The People’s Republic of China
United Nations Development Program

Project Extension Document

Project number:
Project title: Human Resources Development and Government Capacity Building to Achieve Xiaokang / MDG Targets (Phase V)
Project short title: Human Resources Development
Estimated start date: 2012
Estimated end date: 2016
Country: China
Management arrangement: NEX
Designated institution: China International Center for Economic and Technical Exchange (CICETE)

Summary of UNDP and Cost-sharing inputs

<table>
<thead>
<tr>
<th>UNDP TRAC1&amp;2:</th>
<th>$1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost-sharing:</td>
<td>$6,000,000</td>
</tr>
</tbody>
</table>

Total: $7,000,000

Government Matching Input: Total:

UNDAF outcome(s)/Indicators:
- Government institutions and other stakeholders ensure environmental sustainability, address climate change, and promote a green, low carbon economy

UNDAF outcome(s)/Indicators:
- The poorest and most vulnerable increasingly participate in and benefit more equitably from China’s social and economic development

UNDAF outcome(s)/Indicators:
- China’s enhanced participation in the global community brings wider mutual benefits

Country Program Expected Outcome(s)/Indicator(s):
- Deepen the reforms that address the disparities, promote equitable distribution of public resources, and foster equal access to social services and livelihood support

Country Program Expected Outcome(s)/Indicator(s):
- Low carbon and other environmentally sustainable strategies and technologies are adopted widely to meet China’s commitments and compliance with multilateral environmental agreements

Country Program Expected Outcome(s)/Indicator(s):
- Deepen China’s engagement and participation in global and regional development partnerships to realize MDGs and to address climate change

LPAC review date:

China International Centre for Economic and Technical Exchanges, Ministry of Commerce, P. R. China

United Nations Development Program:
Building on the experiences and lessons from previous phases, this program seeks to strengthen HRD and government capacity, focusing on the mid level officials, in promoting the country’s transformation of development pattern to a more inclusive, equitable and sustainable way, to ensure the attainment of all-round Xiaokang / MDGs, by addressing the key development challenges in economic, social, and environmental areas during the 15th five-year plan period and beyond, through skills training, pilot innovation, network sharing, and knowledge management.
PART 1 Situation Analysis

1.1 The Successes of the Previous Phases

As one of the compulsory cross-cutting elements, “capacity building” is integrated in all UNDP programs under its major practice areas, i.e. poverty, environment, governance, and disaster. Further to this way, some dedicated pure “software” (training) programs are also implemented in parallel, to meet the immense and priority needs of capacity building from the national counterparts, in addressing the country’s development challenges, for achieving the national development goals.

In China, so far two types of such “software” programs are designed, i.e. “advanced leadership” and “human resources development (HRD) and government capacity building”, targeting respectively on the high level and mid level officials, mostly from the public sector or state-owned enterprises.

The programs focused on HRD and government capacity building for mid level managers began fifteen years ago in 1996, with four programs completed to date:

1) CPR/96/601: Human Resources Development and Capacity Building Program for Promotion of the Market Economy
2) CPR/98/092: Human Resources Development and Capacity Building Program for Promotion of the Market Economy
3) CPR/02/534: Human Resources Development for Governance and Institutional Reform
4) CPR/06/536: Human Resources Development and Government Capacity Building to Achieve Xiaokang/MDG Targets

These programs have created significant results in enabling the mid-level managers in better managing development priorities and achieving the 11th five-year plan, and also the all-round Xiaokang / MDG progress. The results and experiences of the programs could be summarized as wide coverage, high relevance, excellent cost-effectiveness, and strong contribution to expanding UNDP’s knowledge-sharing network and goodwill. Specifically,

First, the programs have achieved wide coverage, training a total of 8,110 central and local government officials of the rank of department and division directors or above. At the central level, trainees were drawn primarily from almost all important line ministries; while at the local level, they have represented more than three hundred cities and regions across the country. Some 40 per cent of trainees have subsequently been promoted, further expanding the influence of the projects. For these eight thousand plus mid-level officials, many/most of whom were making their first trip abroad, the training they received served to expand their horizons and give them new insight into existing and emerging issues.
Second, the programs have addressed issues of high relevance to government priorities, including urban and rural development, environment, poverty alleviation, regional development, disaster management and international trade. Many specialized and *ad hoc* issues can be more flexibly addressed through such training than through conventional program formats. Moreover, the training implemented through these programs is experiential – the awareness of mid-level officials is raised by seeing how other countries address social and economic problems similar to China’s – which serves to enhance impact and relevance.

Third, the programs have become increasingly national owned and cost-effective, with a very high percentage of government cost-sharing. The immediate predecessor program, CPR/06/536, had a total budget of US$ 12.9 million, of which core resources accounted for only US$ 2.1 million, or about 16 per cent. This very high cost sharing ratio is unprecedented for a program that focuses on a “soft” issue such as training, which proves that the program is very much demand-driven, and government partners see its concrete benefits.

Finally, the programs have drawn large numbers of up-and-coming government officials into UNDP’s network and contributed to promoting goodwill to the UN system. This is an important foundation that can be built upon to further develop UNDP China’s strategic role as a knowledge-sharing platform. It is precisely because these training programs have a long history and are well-accepted that they can catalyze transformation not only of China’s development model but also of UNDP China’s business model.

A detailed report from the program executor summarizing the achievements as well as the experiences and lessons of these programs is attached as annex 2.

1.2 The Hard-cores of the New Development Stage

The high growth of the Chinese economy over the last thirty years, at the historically unprecedented rate of 9.8% per year, has lifted some 500 million people out of poverty. However, this rapid growth has come with costs such as increased social inequality and environmental degradation, which may in return hamper the economic growth.

China has entered a new development stage focusing on “development”, which is very different from the previous three decades focusing more on “survival”. This is a substantial change that will call for a “second reform” with more depth and breadth.

1.2.1 The economic growth pattern needs to be transformed, from the modality of quantity to quality orientation

In term of driving force, so far China’s economic growth is largely powered by investment and exportation, with insufficient domestic demand

From investment perspective, China’s economic growth in the past several years is increasingly depending on the raised rate of investment, esp. the government funding, through big infrastructure projects. Despite helpful for maintaining a certain level of economic growth, generally such practice in the short term may create over-heat economy,
and in the long run high inflation, which will not help increase people’s purchasing power but may deteriorate the existing imbalances in China.

From demand perspective, China has paid much attention to the exploration of foreign demand. It has become the world’s largest exporter since 2009. However, its export products are mainly labor-intensive and low-tech ones. In recent years due to the increased domestic labor cost as well as shrunk foreign market resulted from the global economic crisis, China is facing fiercer competition from other developing countries.

Compared with foreign demand, China’s domestic demand, esp. the consumption demand is far from developed. The slower growth of people’s income than that of GDP and / or government revenue resulted from the irrational national income (re-) distribution system, the lower income of rural population resulted from the long urban / rural divide socio-economic structure, as well as the lag-behind social security system, are restricting people’s purchasing capacity, leading to the under-developed domestic consumption. The residents’ consumption rate has dropped from 42.5 in 1981 to 35.3 in 2008.

In terms of resources and environment, China’s current exploration and utilization modality is hard to sustain

From the perspective of per capita resource share, China is far below the world average. China’s per capita grain production is only 26.5% of the USA’s, 54% of Russia’s; China’s per capita natural reserve of oil and natural gas is only 10% of world average; China’s per capita natural reserve of the major metals is less than 25% of the world average; and most importantly, China’s per capita water resource is only about 25% of the world average, which turns to be a long-term bottle-neck for development.

From the perspective of resource utilization efficiency, China has a large gap compared with developed countries. In 2009, China’s GDP was 8.6% of the world total, whilst its coal and oil consumption were 46.9% and 10.4% of the world total respectively. In the same year USA’s statistics were: GDP 24.3% of the world, while coal and oil consumption 15.2% and 21.7% of the world total; and Japan’s figures were: GDP 8.7 of the world, while coal and oil consumption 3.3% and 5.1% of the world. In many aspects now China has become the world largest emitter.

In terms of the structure, the current first, second and third industries are not well balanced

Agriculture is weak whose production still largely dependent on weather conditions, industry is not yet strong in terms of research and development capacity, tertiary sector is not large and developed enough. Therefore strategic adjustment is much needed, i.e, agriculture (1st) as the root for social stability should be further strengthened, industry (2nd) as the trunk to support the national economy should be up-graded, and the tertiary sector (3rd) as the branches to serve the people should be expanded.

1.2.2 The social development and reform needs to be sped up, to meet people’s increasing needs of public services
In the course of China’s fast economic growth various disparities between rural and urban, east and west, central and local, as well as rich and poor, are widening. These are not only resulted from the uneven economic growth, but also exacerbated and reinforced by some socio-economic policies and mechanisms.

The coming 5 to 10 years will be critical for China’s successful social transition, which will be largely dependent on wise decision and policy making responding to the major social issues.

Thanks to the fast economic growth in the past thirty years since the economic reform and opening up policies, China has entered the stage of shortage of public goods (development) from the previous stage of shortage of private goods (survival), which will call for deeper and wider social reforms, and most importantly the establishment of a basic social protection and service system for all, including those vulnerable groups in particular.

Employment needs special attention. Dilemma exists between supply and demand, on one hand labors with whether poor or good education are both facing employment difficulties; on the other hand, there are big gap of supply of technical workforce in some areas such as electronic and ICT, biological technology, modern pharmacy, new materials, environment and energy, etc. The fast ageing process will also have negative impacts on China’s socio-economic development at the next stage.

Social conflicts are increasingly becoming the normal state of the society. Diversified interests groups will fight for their own rights and interests, thus multi-channel rights and interests claiming and coordination mechanisms need to be established. All these will call for the innovation of social governance, and most importantly the transformation of the governments’ roles and responsibilities, from “control / management”-based to “service”-orientation, while engaging active and meaningful civil participation through effective ways.

1.3 The Importance of the Mid Level Capacity

A clear logic of development in the 12th five-year plan period could be found through above analysis:

Ultimate goal: MDGs / all-round Xiaokang
Driving force: Socio-economic policy and social governance reforms
Two wings: Consumption demand increase and social protection promotion
Core value: Human centeredness

Given some unprecedented challenges China is to face, more profound reforms will be needed, to realize not only economic prosperity but also social harmony and environmental sustainability in the coming 5 to 10 years, which are required by the all-round Xiaokang development vision. The successes of the reforms will lie not only in the wise policy designing at high level, but also the needed capacity to manage the implementation of the policies at the mid level.
In China’s current governance structure, middle level plays an utmost important role, in ensuring the smooth and effective public administration, to achieve the intended goal of the development policies. This is manifested in two folds, 

At the national level, mid-level officials like director-generals (DGs), deputy director-generals (DDGs) or division chiefs (DCs) of different line ministries on one hand are drafters of new laws, regulations and policies in different sectors, and on the other hand implementers on the very frontline.

At the sub-national level, mid ranking officials such as departmental DGs / DDGs of provincial governments, prefecture and/or county governors functions like joint knots, linking both high and grassroots levels, responsible for not only making local policies with considerable free room due to the decentralization process, but also enforcing the implementation of the national and local policies holistically in the local places.

Part 2 Program Strategies

Inheriting many strengths of previous phases, addressing the emerging challenges in the new stage, supplementing other UNDP ongoing programs on policy development and capacity building, this program extension seeks to strengthen the capacity for the mid level officials in better managing the MDGs / all-round Xiaokang progress, in parallel with the “Advanced Leadership” program which aims for the high level officials. Following elements will be stressed in the designing of this phase:

- Focus will be placed on strengthening government’s capacity in better implementing the country’s 12th five-year plan which aims for the successful transformation of the development pattern, focusing on themes such as restructuring of economic growth, promotion of social services and protection, enhancement of resource utilization and environment protection, as well as innovation of social governance systems and mechanisms.
- Multi-facet views and interests between national and sub-national levels, east and west regions, public and corporate sectors, will be better coordinated and integrated in the curriculum development, while participation by corporate sector, civil societies, sub-national levels, less developed areas, as well as women and ethnic minorities will be promoted;
- Design of the specific training programs will be dependent on the applications from the different ministries, provinces, or other participating agencies, based on the identification of their gaps existed, reforms needed, and capacity needs prioritized through thorough needs assessment. As a result a clear institutional or policy change objective will also be designed within each participating agency or place to be met through joining the training programs. All these findings from the needs assessment and the change objectives set forth will be adequately discussed with the selected overseas training providers, to make sure the quality of the designing and successes of delivery of various training modules, bringing in the best international practices. Following the management arrangement of previous phases, CICETE will assume the direct responsibility of the program’s
implementation and thus final responsibility of its quality control, with support from UNDP CO through its more engagement in the program’s whole cycle management.

- The learning of development experiences and lessons will be more diversified, with south-south cooperation integrated. The trainees will not only be able to understand the classical experiences from western countries, but also exchange the modern experiences with other emerging economies, such as South Korea, Viet Nam, India, South Africa, Mexico and Brazil, which are facing challenges of poverty, disparities, and environment degradation that are in many respects similar to China’s, thus with great reference value.
- Back-to-office sharing and testing, knowledge management, as well as communication and advocacy will be improved, through various means such as publications of best study essays, local innovation reports, post-training follow-up seminars or peer exchanges, etc.

**Expected outcome:** Capacity of mid level officials in different sectors is enhanced in managing the key development challenges during the 12th five-year plan period, for better achieving MDGs / Xiaokang.

**Output 1: The leadership and management capacity of mid level officials built up through overseas training and exchange activities**

**Key activities:**

**Short-term overseas training**

A cohort of mid-level leaders from governments, businesses, and civil society organizations in China will be provided with opportunities of short term intensive training, to better understand why a transformation of the previous development model is necessary, and obtain new perspectives on how to make the successful transformation to a Xiaokang society characterized by inclusive, equitable, and sustainable development.

**South-south cooperation initiatives**

Possibilities are to be explored to integrate south-south cooperation element into the curriculum designing.

- Overseas training and study tours for government officials will be arranged to emerging countries, apart from the conventional western countries, to exchange and learn from each other on the development experiences and lessons.
- Training workshops or study tours for corporate participants can be organized on enhancing investment in and cooperation with developing countries, and corporate social responsibilities.
- Orientation training can be provided for the development specialists / technicians from Chinese governments who will be sent to work in other developing countries supporting poverty alleviation and development, to let them better understand the local context such as history, political and economic status, culture and custom, basic language, etc. A network of key universities and/or institutes in China and other developing countries could be established to support the provision of the training.
- Other possible initiatives can be explored responding to the emerging needs with the furthered partnership in the course of the program execution.

The training programs may take various forms such as lectures on theories and practices, visits to field or foreign institutions, and group discussions with foreign counterparts or peers, etc. Issue based in-country orientation training will be provided in advance regarding the policy gaps and reform needs, to better prepare the participants for the overseas training programs, so as to maximize the training results.

**Output 2: The new knowledge of the mid level officials applied, internalized, and disseminated with magnified development results**

**Key activities:**

**Knowledge application**

The trainees will be required to test the newly obtained knowledge and skills in the context of their working organizations or places, with good practices generated, leading to an all-round Xiaokang society.

**Knowledge-sharing**

- Systematic back-to-office reporting on what knowledge learnt, what recommendations made, plus what action planned will be required, together with the sharing activities with their colleagues, to reach consensus on the relevant innovations or reforms in their working organizations or places.
- Platforms of peer learning will be strengthened. Annual or bi-annual post-training follow-up seminars or theme-based gatherings are to be institutionalized, for the project participants to exchange experiences on the application of the new knowledge learnt.

**Knowledge dissemination**

Selected best training reports and papers will be published in professional and internal journals for awareness raising; good innovative practices will be well documented and advocated through various media for up-scaling; on-going advocacies will be done to advocate the program results for policy improvement and practice excellence.

As a result of above process, the knowledge learned and experiences gained by trainees will be transmitted to a wider audience, and translated into concrete sector or local policies and actions, contributing to the successful transformation of the development pattern in the 12th five-year plan period, and thus better realization of MDGs / Xiaokang.

A separate results framework is attached as annex 1.

**Part 3 Management Arrangements**
Following the management frame of the predecessor program, CICETE will serve as both the Government Coordinating Agency and the Implementing Partner directly responsible for the Government’s participation, to make sure the effective use of the program resources and best achievement of the program outputs. A National Program Management Office (PMO) will be located in CICETE to look after the program implementation and management from the annual planning to the final evaluation, with a National Program Director designated to oversee program progress, and a Program Manager assigned full-time to administer the PMO, with strong support from UNDP counterpart.

The following 18 cooperating agencies have been identified initially based on discussions (in alphabetical order):
1. All China Women’s Federation
2. China Earthquake Administration
3. China Meteorological Administration
4. General Administration of Press and Publication
5. Ministry of Agriculture
6. Ministry of Civil Affairs
7. Ministry of Commerce
8. Ministry of transport
9. Ministry of Education
10. Ministry of Environmental Protection
11. Ministry of Finance
12. Ministry of Human Resources and Social Security
13. Ministry of Railways
14. Ministry of Science and Technology
15. National Development and Reform Commission
16. State Administration of Energy
17. State Administration of Taxation
18. State Forestry Administration

Within each cooperating agency, a relevant department competent enough will be nominated to be in charge of the full process implementation and management of the program activities under its portfolio, from the learning needs assessment and identification till the final results dissemination of the participants’ learning and application.

CICETE maintains extensive cooperative relationships with these functional departments in these sectors, and will hold coordination meetings with each sector, to discuss the training plan at the beginning of each year and review the program progress at the end of each year. CICETE will also liaise with and choose from the overseas training institutions recommended by the Department of International Training, State Administration of Foreign Expert Affairs (DIT/SAFEA).
Additional participating agencies, with needs that are commensurate with the training program scope and objectives, and which have the requisite funds to take part in the training, may later be added. High-level sector experts will be consulted on additional practicable, effective and valuable experiences that should be learned.

Representatives from local governments, as well as business community and CSO sector will also be identified to enhance the joint efforts by different levels (central and local) and sectors (public-private-CSO) for better development results.

The standard work stream for the training arrangement already established (for details please refer to the program document of predecessor one) will continue to apply to this one, while the post training knowledge testing, sharing, and dissemination will be strengthened.

**Part 4 Financial Inputs**

The total budget for the program is USD 7 million, of which USD 1 million from UNDP, and USD 6 million contributed by the national counterparts, mostly the Chinese Government, as cost sharing.

The national contribution will be mostly used for the cost of domestic preparation and orientation, overseas training and exchange (including tuitions, board and accommodation, travel cost, and allowances), and follow-up actions and disseminations. Apart from cash cost-sharing, other in-kinds or in parallel contribution from national counterparts are also welcomed for various types of activities under this program.

UNDP’s resource will be partly used to support the domestic and overseas training activities, but and also for new knowledge’s reporting, testing, and documentation, networking and sharing, as well as wide range dissemination. The fund will also be used to support the curriculum development as well as monitoring and evaluation.

Further sources of funding will be sought on an on-going basis to extend the program activities. Efforts will also be made to mobilize third party resources, particularly for supporting the program’s south-south cooperation initiatives.

The schedule of payment of government cost-sharing will follow the arrangement as indicated below:

<table>
<thead>
<tr>
<th>Time line</th>
<th>Amount to be paid</th>
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</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,200,000</td>
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<tr>
<td>2013</td>
<td>1,200,000</td>
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<tr>
<td>2014</td>
<td>1,200,000</td>
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<tr>
<td>2015</td>
<td>1,200,000</td>
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<tr>
<td>2016</td>
<td>1,200,000</td>
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</tbody>
</table>

For details of the resource distribution please refer to the annex 1.
Part 5 Monitoring and Evaluation

Questionnaires will be designed and distributed to each participating agency for collecting and analyzing the information of the application of the lessons learnt; each participating agency is required to prepare an annual report summarizing the follow-up activities as well as policy or institutional reform outcomes achieved subsequent to the training attended, which will be put together by CICETE into the program’s Annual Report, serving the annual review of program’s overall progress and constraints by the tri-parties i.e. UNDP, CICETE, and other cooperating agencies.

In addition to the annual review, more regular and periodical monitoring will be undertaken than previous phases by UNDP and CICETE, through participating in the whole process of the program implementation and management, including curriculum development, orientation workshops, overseas training, follow-up actions, networking and disseminations, etc. The monitoring will be done at outcome and process levels to assess the program’s both effectiveness and efficiency.

Mid-term and final evaluations are to be done by independent evaluators, providing insights on both positive and negative sides of the program in terms of its design, execution, and results, together with recommendations for further improvement.

As a technical assistance initiative, the program is also subject to the monitoring and evaluation required by the UNDP Country Program in China, e.g. the Assessment of Development Results (ADR), outcome evaluation, etc.

Part 6 Legal Context

This project document shall be the instrument referred to as such in Art. 1 of the Standard Basic Agreement between the Government of the People’s Republic of China and the United Nations Development Program, signed by the parties on 29 June 1979. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government cooperating agency described in that agreement.
## ANNEX 1: PROGRAM RESULTS AND RESOURCES FRAMEWORK*

### Outcome
Capacity of mid level officials in different sectors is enhanced in managing the key development challenges during the 12th five-year plan period, for better achieving MDGs / Xiaokang

### Output

<table>
<thead>
<tr>
<th>Key activities</th>
<th>Budget (USD)</th>
<th>Gov’t</th>
<th>UNDP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output 1: The leadership and management capacity of mid level officials built up through overseas training and exchange activities</strong></td>
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<tr>
<td>1. Curriculum development</td>
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<tr>
<td>- Training needs assessment, identification of domestic partner organizations, and screening of trainees</td>
<td>6,000,000</td>
<td>900,000</td>
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<tr>
<td>- Overseas training suppliers assessment and identification</td>
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<td>- Articulation of group training needs and expectations</td>
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<td>- Designing of specific training programs of different sectors</td>
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<td>2. Orientations training</td>
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<tr>
<td>- Training and group discussion in advance to better prepare the trainees for the overseas training programs</td>
<td>900,000</td>
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<td>3. Overseas training</td>
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<td>4. International and national consultancies</td>
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<td><strong>Output 2: The new knowledge of the mid level officials applied, internalized, and disseminated with magnified development results</strong></td>
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<tr>
<td>1. Knowledge applications</td>
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<tr>
<td>- Testing of new knowledge by the trainees in their organizations or places</td>
<td>70,000</td>
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<tr>
<td>2. Knowledge sharing</td>
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<tr>
<td>- Back-to-office reporting and sharing</td>
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<td>- Follow-up seminars or theme-based gatherings</td>
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<td>3. Knowledge dissemination</td>
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<tr>
<td>- Annual publication of the collections of the best training reports</td>
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<tr>
<td>- Documentation and dissemination of the good practices</td>
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<td>- Ongoing advocacy of the program results through various medias</td>
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<tr>
<td><strong>Monitoring and evaluation</strong></td>
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<tr>
<td>1. External / independent evaluation</td>
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<tr>
<td>- Mid-term review</td>
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<tr>
<td>- Final evaluation</td>
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<tr>
<td>2. UNDP and CICETE regular and periodical reviews and assessment</td>
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*In-kinds

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- Annual tri-party review
- Whole program cycle monitoring, through joining the program activities including some selected overseas training

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<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Sub TOTAL</td>
<td>6,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Grand Total</td>
<td>7,000,000</td>
<td></td>
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</tbody>
</table>
ANNEX 2: PROJECT SUMMARY REPORT

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Part I. Training Project History Review

Part II. Outcomes Summary of Project CPR/06/536

( 1 ) Project General Situation
( 2 ) Project implementation approach
( 3 ) Project objectives and themes

( 4 ) Project outcomes and significances
   ① Improved mindset and awareness on function transformation
   ② Improved the management mechanism and policy-making

( 5 ) Experiences and lessons learned
( 6 ) Difficulties and solutions

Part III. Expectations in next cycle
Part I. UNDP training project history review

Since 1996, UNDP started to formulate pure training project to support China’s reform and economic development. The initiative has experienced three Five-Year Plans for the Development of the National Economy and Society, accompanying China through two important phases which are “establishment of a market economic system, developing a market economy” stage and “formulation of a relatively complete socialist market economic system” stage. During this period, it has provided a unique contribution to the various major reforms in China.

Hitherto, the implemented projects include:

Project CPR/96/601 -- Human Resources Development and Capacity Building Programme for Promotion of Market Economy

Project CPR/98/092 -- Human Resources Development and Capacity Building Programme for Promotion of Market Economy

Project CPR/02/534 – Human Resources Development for Governance and Institutional Reform

Project CPR/06/536 -- Human Resources Development and Governance Capacity Building to Achieve Xiaokang/MDG Target

In the past 15 years, approximately 8110 trainees have been trained abroad under the four projects mentioned above. The trainees are all department and division directors or mainstay from central or local government. From Central level, the trained personnel were from almost all central ministries. At the local level, the trainees are coming from more than 300 cities and regions. These training extended the mindset of trainees, enhanced the reform awareness of the participants and improved the policy reform capacity of the decision-makers. So far, 40% of the trained personnel have been promoted at various degrees, thereby, further expanded the projects achievements and impacts.

Part II. Outcomes Summarize of Project CPR/06/536

1. Project General Situation

The project is implemented in 2006, and planned to be closed in 2010. The project total budget is US$12,900,000, in which core resource is US$2,100,000. The mid-level leaders from 11 ministries, 21 local governments and some enterprises have involved in the implementation of the project, and approximately 3,000 personnel were trained under this project, in which 17% from ministries, 80% from local government, and 3% from enterprises. The ratio of women trainees are account for 18.3% of the total. Training country are mainly in North America, Western Europe, Australia and New Zealand, etc., in which 47% of the trainings is in North America, Europe 42%, Australia 9%, other 2%.
2. Project implementation approach

The training division of CICETE has implemented UNDP projects of training field in China for 15 years, the management procedures have been consummated year by year. Even the state government has made several major adjustments for the procedures of organizing government officials to train abroad, and the approval of overseas training became more and more rigorous, however, in view of UNDP’s training concept and methods more effective, it, instead, makes the government in all levels pay more attention to this project. CICETE has introduced overseas experiences several times at the annual training conference organized by the State Administration of Foreign Experts Affairs.

Key aspects of project implementation are as follows:

(1) Training plan: relevant ministries would propose a new-year plan at the end of each year, which includes the training content, time schedule and planned visiting countries. Usually, the plan will be adjusted once every half year. Under normal circumstances, the Central Economic Working Conference at the end of each year and the Gist of the National People’s Congress and the Chinese People’s Political Consultative Conference of the second-year are important
evidences for line ministries and commissions to make the next-year overseas training plan. CICETE will check on the training content according to the requirements of UNDP project document.

(2) Approval procedures: The approval of overseas training groups is quite rigorous. In addition to the normal completion of annual workplan required by UNDP project, the training plan has to be approved by the Personnel Department of Ministry of Commerce and the competent minister, finally, it should be approved by the State Administration of Foreign Experts Affairs and recorded at the Ministry of Foreign Affairs. Since many departments involved in approval, therefore, there are extremely strict rules for the qualifications of trainees, funds and contents of the training group. CICETE has to prepare and submit all documents and certificates required by relevant agencies for approval.

(3) Selection of trainees: According to the arrangements of the relevant ministries, trainees will be nominated by each recommended agencies. The age of trainees should not be over 50-years old, and must be the cultivation of the unit and with more than 10 years in field working experience. The trainee has to work for their unit for more than 5 years after return and women trainees should taken a certain proportion, and so on. According to the recommendations and requirements of relevant ministries, CICETE will contact agencies at all levels, examine and verify qualifications of each trainee, prepare all application materials for them and go through a variety of exit formalities.

(4) Qualifications of overseas training institutions and the arrangements of training activities: a consultant group will be formed by the State Administration of Foreign Experts Affairs every year to evaluate the qualifications of overseas training institutions, it has a set of strict approval standards. Generally, the overseas training institutions are universities or related companies, rather than travel agencies or other institutions. CICETE is responsible for contact and negotiate with overseas training institutions for the content of training course, include teachers’ selection and courses arrangement. CICETE will sign contract with overseas training institutions for the arrangement of the participants during the life outside, including food and accommodations, and responsible for purchasing international air tickets and insurance; besides, assist to solve accident happened outside and so on.

(5) Dissemination of training outcomes: Upon return, each group will submit a written training report in name of the group or individual to superior authorities of the trainees, and the reports will be published in the internal journals and put on the website of the sponsoring agencies. Meanwhile, the trainees will introduce the experiences learned to his colleagues. In order to strengthen the communications of different training groups in related fields, CICETE and relevant ministries will jointly organize domestic workshop from time to time to promote the dissemination and tracking of training outcomes.

3. Designed Project objectives and theme:
Ministries involved in UNDP training project includes: the National Development and Reform Commission, State Environmental Protection Administration, State
Administration of Taxation, Ministry of Civil Affairs, Ministry of Agriculture, Ministry of Finance, Ministry of Labor and Social Security, All China Women’s Federation, Ministry of Commerce, Ministry of Land and Resources, China Meteorological Administration, etc. There are also 21 provincial government departments have involved. During the project design, full consideration has been made to the progress of overall planning of the key of the National Eleventh Five-year Plan for the Development of the National Economy and Society in China, achieving of Xiaokang society and the Millennium Development Goals, it covers almost all areas.

- Urban-rural: New rural construction, agricultural land protection, agricultural industrialization, agricultural product trade, market development, rural social security system reform, urban economic development planning.
- Human-environment: sustainable energy utilization, biodiversity protection, ecological environment construction, wetland protection, energy saving technology, resources development and protection.
- Social–economy: urban and rural poverty reduction, social supervision of government functional department performance evaluation, price charged monitoring, supervision of government investment system, government procurement and infrastructure construction.
- Regional development: regional industrial policy formulation and management, regional economic development, management of administrative divisions.
Disaster management: mining safety management, traffic safety control, disaster response and reduction.

Domestic-international: anti-dumping measures, international trade relations and dispute settlement, international market development for SMEs

### 4. Significance of the training project

During the year of 2006 to 2010, CICETE has organized 66 overseas training groups; about 1379 government leaders in various sectors have been trained. The trained staffs are the backbone of current state civil servants at all levels, have good political literacy, rich working experiences and higher cultural quality. There are 35% of the trained personnel got promotion in their future work to varying degrees. The participants reflected generally that the training content is practical and close to the actual work. The outcomes can be summarized in the following three aspects:

1) The trained participants has improved their mindset and consciousness of transformation of government functions. The middle-level leaders play a connecting role in the work. They are the actual policies and statues drafter and executor. Their cognition will directly relate to the carry out of the Scientific Concept of Development required by the central government. In China, the transformation of government functions in local government is significantly lower than that of the central level, which results in the lag of democratic and legal systematic construction at central level, the civil servants are not sensitive to the change of government management mode and serious credit deficiency.

Therefore, strengthen the training of transformation of government functions for mid-level leaders at local government will seize the key and will play a positive role for the development of local government.

CASE (1):

In March 2006, the state council issued a “certain opinions of solution of agriculture labor questions” and clearly points out that public service for the agriculture labors should be strengthened. Some local governments are still biased those migrant workers as an additional burden. Although the state has a policy, but the some local government still response passively
and the attitude towards the migrant workers is to absorb economically, reject socially and exclusive politically. In this regard, we have added two following aspects while organizing social security training group:

A、Whether to provide public service for migrant workers?

B、Whether to provide same public service to the migrant workers as well as the local citizens?

At the end of the training, the deputy director-general of Jiaxing Municipal Civil Affairs Bureau said that the government should follow a basic idea of the longer a person lives in the city, the more obligations and contributions he should made to the economic and social development for the city, the more welfare and public service he should benefit. Combined with the learned British way of set up specialized agencies like “immigration authority”, the deputy director-general proposed to establish a Service Management Committee for new comers of Jiaxing, and seven government departments will involved in this provisional institutions. It is specialized in serving to migrant workers and will be dismissed after the urbanization of those farmers. Currently, many cities have established specialized agencies and departments to solve the problems of migrant workers; it has become gradually the consensus of the whole society. However, it’s quite a breakthrough in 4 years ago.

CASE (2):

Two director generals of Liuzhou Municipal Bureau of Land and Resources have participated separately in training groups of UNDP project. During the land planning modification, based on the experiences they learned in the advanced countries, they were not only pointed out the long-cultivated land resources and the control index of basic farmland protection area of Liuzhou, but also prescribed the urban downtown construction land scale in the near future, and the per capita scale of urban-town industrial and mine land requirements in detail. Great importance has been attached by the state council to this action, and Liuzhou was accepted as one of the first cities which overall planning of land can be submitted directly to the State Council. Liuzhou city is neither an economically developed coastal city, nor the capital of province, but can be in list, the municipal leaders believe that it should thanks to the UNDP’s training project.
the decision making capacity of participants has been improved. Since the participants of each training group are coming from related but different departments or industries, the recommendations raised in the discussions on the same issue during the training were often more operational and likely to be adopted. So far, more than hundreds of recommendations have been proposed, in which 40% has been formed as policy or regulations at different levels.

CASE ( 1 ) : Consummate renewable energy policy of the National Twelfth Five-year Plan for the Development of the National Economy and Society in China

In May 2010, the renewable energy training course to Germany were participated by the officials from 13 state and local government departments, learned the development and current situation of renewable energy of Germany government and enterprises, acquired the experiences of local laws, price, power system and smart grid development, etc. Upon return, the participants made a special report to Mr.Shi Lishan, deputy director-general of the Energy Bureau of NDRC, who’s in charge of renewable energy, and proposed the additional suggestions of develop distributed energy to the National Twelfth Five-year Plan. According to the instructions of Mr.Shi, this proposal was submitted officially to the National Energy Administration.
The main content of this proposal is:

- The National Twelfth Five-year Plan should have clear targets for renewable energy electricity generation, and proclaim to the whole society the proportion of non-fossil energy sources in the Government Planning.
- During the modification and improvement of the “Renewable Energy Law”, it was proposed to increase specific terms of grid access.
- It was suggested to constitute distinct additional policies based on the original electrovalence tariff of the general policy.

Up to now, the content of attention to the distributed energy development has been written into the Energy Planning of the National “Twelfth Five-year Plan”, and prescribed the promotion of coastal wind power, solar energy heat utilization, and combination with the photovoltaic integration of construction, and offer financial subsidies. The proposals of renewable energy planning targets, development of technical standards for power grid and distributed energy pricing policies, and so on, have been submitted to the State Council.

CASE (2): Agricultural Support Policies

In 2009, Department of Rural Economy of the National Development and Reform Commission (NDRC), the Science and Technology Department of the Ministry of Agriculture, and six local authorities participated a training course of sustainable development of agriculture in UK. The main task of this group was to propose recommendations for our agricultural pricing and subsidy policies. After return, this group has proposed two recommendations to the government. One of the proposals is on the pricing policy which has been approved by the State Council and piloted in the Shandong province, the Heilongjiang, Jilin and Liaoning the three northeast provinces, and other major agricultural provinces of China. The other one is about subsidy system which has also been implemented by the Ministry of Finance.

In addition to the cases mentioned above, the training achievements also had direct policy implications to the support of the SMEs, the development of property tax, as well as the safety of food production and other areas.

3 ) Advanced management techniques learned.
Training members have learned advanced management techniques through the training courses on circular economy, land planning, tax supervision, government procurement, standardization of agricultural products, rural commercial logistics, food safety, price supervision, traffic safety, etc.

5. Experiences and lessons learned.
Over years of organizing training courses, CICETE has established an outstanding team of professionals who are familiar with both the overseas training provisions and the UNDP implementing regulations and processes, and have established good working relationships with line ministries and local governments. This training project was implemented perfectly and was highly appreciated by all ministries and the State Administration of Foreign Expert Affairs, and has been well-appraised by the leaders of the Ministry of Commerce. It can be summarized into follows:

(1) Participants involved: Achievements of training courses which participated by the cross-section, cross-region and cross-department organizations can be quickly transformed into high efficiency and low cost project. To the composition of the training, our experience is that the training course which participated by officials from central and local authorities of cross-department, cross-section often have better effect. In particular, many training courses conducted with a specific subject of the relevant state departments, therefore, the training is much more pragmatic, and the probability of policy recommendations formation adopted by the State or local government is higher.

(2) Training methods: Study in person help the mid-level leaders to know how and whys, and witnessed the result of implementing those policies and practices. This influence to those leaders is long and profound.

(3) Training plan: Training content should focus on the priorities of national economic development. The Central Economic Working Conference at the end of each year, the Gist of the National People’s Congress and the Chinese People’s Political Consultative Conference at the beginning of second-year, and the information released by the central government are important evidences for us and the relevant ministries and commissions to discuss the overseas training plan of the next year.
Effect utilization of funds: Chinese government hopes that UNDP could participate China’s development and construction in a much wider scope and more areas. However, considering the fund problems, it cannot formulate projects in each area. So to some extent, training projects helps to offset this problem, and could complement to our ongoing project. The participated units and individuals in the training courses are different from personnel involved in our ongoing project; however, they have same feedback and proposals from different directions, which is obviously helpful for the formulation and publicity of government policies, and enlargement of the influence of UNDP project in China.

There is great demand of training in China and government increased its investment for the training of state civil servant year by year. The UNDP’s training project could get greater financial support from government, and increased its proportion of government cost-sharing funds.

Great attention made to the summary and dissemination of the training results will play a multiplier role, and will be further strengthened in the implementation in future.

6. Difficulties and solutions.

Organizing cross-regional and cross-section training groups is the way that the State Administrations of Foreign Expert Affairs unlikely to promote, however, UNDP projects encourage to have multi-section collaboration and result sharing. That’s also the way we agreed to. To facilitate communication with relevant agency, we hope that UNDP could draft an explanation letter to Chinese Government.

The project units have fully understood the importance of government cost-sharing, however, they hope we could provide a proof of the ratio of government cost-sharing funds to UNDP core funds to explain to its financial sector. However, the evidence we could provide now is only the figures of the ongoing country program, and it only shows a ratio of 1:3.

Part III. Expectations in next cycle

During the 30 years of reform in China, it always around the establishment of market economy system and market economy development, general speaking, it’s a phase of establishing China’s economic development system framework presently. In this phase, China will speed up urbanization to expand sustainable development space; speed up the optimization and upgrade of industrial structure to enhance the level of sustainable development; over-all planning of population, development and environment with economic and social development to solve sustainable development problems.

Premier Wen Jiabao recently uses “critical stage” to describe the next step of reform in china which shows clearly the urgency, necessity and difficulty of the “comprehensive reform”. At present, we have sufficient reasons to maintain the training which has been conducted for 15 years. In the next 5 years, we hope to provide training for the mid-level state civil servants continuously. The following contents are suggested to be considered in the new project:

Promote the reform of the income distribution system: To intensify our efforts to improve the adjustments of government, to consummate the income distribution system of public property, including “Operating and budget system for the state-owned capital”; and adjust structures of fiscal expenditure and government investment accordingly to raise the people’s welfare.
(2) To reform dualistic structure in urban and rural areas, and promote the integration of urban and countryside: It can spur economic development in urban and rural areas, and to improve the competence of migrant workers in the process of citizenship. This is a new way for China’s farmers and their descendants to realize their own development.

(3) Built environment property system: do work for the environment property contribution and damage define, promote environmental property fair deal, realize strict protection of environment property; provide support system for the whole society to have low carbon life.

(4) Transformation of government itself: solve “offside” problem, extricate government from too much interference of micro-economy activities; solve “vacancy” problem, pay more attention to public services and social management to strengthen the coverage of public service system for all citizens, enhance the capacity of public services, and pressing social management system reform and innovation, reasonable adjust the relationship of social interests.

Ministries involved: State Environmental Protection Administration, Ministry of Agriculture, Ministry of Finance, the National Development and Reform Commission, Ministry of Civil Affairs, State Administration of Taxation, Ministry of Labor and Social Security, National Energy Administration, Ministry of Transport, Ministry of Railways, Ministry of Education, State Forestry Administration, China Earthquake Administration, China Meteorological Administration, All China Women’s Federation, General Administration of Press and Publication, Ministry of Commerce, etc. Local Institutions includes various local government and enterprises at all levels and areas.