojects had to be on emerging issues urgently needing resolution and ADB had substantial potential to add value, and ownership had to be high enough to ensure needed leverage for ADB financing.

*Facility-type TA appears to be a hybrid between small-scale TA and a TA cluster*

*Facility-type TA projects are exceptional in ADB as they are implemented primarily by executing agencies*

31. The research director of the TA Division within MOF noted that, compared with traditional TA, facility-type TA projects had streamlined approval procedures, giving the client more ownership in the design of subprojects and the selection of consultants, and thus allowing greater flexibility and speed in addressing urgent policy issues. In fact, the TA projects are exceptional in ADB as they are implemented primarily by executing agencies, rather than by ADB staff members. Consequently, facility-type TA grants have become popular with implementing agencies. This mode of engagement has increased ADB's goodwill in the PRC, and also offers a mechanism for ADB to inject international experience into subprojects, in addition to potential points of entry for continued policy dialogue.

32. The formulation of facility-type TA projects has shifted incrementally through the progression of such projects in the PRC. TA 4200 was planned as a quick-response fund that supported poverty-related studies and conferences. The number of subprojects dropped to 13 under TA 4635, and to 10 under TA 4790, as ADB focus turned to deepening the policy dialogue with the government around fewer subprojects. TA 7862, TA 7313, and TA 4933 evolved into quick-response mechanisms targeted at emergent and pressing issues.

### C. Costs, Financing, and Executing Arrangements

33. The total costs, government financing, ADB-approved amounts, and actual disbursements are presented in Table 4. The government has taken measures to ensure the implementation of subprojects by allocating a special fund and additional staffing. TA 4200 was approved under the Poverty Reduction Cooperation Fund, which was cofinanced by DFID and administered by ADB. Similarly, TA 4933 included \$65,000 in cofinancing from the Poverty Reduction Cooperation Fund.

**Table 4: Approved and Actually Disbursed Amounts for Facility-Type TA Operations in the PRC, as of 1 December 2012**

Facility-Type TA Projects	Total Cost (\$)	Government Financing (\$)	Approved Amount (\$)	Amount Disbursed (\$)	Utilization (%)	Subproject Amount (Average)
TA 7862	NA	NA	1,300,000	8,624.5	0.66	\$50,000
TA 7313	1,620,000	420,000	1,500,000	1,180,500.0	78.70	\$50,000
TA 4933	1,215,000	250,000	965,000	845,334.0	87.50	\$50,000
TA 4790	680,000	180,000	500,000	487,752.0	97.50	\$50,000
TA 4365	600,000	150,000	450,000	445,173.0	98.90	NA
TA 4200	500,000	100,000	400,000	398,055.0	99.50	\$20,000

NA = not applicable, TA = technical assistance.

Note: TA 7862 was approved on 9 September 2011 and the initial \$500,000 was increased by \$800,000 on 25 May 2012.

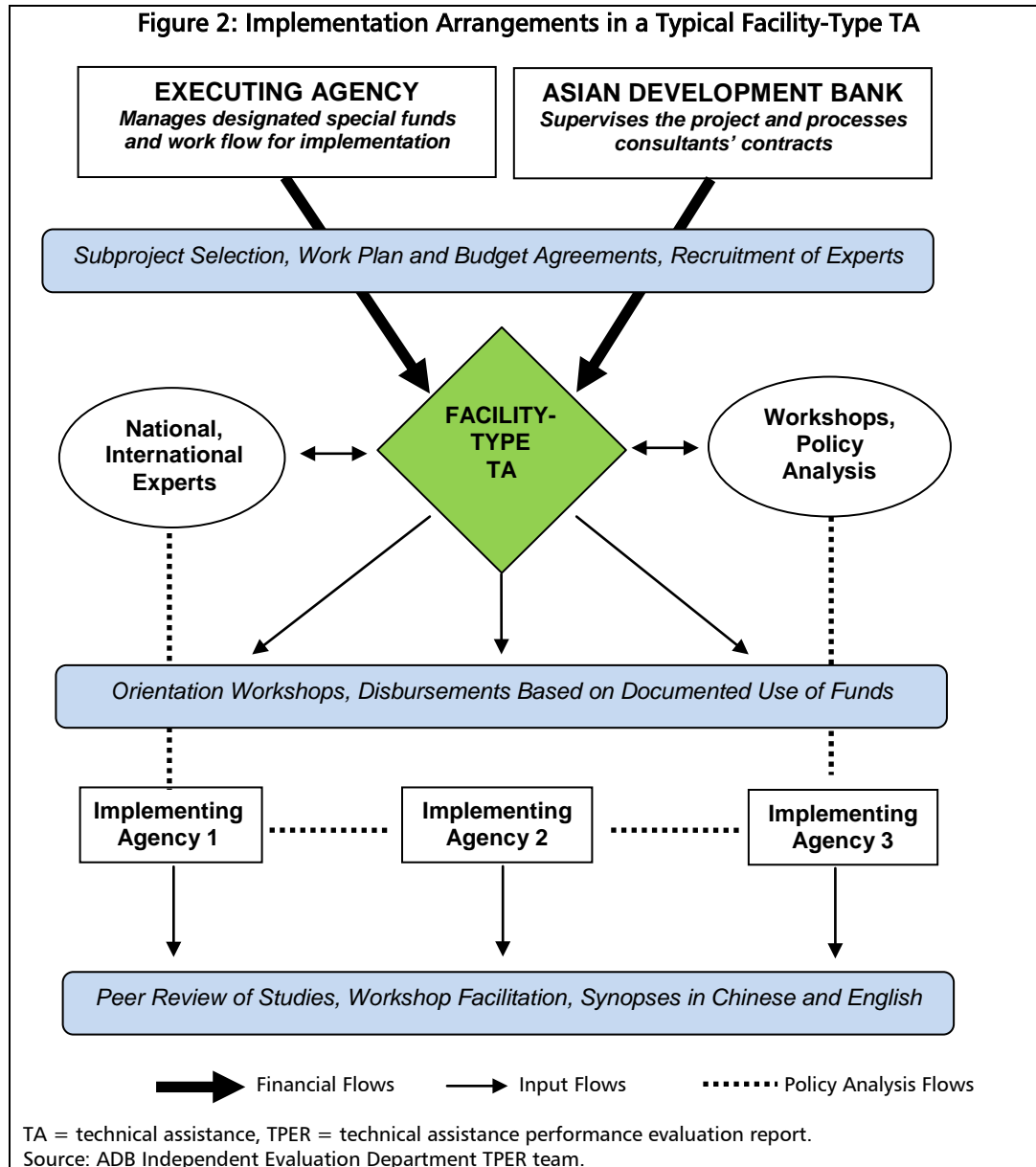
TA 7313 was approved on 20 July 2009 and \$0.3 million was added to the initial \$1.2 million on 3 December 2010.

Source: ADB Independent Evaluation Department TPER team.

34. The six facility-type TA projects have two separate yet parallel executing agencies (MOF and LGOP), unlike the usual TA projects, which are managed entirely by ADB. In these six projects, ADB, through its resident mission, has had a supervisory role. ADB resources consist of (i) a portion of financing managed by ADB, including funds allocated through contracts for consultants recruited and contracted through standard ADB procedures by the Operations Services and Financial Management Department (formerly Central Operations Services Office); and (ii) a portion that is managed directly by the executing and implementing agencies, for workshops, research, and publications. Fund management for the second portion is based on actual expenditures



linked to work plans previously agreed on and backed with expenditure documentation. Figure 2 shows the implementation arrangements in a facility-type TA.



35. ADB, however, does not hand over to the executing agency all responsibilities for the planning and management of TA projects, and it recruits and supervises the consultants. However, executing agencies have a greater role than they usually do in country TA. While they identify and propose potential consultants by advertisement, ADB completes the selection process. ADB signs the contracts with the consultants and, with the executing and implementing agencies, jointly supervises the contracts and the consultants' performance. ADB has funded few TA projects that are fully or even partly

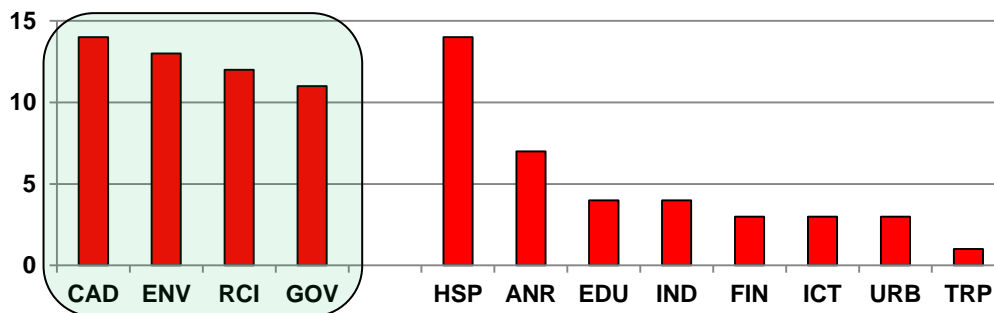
*ADB, however, does not hand over to the executing agency all responsibilities*

*Eighty-nine subprojects were approved under the five most recent facility-type TA projects*

delegated and this was piloted in 2003.<sup>20</sup> The decision to delegate is based on an assessment of executing agency's capacity to manage contracts among others.<sup>21</sup>

36. Figure 3 shows the ADB themes and sectors for the 89 subprojects that were approved under the five most recent facility-type TA projects. The focus of the 22 subprojects that were approved under TA 4200 was poverty. Four ADB themes—capacity development, environment, governance, regional cooperation and integration—and the health and social protection sector have accounted for 64 of the 89, or just more than 70% of the subprojects.

**Figure 3: ADB Theme and Sector Classification of 89 Subprojects Approved under TA 7862, TA 7313, TA 4933, TA 4790, and TA 4365**



ANR = agriculture and natural resources, CAD = capacity development, EDU = education, ENV = environment, FIN = finance, GOV = governance, HSP = health and social protection, IND = industry and trade, ICT = information and communication technology, RCI = regional cooperation and integration, TA = technical assistance, TPER = technical assistance performance evaluation report, TRP = transport, URB = urban development.

Note. Shaded portion refers to ADB themes.

Source: ADB Independent Evaluation Department TPER team.

37. All six facility-type TA projects have been administered out of the resident mission. The focus of resident-mission support has been to reduce ad hoc processes and create a predictable and well-defined mechanism for the different points in the work flow. A template for initial project proposals has been created and has been used by all implementing agencies over the past 2 years. The resident mission and MOF jointly screen and select subprojects for funding from the pool of proposals according to a set of pre-identified selection criteria. Resident-mission staff members coordinate with the executing and implementing agencies in identifying eligible consultants through ADB's Consultant Management System, and oversee disbursements based on actual expenses incurred by the implementing agencies. Task managers at the resident mission are also assigned to the various subprojects to streamline administration and ensure timely implementation. These task managers participate in the review of interim and final reports, and attend related workshops.

*Resource requirements for completing subprojects are high, both in terms of staffing and time*

38. Coordination between the resident mission, executing agencies, and implementing agencies has been adequate. However, consultations with the resident mission and MOF revealed that the resource requirements for planning, supporting, and completing subprojects are high, both in terms of staffing and time. In terms of resident-mission staffing, TA 7862 has a team leader and an alternate (2 international staff members), 20 task managers (3 international staff members and 4 national

<sup>20</sup> ADB. 2003. *A Pilot Study for Delegation of Consultant Recruitment and Supervision under Technical Assistance to Executing Agencies*. Manila

<sup>21</sup> ADB. 2010. *Recruiting Consultants: Project Administration Instructions*. PAI 2.01. Issued in October. Manila.

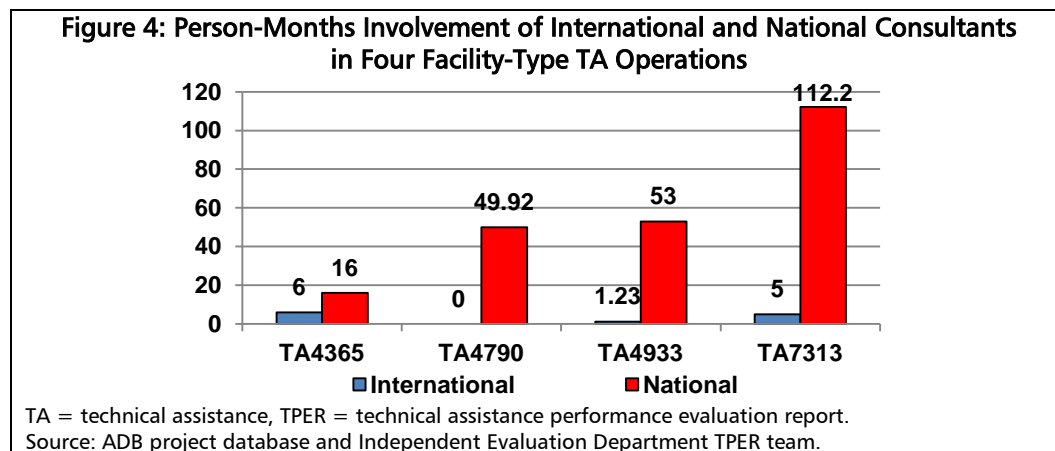
officers), 1 analyst, and 1 assistant. TA 4790 had a team leader (national officer), 10 task managers (2 international staff members and 8 national officers), 1 analyst, and 1 assistant. For TA 7313, resident-mission staffing has covered the participation of a team leader (national officer), 9 task managers (national officers), 1 analyst, and 1 assistant. In MOF, the team consists of three staff members assigned full time to the project and five additional members who contribute during peak times, such as during the screening and selection of subprojects. This TPER regards this as a considerable investment by the PRC government and a sign of its ownership and commitment.

## D. Consultants and Scheduling

39. Part of the initial rationale of facility-type TA projects was ADB's ability to bring to bear international good practice on identified topics, as objective interlocutor, and identify the implications for government. However, only 5 of the 89 subprojects approved under the five most recent facility-type TA projects have used international consultants, for various substantive and logistic reasons. This was pointed out by the MOF to the IEM—that many topics covered by subprojects require the experts to have significant in-country knowledge, and national consultants are better qualified than international consultants in this regard.

40. Figure 4 shows the person-month involvement of international and national experts in four facility-type TA projects. In TA 7862, the most recent facility, the projected participation of consultants is 5 person-months international and 35 person-months national. These estimates could be revised upward in view of the addition of 10 subprojects in the latter half of 2012.

*Only 5 of 89 subprojects approved under the five most recent facility-type TA projects have used international consultants*



41. In instances where international experts might be useful, implementing agencies are unable to attract them because the relatively small resources (\$50,000 to \$100,000) allocated to each subproject cannot accommodate their higher remuneration rates. As a result, the agencies' preference has been for younger national consultants, who have lower daily rates. Under TA 7862, a total of 41 consultants have been recruited; 39 of these are national experts, including 33 at level 5 or 6. During in-country interviews with officials, the IEM team heard about many problems, without apparent precedent, that the subprojects have been tasked to research. No experts, textbooks, or case studies provided ready answers. The officials added that the international experts do not seem to have better experience and insights than the national experts on the PRC-related challenges. Moreover, the international experts are hamstrung by their unfamiliarity with the local language and in-country realities.

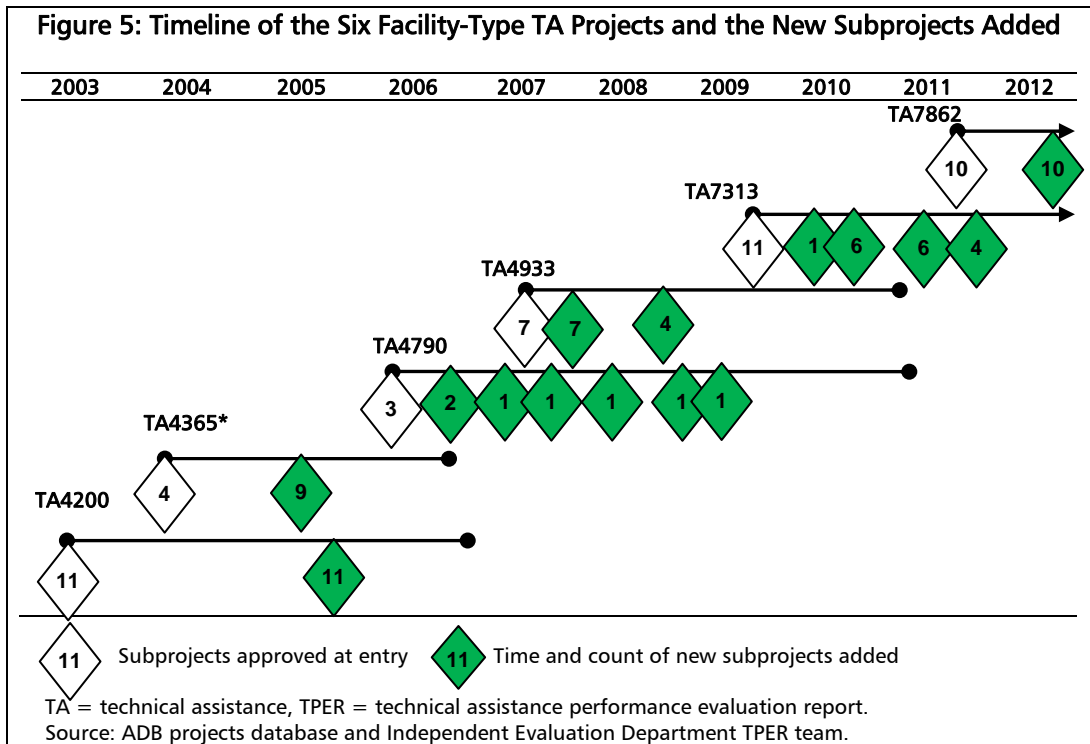
However, feedback from the MOF-TA Division noted that international experience in resolving those challenges are valued, and while not that many international experts have been involved, national experts increasingly contribute towards this understanding of international experience, given their often international academic and working experience. And advice of PRCM is also appreciated.

42. All four facility-type TA projects that have been completed underwent changes in scheduling. The completion of TA 4933 was delayed by 12 months, from June 2009 to June 2010, because of changes in the ADB project team and the administrative complexity of supervising and coordinating 18 different implementing agencies and national experts, who were often unfamiliar with ADB procedures, as noted in the TCR. TA 4790 was extended by 24 months and its completion was moved back from June 2008 to June 2010 at MOF's request, given the immediate priorities of the 11th Five-Year Plan and the urgent need to respond to the 2008 global financial crisis. The completion of TA 4365 was delayed by 9 months, from December 2005 to September 2006, and that of TA 4200 by 12 months, from October 2005 to October 2006. The latter was due to, because of coordination and staff shortage issues internal to the executing agency, as noted in the China Foundation for Poverty Alleviation.<sup>22</sup>

### E. Design Changes

*Identification by ADB of an initial set of subprojects at fact-finding stage and later addition of other subprojects*

43. A key feature of the facility-type TA grants has been the identification by ADB of an initial set of subprojects at fact-finding stage and later addition of other subprojects jointly selected by executing agency and resident mission during implementation. This allows flexibility in responding to government's priorities.



<sup>22</sup> ADB. 2006. *PRC: Strategic Policy Conferences and Studies for Poverty Reduction*. Technical Assistance consultant's report. Manila.

44. However, this process has evolved and become more systematic over time, with the gradual introduction of memorandums of understanding, official minor changes in scope, joint reviews, and a new procedure for quickly adding funds for additional subprojects. The timeline of the six facility-type TA projects in Figure 5 shows the new subprojects added during implementation.

## F. Output

45. The output of facility-type TA projects is designed to be used in the policy discourse and capacity development efforts. Appendixes 1 to 11 list the details and results of all 89 subprojects approved under the five most recent facility-type TA projects, according to ADB sectors and themes. The product types have changed, as shown in Table 5. Since TA 4933, the output of each subproject has been streamlined. A study is the primary product of each policy advice-related subproject and an activity report, the primary product of each capacity development activity. All activities, whatever the type, each produce a synopsis of issues, lessons, and recommendations, in both English and Chinese.

*A study is the primary product of each policy advice-related subproject*

**Table 5: Standard Types of Output Prepared**

Facility-Type TA Projects	Generic Set of Products Prepared	Subproject Total
<b>TA 7862:</b> Strengthening Institutional Reform and Capacity Building	20 studies for policy-related subprojects; 1 dissemination workshop for key TA results; activity reports for capacity development activities; bilingual policy briefs	20
<b>TA 7313:</b> Facility for Policy Reform and Capacity Building III	23 studies for policy-related subprojects assessing and providing recommendations; 5 activity reports for capacity development subprojects; 23 bilingual synopses	28
<b>TA 4933:</b> Facility for Policy Reform and Poverty Reduction	11 studies for policy-related subprojects assessing and providing recommendations; 7 activity reports for capacity development subprojects; 11 bilingual synopses	18
<b>TA 4790:</b> Facility for Reform Support and Capacity Building	9 studies with policy recommendations; 1 study on effective project implementation, workshops enhancing the up-front capacity of new EAs and IAs	10
<b>TA 4365:</b> Facility for Policy Reform	4 studies; 5 conferences; 1 legislative input, 3 capacity development activities (2 TA awards, 1 environment impact assessment)	13
<b>TA 4200:</b> Fund for Strategic Policy Conferences and Studies for Poverty Reduction	16 studies; 3 seminars; 3 other activities related to poverty reduction, rural labor force transfer, link between natural disasters and poverty, etc.	22

EA = executing agency, IA = implementing agency, TA = technical assistance, TPER = technical assistance performance evaluation report.

Source: ADB project database and Independent Evaluation Department TPER team.

46. Over the past 8 years, the resident mission has developed, as planned, systems and processes to improve the quality of the output of the six TA projects. One recent innovation, starting with TA 7313, has been the issue of an opinion letter in English and Chinese by the recipient government institution or implementing agency, detailing the effectiveness of the output achieved. Signed at a high level, typically by the director-general of the authority, this document leaves no doubt of the positive impact

of the subproject. The IEM team went over these opinion letters, as well as all notes to file, which the resident mission prepared at subproject completion. The notes to file summarized the subproject input, activities undertaken, duration, and output produced.

## G. Policy Framework

*The PRC Government urgently needed to identify, understand, and respond to change drivers*

47. The six facility-type TA projects covered in this report were designed to provide a flexible response to national reform and capacity-building priorities of government agencies in the PRC. These TA projects originated from the strategic partnership and comprehensive cooperation that guided ADB's support for the PRC's development agenda. The PRC government increasingly realized that there was no conventional model for the development path that it had chosen to embark on, and that it urgently needed to identify, understand, and respond to change drivers for which there were no precedents and no textbook answers.

48. The PRC's 12th Five-Year Plan for 2011–2015 is focused on economic restructuring (a change in growth patterns from industrial production, capital investment, and exports, to an alternative model more oriented toward services and consumption), better living standards (inclusive growth and wider social security coverage), and environmental protection (a low-carbon economy).<sup>23</sup> The development constraints confronted by the planning agencies in the country, as pointed out in the reports on TA 7313 and TA 7862, consist of low productivity growth in rural areas, inadequate social service delivery and social protection in remote regions, and weak institutions and capacity issues among responsible government agencies. All these issues are being studied and discussed under the TA grants.

49. Earlier, the 11th Five-Year Plan for 2006–2010 focused on creating a harmonious society through people-centered development. This plan acknowledged gaps and imbalances between economic and social development, rural and urban areas, western regions and coastal areas, and poor and economically better-off sections of the population. It also set targets, as noted in the report on TA 4790, such as doubling the 2001 gross domestic product (GDP) growth rates by 2010, increasing energy efficiency by reducing consumption per unit of GDP by 20% of the 2005 level, controlling environmental deterioration, providing free 9-year compulsory education, creating employment opportunities, and widening the scope of the social security system. All these called for targeted and innovative approaches, as discussed and presented in ADB-supported TA projects.

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<sup>23</sup> ADB. 2011. *Technical Assistance to the People's Republic of China for Strengthening Institutional Reform and Capacity Building*. Manila.

# Performance Assessment

## A. Relevance

50. The facility-type TA grants, with the MOF and LGOP, the executing agencies, serving as a bridge between ADB and the implementing agencies, have become highly important to the government. The subprojects under these six TA projects arose from the government's requests for support in problem solving, and through the strategic partnership with ADB. These subprojects have contributed to varying degrees to the implementation of the government's priority areas identified in its 5-year plans; enabled policy analyses of emergent, high-priority issues; and strengthened the capacity of the implementing agencies. In fewer instances, the subprojects also helped increase the leverage of previous government projects or studies.

51. The public institutions in PRC have a long and complex history, but now, amid the economic, social, and environmental transformation of the past 3 decades, and new approaches to production processes and consumption, they must confront and manage new realities. Further, the stakeholder composition in the country has also been changing in recent decades, from rural to urban, from extended family to nuclear family, and from guaranteed employment to labor mobility. In response, policy makers have sought ADB's support, through the six facility-type TA projects and the executing agencies, MOF and LGOP, in addressing the institutional and stakeholder changes.

52. The facility-type TA projects have evolved into quick-response instruments. The typical subproject life cycle, from proposal to final reporting, has been less than a year in the three more recent facilities (TA 7862, TA 7313, and TA 4933). Because subprojects have been proposed and implemented with dispatch, problems have been identified and then solved coherently and consistently. The close involvement of the resident mission has ensured that ADB's institutional objectives are met as well. In several interviews, executing and implementing agencies noted that resident-mission officers had sought revisions in work plans to conform to ADB guidelines. The facility-type TA modality allowed a flexible response throughout the subproject life cycle. The IEM team heard no complaints, only appreciation for this close involvement of ADB's resident mission.

*Facility-type TA projects have evolved into quick-response instruments*

53. These facilities have noticeably improved in formulation and sophistication from a wider to a more focused approach. The 2008 special evaluation study on poverty reduction trust funds prepared by IED covered the precursor TA 4200. While IED rated the TA *successful*, it pointed out that output prepared under the 22 subprojects was not extensively disseminated and that the opportunity to sustain policy dialogue was therefore missed.<sup>24</sup> For this reason, the next two facility-type TA projects—TA 4365 and TA 4790—undertook a focused approach with fewer subprojects to better inform the policy discourse on the selected topics.

<sup>24</sup> ADB. 2008. *Asian Development Bank's Poverty Reduction Technical Assistance Trust Funds: Poverty Reduction Cooperation Fund and Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies*. Manila.



54. TA 4933, the fourth facility-type TA, approved in June 2007, and the two subsequent TA projects, approved in July 2009 and September 2011, crossed a watershed in terms of sophistication of content, process, and products. Their subprojects produced standardized products, which were either studies (for policy reforms) or activity reports (for capacity building). Both TA 7313 and TA 7862 developed policy measures to mitigate the downside of the global financial crisis and the subsequent economic slowdown, and supported a rebalancing of the growth strategy, in an attempt to make ADB more responsive to government requests during the preparation and implementation of the 12th Five-Year Plan for 2011–2015.<sup>25</sup>

55. TA 7313 and TA 7862 widened the range of implementing agencies supported through the facility-type TA projects, from ministries and agencies based in Beijing to provincial-level departments and divisions. Eight of the 21 implementing agencies under TA 7313, and 10 of the 20 under TA 7862, operate at the provincial level. Consultations with the MOF revealed that an even broader reach is planned, through the involvement of municipalities in facility-type projects. ADB has supported both top-down and bottom-up proposals for subprojects.

56. The topics being analyzed have also exponentially increased in sophistication, shifting away from a blueprint approach based on the experience of other countries to a more frontier approach needing a real-time response. A \$100,000 subproject, one of 20 approved this year under TA 7862, is on creating an enabling environment and regulatory framework for the PRC's culture industry, which covers print media, film production, digital publishing, multimedia, animation, gaming, and other related emerging industries. A policy report is scheduled to be prepared by October 2013 by consultants (six national and one international) working for 7 person-months, to strengthen the government's efforts to reduce its footprint in the management of identified culture industries, increase sector regulation, and corporatize related enterprises. The implementing agency is the State-Owned Assets Supervision and Administration Commission of the State Council.

57. Feedback from the 13 respondents to the IEM team's survey indicated that most of the subprojects were developed as a real-time response to a policy issue, while two subprojects grew out of directives from higher authorities. Additionally, one subproject was based on published reports on successful pilot projects in the academe, and another subproject, on in-house research. The IEM team carefully considered subproject links to non-TA operations. On the one hand, unlike many other TA projects, which serve as feasibility studies, facility-type TA projects have no obvious links to follow-on loan programs. On the other hand, the MOF's role as leading executing agency and ADB's recognized professionalism and ability to support PRC objectives have bolstered the PRC-ADB partnership.

58. The added value of facility-type TA could be increased by strengthening international perspectives on the topics supported and by further capitalizing on ADB's experience in the PRC and other DMCs. Until the most recent facility-type TA, however, the resident-mission staff had focused on input and process-related aspects to create a structured and predictable mechanism. The recent shift to more substantive contributions to subproject design and policy analysis by the resident mission staff must be deepened, and the results of subprojects and their relative contributions to the country's policy discourse on particular topics must be tracked better, perhaps through further subprojects under the TA. The feedback loop of knowledge generated, into ADB

*Topics being analyzed have also exponentially increased in sophistication*

<sup>25</sup> ADB. 2009. *Technical Assistance to the People's Republic of China for Facility for Policy Reform and Capacity Building III*. Manila.



operations in the PRC, should be strengthened. In this regard, the resident mission and the East Asia Department could explore possibilities within the new Regional Knowledge Sharing Initiative and the PRC Poverty Reduction Fund administered by ADB's Office of Regional Economic Integration.

59. The TPER rates the facility-type TA projects *relevant* in their assessment of problems and opportunities, in the consistency of their output with government priorities, and in their formulation and design.

## B. Effectiveness

60. To assess the outcomes of subprojects of the facility-type TA projects, it is necessary to investigate their application. The results are meant to support the PRC government. But it is difficult for ADB to track in detail where TA output is used after subprojects are completed. In practical terms, acceptance of and satisfaction with the output on the part of the implementing agency, which is either a department within a ministry or a government agency one or two steps below that level, could be sufficient to consider a subproject successful. As mentioned earlier, opinion letters have been issued at the completion of a subproject, starting with TA 7313. The opinion letters—two pages of English and two pages of Chinese—thanking ADB and specifying what has been accomplished and how the results are to be used to solve problems are signed by the implementing agency at a very senior level and represent some kind of official recognition of the extent and level of the initial outcomes achieved.

*The opinion letters represent some kind of official recognition of the extent and level of the initial outcomes achieved*

61. Executing agencies, when interviewed, explained the constructive contribution of many subproject outcomes to State Council directives for handling emerging issues. In some cases, subproject findings and recommendations have been incorporated into new regulations. Among the regulations cited were the PRC's new internationally compatible internal audit standards and procedures, which were formulated on the basis of subproject research into corporate governance regulations and practices, as well as internal audit functions, in 13 countries.

62. Within ADB, reporting on the results of subprojects, according to common sectors and themes, does not go beyond the mandatory two-page TCR. An exception to the limited internal efforts to track outcomes is the post-completion report prepared by the China Foundation for Poverty Alleviation under TA 4200, the precursor to the facility-type TA projects (footnote 22). This report tracked the contributions of the 22 subprojects to the poverty reduction discourse in the PRC. The contributions included widening the range of research into rural poverty reduction through studies on rural public financial policies and rural health services, improving understanding of industrialization and labor issues in rural areas, and increasing the participation of research organizations, educational institutes, and civil society organizations in the poverty reduction agenda. All of these subprojects were useful, but ADB's engagement in the subsequent policy dialogue was limited.

63. The following sections summarize indicative contributions of the 89 subprojects under the five most recent facility-type TA projects, according to the ADB themes and sectors under the two broad headings of policy reform and capacity development. This summary is based on a desk review of these subprojects; interviews conducted by the IEM team with implementing agencies, for a sample of 19 subprojects visited by the team; and questionnaire responses of implementing agencies, for a further 13 subprojects that were not visited by the team.

## 1. Policy Advice

### a. Environment

*Thirteen subprojects have been implemented, five of them at the provincial level outside Beijing*

64. The subprojects under the five facility-type TA projects have been well positioned to allow the implementing agencies to quickly address emerging urgent issues related to the environment. Thirteen subprojects have been implemented under the environment theme, five of them at the provincial level outside Beijing. Five of the 13 subprojects have been completed, and one was discontinued after being identified for support during the fact-finding stage. The proposals for the ongoing subprojects were uniformly innovative conceptually, and the purposes, both relevant and urgent. These subprojects cover research into planned natural resources tax reforms (study to cover petroleum, natural gas, coal, iron, and others); emission reduction projects and poverty reduction; creation of standards and technical support for a low-carbon environment across 2,305 national universities with 22.85 million students; establishment of a secure and efficient electronic transaction-based emission trading scheme; development and deployment of a water resources management evaluation system and a water compensation system; and green accounting.

65. The earliest of the five completed subprojects helped strengthen the environmental impact assessment capabilities of the State Environmental Protection Administration and provincial appraisal centers. The subproject intended to help break the links between environmental degradation and poverty included field surveys and covered the steps required to build an emergency system to reduce the adverse effects of natural disasters. The subproject implemented by the Liaoning Provincial Bureau of Finance focused on public financial policies and responses to improve environmental governance in the province. The related study developed an operational performance evaluation system with three grade levels for project assessment, information disclosure, and public program performance. Findings from the subproject were used in July 2010 policy pronouncements, specifically the Guidance Suggestion on Improvement of Rural Environment and Strengthening Performance Evaluation System, and the April 2012 Suggestion on Improving Demonstration Projects. A subproject pertaining to voluntary emission reduction standards, implemented by the China Beijing Environment Exchange, resulted in the creation of the Panda Standard in the country's voluntary emissions reduction market, which had been constrained by the lack of standards for monitoring, reporting, and verification. The executing agency expressed satisfaction with the pragmatic results, which were not evident before trials and research were conducted.

66. Some subprojects had the opportunity to apply solutions that had succeeded in other countries, after discovering how these solutions could be adapted to PRC conditions. Most of the 13 subprojects received financing of \$50,000; one subproject received \$20,000, and another, \$100,000. This \$100,000 subproject on emissions trading contributed to an overall project with cofinancing from the public and private sectors.

*Twelve subprojects related to subregional spatial infrastructure, trade and investments*

### b. Regional Cooperation and Integration

67. Twelve subprojects approved under the five facility-type TA projects related to subregional spatial infrastructure, trade and investments, and other regional public goods. Ten of these have been completed, and six were developed by provincial implementing agencies. All related to improving provincial administrations to ensure

uniformity and fairness in economic opportunities, and to reduce differences in wealth and well-being. In the race to development the southern coastal provinces benefited from export opportunities and local entrepreneurship, resulting in many imbalances with inland regions.

*The southern coastal provinces benefited from export opportunities and local entrepreneurship*

68. The subprojects included the efforts of Henan Province in the central region (research into agricultural modernization, the creation of growth centers, and industrialization, with \$100,000 in funding support; also, the earlier of the two subprojects of the province aimed at improving understanding of how the province could link with and move up the global value chain through nonferrous metallurgy, food, light industries, textiles, construction, and automobile clusters, with \$50,000); Xinjiang Uighur Autonomous Region in the far west (operational planning for trade infrastructure, trade facilities, and improved customs regulations, with \$50,000); Tianjin Province (creation of a blueprint for the development and modernization of agriculture, with \$50,000); Hunan Province (development of a theoretical analysis framework for an open economy and formulation of an openness index for regions, with \$100,000); Jiangxi Province in the south (study on ways to strengthen fiscal policy to promote economic development, improve public financial management systems, and streamline operating procedures, with \$100,000); and Hebei Provincial Development and Reform Committee (research into the existence of poverty belts and poor basic service delivery in 21 rural counties located in the municipal boundaries of Beijing and adjacent Tianjin, with \$50,000).

69. Among the subprojects developed and implemented by implementing agencies in Beijing was a study led by the China Agricultural University Institute of Humanities and Development on new mechanisms for cooperation between the eastern and western regions, on one hand, and Shanghai and Beijing, on the other, to support poverty programs in Yunnan and Inner Mongolia Autonomous Region. Another subproject, this one implemented by the National Development and Reform Commission, had the objective of improving the enabling environment and operating mechanism for rural entrepreneurship in the western region. While less than half of the \$75,000 allocation was disbursed, the subproject's findings related to entrepreneurship development among migrant workers were included in the State Council's policy reports of September 2008 promoting employment through entrepreneurship development. The commission pilot-tested related principles in Chongqing Municipality and Sichuan Province that informed its Suggestions for Piloting Rural Entrepreneurship Development Scheme in Western China.

70. Three poverty-related subprojects have been led by the LGOP. The first subproject developed and pilot-tested a village poverty reduction cooperative model in Yunnan Province in the far southwest and in Hebei Province in the north. This subproject, the largest under TA 4933 at an approved cost of \$165,000, included the identification of lessons from village organizations and the development of new models for village poverty reduction cooperatives. A series of field investigations that covered rural community development interventions in Yilong County in Sichuan Province were undertaken. The LGOP also implemented a subproject in May 2008, after the Wenchuan earthquake. Despite the large amounts of financial aid and other resources received by September, there was a gap in support, identified by the LGOP, which proposed to work with nongovernment organizations to improve disaster assistance, under a \$40,000 subproject. This subproject was completed by March 2010, after some delays. The third subproject was a conference on the revitalization of the northeast, in January 2006. All of these activities were useful.

71. In general, the 12 subprojects leveraging regional cooperation and integration were effective and contributed to benefits far beyond their costs. The central government, and the MOF in particular, needed to understand the centrifugal forces at work and was highly appreciative of the flexibility possible in directing resources to arrive at a better understanding of regional issues. ADB's value addition in safeguards issues will be vital, especially for those components of ongoing subprojects that cover changes in population patterns, organization of rural communities, creation of economic growth centers, and consolidation of lands.

### c. Governance

*Eleven subprojects were implemented under the governance theme*

72. Eleven subprojects were implemented under the governance theme. Five were on economic and financial governance, four were on public administration, and two on law and judiciary. While eight subprojects have been completed, three have been proposed by provincial-level implementing agencies.

73. An issue that has caused considerable unease within the central government and the MOF has been the burgeoning local debt at the level of the provinces. Two related subprojects have been implemented by the Budget Department of the MOF. The more recent subproject conducted a comprehensive analysis of local debt management, and the related output is to strengthen the implementation of the State Council notice on the management of the country's 6,576 local government financing vehicles. The earlier subproject included a feasibility study that provided analyses of local debt management and recommendations for its improved management.

74. Two subprojects have been proposed by Shanghai and Guizhou Bureaus of Finance. The former subproject covers ways to improve the government funding mechanism for increased technology innovation, commercialization, and industrial transformation, while the latter focuses on ensuring basic fiscal funding for the five levels of province, city, county, rural areas, and village. This province is hamstrung by adverse geomorphologic conditions, desertification, dispersed population, and winter rains resulting in annual financial losses. Anticipated outcomes are improvements in the planning and programming capabilities of the provincial finance bureau.

75. A subproject on formulating an alternative dispute resolution mechanism was implemented by the Supreme People's Court and it assessed existing capacity to handle dispute resolution. The study assessed the status of dispute resolution, traced the capacity of existing institutions, identified legal issues, and recommended suitable mechanisms and procedural changes in addition to developing proposals for pilot projects. International experience and good practice cases were obtained. Similarly, a subproject on internal audit was implemented by the China Institute of Internal Audit. It included research that covered 13 countries to probe corporate governance regulations and practice, investigate the roles of internal audit, and recommend improvements. Two reports were prepared and were incorporated by Nanjing University in its related curriculum.

76. The role of nongovernment organizations in improving service delivery and local accountability relations received recognition as the Ministry of Civil Affairs studied the potential role of non-state players from mid-2007. While there is not much direct evidence on how the output has contributed to policy discourse, it needs to be noted that civil society organizations have started to participate in welfare activities in the PRC since mid-2010. One subproject implemented by the LGOP analyzed the link between traditional culture and poverty, while three research institutions—Huazhong Normal

University, Eastern Management Institute of Xian Jiaotong University, and the Youcheng Foundation for Poverty Reduction—implemented three subprojects. The first developed a study on new poverty reduction strategies that were used by LGOP, the second analyzed the linkage between culture and poverty and provided crosscutting recommendations to LGOP, while the third developed an approach to mobilizing poverty reduction volunteer organizations and linking volunteers to poverty programs through a volunteer center–station–network approach.

#### d. Social Protection and Health

77. Economic reforms of the past decades have encouraged entrepreneurship and growth, but also leading to a widening gap in health and social care between those capable of generating wealth and those less able. Six subprojects focused on health (growing imbalance between urban and rural hospital services) and eight focused on social protection issues (*dibao*, or provision of regular cash support to rural poor households for the purpose of maintaining their basic living standards, and medical financial insurance that reimburses part of medical expenses for poor households receiving medical services). Of the 14 subprojects, 13 have been completed, with 4 of the subprojects implemented by the provincial-level implementing agencies.

*Six subprojects focused on health and eight focused on social protection issues*

78. The Ministry of Health has been the implementing agency for three subprojects, with these being both the earliest and latest ones implemented. The most recent subproject was approved in January 2013, with funding support of \$50,000, and aims to develop a capacity-building program for grassroots health-care professionals. The program is to include selection criteria, capacity assessment, research into the impact of capacity-building policy on professionals, and recommendations for the capacity building of basic-level health professionals. An earlier subproject approved in July 2009 was on quality supervision and control of health projects and its output included a health project quality review system, process implementation issues, pilot testing of output-based disbursements, and project quality evaluation tools, which have been deployed and scaled up. The first health subproject approved as part of TA 4365 supported two policy workshops on the rural health and rural cooperative medical system.

79. At the provincial level, the subproject implemented by Hebei Provincial Health Bureau undertook an assessment of eight models to improve health service delivery at its 1,960 township hospitals. The related report proposed three alternative approaches to improve service delivery through the exchange of technical know-how and it resulted in the relocation of 1,629 doctors to township hospitals, 543 cooperative agreements, and the training of 1,014 health-care workers. Similarly, a subproject implemented jointly by the Chongqing Municipal Government Research Office and the Chongqing Finance Bureau is developing an integrated urban and rural medical insurance management system.

80. Although the PRC has done very well in lifting millions out of poverty in the past 3 decades, there are still 150 million living below the international poverty line. Besides, even those working and receiving some income have not been guaranteed a minimum wage. This has been a threat to social stability and has required urgent attention. This also led to four subprojects in this field funded by TA. The first two gathered data on the government's then ongoing study on rural minimum living standard guarantee scheme. There was a need for data on different provincial approaches for rural health service delivery, and the case studies that were prepared summarized different approaches undertaken across provinces. Findings from the

research, consultant reports, and interprovincial consultations resulted in the drafting of an internal policy report for the State Council.

81. The third subproject helped the Ministry of Civil Affairs improve the design and outcomes of a minimum living standard guarantee scheme (*dibao*) and medical financial assistance (MFA) through the formulation of two operating guidelines. A report on Strengthening Rural Social Assistance and Linkages to Poverty and Health Programs was also prepared. The fourth subproject utilized international good practice to increase the impact of social assistance programs and the related study covered three issues—welfare to work, conditional cash transfers, and social pensions. Two related outcomes were the State Council's Notice on Strengthening New Cooperative Medical Scheme Management, issued in 2011, which reduced co-payment for children with leukemia and heart disease, and the State Council's Circular on Strengthening Management of *dibao*, issued in 2012.

82. The Ministry of Human Resources and Social Security implemented two subprojects that targeted the protection of informal sector urban migrant workers, and studied the impact of monetary and fiscal policy on employment against the backdrop of the financial crisis. The report highlighted anomalies in the informal labor market and employee rights. During the preparation of the proposal for the subproject there was overlap with International Labour Organization (ILO) activities, which was subsequently reconciled. The analyses of the second subproject covered quantitative and qualitative aspects of macro policies on employment, which were published in issue 28 of the *China Economic Research Reference*.

83. The National Development Research Council implemented a subproject on caring for the elderly, given that the percentage of the aged population had reached 159 million, or 12%, in 2008 and was further projected to increase to 248 million by 2020. The subproject resulted in a report that included the status of the system of care for the elderly, obstacles to the development of private-funded nursing institutions, industry size, and employment scale of caregiving services and facilities, with related policy recommendations.

84. ADB supported the Qingshen County Women's Federation in May 2007 to implement a subproject for left-behind children that included a pilot project for the creation of a county-level education protection policy system. The pilot was extended through Qingshen County, mechanisms for cross-sector cooperation were sharpened, and a policy paper that identified concrete recommendations for replication in Sichuan Province and other areas was submitted. The May 2008 Wenchuan earthquake in Sichuan made children a particularly vulnerable group. A subsequent subproject, primarily a training program, was approved for Capacity Building for Post-Earthquake Child Psychological Support. A training manual was prepared and activities were pilot-tested in the Pengzhou and other parts of Sichuan Province.

85. In general, areas under social protection and health can sometimes be susceptible to neglect in a market economy, but from the responses heard by the IEM team, the responsible ministries used the facility-type TA projects to good effect in resolving issues at the initial stages.

#### e. Agriculture and Natural Resources

86. The PRC's reliance on agriculture has undergone major transformations in the past 3 decades, swinging from a feudal system to a commune production system and

*Responsible ministries used the projects to good effect in resolving issues at the initial stages*



now swiftly shifting toward a market economy system. Farmland is either being leased long term to project developers or being underused because of better opportunities for income generation achieved by farmers who they sell their labor to other industries. The seven subprojects in agriculture and natural resources have had as an underlying purpose the formulation of pathways for the empowerment of farming families. The subprojects aimed at expanding and integrating to markets to maximize value added and to protect farmland from conversion to other uses.

*Subprojects aimed at expanding and integrating to markets*

87. The implementing agencies of two subprojects are at the provincial level, and four subprojects are ongoing. These four subprojects cover financial intermediation in rural areas, the development of the cooperative movement in rural areas of Hunan Province, sustainable and participatory rural development in Henan Province, and the safeguarding of land user rights of farming families in arable areas, involving a study on the transfer of development rights in the United States, where local zoning and growth centers were created and brought close to municipal services.

88. A subproject on the reforms of the land acquisition procedures, implemented by the Ministry of Land Resources from September 2006, compared three different schemes of land acquisition, prepared a standard set of documentation templates for the proposed procedures, and deployed a monitoring and evaluation framework. The remaining two subprojects implemented by the LGOP and the Ministry of Science and Technology focused on the role of technology in agriculture development. The LGOP subproject was on models for technology-based poverty reduction in six ecological zones in the central and western regions. A compilation of case studies and concrete recommendations for technology-based poverty reduction were prepared and disseminated through an online portal. A subproject implemented earlier by the Ministry of Science and Technology developed a monitoring and evaluation system to track rural service delivery that was used by the LGOP and the Ministry of Agriculture. This evaluation regards the output of the seven subprojects as timely and useful.

#### **f. Industry and Trade**

89. Four subprojects were in industry and trade, and two were on corporate social responsibility, under the implementing agencies China Electronics Standardization Institute and China Poverty Development Center. The outcomes of the first subproject, which began in May 2010, included pushing corporations to fulfill their labor protection requirements, and discharge their responsibilities related to salaries and benefits, environment protection, fair operation, and protection of consumer interests. Two reports were prepared on related issues between ISO26000 on social responsibility and domestic corporate social responsibility building. The China Poverty Development Center implemented a subproject starting December 2007 on the role of media and advocated the mobilization of corporate social responsibility for poverty reduction.

90. The Hunan Finance Bureau is the implementing agency of a subproject that is doing research into the impact of the Hunan tourism industry on economic development. It includes an analysis of the demand for and supply of tourism-related goods and services, a market analysis of the prospects of the production of such goods and services, an analysis of the trajectory of social and economic indicators, and an econometric model for contributions of tourism to provincial growth. All subprojects within the industry and trade sector have been useful.

### g. Information and Communication Technology and Transport

*Outcomes are to create an enabling environment and regulatory framework for the PRC's culture industry*

91. Four subprojects were approved in this sector, with the most recent one on culture industry being implemented by the state-owned Assets Supervision and Administration of State-Owned Cultural Enterprises in LGOP. The outcomes are to create an enabling environment and regulatory framework for the PRC's culture industry that covers print media, film production, digital publishing, multimedia, animation, gaming, and other related emerging industries. A policy report is to be prepared by October 2013, to inform government efforts to reduce its footprint in the management of identified culture industries, increase sector regulation, and corporatize related enterprises.

92. Similarly, the Shandong Bureau of Finance is implementing a subproject that is studying fiscal and tax policy issues to advance the development of strategic emerging industries. The research is to identify tax opportunities and fiscal incentives and responsive policy solutions to address the practical problems in the development of strategic emerging industries, and promote their rapid growth in Shandong Province. The subproject was prepared in the context of the executive meeting of the State Council that passed a national strategic emerging industry development plan on 30 May 2012. The plan urges the active engagement and development of strategic emerging industries. In transport, an initial subproject supported a conference for the implementation of the road safety law.

### h. Education

*Four subprojects were urgent efforts to redress mismatches between the education curriculum and the needs of corporate enterprises*

93. The four subprojects that were approved under education were urgent efforts to redress mismatches between the education curriculum and the needs of corporate enterprises. This has been a sensitive issue because of the long history of respect for formalized studies and the secondary importance given to hands-on vocational training. The most recent subproject is being implemented by Hubei Industry University to develop vocational education in rural Hubei based on international experience. The outcomes include the acceleration of vocational education in rural areas so as to enhance the modernization of agriculture. A subproject to improve consulting services for regional economic growth and the development of primary, secondary, and tertiary industries in Anhui Province is being implemented by the Anhui Government Development and Research Center. The report will analyze problems faced by the province in industrial transition, study consulting approaches, and develop models to improve consulting services.

94. The Ministry of Human Resources and Social Security has implemented two subprojects on school–enterprise partnerships. The report on the more recent subproject is to include design issues and an evaluation of the pilot model of school–enterprise partnership. It is to cover the operational management and financing of school–enterprise cooperation, with guidelines for curriculum and materials development, and work specifications for teachers. The guidelines and standards that are to be prepared will enable the formulation and implementation of school–enterprise cooperation, with mechanisms for interagency coordination. This subproject is a follow-on to an earlier subproject under TA 4790 on School Enterprise Cooperation in Cultivating High Skilled Workers. The focus of this earlier subproject was to link vocational education training institutions to corporate enterprises to increase the skills of the workforce. Outcomes achieved included a series of innovative policy suggestions to link vocational schools with corporate enterprises, and policy support for national studies.



### i. Urban Development

95. Three urban development–related subprojects were approved against the backdrop of the high rate of increase of the PRC’s urban population resulting in the location of about 51% of the total population in urban areas by 2011. The policy priorities of the Ministry of Housing and Urban–Rural Development and the focus of the Housing Securities Act are to create a supply mechanism for low- and middle-income housing. The earliest of the three subprojects, approved in December 2010, was concerned mainly with policy and regulatory issues in low- and middle-income housing. The most recent subproject, being implemented by the China Institute of Public Finance, is attempting to develop financing models to attract private capital for the construction of affordable housing. The planned outcomes of this subproject include the creation and use of a financial model and policy recommendations for the participation of social capital based on three case studies on Beijing, Shanghai, and Tianjin. A third subproject with similar objectives is being implemented by the Jiangxi Bureau of Finance.

### j. Finance

96. Three subprojects in this area were implemented in 2004–2005 under TA 4365 and these concerned conferences on credit guarantees, corporate pensions, and mortgage-based securities. Limited information is available on the scope of these activities besides the information contained in the TCR, which is positive.

## 2. Capacity Development

97. Fourteen capacity development subprojects were approved under the TA projects. They were quite different from the policy advisory subprojects, which primarily explored and solved problems. The capacity-building subprojects were delivered by ADB for the benefit of its key counterparts, including the MOF and the LGOP. These subprojects were critically needed, as the PRC was moving toward greater participation in project management, including procurement and disbursement. During the earlier TA 4365, government counterparts admitted the urgent need for capacity building in international finance, and particularly in ADB policies and procedures and good practice in TA implementation. The MOF, on the other hand, insisted that the predominance of research and problem solving was due to the even more critical and pressing demand in that area.

98. The next phase of capacity development subprojects under TA 4790 involved the preparation of handbooks of portfolio management and performance monitoring indicators. The portfolio management handbook encompassed the project processing requirements of ADB and the government, including capacity issues related to the executing and implementing agencies. The handbook of performance indicators for ADB-funded projects in the PRC was prepared in light of the differences in capacity between implementing agencies. This handbook was planned as a centralized data source for executing and implementing agencies, consultants, and ADB staff members. Over the past few years, these handbooks have been disseminated to executing and implementing agencies during country portfolio review missions and design and monitoring workshops held in the PRC.

99. A core feature of the capacity development subprojects were workshops, typically of 2 days’ duration, and held in different cities around the PRC. The aim of

*Fourteen capacity development subprojects were quite different from the policy advisory subprojects, which primarily explored and solved problems*

these workshops was to train officers of executing and implementing agencies in ADB instruments, project cycles, procurement, and disbursement. One such subproject supported a 3-day workshop in Guangzhou in January 2011 that dealt with ADB's nonsovereign and private sector operations. Three days were allocated, because most potential project sponsors were unfamiliar with the ADB private sector and nonsovereign operations. The 130 participants came from central and provincial government agencies, state-owned enterprises, the private sector, chambers of commerce, and consulting firms. Topics discussed included ADB's role in project structuring, due-diligence analysis, and contract documentation. This capacity development subproject also had a strategic-thinking element, with ADB discussing more than 20 preliminary project ideas in the areas of conventional and social infrastructure development.

100. Another training workshop, this one for executing agencies of delegated TA projects in the PRC, was held in Beijing in May and June 2011. The workshop in the management and administration of general and delegated TA was attended by 17 trainees—12 were part of TA activities and 5 were staff members of the resident mission. However, resident-mission management told the IEM team that there were only a few delegated TA activities in the PRC and none in other ADB developing member countries, because of the nonavailability of systems and processes for managing consulting contracts, among other reasons.

101. Feedback from the 13 respondents to the questionnaire survey indicated that six implementing agencies had products resulting in policy advice that informed higher authorities and were deemed major or highly significant, while the seven other implementing agencies considered significant the roles of the products prepared. The promulgation of a law, the issuance of a white paper, or inclusion in a leader's speech signified a major assessment; the circulation of handbooks or media coverage, a highly significant assessment; and the circulation of project reports, the publication of reports or scholarly publications, or audiovisual presentations, a significant assessment. According to five implementing agencies, the government had made use of the findings of their subprojects in a major way, either by implementing a law or by setting standards. Given the above evidence, although limited, the policy reform subprojects in the 10 thematic areas and sectors, besides capacity development, are rated *effective*.

### C. Efficiency

102. The assessment of efficiency is based on the facility-type TA projects as a whole, with subprojects proceeding from proposal to completion, acknowledges the drivers and pressures behind the subproject proposals, and views the results achieved against those motivating forces. The complete subproject cycle in the more recent TA activities has usually been about a year, and the amount allocated, around \$50,000.

103. The support of facility-type TA grants has proved to be resource intensive for ADB, even though these grants are supposed to be driven by the PRC agencies as the main executing agencies. The Chinese officials appreciate ADB's input, and ADB also derives benefits from such input for its own program. The current focus of resident-mission management appears to be to ensure a predictable work flow. Interviews and subsequent input received from the resident mission revealed the following information about staffing. TA 7862 has a team leader and an alternate (both international staff members), 20 task managers (3 international staff members and 4 national officers), 1 analyst, and 1 assistant. TA 4790 had a team leader (national officer), 10 task managers (2 international staff members and 8 national officers),

*Complete subproject cycle in the more recent TA activities has usually been about a year, and the amount allocated, around \$50,000*

1 analyst, and 1 assistant. In the TA 7313 team were a team leader (national officer), 9 task managers (national officers), 1 analyst, and 1 assistant. In the MOF, the designated team consists of 3 full-time staff members and 5 other members who contribute during peak times such as during the screening and selection of subproject proposals. Table 6, which shows the activities under a facility-type TA project and its subprojects, is based on information provided by a project officer in the resident mission.

**Table 6: Steps in Implementing a Facility-Type TA**

Pre-implementation	Facility TA Implementation	Subproject Implementation
Process the TA report and get approval	Hold an orientation session for the new team leader and assign TA analysts	Assist selected implementing agency in finalizing the work plan
Manage and supervise TA implementation (to be done by the resident mission)	Organize training in the Consultant Management System for the TA team	Receive clearance from the country director for the finalized proposal
	Jointly select subprojects with MOF and conduct orientation workshops	Work with the implementing agency to identify eligible consultants
	Conduct quarterly meetings with MOF on TA implementation	Recruit consultants through the Consultant Management System
	Issue periodic updates on the implementation status of each subproject	Coordinate subproject review workshops and prepare BTORs
	Undertake supervision functions and TA wrap-up activities	Review the inception, interim, draft final, and final reports
	Prepare and complete the TA completion report	Supervise the implementing agency's and consultants' performance
		Prepare the quality assurance functions for the bilingual synopsis
		Complete the performance evaluation reviews of consultants
		Complete the note to file for completed subprojects

BTOR = back-to-office report, MOF = Ministry of Finance, TA = technical assistance.

Source: Adapted from the TA implementation work flow prepared by the team leader for TA 7313.

104. The first major area in the work flow of subprojects where resident-mission and MOF staff members work together involves (i) joint selection of subprojects, (ii) finalization of the work plan and budget agreements for subprojects selected, and (iii) identification and selection of experts for each subproject, through ADB's Consultant Management System. Innovations have been deployed in this first stage, but some challenges still exist.

105. A template for subproject proposals has been created and it has been used by all implementing agencies in the past 2 years. These subproject proposals are succinct, although English versions of some proposals can be improved further. Most of the subproject proposals are prepared in-house, both in English and in Chinese, by an implementing agency. Subprojects have always been selected against a set of pre-identified criteria.

*Joint selection of subprojects, finalization of the work plan and budget agreements, and identification and selection of experts*

106. Procedures have been developed for the finalization of the work plan and budget agreements with the implementing agencies for selected subprojects. A procedural reference handbook, prepared for subprojects under TA 4933, enables staff members of the resident mission to plan and manage the life cycle of selected subprojects better.

107. According to interviews with resident-mission staff members working on TA 7862, streamlining process and streamlining knowledge are the two priorities at present, the aim being to make more efficient use of staff time and also to improve the quality of the knowledge products prepared under the subprojects. A resident-mission staff member noted that process streamlining meant better internal mechanisms for tracking processes and outcomes. A TA facility kit was distributed during an orientation workshop for implementing agencies that was completed in November 2012. The kit included templates for studies and workshops, timeline guides, logistic forms for disbursements, and answers to frequently asked questions.

108. As previously pointed out in IED's 2007 country assistance program evaluation (CAPE), which covered 1998 and 2005, recurring issues related to the procurement of experts (international or national) arise from the requirement to have full consulting contracts even for relatively smaller assignments with shorter durations, which adds to the workload of staff members processing the contracts and prolongs the process. With the implementing agencies also involved in identifying the long list and short list of consultants, the designated task manager for the subproject, the team leader of the TA facility, and resident mission management assume critical roles in ensuring due diligence. The low remuneration for national consultants compared with that of international consultants was another point that came up in interviews with implementing agencies and with the MOF.

*Disbursement based on detailed documentation on the actual use of funds*

109. The second major area in the work flow of subprojects that brings together the resident mission and the executing and implementing agencies is disbursement, which is based on detailed documentation on the actual use of funds. The expenditures incurred must first be endorsed by the ADB TA team before disbursement, following one of three procedural options, occurs—direct payment (for consultants, training institutions, etc.), reimbursement (payment to the implementing agency for expenditures already incurred), or advance payment (to the implementing agency, to be liquidated later on). Few implementing agencies have availed themselves of the last option and delayed disbursements are a recurring theme in interviews.

*Peer review of studies, the facilitation of workshops to finalize interim products, and the preparation of bilingual synopses*

110. Disbursement procedures need to be streamlined as, at the moment, all expenses incurred by the implementing agency during subproject execution must be disbursed centrally from ADB headquarters. Implementing agencies often incur out-of-pocket expenses, for workshops, among others, but are reimbursed only after a significant amount of time and much tedious documentation. The service fee for foreign currency settlement charges is also a factor delaying disbursement.

111. The third major area where resident-mission staff members and executing and implementing agencies work closely together is related to the peer review of studies, the facilitation of workshops to finalize interim products, and the preparation of bilingual synopses of subprojects. Project management and coordination functions have steadily improved since the time of the precursor TA 4200, which was hampered by coordination and staff shortage issues internal to the executing agency, as mentioned in the post-completion report prepared by the China Foundation for Poverty Alleviation. Oversight functions increased for TA 4365 and TA 4790. Eighteen

subprojects administered under TA 4933 saw greater efforts to have the implementing agencies develop subproject proposals and prepare the terms of reference for consultants. Despite sustained engagement during subproject administration, the completion date of this project had to be extended by a year because of administrative complexity, as noted in the TCR.

112. Survey feedback received from 13 implementing agencies indicated that most of the subprojects had made small changes in scope during implementation, primarily as a result of better understanding gained after initial work had begun. Four implementing agencies noted either the need for increased guidance from ADB or issues related to ensuring teamwork and coordination with ADB. With regard to consultants recruited for the subprojects, six were acknowledged experts in their field and seven had previously done similar consulting work for the implementing agency. Studies prepared as part of the policy advice component are worded in Chinese so they can be quickly absorbed by the implementing agency and used without delay in problem solving. There has been some discussion within ADB on whether only the executive summary of a report or the entire report should be in English. The executing agency is of the view that the choice is ADB's to make, although it could add to the cost. In terms of efficiency, the present outcomes (in Chinese) are useful and timely.

113. Process management by the resident mission has led to efficiency, sensible flexibility, and confidence through close monitoring. A total of 144 consultants have been selected under the five most recent facility-type TA activities: 139 national and 5 international consultants; 122 consultant contracts have been closed under the five most recent facility-type TA operations. Of these 122 consultant contracts only three have had more actual than planned working days, and one contract was canceled. Contract variations were therefore limited. Further, only six national consultants have had repeat contracts. But of the 122 or so consultants under the five most recent TA facilities, not more than 13% have received an excellent performance rating, with the remaining rated as satisfactory. At the same time, the PRC resident mission has commented that the quality of interim draft reports has been mixed, with instances where the resident mission staff had to make more contributions through the peer review process. Disbursements have been delayed, as already noted. Most implementing agencies typically incur expenses first, and are then reimbursed for their actual expenses. Since it takes less than a year for the typical subproject in the recent TA facilities to go from proposal to final reporting, even slight delays are amplified.

*Of the 122 consultants, not more than 13% have received an excellent performance rating, with the remainder rated as satisfactory*

114. All staff members of the resident mission have prior in-country experience, the majority are Chinese nationals, and they engage the executing agency in constructive rapport. The IEM team, therefore, concludes that the resident-mission staff members are highly committed to achieving positive outcomes efficiently. The disbursement process, however, needs to be further streamlined, as does consultant procurement. ADB must also revisit the remuneration rates for consultants. Given the limited resources available to each subproject, international consultants are known to command higher rates than national experts in the PRC, such that implementing agencies tend to prefer national experts. Despite these three shortcomings and in light of the use of input, the process efficiency of the work flow used, timeliness in the preparation of products, and the quality of midcourse adjustments, the TPER rates the facility-type TA projects *efficient*.

## D. Sustainability

115. The core sustainability issue is the demonstrated commitment of the executing and implementing agencies to disseminating and using the output of the subprojects under the facility-type TA. For these agencies to be committed, the output must be clear at entry, with provisions for well-defined methods of output dissemination. In the case of the MOF, a lead executing agency for facility-type TA, the benefits of a quick injection of \$50,000, to do research into a problem and provide data and solutions, or to build the capacity of government staff members, are obvious. This is especially the case when the solution sought is to maintain the momentum for sustainable development.

116. For the 89 subprojects, and especially the most recent 66 subprojects under TA 7862, TA 7313, and TA 4933, a common theme of the MOF is prioritizing a rapid response to avert problematic trends. One example was offered to the IEM team in interviews with the department of finance of Henan Province. The director of the international division described his organization's concern on suddenly learning that a major private investment would require 200,000 new workers to assemble United States-based Apple electronic products. It is difficult to say in advance whether the provincial government would have allocated resources if ADB funds were not available, to study the question of how this predominantly agricultural province in the central region could link with and move up the global value chain, understand its nature and dimensions, and design and implement a response. What is important is that many of the subprojects delivered results that were integrated with other endeavors funded domestically for reporting upward.

*ADB viewpoint, as well as its expertise and opinion, is valued; its "brand name" can be used to promote findings*

117. It is pertinent to observe that while this new modality of facility-type TA is still being fine-tuned by ADB, its benefits are becoming more obvious. The executing agency, on the government's side, is becoming more adept at administering subprojects, which, given their manageable life-cycle format, could be sustained with Chinese funds if ADB funding were to stop. However, the role of ADB as an honest interlocutor for policy issues confronted at different levels is not easy to quantify. In practice, the TA subprojects delivered seem to benefit from ADB support for a variety of reasons mentioned by Chinese respondents. Funding is often quickly mobilized, and is spent on analyzing frontier issues. Moreover, the ADB viewpoint, as well as its expertise and opinion, is valued; its "brand name" can be used to promote findings.

118. The ADB country program for PRC has grown in stature through the innovation of facility-type TA. Few subprojects can be directly linked to conventional ADB-supported TA and loans. While the quality of the knowledge products must be sound and impeccable, knowledge products and conventional loans do not have to be so tightly linked. The ADB-PRC partnership has become closer through increased cooperation between a large variety of executing agencies and ADB and the sense of achievement through these actions. The capacity development subprojects have also given Chinese implementing agencies better insight into the way ADB operates, and have contributed to the upgrading of national procedures for project management, especially procurement, accounting, and reporting, to best international practice. The current bottlenecks in delegated projects require further investigation, possibly through a continuation of the types of workshops already being delivered.

119. Facility-type TA can be said to have increased the acceptance of the new concept of a knowledge product. Increasingly, the view is that a closed information circuit stifles development. The new perspective of knowledge as a product, shared



freely or sometimes marketed, is thought to help enhance the PRC's prospects for knowledge generation and its transition from a manufacturing-driven economy to the newly promoted smart economy. Survey feedback gathered from the 13 implementing agencies indicates that the knowledge concept of a project team has been expanded. Five of the agencies have acquired a high degree of expertise and perspective. Five others have been led by the results of their subprojects to plan for the raising of more funding from the public sector. One agency plans to raise funds from education and research institutions, and another one, from international organizations.

120. There has been a degree of continuity across subprojects under certain sectors and thematic areas, thereby increasing the sustainability of results achieved. In environment, the subproject involving the development of voluntary emission reduction standards was followed by a study on risk control and a security framework for environment exchange that was adapted to the Beijing emissions trading scheme. The significant number of implementing agencies at the provincial level for regional cooperation and integration subprojects brought the target audience closer to the activities and analyses undertaken. In social protection, four sequenced subprojects informed the rollout of the country's minimum living standard guarantee scheme (*dibao*) and medical financial assistance (MFA), including the formulation of two operating guidelines. Similarly, in education two subprojects studied the feasibility of linking vocational schools with enterprises, with the backing of guidelines and standards formulated in a subsequent subproject to implement vocational schools and enterprise cooperation. Facility-type TA projects and their subprojects are therefore rated *likely sustainable*.

## E. Overall Assessment

121. Overall, the facility-type TA projects that have been implemented in the PRC are rated *successful*. The ratings according to the four standard evaluation criteria are *relevant, effective, efficient, and likely sustainable*. The subprojects under the six TA projects arose from the government's requests for support in problem solving, and through the strategic partnership with ADB. These subprojects contributed to varying degrees to the implementation of the government's priority areas identified in its five-year plans; enabled policy analyses on emergent, urgent issues; and strengthened the capacity of the executing and implementing agencies.

*Facility-type TA projects that have been implemented in the PRC are rated successful*

122. Given the resource intensity of the approach, disbursement procedures need to be streamlined. At the moment, all expenses incurred by the implementing agency during subproject execution must be disbursed centrally from ADB headquarters. Another area that needs to be reexamined is the disbursement procedures need to be streamlined, which is related to the limited resources available to each subproject and the preference for national consultants. Despite these two weaknesses, and thanks to close monitoring, process management by the resident mission has bred efficiency, sensible flexibility, and confidence.

*Disbursement procedures need to be streamlined*



## CHAPTER 4

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# Other Assessments

### A. Impact

123. The six facility-type TA projects have had substantial impact on focus issues across the 10 themes and sectors of ADB. At the TA report stage, the impact statement of the facility-type TAs includes effective policy and strategy, and enhanced capacity of relevant government agencies within the framework of the PRC's 5-year plan. In fact, the government has officially dropped the term "plan" from the 5-year plan and uses instead the term "guidelines" in the realization that what the country needs may not be a blueprint approach but evolving strategies. It is in this context that the facility-type TA projects and their subprojects have been administered to have a direct impact on specific emerging issues. The respondents to the questionnaire survey have revealed the importance of a rapid response to novel problems that occur quite unforeseen.

124. No example of a subproject that on its own was turned into law was cited, but there were numerous instances where a subproject worked in concert with other activities, mainly funded from the domestic budget, and the results were synthesized into official directives and regulations. As was mentioned in the TCR for TA 4790, the subproject that concerned itself with the reform of the land acquisition approval procedure contributed to the formulation of the country's Land Acquisition Regulation and Land Administration Law, and the subproject that studied alternative dispute resolution mechanisms helped in the drafting of the Mediation Law, which eventually became the PRC Law on Alternative Dispute Resolution.

### B. ADB Performance

125. ADB and the executing agencies have gradually developed a structured mechanism for prioritizing and selecting topics for subprojects, in response to directives from central policy makers or to concrete issues faced at provincial or specific ministerial levels. The topics cover 10 ADB sectors and themes, with the MOF taking an active role in a gradually more competitive selection process. The strength of the facility-type TA projects has been the flexibility in programming of subprojects under the TA facilities and the quick response to new issues.

126. Although ADB has improvised well by developing this mode of engagement as a hybrid between small-scale TA and a TA cluster, the focus of resident-mission staff members is gradually shifting to more substantive contributions to the design of subprojects and policy analysis, the development of terms of reference for identified experts, and the tracking of subproject results and their contributions to the country's policy discourse on specific issues. This is appropriate. But the knowledge generated should feed back into ADB operations in the country more effectively. ADB's performance is nonetheless rated *highly satisfactory*.

*Strength has been the flexibility in programming of subprojects and the quick response to new issues*

## C. Executing Agency and Implementing Agency Performance

127. The six facility-type TA projects have had two separate yet parallel executing agencies, the MOF and the LGOP, unlike the usual TA projects, which are managed by ADB. The executing agencies have been much more involved than usual during the subproject cycle and their greater ownership and commitment has been reflected in a steady increase in the government's allocation of staffing and finances. In these six projects, ADB has supervised TA implementation and management through its resident mission.

128. The success in managing the short subproject cycles can be attributed in part to good communications between the government and the resident mission, and their openness to impromptu positive responses. These shared understandings have minimized the obstacles that commonly arise in topic selection, project design, project implementation, and utilization and dissemination of output in conventional TA. Even so, some TA completion dates have had to be extended.

129. The implementing agencies for the 89 subprojects have primarily been government agencies under a ministry or a state-run institution, but in some cases have also included universities and foundations. Driven by the urgency of evolving issues, and astutely aware of the TA requirements, these implementing agencies have met the requirements effectively. In recent facility-type type TA work, in particular, there has been good continuity of staffing and shared knowledge of subproject history. The performance of the executing and implementing agencies is therefore rated *highly satisfactory*.

*Success in managing the short subproject cycles can be attributed in part to good communications between the government and the resident mission*

## CHAPTER 5

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# Key Findings

*ADB's country program for the PRC has grown in stature through the facility-type TA innovation*

130. ADB's country program for the PRC has grown in stature through the facility-type TA innovation. Cooperation between the executing agencies and ADB has reinforced the ADB-PRC partnership and made it more cohesive. The executing agencies have served as a bridge between ADB and the implementing agencies. The facility-type TA grants have evolved as quick-response instruments, and in the three more recent facilities (TA 7862, TA 7313, and TA 4933) the response has been rapid. The typical subproject life cycle in these three TA projects, from proposal to final reporting, has been less than a year. This is something of a record in ADB. Further, the products of these subprojects have been standardized and are either studies (for policy reforms) or activity reports (for capacity development).

131. The range of implementing agencies supported through facility-type TA has widened to include not only ministries and agencies based in Beijing but also provincial departments and divisions. ADB has, thus, supported a combination of top-down and bottom-up proposals for subprojects. The topics and their analysis have also exponentially increased in sophistication, shifting away from a blueprint approach, based on the experience of other countries, to a more frontier approach with the need for real-time responses. That said, the added value of the facility-type TA can be further increased by strengthening international perspectives on the topics through involving more top notch international consultants and further mobilizing ADB's experience in the PRC and other developing member countries.

132. Too much flexibility and speed of response could invite abuse. The fact that this has not occurred so far in the case of TA in the PRC is proof of the genuine urgent need to address pressing problems (unique in the world because of rapid growth over 3 decades), the professionalism of the government agency officers and resident mission staff members, and the cooperative understanding between stakeholders. Such conditions may be rare and certainly cannot be simply assumed to continue in the future in the PRC or to be applicable in other ADB member countries. However, the experiment should certainly be tried in other middle-income countries with strong executing agencies, where provision of knowledge products would be an important activity in and of itself. While quality of knowledge products must be sound, the links between the knowledge products and conventional loans do not have to be so tightly correlated.

# Key Issues, Lessons, and Recommendations

### A. Key Issues

133. The PRC experience in planning and managing facility-type TA operations has brought out two key issues.

134. **Limited information about the use of products of subprojects.** Limited documentation is available on the use of the products of the subprojects beyond the required two-page TCR and individual studies and synopses. Dissemination is limited, because the materials are mostly produced in Chinese and translation would be costly in terms of time and finances. The potential impact evidenced by the adoption of some results into actual policies in the PRC has therefore been obscured. While the quality of these completion reports and studies has been acceptable, the TA would benefit in the long run from more periodic assessments around selected ADB sectors or themes of engagement as to how the subprojects have contributed to the policy discourse and enhanced results. These assessments could be subprojects in their own right, addressing how the learning could improve further for subprojects in the future.

*Dissemination is limited, because the materials are mostly produced in Chinese and translation would be costly*

135. Alternatively, the executing and implementing agencies should be expressly given the responsibility for tracking the impact of subprojects and reporting back to MOF and ADB. The China Foundation for Poverty Alleviation, for example, prepared a comprehensive report on the results of the 22 subprojects that were approved under the first facility-type TA (footnote 22), in August 2006 (2 months before the TA completion date). The TA had a poverty focus, and its subprojects' results were conveyed to the country's poverty reduction policy makers. No similar reports have been prepared for subsequent TA facilities.

136. **Weak feedback of knowledge generated into ADB country operations.** While implicit mechanisms like the project officers of some of the subprojects and high-level dissemination workshops organized jointly by ADB and the executing agencies have generated shared knowledge about the subprojects, such mechanisms for feeding back the knowledge gained into ADB's country work need to be further systematized and strengthened. This is an important issue, given the recent increase in sophistication of the topics being analyzed by the subprojects. In this regard, the resident mission and the East Asia Department could explore possibilities within the recently formulated Regional Knowledge Sharing Initiative and the PRC Poverty Reduction Fund administered by ADB's Office of Regional Economic Integration. At the same time, the efforts of resident-mission staff members involved in planning and managing the most recent facility-type TA activity are already shifting from input- and process-related aspects to more substantive contributions to the design of subprojects, to policy analysis and discourse, and to the tracking of subproject results.

*Mechanisms for feeding back the knowledge gained into ADB's country work need to be further systematized and strengthened*

137. The good practice created under the ongoing regional TA on supporting strategic products,<sup>26</sup> such as the constitution of a selection panel consisting of senior staff members of ADB's East Asia Department, and the involvement of senior country experts in task management, could be incorporated into the management of facility-type TA. Another potential quality assurance measure could be the development of an online tool kit, hosted out of the resident mission or the PRC's MOF, to disseminate the findings from knowledge products funded under the TA facilities.

## B. Lessons

138. The following lessons from the PRC experience have been identified for future efforts to replicate this mode of engagement in other member countries of ADB.

*Determinants of success include having a champion in the government for the knowledge facility and products*

139. **Introducing facility-type TA in middle-income country contexts increases goodwill for the wider ADB country portfolio.** In the PRC, and in other ADB middle-income member countries where the central agencies have the needed capacity, the new outlook of knowledge as a product, and especially consciousness of the costs embedded in it, can boost the country's prospects for development. ADB should consider formalizing a discussion on knowledge products and services strategy in the annual country partnership strategy and country programming review exercises. Facility-type TA has contributed to improved working relations with ADB. Compared with traditional TA, the facility-type TA with streamlined approval procedures gives the client more ownership in the design of subprojects, thus allowing flexibility and swiftness in addressing urgent policy issues. The important determinants of success include having a champion in the government for the knowledge facility and products, and knowing the limited areas in which ADB strengths can be brought to bear. The extent of success would depend on government's ownership, institutional strengths, and capacity.

*Focus of support from the resident mission and the executing agencies has been the reduction of ad hoc processes*

140. **Good quality assurance of facility-type TA is resource intensive, but is a must for their success.** The subprojects selected must not be used to fund routine studies and workshops of implementing agencies, and consultants for subprojects must be selected on the basis of merit. Further, while only incremental changes have been made in the TA work flow, such as the formulation of selection criteria for subprojects, the introduction of a template for proposals, the initiation of quarterly reviews, and the preparation of opinion letters at the completion of subprojects, these both increase the efficiency of the output and also improve its quality. The focus of support from the resident mission and the executing agencies has been the reduction of ad hoc processes and the creation of a predictable and well-defined mechanism for the different points in the work flow of the overall TA facility and of the individual subprojects.

141. **Value addition by ADB on substantive issues is crucial to the eventual success of facility-type TA.** The pathway to achieving this starts with active ADB involvement in the screening of proposals of subprojects, the appointment of ADB staff members as task managers who actively engage with the implementing agencies during subproject implementation, and the preparation of periodic sector and thematic assessments to build institutional knowledge. While such related functions have been performed by resident mission staff members, the success of facility-type TA depends on the use of a panel of resource persons or the constitution of a selection panel of senior staff

<sup>26</sup> ADB. *Technical Assistance for Supporting Strategic Knowledge Products and Research Networking*. Manila (TA 6428-REG).

members from ADB's regional department to screen proposals and the involvement of senior country experts in task management roles for the subprojects. Increased collaboration between the resident mission and the regional departments, knowledge departments, and communities of practice based at ADB headquarters is a further important determinant of success. Some of the quality assurance work and value addition could perhaps be funded through the TA itself, and done through international consultants used as peer reviewers from a distance, and on a retainer basis.

*Some of the quality assurance work and value addition could perhaps be funded through the TA itself*

### C. Recommendations

142. The TPER has two recommendations for the resident mission management to consider when planning and managing facility-type TA in the future.

143. **Continue to work with facility-type TA, and strengthen the use of ADB staff and international consultants for providing international perspectives, supervisory support, and peer review of locally produced studies. ADB needs to pursue further delegation of consultant recruitment and procurement functions to the PRC resident mission.** ADB's procurement accreditation skills program should help with this, with support from the Operations Services and Financial Management Department and the Controller's Department (as necessary). Any increase in supervisory support should preferably be financed by the TA itself, and the cost should not fall on the ADB administration. More efforts in collaboration between the resident mission and the regional departments, knowledge departments, and communities of practice based at ADB headquarters would ensure the continued relevance of ADB even in instances of further delegation of selected parts of the work flow.

144. **Improve periodic monitoring of outcomes of subprojects through sector and thematic assessments, and make these assessments part of each facility-type TA.** Country experts or the advisory panel could undertake periodic assessments; alternatively, the executing agency could make the implementing agency responsible for tracking the results of subprojects for some time after the work is done. The inclusion of ADB staff members at this stage would be crucial to building both institutional knowledge and goodwill with in-country clients. Meetings could be held with ADB country and sector experts, and periodic knowledge briefs could be circulated to them, in order to convert tacit into more explicit and codified knowledge.

# Appendixes



## APPENDIX 1: ENVIRONMENT SUBPROJECTS (13)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	International Experience in Natural Resource Taxation (SP1)	MOF/Tax Policy Department	Need for natural resources taxes, and analyses to inform PRC's resources tax reforms	Benchmarking study covering petroleum, natural gas, coal, iron, and others; PRC's natural resources tax reforms	Reasonable exploitation of natural resources, protection of environment, and sustainable development	Apr 2012	Mar 2013	50,000	2,313	0.0	8.0	Top-down proposal, although it lacked specific milestones for implementation of findings
7862	Identification and Review of Emission Reduction Activities in Poverty Alleviation Projects (SP4)	Foreign Capital Project Management Center (FCPMC), Poverty Alleviation Office of State Council	Build the basis for an environmentally friendly, low-carbon, green poverty alleviation model in PRC	Recommendations for poverty reduction policies, on needs and challenges in addressing climate change within existing policies and models	Identification of agricultural and forestry activities in poor areas that reduce emissions; trial innovative poverty reduction projects and tools that reduce emissions and increase carbon sequestration	Oct 2012	Aug 2013	50,000	0	0.0	6.0	Top-down proposal that covered how carbon emission reduction projects could become a new means of poverty reduction (steps in developing emission reduction projects in poor areas; management system for project development; benefits and evaluation of project)
7862	The Action Framework and Practice for the Construction of a Low-Carbon Campus (SP8)	Tianjin Association of Universities of Logistics	Demonstration effect for a low-carbon society and promotion of a low-carbon life across 2,305 national universities and colleges with 22.85 million students	Report and policy note on an action framework and policy recommendations for low-carbon campus construction in Chinese universities	Goal is to achieve zero emissions of greenhouse gases on campus	Jul 2012	Apr 2013	50,000	0	0.0	8.0	Bottom-up proposal to develop standards, technical support, approaches, and strategies for low-carbon environment, low-carbon lifestyle for teachers and students, campus carbon emissions, monitoring system and carbon accountability, and coevolution mechanism
7862	Study of Risk Control and Security Framework of Environment Exchange Adapted to Beijing Emissions Trading Scheme (ETS) (SP10)	China Beijing Environment Exchange	Risk control and security of electronic transactions of the pilot Beijing ETS	Safe Harbor Initiative for Credit Tracing to ensure authenticity and uniqueness of each credit, and summarize security measures of European Union exchanges	Pilot ETSs, such as the one in Beijing, which started in March 2012, are expected to lead to regional ETSs by 2013, and eventually to a nationwide trading scheme adopted by 2015.	Nov 2012	Jul 2013	50,000	0	0.5	4.0	Bottom-up proposal that will contribute to establishing secure and efficient electronic transactions as part of the Beijing Carbon Trading Pilot

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	Developing a More Stringent Water Resources Management Evaluation System (SP14)	Ministry of Industry and IT (China Electronics Standardization Institute)	Ministry of Water Resources has selected 12 areas as pilots for the water resources management evaluation system	Reports to cover procedures, organizational, institutional dimensions including policy and regulatory framework	Research to cover procedures at provincial, municipal, and county levels; resources management evaluation system to be developed and deployed; policy and regulatory framework to be created	Jan 2013	Dec 2013	50,000	0	0.0	12.0	Top-down approach that is being developed by the Water Resources Management Center
7862	Developing a Green Performance Evaluation Mechanism in Qinghai (SP18)	Qinghai Provincial Party School	Regulate all levels of governments and officials in economics of ecology and strengthen strategic thinking on green development.	Green achievement assessment system; mechanism for diversifying Qinghai green performance appraisal; study on intensifying feedback mechanism for evaluation results	Creation of a green performance assessment index; improvement of capacity for policy analysis of provincial policy makers; deployment of the green appraisal system	Jul 2012	Apr 2013	50,000	0	0.0	10.0	Bottom-up proposal from natural resource-rich Qinghai Province, the source of the Yellow, Yangtze, and Mekong rivers, but also an economically less developed province
7313	Fiscal Policy for Rural Environmental Policy in Liaoning Province (SP6)	Liaoning Provincial Bureau of Finance	Improve public finance policies to improve rural environment in the province	Studies on fiscal policies for integrated improvement of rural environment, covering 4 cities (Shenyang, Fushun, Liaoyang, and Benxi)	Developed an operational performance evaluation system with three levels for project assessment, information disclosure, and performance	Apr 2010	Mar 2011	50,000	20,557	...	...	Informed Suggestion on Improvement of Rural Environment and Strengthening Performance Evaluation (Jul 2010) and Suggestion on Improving Demonstration Projects (Apr 2012)
7313	Development of China Voluntary Emission Reduction (VER) Standards Related to Trading Platform (SP8)	China Beijing Environment Exchange	Potential \$1.8 billion market for VER. The market constrained by lack of standards for monitoring, reporting, and verification.	Panda Standard, the first voluntary carbon standard designed for PRC's VER system developed. It will provide transparency and credibility in nascent carbon market.	Findings presented at Copenhagen Climate Conference; Workshops on improvements in technical and administrative framework	Feb 2010	Apr 2011	100,000	89,262	...	...	Developed a unique market with great potential for long-term success

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7313	Innovation Mechanism of Hebei Green Lightning Project (SP23)	Hebei Province Power Demand Supervision Management and Instruction Center	Need to promote energy-saving lamp promotion and semiconductor lighting industry	Study on Innovation Mechanism of Hebei Green Lighting Project	Better understanding of subsidy dimension and how to incorporate market-oriented principles; review of preferential policies for efficient illumination products, performance of energy standards, regulation	Feb 2012	Oct 2012	50,000	...	0.0	9.5	Bottom-up proposal for a report that is to form the basis for three policy notes
7313	Water-Environment Modeling and Quality Monitoring in Yuqiao Reservoir of Tianjin (SP4)	Bureau of Water Resources, Tianjin			Canceled			100,000				
4933	Study on Beijing-Hebei Water Resource Compensation Mechanisms and Approaches (SP1.2)	Hebei Province Development and Reform Commission and Academy of Macroeconomic Research	Existence of a "poverty belt" around Beijing and Tianjin justified an increase in Beijing support for Hebei, the source of Beijing's water	Theoretical and operational framework developed and consensus built in support of recommendations for viable compensation systems	First field investigation in Hebei Province from Aug to Sep 2007; Theoretical framework and scheme for compensation done by Apr 2008.	Aug 2007		50,000				Data collection issue confronted during the implementation of the subproject. Data for compensation scheme collected from Zhangjia and Chengde
4933	Study on Breaking Environment-Poverty Linkages (SP2.6)	China Society of Land Economics	Understand overlaps between environment and poverty	Study prepared and approved by ADB in January 2010; field surveys in Guanxi and Yunnan Province	Study based on empirical evidence. It covered how to build an emergency system to reduce effects of disasters.	Dec 2007	Jan 2010	20,000	21,232	0.0	0.0	Implementing agency performed all the work itself with no external consultants
4365	Environment Impact Assessment (SP1.10)	MOF	Need to disseminate ADB's 2003 environmental impact assessment	Training materials for training, outreach functions	State Environmental Protection Administration and provincial appraisal centers	...	...	...	...	...	...	Improved environmental impact assessment by in-country stakeholders

... = data not available, ADB = Asian Development Bank, ETS = emissions trading scheme, MOF = Ministry of Finance, PRC = People's Republic of China, SP = subproject, VER = voluntary emission reduction.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 2: REGIONAL COOPERATION AND INTEGRATION SUBPROJECTS (12)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	Constructing a New Model of Sustainable and Participatory Development for Henan Village Communities (SP9)	Henan Provincial Department of Finance	Creation of new model rural communities, rational urban-rural development, acceleration of rural economic development, and livelihood improvement	Research monograph, 4 investigation reports, responses and recommendations report	Development of a new model for rural development in this central province located between eastern provinces, which are flush with foreign direct investments, and western provinces, already targeted by state programs.	Nov 2012	Sep 2013	100,000	0	0	8.0	Bottom-up proposal to explore research into agricultural modernization, urbanization, and industrialization in Henan Province
7862	Research on Countermeasures to Promote Traffic Channel into Trade Channel against the Background of Regional Economic Cooperation between China Xinjiang and Central Asian Countries (SP19 A)	Finance Department of Xinjiang Uygur Autonomous Region	Provide advice on the next 5-year implementation plan of Central Asia Regional Economic Cooperation (CAREC) 2010 Strategy, and also provide decision-making reference for the Xinjiang government	Research on countermeasures to develop traffic channels into trade channels against the background of regional economic cooperation between China Xinjiang and Central Asian countries	Transport facilities and customs conditions in Xinjiang will be improved, key factors in transportation infrastructure construction traced, demonstration effect on other infrastructure at the same time will be provided, policy proposals will be submitted to decision makers.	...	12 mos. after start date in 2013	50,000	0	0	5.0	Bottom-up proposal closely aligned to ADB's Strategy 2020 core areas
7313	Elimination of Some Major Problems of Poverty Belt around Beijing and Tianjin (SP11)	Hebei Provincial Development and Reform Committee	Region covered by 21 counties with little rural financial services, poor infrastructure, gaps in ecological policy, incomplete land policy, and water pollution problems in	Findings to contribute to creation of a pilot zone to implement coordinated reforms and rural financial services, infrastructure development, ecological construction, land policies, pollution treatment projects	Project continued the research done under TA 3970 (Studies on Economic Development Strategies in Hebei Province) and TA 4933 (Water Resource Compensation Mechanisms) with findings to inform	Nov 2010	Jan 2012	50,000	44,504	...	...	Bottom-up proposal with findings to inform policy as well as operations

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
			Guanting Reservoir Watershed		government's Yanshan-Taihang Mountain Area poverty alleviation planning							
7313	Research on Strategy of Coordinated Development of Urban Agriculture, Urbanization and Industrialization (SP15)	Tianjin Municipal Commission of Rural Affairs Policy Research Center	Strategy prepared by provincial government for interactive development of farmers' residential compounds, industrial demonstration parks, and agro industry	Tianjin Province will draw up its blueprint for development and modernization of agriculture. Policy Note on Policy Recommendations on Promoting Urban Agriculture Modernization in Tianjin in the 12th Five-Year Plan planned. Six-chapter report prepared.	Recommendations planned for agriculture development and mitigation of adverse environment impacts, improvement of organization of agriculture, enhancement of S&T support, quality and safety control, and introduction of innovative financing mechanism	Oct 2011	Oct 2012	50,000	50,000	0	9.0	ADB Safeguards would come into play as subproject involves integrated development of modern agriculture, urbanization through creation of growth centers, and industrialization
7313	Policy Studies on Speeding Up of Opening of the Hunan Economy (SP16)	Hunan Provincial Finance Department	Need to understand empirical changes in global value chain, develop a theoretical framework for an open economy, and formulate an openness index for regions	Report is to include a theoretical analysis framework, openness index, and policy recommendations. Report with three sub-reports prepared and ready for dissemination by Dec 2012	Policy research to boost open economic development in Hunan Province	Aug 2011	Apr 2012	100,000	100,000	0	15.0	Bottom-up proposal prepared by Hunan Provincial Finance Department
7313	Studies on Developing an Innovative Fiscal System for Enhanced Development, Public Service, Macroeconomic Regulation,	Jiangxi Provincial Finance Department	Need to improve public finance policies to manage social and economic development	Study would strengthen the role of fiscal policy in promoting economic development, develop the capacity of the provincial finance	Improved public resource management systems in the provincial finance department; improved public financial management	Dec 2011	Oct 2012	100,000	100,000	0	9.5	Bottom-up assessment although proposal is rather wide in that it covers role of fiscal policy in economic development, social development, and economic stability.

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
	Meticulous Management and Efficiency (SP18)			department, and improve the role of fiscal policy in social development. Report with five themes prepared.	systems; streamlined operating procedures							
7313	Research on Central China Taking in Industrial Transfer and Promoting Industrial Upgrading (SP17)	Henan Industry and Information Technology Department	Need for provinces in middle region to learn from lessons identified to integrate with the industrial value chain in the east and build the domestic economies	Research into industrial shifts in the global value chain and spillover effects of the regional value chain and production network. Final report prepared in November 2012.	Improved understanding of how the central province can link with and move up the global value chain. Areas identified include nonferrous metallurgy, food, light industries, textiles, construction, and automobiles.	Oct 2011	Jun 2012	50,000	50,000	0	8.0	Bottom-up proposal in light of the State Council's Instructive Views on Undertaking Industrial Transfer and Upgrading in Central and Western China
4933	Model Development and Pilot testing of Village Poverty Reduction Cooperatives in Yunnan and Hebei (SP2.1)	Foreign Capital Project Management Center (FCPMC), Poverty Alleviation Office of State Council	Identify lessons from village-level organizations and develop new models for village poverty reduction cooperatives (VPRC). This was the largest subproject under TA 4933 and was a high priority of a director at LGOP.	Components included a package of interventions such as capacity development, collective bargaining in buying and selling agricultural input and output. Most pro-poor subprojects have minimal elite capture and also a strong cooperative focus.	First phase included an analysis of existing pilots of VPRCs and publication of volume A (Yilong Model Village Poverty Reduction Cooperatives and Rural Poverty Reduction in the New Era) and volume B (Operation Manual for Yilong Model Village Poverty Reduction Cooperatives). Second phase was on capacity development.	May 2007	Mar 2010	165,000	154,247		6.0	Subproject was initially expected to feed into a potential breakthrough poverty loan, but it appears NDRC disagreed. However, LGOP and MOF rapidly expanded pilot testing of competing models of such village cooperatives.
4933	New Mechanisms for Eastern-Western	China Agricultural University Institute of	Understand the regional dimensions of poverty	Field surveys in seven provinces, including a national workshop	Assessment of context completed, recommendation provided to LGOP	Dec 2007	Mar 2010	20,000	19,782			Close links between the earlier <i>duikou</i> (sister province) support from Shanghai and Beijing

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
	Region Cooperation in Poverty Reduction (SP2.8)	Humanities and Development	reduction in PRC		for policy reform and new mechanisms to strengthen the role of cross-regional cooperation in reducing poverty in PRC							for poverty programs in Yunnan and Inner Mongolia Autonomous Region (and potentially also Hebei)
4933	Role and Operational Channels for NGOs in Wenchuan Post-earthquake Reconstruction (SP2.10)	LGOP	Overlap with TA 4790 subproject on collaboration with NGOs	Field survey, report	Field surveys in Sichuan	Sep 2008	Mar 2010	40,000	19,468	0	1.0	Substantial delays in getting the work plan and suggestions for external experts from the implementing agency
4790	SP6 China Western Region Entrepreneurship Promotion	National Development and Reform Commission (NDRC)	Create enabling environment and operational mechanism for rural entrepreneurship in western regions	Final report included policy recommendations on how to remove bottlenecks, improve policy and regulatory frameworks, integrate then existing service institutions; report on surveys in five provinces	Entrepreneurship development for migrant workers in the State Council's policy reports for implementation in 2008 (Guiding Principles for Promoting Employment through Entrepreneurship, Sep 2008; and Notice of General Office, Dec 2008)	Mar 2007	Jan 2009	75,000	32,593	0	2.0	NDRC pilot-tested principles in Chongqing Municipality and Sichuan Province to inform its Suggestions for Piloting Rural Entrepreneurship Development Scheme in Western China
4365	Northeast Revitalization Conference (SP1.9)	MOF	Need for increased dialogue for stakeholders in the development process of the northeast regions		Attended by policy makers in central government, ADB, and World Bank. Topics covered were fiscal arrangements, social security reforms, investment climate, and funding for north east development.							

... = data not available, ADB = Asian Development Bank; JPDF = Jiangxi Provincial Finance Department; LGOP = State Council Leading Group Office of Poverty Alleviation and Development; MOF = Ministry of Finance; PRC = People's Republic of China; SP = subproject; TA = technical assistance.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.



## APPENDIX 3: GOVERNANCE SUBPROJECTS (11)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	A Study on the Improvement of Government Funding Mechanism to Enable Technology Innovation, Commercialization and Industrial Transformation (SP2)	Shanghai Municipal Finance Bureau	Improvement in government funding mechanism and optimization of funding process of Shanghai Municipal Government	A Study on the Improvement of Government Funding Mechanism to Enable Technology Innovation, Commercialization, and Industrial Transformation	Improved use of limited resources for key sectors and projects for increased technology innovation, commercialization, and industrial restructuring	Aug 2012	Mar 2013	50,000	0	0	12	Bottom-up proposal including shift from single-form funding allocation to multiple funding arrangements. A measurement index system and evaluation criteria are to be developed.
7862	Local Debt In PRC: Financing Vehicle's Debt Management and Risk Control (SP 6)	MOF/Budget Department	Manage debt risks of 6,576 local government financing vehicles (LGFVs) and increase transparency.	On-site case studies of LGFVs to assess progress of the State Council notice; Study and compare LGFVs across regions.	Develop regulations to address problems and policy actions for local government debt management system reforms.	May 2012	Mar 2013	50,000	0	0	5	Informed implementation of State Council Notice Regarding Issues of Strengthening the Management of Local Government Financing Vehicles.
7862	Research on Establishing a Mechanism for ensuring basic fiscal funding on five levels of province, city, county, country, village -Guizhou Province (SP15)	Guizhou Bureau of Finance	Adverse geomorphologic conditions, desertification, dispersed population, and winter rains results in annual losses	Report on creation of a fiscal framework that covers all five levels of the province	Improve planning and programming of provincial finance	Oct 2012	Nov 2013	50,000	0	0	5	Bottom-up approach from a provincial government. However the date of submission is unclear as it appears to have been prepared for TA 7313
7313	Internal Audit Roles and Practices (SP2)	China Institute of Internal Audit	Research covered 13 countries corporate governance regulations; investigated roles of internal audits.	Corporate Governance and Role of Internal Audit in Asia (IAA); Governance, Risk Management and Control: Internal Audit leading Practices Case Studies from Asia	Two reports prepared; Nanjing University used training materials; Changes made by IIA-PRC to the country's internal auditing standards and procedures	Jul 2009	Oct 2012	100,000	88,919	3	2	Promoted understanding of trends of internal auditing for internal audit institutes, internal auditors in PRC and also in other countries. Training materials also prepared
4933	Pilot Testing and Plan Design for Mobilizing PRC Poverty Reduction Volunteers (SP2.2)	Youcheng Foundation for Poverty Reduction	Help the government partner with civil society actors	Approach to develop volunteer center, station, and network. Field study and training.	Framework for mobilizing poverty reduction volunteer organizations and linkage to systems.	27 May 2007	...	50,000	37,472	0	2	Activities included research, organization and development of an action plan

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
4933	Empowerment and Opportunity: Study on New Strategies and System for PRC Poverty Reduction (SP2.7)	Huazhong Normal University	Recommendations for new poverty reduction strategies and reforms for LGOP and the government.	Study, field surveys, national workshop held	An internal workshop was held in Jan 2010 in Huazhong Normal University to discuss results of literature review and the field research plan.	Dec 2007	Jul 2010	20,000	19,459	0	1	Study was prepared in time, findings of which were discussed with LGOP
4933	Traditional Culture and Poverty Reduction in Building A New Rurality (SP2.9)	Eastern Management Institute of Xi'an Jiaotong University	Understand the links between culture and poverty in the PRC context	Surveys and assessments	Analysis on linkage between culture and poverty, and crosscutting poverty reduction approaches provided to LGOP	Dec 2007	Jul 2010	20,000	20,160	0	1	Championed by LGOP officials
4790	Resources on Outsourcing of Government Services to NGOs (SP7)	Ministry of Civil Affairs (MOCA)	Explore role of non-state players in service delivery and accountability relations	Final report assessed international experience and options available to government	Participation of NGOs in welfare activities from March 2010	Jul 2007	Jul 2010	50,000	31,986	0	2	Not much evidence on how output has contributed to policy discourse on the participation of civil society organizations in service delivery
4790	Local Government Debt Management (SP1)	MOF/Budget Department	Need to study the local government debt with implications on governance and risk management	Final report on Feasibility of Bond Issuances by Local Governments and Supplementary Report on foreign countries proactive fiscal policies during financial crisis.	Helped government to formulate policies and regulations in 2009 to issue local bonds with operational management mechanisms.	May 2006	Jun 2009	100,000	9,983.41	3	5	First report was a feasibility study that provided analysis of local debt management. Second report provided policy recommendations for fiscal policy response
4790	Study of Alternative Dispute Resolution Mechanism (SP8)	Supreme People's Court of PRC	Judicial reforms was a priority and to explore alternative dispute resolution mechanisms	2 reports with recommendations on judicial reforms and pilot such proposals with required capacity development	Study traced capacity of existing institutions, recommended procedural changes and prepared proposals for pilots	Apr 2008	Jun 2009	46,500	38,602	3	3	Assessment and survey of new types of disputes, effectiveness of dispute resolution mechanisms, and international experience
4365	Budget Law Amendment (SP1.3)	Ministry of Finance	Good practice on international experience to PRC's budget law	Amendments to the budget law were prepared, input for legislative process	Amendments to budget law were submitted to the National People's Congress	...	...	...	...	...	...	

... = data not available, ADB = Asian Development Bank, IA = internal audit, LGOP = State Council Leading Group Office of Poverty Alleviation and Development, NGO = nongovernment organization, PRC = People's Republic of China, SP = subproject, TA = technical assistance.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 4: SOCIAL PROTECTION AND HEALTH SUBPROJECTS (14)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	The Role of Grassroots Healthcare System in Improving Staff's Capacity Building (SP12)	Ministry of Health (Center for Statistical Information)	Basic medical and health service system is one of the five pillars of health-care reforms. Issues are insufficient resources, weak service levels not trusted by the population	Report will track capacity improvements of health-care professionals, utilization of basic health care by local population, and satisfaction levels of services availed	Assessment of selection criteria of basic level health professionals; Capacity assessment of basic level health professionals; Research on impact of relevant policy on capacity building of professionals.	Jan 2013	Dec 2013	50,000	0	0	13	Bottom-up proposal that is in line with the policy objectives set out in PRC's 12th Five-Year Plan to improve the capacity of health institutions and professionals and to provide high quality health service.
7313	Assessment of Application of the Labor Contract Law to Informal Sector Employment (SP1)	Ministry of Human Resources and Social Security (MOHRSS)	Informal sector employees and migrant rural workers in urban areas not covered by conventional labor law	Research report on implementation of Labor Contract Law. Research covered part-time dispatch employment and employment in SMEs.	Research informed theoretical and practical guidance on decision-making process; Addressed anomalies in informal labor market and employee rights	Jul 2009	Apr 2011	50,000	41,437	...	...	Successful at micro-level and now applied in many counties. Implementation was initially put on hold due to overlap with the ILO work. Revised proposal done in Jan 2010
7313	Quality Supervision and Control of Health Reform projects (SP3)	Ministry of Health, Foreign Loan Office	Reforms to strengthen government's leading role. Health practice quality and standards vary greatly from place to place.	Report on Quality Supervision and Control for Health Projects in People's Republic of China	Report prepared a quality supervision and control model, designed a health project quality review system, and recommendations based on international experience.	Jul 2009	May 2011	50,000	39,099	...	...	Recommendations included implementation issues, output-based disbursements have been tested, Project quality evaluation tools deployed and are being scaled up
7313	Application of International best practice of Social Welfare Reforms to Social Assistance Policy in PRC (SP5)	Ministry of Civil Affairs (MOCA)	Minimum Living Standard Guarantee Scheme ( <i>dibao</i> ) needed to be informed by international good practice to increase impact of social	International Social Welfare Reforms - Implications for China's Social Assistance Policy. Report covered three issues - welfare to work, conditional cash transfers, and social	Pilots (Notice on Strengthening New Cooperative Medical Scheme Management in 2011) copayment reduced for children with Leukemia and Heart disease. Management (State	Apr 2010	Mar 2011	50,000	47,943	...	...	Success in <i>dibao</i> minimum cash welfare payments, addressed child poverty, in employment creation, and in care of elderly.

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
			assistance programs	pensions. Field Visits to Selected Localities	Council's Circular on Strengthening Management of <i>Dibao</i> in 2012)							
7313	Evaluation of Models for Urban Medical and Health Institutions to Support Township Hospitals in Hebei Province (SP7)	Hebei Provincial Health Bureau	Efforts of central and provincial government to improve health service delivery at the grassroots including 1,960 township hospitals in the province	Evaluation Report of Eight Models for Urban Medical and Health Institutions to Support Township Hospitals in Hebei Province	Dissemination of findings to municipal and county level health administrative departments; three models proposed that involved technical know-how exchange (1,629 doctors to township, 543 cooperative agreements, and 1,014 health-care workers trained)	Dec 2009	Sep 2011	50,000	13,800	...	...	Resulted in greater exchanges between the urban and township hospitals. Improved general standards and demonstrated how lowest standard hospitals can be improved with better staffing.
7313	Impact of Fiscal and Monetary Policies on the Employment under Financial crisis in the PRC (SP9)	Ministry of Human Resources and Social Security, Department of Employment Promotion	Financial crises created need to determine how fiscal and monetary policies affect employment as articulated in PRC's Central Economic Working Conference in December 2008	Impact of Monetary and Fiscal Policy on the Employment Under Financial Crisis in Apr 2011. This covered both quantitative and qualitative aspects of macro policies on employment	Report focused on SMEs and labor-intensive enterprises.	May 2010	Apr 2011	50,000	38,538	0	9	Findings of the Paper were published in Issue 28 of Economic Research Reference
7313	Coordination and Development of Urban and Rural Medical and Health Service System: Chongqing Exploration and Innovation (SP19)	Chongqing Finance Bureau	Develop an integrated urban and rural medical insurance management system. The first national experimental zone piloted in June 2007	Results will include identification of feasible paths and responsive policy solutions addressing the emerging issues of urban and rural basic medical insurance management	Improved basic health service delivery and accountability relations across the province	Oct 2011	Dec 2012	50,000	50,000	0	8	Subproject jointly implemented by the Chongqing Municipal Government Research office and Chongqing Finance Bureau
7313	Policy Options to develop service institutions for the Elderly in the	National Development and Reform Commission	% of aged population in PRC reached 159 million or 12%	4-part report to include design of caring for the elderly service	Articulation of roles for coordination in government departments in	1 Oct 2010	1 Sep 2011	50,000	33,080	0	8	Project in response to traditional familial functions being undermined in

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
	PRC (SP14)	NDRC, Social Development	in 2008 and this has been estimated to increase to 248 million by 2020	system in PRC, obstacles to development of private funded nursing institutions, industry size and employment scale of care services and facilities, and policy recommendations	endowment for the elderly, policy framework for development of service institutions for elderly, definition of institutional environment (standard, management, classification) role for private investments, and financing.							modern society. Need to redefine roles and responsibilities. Activity focuses on standardizing caring institutions, and identifying obstacles to commercial caring.
4933	Scale up and Policy Framework for Supporting Left behind Children (SP1.3)	Sichuan Province Working Commission on Children and Women	Wenchuan earthquake in Sichuan (12 May 2008) resulted in children as a vulnerable group. Subproject aimed to scale up model from 4 schools to county and province-wide.	County-level education protection policy system for the children prepared, Leaders of townships, villages (community) and relevant departments convened meetings. Prepare documents to make township duties clear. List in Government's testing mechanism	Pilot test extended through Qingshen County, mechanisms for cross-sector cooperation sharpened, and policy paper submitted identified concrete and viable recommendations for replication in Sichuan Province and other areas across PRC.	May 2007	Jul 2009	50,000	47,440	0	2	Capacities in place to sustainably address psychological hardships and risks and support return to growth and development. Qingshen County Women's Federation (QCWF) was China's Development Marketplace's most successful project.
4933	Operational Mechanisms for Rural <i>Dibao</i> and Medical Financial Assistance (SP1.4)	Ministry of Civil Affairs (MOCA)	Third in series of subprojects with MOCA on rural minimum living standard protection ( <i>dibao</i> ) and broader social safety nets (TAs 4365, 4790, and 4933)	Help MOCA and local civil affairs improve design and outcomes of Minimum Living Standard Guarantee Scheme ( <i>dibao</i> ), and Medical Financial Assistance (MFA).	Subproject commissioned a group of experts who reviewed local policy documents and conducted field visits to 15 provinces and 25 counties and cities to investigate the operation of the <i>dibao</i> and MFA	Dec 2007	Jul 2010	150,000	147,716	0	4	<i>Dibao</i> provides regular cash support to rural poor households for the purpose of maintain their basic living, while MFA reimburses part of medical expenses for poor households receiving medical services. Two Operational Guidelines for <i>dibao</i> and MFA programs. A report Strengthening Rural

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
												Social Assistance and Linkages to Poverty and Health Programs prepared
4933	Capacity Building for Post-Earthquake Child Psychological Support (Training program) (SP1.7)	Sichuan Province Working Commission on Children and Women	Subproject built on ongoing cooperation with SPWCCW on left behind children under subproject 1.3.	Training manual prepared and activities pilot-tested in the Pengzhou and other parts of Sichuan	Pilot activity undertaken that was primarily bottom up approach	Sep 2008	Jul 2010	50,000	49,485	0	1	Work got off to a slow start, but it gained momentum. It was projected to have considerable impact in Pengzhou and potentially in other parts of Sichuan, by providing a viable grassroots-level approach for tackling medium- to long-term psychological impact of earthquake on children
4790	Rural Social Safety Net (SP3)	Ministry of Civil Affairs (MOCA)	Government's then ongoing study on rural minimum living standard protection or rural ( <i>dibao</i> ) system	Brochure with research output, consultant reports, inter-provincial consultation resulted in drafting of an internal policy report to the State Council	TA was certified by ADB and MOF for Outstanding Achievement Award	May 2006	May 2009	50,000	49,539		3	Mar 2007, Government Work report released, State Council's related Circular in Jul 2007, Observations and Suggestions Policy Note prepared in Mar 2008
4365	Rural Health System Development Workshop (SP1.11)	Ministry of Health/Foreign Loan Office	Need for information on rural health and implementation of the rural cooperative medical system	Policy note	Received coverage in media and prompted discussion within the Ministry of Health	...	...	...	...	...	...	
4365	Policy Study on Rural Health Minimum Standards (SP1.12)	Ministry of Civil Affairs (MOCA)	Data needed on different provincial approaches for rural health service delivery	Synthesis report with case studies	Case studies summarized the different approaches undertaken across provinces	...	...	...	...	...	...	Timing important as rural health minimum standards had already been picked up high level policymakers

... = data not available, Asian Development Bank; PRC = People's Republic of China; SME = small and medium enterprise; SP = subproject, SPWCCW = Sichuan Province Working Commission on Children and Women.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 5: AGRICULTURE AND NATURAL RESOURCES SUBPROJECTS (7)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	Financial Sector Reform to promote Urban Rural Integration (SP3)	MOF, Office of Working Party of Rural Comprehensive Reform of the State Council	Inform urban-rural integrated development through identifying barriers to rural factor market barriers	Report on how to build rural factor markets and promote urban-rural integration; Innovation in the rural financial market	Increased information on rural financial markets and integration of the urban and rural human resources market	Apr 2012	Mar 2013	50,000	625	0	8.0	Although the topic is highly relevant and overlaps with the new project approved in Henan Province, it is rather sketchy in content and timeline.
7862	Policy Research in Developing Agricultural Cooperatives in the Hunan Province (SP7)	Hunan Financial Department	Pilot creation of agriculture cooperatives in the province	Report on Policy Research on Boosting the Agricultural Cooperative Development in Hunan Province	Develop a framework for agricultural cooperatives; establish an evaluation model on agricultural cooperative development; analyze current status and development potentials of cooperatives.	Sep 2012	May 2013	50,000	0	0	8.0	Information is to be developed in terms of cooperative movement in agriculture, an evaluation model on the potential of agriculture cooperatives to be created, and explore factors for the agricultural cooperatives.
7862	Constructing a new model of sustainable and participatory development for Henan Village Communities (SP9)	Henan Provincial Department of Finance	Creation of new model rural communities, rational urban-rural development, accelerate rural economic development, and livelihoods improvement	Constructing a New Model of sustainable and participatory Development in Henan Village Communities. Research Monograph Four Investigation Reports, Responses and Recommendations Report	Analyze and develop a new model for rural development in this central province located between the eastern provinces that have had foreign direct investments and the western provinces that are already targeted by state programs for development	Nov 2012	Sept 2013	100,000	0	0	8.0	Explore research into agricultural modernization, urbanization, and industrialization in Henan Province
7313	Mechanism for Economic Compensation for Arable Land	Ministry of Land and Natural Resources	Need to protect and safeguard the farmland and farming families land user rights. A new economic	Implementation Opinions of Economic Mechanism of Farmland Protection in the	Improve understanding of the Transfer of Development Rights in the US established by local	Mar 2012	Mar 2013	50,000	...	1	4.0	Subproject includes features that are relevant in all activities being funded by the TA at the provincial level.



TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
	protection (SP21)		mechanism for farmland protection is to be explored	PRC. Report with three sub-reports and Policy Notes	zoning and creation of dedicated growth centers closer to municipal services							
4933	Research on Models for Technology-based Poverty Alleviation in Typical Ecological Zones (SP24)	LGOP Planning and Finance Department	Clearer identification of poverty characteristics and potential modes for industry-based poverty alleviation in six ecological zones in the PRC's Western and Central Regions	Compilation of case studies and concrete recommendations for technology-based poverty alleviation during the 11th FYP period.	Recommendations suggested by subproject looking at models for technology-based poverty alleviation in typical ecological zones were reported to State Council	27 May 2007	May 2010	30,000	26,963	0	1.0	Start-up of research in Sep 2007; coordination meeting in Oct 2007; separate field investigations in Hunan, Guizhou, and Gansu provinces from 7 Nov 2007 to 13 Dec 2007; final report
4790	Reform of Land Acquisition Approval Procedures (SP4)	Ministry of Land and Resources	11th Five-Year Plan set the context with focus to accelerate land acquisition system and rational compensation mechanism for peasants whose faced expropriation	Final report was not disseminated to the public due to sensitive nature of the topic and Final workshop was also cancelled. Consultation, Pilot, Standardized Documentation of Templates	Three schemes of land acquisition compared; Standard set of documentation templates were prepared for the proposed procedure; and monitoring and evaluation framework also deployed	1 Aug 2006	1 Dec, 2008	50,000	34,808		3.0	Activities contributed to reform of land acquisition approval procedures. New notification - Guotuzifa 2009 No 8 Circular was prepared. New land acquisition regulation and land administration law was planned at completion of the subproject
4790	Establishing a Monitoring and Evaluation System for a New Socialist Countryside (SP5)	Ministry of Science and Technology, Rural Science and Technology Development Center	Develop a monitoring and evaluation system to track rural service delivery and accountability relations	Final report that covered the M&E indicator system and an Investigation Analysis that covered. Report, Field studies in 7 provinces, Consultation Workshop	Project output sent to Leading Group on Rural Work under State council, Ministry of Agriculture. Online portal deployed. The Agriculture Bureau of Gansu Province, People's Daily, Farmers Daily, and Science and Technology Daily are related products	18 Aug 2006	14 Dec 2009	50,000	46,938	0	4.5	Not much direct evidence on the contribution of output to policy discourse in rural development across the country

... = data not available, ADB = Asian Development Bank, FYP = 5-year plan, LGOP = State Council Leading Group Office of Poverty Alleviation and Development, M&E = monitoring and evaluation, PRC = People's Republic of China, SP = subproject, TA = technical assistance.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 6: INDUSTRY AND TRADE SUBPROJECTS (4)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	Research on Corporate Social Responsibility and its promotion in PRC (SP13)	China Electronics Standardization Institute (CESI)	Implement the 12th Five-Year Plan and Industrial Transformation and Upgrading Plan (2011–2015).	Two reports planned: research into issues related to ISO26000, and domestic CSR building; seminars; survey	Push corporations to fulfill labor protection, discharge responsibilities on salaries and benefits, environment protection, fair operation and protection of consumer interests	May 2010	Aug 2012	50,000	0	...	21	Unclear as to why CESI is the implementing agency for the project
7313	Research of Hunan Tourism Industry Impact on Economic Development (SP10)	Hunan Provincial Finance Department	Guidelines launched by the provincial government for economic development and boosting tourism.	Report on Impact of Tourism Development on Hunan's Economy	Assess contribution of tourism to the province's economic growth, policy recommendations to support preparation of 12th Five-Year Plan for Tourism in Hunan.	Oct 2010	Mar 2011	50,000	3,973	0	7	Analysis of demand and supply of tourism related goods and services, market analysis of production of such goods and services, analyze trajectory of social and economic indicators, econometric model for contribution of tourism
4933	Media and Advocacy to Mobilize Corporate Social Responsibility for Poverty Reduction (SP2.5)	China Poverty Development Center	Need for outreach functions to increase corporate social responsibilities in poverty reduction	Media outreach, field studies, 10 newspaper articles, and field research in Jiangxi, Yunnan, and Gansu province)	Outreach	Dec 2007	Feb 2010	30,000	28,363	0	0	Subproject was noted to have potential linkage to the second generation Jiangxi pilot under TA 7159
4365	Private Sector Study (SP1.1)	All-China Federation of Industry and Commerce	Need for actionable findings on legal taxation, governance, human capacity	1 main report and 9 background papers	Report covered theoretical issues, property issues, level playing field with entry and exit mechanisms, taxes and fees, finances and investments, human resource capacity building,	Jul 2004	Sep 2006					Major recommendations were consolidated into an overall report and tables submitted to the National People's Congress in March 2005

... = data not available, ADB = Asian Development Bank, CSR = corporate social responsibility, ISO = International Organization for Standardization, PRC = People's Republic of China, SP = subproject, TA = technical assistance.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 7: TRANSPORT AND INFORMATION AND COMMUNICATION TECHNOLOGY SUBPROJECTS (4)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	Key Fiscal and Tax Policy Issues to Advance the Development of Strategic Emerging Industries (SP11)	Shandong Bureau of Finance	Develop strategic emerging industries key to transform pattern of economic development and promote the adjustment of economic structure.	Study fiscal and tax policies and incentives in Shandong Province; Draw on international experience; Policy framework and suggestions. Two Policy Notes	Identify feasible paths (tax and fiscal incentives) and responsive policy solutions to address practical problems in development of strategic emerging industries in the Shandong Province	Sep 2012	Sep 2013	100,000	0	0	13	Prepared for in the context of the Executive meeting of the State Council that passed national strategic emerging industry development planning on May 30, 2012.
7862	Research on China's Cultural Industry Development Policies (SP20)	Leading Group Office for the Supervision and Administration of the State-owned Assets of State-owned Cultural Enterprises	Lack of regulatory framework for culture industry (print media, film production, digital publishing, multimedia, animation, gaming and emerging industries)	Policy research of culture industry development (Formulation of policies to promote industry, Enhancing state-owned assets management of cultural enterprises, Developing HR systems)	Creation of an enabling environment and regulatory framework for PRC's culture industry - reduce government's footprint in management of culture industries, increase sector regulation, and corporatization of related enterprises	1 Oct 2012	1 Oct 2013	100,000	0	1	6	Unified regulation for the ICT sector
4933	Technical design for Poverty Reduction and Public Goods Information Web-based Network (SP2.3)	LGOP Training-Information Center	Deploy a web-based network to disseminate public good information to support poverty reduction	Surveys and assessments completed; online portal developed	Field investigation, workshop, website design	27 May 2007	May 2010	50,000	37,500	0	2	Interruption due partly to a change in implementing-agency staffing. The IA had also initially suggested that surveys and analysis might be sufficient.
4365	Road Safety Conference (SP1.2)	Ministry of Public Safety	Guidance needed for smooth administration of traffic safety law	None	Conference covered implementation of traffic safety law. Establishment of national road safety council, requirements for an official road safety impact assessment.	...	...	...	...	...	...	100 participants attended the National Symposium on Road Safety that attracted participants from central and provincial levels (Ministry of Public Safety and provincial security bureaus.

... = data not available, HR = human resource, IA = implementing agency, ICT = information and communication technology, LGOP = State Council Leading Group Office of Poverty Alleviation and Development, PRC = People's Republic of China, SP = subproject, UK = United Kingdom.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 8: EDUCATION SUBPROJECTS (4)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	Developing Vocational Education in Rural Hubei Based on international Experience (SP17)	Hubei Industry University	Promote establishment of vocational education in rural areas system	Report - Development of Vocational Education in Rural Hubei Province from an International Perspective and Vocational education in Rural Hubei Province	Accelerate development of vocational education in rural areas, enhance modernization of agriculture with in-depth development of industrialization and urbanization.	Jun 2012	Jun 2014	50,000	0	0	5	Bottom up approach from a provincial government to deepen the reform and innovation of vocational education in rural areas
7313	Pilot testing Project on School Enterprises Cooperation for Skills Development in the PRC (SP12)	Ministry of Human Resources and Social Security MOHRSS, International Cooperation Department	PRC's traditional emphasis on theoretical academic achievements needs to be redirected towards tying school graduates to the demands of enterprises.	Report include design and evaluation of pilot model of school-enterprise partnership, operational management and financing of school enterprise cooperation, guidelines for curriculum and materials development, work specifications for teachers	Guidelines and standards to be prepared to formulate and implement school-enterprise cooperation. Mechanisms for inter-agency coordination of school enterprise cooperation to be established	Sep 2010	Aug 2011	50,000	23,447	0	6	Activity is follow-on to project within TA 4790 on School Enterprise Cooperation in Cultivating High Skilled Workers. The report covered design and evaluation for pilot model, operational management and financing, guidelines for curriculum and work specifications for teachers and trainers
7313	Consulting Service Development in Under-Developed Area in the Industrial Transition and Upgrading Process (SP20)	Anhui Government Development and Research Center	Improved consulting service for regional development of primary, secondary, tertiary industries	Report to include problems faced by the province in industrial transition, analyzing the approaches and roles of consulting services, and developing models to improve consulting services	Leverage for example the existing HR advantages in Hefei to and undertake reforms to reduce intra provincial disparities	Apr 2012	Feb 2013	50,000	...	1	6	Bottom-up proposal that is an example of government-facilitated reforms intended to align the country with the knowledge-intensive economy of the times
4790	Study of School Enterprise in Cultivating High-Skilled Workers (SP9)	Ministry of Human Resources and Social Security (MOHRSS)	Technical and vocational education has become priority with transformation of economy into higher skilled sectors	Final and Supplementary report with practical policy recommendations and action plan for school-enterprise cooperation	Efforts undertaken to systematically link TVET institutions with enterprises to develop a highly skilled workforce	Dec 2009	2010	75,000	67,362	0	3	Series of suggestions to link vocational schools with enterprises, policy support for undertaking national studies, good relations between ADB, implementing agency, Ministry of Finance, consultants and ADB

... = data not available, ADB = Asian Development Bank, IA = implementing agency, MOF = Ministry of Finance, SP = subproject, TA = technical assistance, TVET = technical vocational education and training.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 9: URBAN DEVELOPMENT SUBPROJECTS (3)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7862	Study on Participation of private capital in indemnificatory housing construction (SP5)	China Institute of Public Finance	Accelerate the provision of affordable housing given the projection for 36 million new affordable houses needed in the next 5 years	Financial model and policy suggestions on the participation of Social Capital; 3 case studies on Beijing, Shanghai, and Tianjin; conceptual framework of model also developed	Attract social private capital to participate in low income housing	Apr 2012	Feb 2013	50,000	0	0	3	Bottom-up proposal with a plan to develop financing models to attract private capital for construction of affordable housing
7862	Research of Public Rental construction, distribution and management system innovation (Case of Jiangxi Province) (SP16)	Jiangxi Bureau of Finance	Undertake policy analysis for provincial level housing	Reports on innovations in public rental construction	Improve housing standards in Jianxi Province	Jun 2012	Jun 2013	50,000	0	0	14	Bottom-up approach from a provincial government.
7313	Study on Legislation on Housing Supply Mechanisms (SP13)	Ministry of Housing, Urban and Rural Development	PRC has the highest rate of urban population with 15m urban residents per year. Policy priorities of Ministry of Housing and Urban-Rural Development and Housing Securities Act's focus is mechanism for supply of low and middle income housing	Report will have features and problems of housing supply mechanism in PRC, experience and lessons from other regions, and policy and recommendations to increase low and middle income housing supply mechanism	Results are to include proposal for low and middle income housing supply mechanism and legislation to provide theoretical foundations of the Housing Security Bill	Dec 2010	May 2011	50,000	11,292	0	3	While this project focused on the policy and regulatory issues for low and middle income housing , the activity under TA 7862 focuses to develop financing models to attract private capital for construction of affordable housing

PRC = People's Republic of China, SP = subproject, TA = technical assistance.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 10: FINANCE SUBPROJECTS (3)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
4365	Corporate Pension Study (SP1.5)	Ministry of Labor and Social Security	...	Study	Amendments suggested in the management of the corporate pension system and corporate pension fund	...	...	...	...	...	...	Report presented a comprehensive review and development of the corporate pension system
4365	Mortgage-Backed Securities Study (SP1.6)	...	...	Study	Modifications incorporated in the management of China Development Bank	...	...	...	...	...	...	National and international experts brought in international experience that were incorporated in the China Development Bank
4365	SME Credit Guarantee Conference (SP1.7)	...	...		More than 100 companies from Beijing and Shenzhen participated in the conference	...	...	...	...	...	...	Conference enabled the government to firm up policy and regulatory framework for credit guarantee companies

... = data not available, SMEs = small and medium enterprises, SP = subproject.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.

## APPENDIX 11: CAPACITY DEVELOPMENT SUBPROJECTS (14)

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
7313	2009 Dissemination of ADB TA Best Practice (SP24)	MOF	...	...	...	...	...	50,000	28,402	...	...	...
7313	PRC-ADB Conference on TA Cooperation and sharing experiences (SP25)	MOF	TA as a primary tool in meeting growing demand for policy advice and capacity development, and in addressing emerging issues and challenges facing PRC	Facilitate rapid responses to requests for policy studies, project demonstration workshops, and capacity development	...	Oct 2010	Oct 2010	50,000	31,918	...	...	...
7313	2012 Dissemination of ADB TA Best Impact (SP26)	MOF	...	...	...	...	...	50,000	...	...	...	...
7313	Workshop on non-sovereign and private sector operations, Guangzhou 20-21 January 2011 (SP27)	MOF	Need to discuss with participants about potential infrastructure and financial sector projects	Three days allocated for the workshop because most potential project sponsors were unfamiliar with ADB's private sector and nonsovereign operations	Training covered 130 participants from central and provincial government agencies, SOEs, private sector, Chambers of Commerce, and consulting firms	Jan 2011	Jan 2011	100,000	86,138	...	...	ADB's role in project structuring, due-diligence analysis, and contract documentation would increase investor confidence. About 20 preliminary project ideas were discussed in the areas of conventional and social infrastructure development
7313	SP28 Training Workshop for EA for Delegated TAs to the PRC, Beijing 31 May - 2 June 2011	MOF	Need to train executing and implementing agencies in terms of delegated TA activities in PRC	Three days allocated to training with a total of 7 modules on consulting services for delegated TA activities	Training imparted to 17 participants from 12 TA activities and also 5 staff members from resident mission in management of general and delegated TA. Included case studies and quizzes	May 31, 2011	June 2, 2011	25,000	23,425	1	1	Some delegated TAs in PRC and none in any other DMC. Even in PRC it has slowed down due to EAs/IAs do not have systems in place to manage consultant contracts nor the incentives to invest in such systems. Tax issues if the IA or EA signed the contract.



TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
4933	SP1.1 Dissemination of ADB TA Best Practice	MOF	Need to better plan and manage TA activities and the need to understand the similarities and differences of TA activities supported by World Bank and ADB. Improve the quality and efficiency of TA management	Booklet outlining of 25 ADB and 10 World Bank TA/TA-type projects, an analysis of ADB vs. World Bank approaches to TA, and an assessment of MOF needs for information to manage donors' TA	Outline design for a management information system (MIS). Activities were much delayed by the consultant's personal circumstances and ADB's late review and approval of the assessment report.	May-2007	May-2009	50,000	45,400	0	2	New mechanisms developed for effective and targeted dissemination of key lessons and success from TA-based cooperation, with recommendations for future knowledge products. Printed output was targeted at MOF and distributed to provincial and local bureaus. Experience-sharing workshop on Best Practice TA held in Baotou, Inner Mongolia Autonomous Region in 24-25 Sept 2007.
4933	SP1.5 Thirty Years of Reforms and Development - What can PRC offer the Developing World?	China Center for Economic Research at Peking University (CCER)	Joint effort of MOF, Peking University, and ADB to prepare a report on lessons identified by PRC's path to economic growth and development	Thirty Years of Reforms and Development: What can PRC offer the Developing World	Preparation of issues on what worked and why	Dec 2007	Nov 2008	75,000	69,679	0	13	October forum conducted.
4933	SP1.6 Support to TA Dissemination and Management	MOF	Activities were slow as of June 2009 and this was a follow up to SP1 on Dissemination of ADB TA Best Practice	National workshop was organized in October 2008. Management Information System	Preparation of a conceptual and operational framework for an MIS for MOF prepared	Sep 2008		49,000	19,782	0	2	Although MOF went ahead with the national workshop in Oct 2008, progress on the subproject was slow as of Jun 2009
4933	SP2.11 Analysis and Dissemination of Outputs for PRC-ADB Cooperation in Poverty Alleviation and Poverty Related Policy	LGOP	...	Case Studies, Workshop	Four detailed case studies of TAs or other work that had made a major impact on poverty-related policy.	Sep 2008	May-2010	20,000	20,035	0	2	Workshop
As 4790	Portfolio Management (SP2)	MOF/ International Department	Need to understand coordination and	Study on Effective Implementation of ADB Projects in	Study focused on implementation phase of the	1 May 2006	5 Aug 2009	50,000	47,197		2	First part of the study focused on project processing requirements

TA No.	Project Name	Implementing Agency	Rationale	Reports Prepared	Results Achieved	Start Date	End Date	Amount Approved	Amount Disbursed	Consultants		Related Notes
										Foreign	Local	
			harmonization of processes and procedures between the EAs and IAs for the ADB supported activities in PRC	PRC; 2006 Country Portfolio Review Mission, 2007 midterm CPRM; and Wastewater Management Showcase Workshop in 2007.	project cycle - start up, procurement delays, project implementation delays, project disbursement delays, and financial management							of ADB and government. Second part focused on capacity issues of the EA and IA. ADB Project Management Review Workshop in 2006;
4790	Developing a Handbook on Performance Monitoring Indicators (SP10)	MOF/ International Financial Division II	Capacity of EA and IA were deemed to be weak in terms of Project Performance Monitoring System	Handbook for Selecting Performance Indicators for ADB funded projects in PRC	Creation of a centralized data source for EAs and IAs, consultants, and ADB staff members	Apr 2009	Jul 2010	41,000	38,739	0	4	Is unclear as to what extent this resource is still being used by the target audience for the TA activity
4365	NDRC Workshop on ADB and World Bank Projects (SP1.4)	National Development Research Council (NDRC)	Need to increase efficiency of ADB and World Bank's policies and procedures	...	More than 100 officials from the World Bank, DFID, and ADB participated in the workshop besides national policy makers	Jan 2005	...	...	...	...	...	NDRC was the workshop coordinator and prepared products for achieving improved efficiencies through project planning and implementation,. National workshop in Jan 2005
4365	TA Award Program (SP1.8)	MOF	Enhance ownership and effectiveness of ADB supported TA activities	Award, Press Coverage	Expert committee constituted to select those TA activities with significant output and impact	...	...	...	...	...	...	Press conference also undertaken to showcase good practice in TA implementation
4365	ADB Award for first China Development Marketplace (SP1.13)	MOF	In partnership with the World Bank	Award	New model of NGO–government–community relations was demonstrated.	...	...	...	...	...	...	More successful of the China Development Marketplace organized by the World Bank

... = data not available, ADB = Asian Development Bank, CPRM = country portfolio review mission, DFID = Department for International Development (UK), EA = executing agency, IA = implementing agency, LGOP = State Council Leading Group Office of Poverty Alleviation and Development, MIS = management information system, MOF = Ministry of Finance, NGO = nongovernment organization, PRC = People's Republic of China, SOE = state-owned enterprise, TA = technical assistance.

Source: Independent Evaluation Department Technical Assistance Performance Evaluation Report team.