



## China, People's Republic of: Support for Deepening Policy Reform and Capacity Building

Project Name	Support for Deepening Policy Reform and Capacity Building					
Project Number	48108-001					
Country	China, People's Republic of					
Project Status	Active					
Project Type / Modality of Assistance	Technical Assistance					
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2"><b>TA 8780-PRC: Support for Deepening Policy Reform and Capacity Building</b></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 800,000.00</td> </tr> </table>		<b>TA 8780-PRC: Support for Deepening Policy Reform and Capacity Building</b>		Technical Assistance Special Fund	US\$ 800,000.00
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Technical Assistance Special Fund	US\$ 800,000.00					
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth					
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development					
Sector / Subsector	<b>Public sector management</b> - Public administration					
Gender Equity and Mainstreaming	No gender elements					
Description	<p>The TA objective is to support the government to deepen policy reforms and accelerate capacity building in areas prioritized in the PRC's reform agenda. The TA is consistent with the strategic pillar of inclusive and environmentally sustainable growth, highlighted in ADB's PRC country partnership strategy, 2011_2015 and aligned with the Midterm Review of Strategy 2020. The TA will provide policy recommendations and knowledge services to promote the PRC's inclusive development and environmentally sustainable growth, develop government capacities at central and local levels, and increase ADB's policy impact and operational efficiency. The TA will support the implementation of the PRC's 12th and 13th five-year plans and reinforce the PRC-ADB partnership.</p> <p>The TA consists of two parts: component A for policy advice, and component B for capacity building. The outputs will include (i) policy synopses and just-in-time policy advice, and (ii) capacity-building activities.</p> <p>Component A for policy advice. Under this component, central and local governments will be provided sound policy advice on priority development issues including in (i) economic restructuring (e.g., industrial upgrading, development modality changes, public-private partnership initiatives, and fiscal reforms); (ii) urban and rural integration (e.g., interregional cooperation, migration of workers and urbanization, inclusive social security system and public health services); (iii) energy conservation and environment protection to promote ecological civilization (e.g., low-carbon pilots, energy-saving, emissions reduction, ecosystem protection, and pollution treatment and control); and (iv) social sector and welfare development (e.g., social security reforms, elderly care services, food and drug safety, vocational education, employment, and governance). By 2015, a TA mobilization workshop will have been organized. During the TA, some bilingual synopses and just-in-time advice that provide the government with policy recommendations will be produced on selected studies relating to the above mentioned four areas. Workshops to disseminate the studies' main results will be conducted to enhance policy impact. By 2018, a TA wrap-up workshop will be held to create knowledge solutions for implementation of the 12th and 13th five-year plans.</p> <p>Component B for capacity building. Under this component, the capacity of selected central and local government agencies will be created or strengthened for implementation of the 12th and 13th five-year plans through capacity assessments, training programs, workshops, conferences, and knowledge management interventions. By 2018, workshops and seminars with participation from government think tanks, decision makers, executing and implementing agency representatives, academia, and civil society on introducing best practice, knowledge sharing, enhancing PRC-ADB strategic TA programming partnership, and training for executing and implementing agencies will have been conducted. By TA completion, capacity-building activities will have helped increase the capacities of central and local governments and promote knowledge solutions in the PRC.</p>					

Project Rationale and Linkage to Country/Regional Strategy

After 30 years of rapid growth, the PRC is the world's second-largest economy. However, as reform continues, the country needs to find new engines for growth. The PRC faces challenges of deleveraging, maintaining growth momentum, especially in the face of unbalanced urban and rural development, and increasing environmental degradation. Problems include (i) barriers in driving and sustaining growth; (ii) potential risks in public finance and the banking sector; (iii) excess production capacity burdening some industries; (iv) unbalanced growth between urban and rural areas; (v) severe air, soil, and water pollution that hinders environment protection and ecosystem conservation; and (vi) social development problems, such as social security, elderly care services, food and drug safety, income distribution, housing, education, land acquisition, resettlement, and governance. These problems have been accompanied by incomplete reforms and limited capacity and institutional development.

To encourage sustainable development, the Third Plenum of the 18th National Congress of the PRC's Communist Party announced its Decision on Major Issues Regarding Comprehensively Deepening Reform in November 2013. The decisions provide a blueprint for the PRC's development in the next decade and beyond, encompassing the 12th and 13th five-year plans. By 2020, the government aims to have achieved reform results by (i) allowing the market to play a decisive role in resource allocation; (ii) enabling the government to function in a service-oriented and law-based manner; (iii) building a modern fiscal system that supports central and local governments' initiatives; (iv) accelerating reforms for social security, employment, income distribution, education, and public health; and (v) establishing a comprehensive system that protects the ecosystem and environment. The government recognizes the need to tackle structural problems that constrain balanced economic development, equality, resources conservation, and ecosystem protection, and has decided to address key development issues by deepening reforms and accelerating capacity building progress.

Since 2003, ADB has granted six facility-type TA projects to the PRC for the government to meet emerging policy advisory and capacity development requirements. The government highly appreciated the projects, as they helped advance PRC's reforms and contributed significantly to the implementation of the government's five-year plans.

According to the evaluation report by the ADB Independent Evaluation Department, facility-type TA projects have had substantial impact on the development of the government's five-year plans. The TA for the Fund for Strategic Policy Conferences and Studies for Poverty Reduction contributed to the PRC's poverty reduction discourse by widening the research's range into rural poverty reduction; 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. The TA for the Facility for Reform Support and Capacity Building contributed policy advice to the State Council directives for handling employment and entrepreneurship development issues during the 2008 global financial crisis and contributed to the establishment of the rural di-bao system nationwide. In some cases, facility-type TA subproject findings and recommendations have been incorporated into new regulations and law formulations in the PRC, such as the new internationally compatible internal audit standards and procedures produced by the Technical Assistance to the PRC for Facility for Policy Reform and Capacity Building III, as well as the revised Land Acquisition Regulation and Land Administration Law, the revised Budget Law (Article 28) and the new Law on Alternative Dispute Resolution supported by the TA for the Facility for Reform Support and Capacity Building. The Independent Evaluation Department confirmed that such facility-type TA projects were effective and recommended that ADB continue to work via this type of TA projects in the PRC.

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Impact	Deepened reforms and enhanced government capacities for promoting sustainable development.
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## Project Outcome

Description of Outcome	Adoption by relevant government agencies of policy advice, regulations, new ideas, and best practices that are introduced or recommended by the TA to deepen reforms and increase government capacity at central and local levels.
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Progress Toward Outcome	It will be evaluated when the project is completed.
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## Implementation Progress

Description of Project Outputs	Component A: Policy Advice Central and local governments are provided with sound policy advice on priority development issues in (i) economic restructuring; (ii) urban and rural integration; (iii) energy conservation and environment protection to promote ecological civilization; and (iv) social sector and welfare development. Component B: Capacity Building Capacity assessments, training programs, workshops, conferences, and knowledge management interventions are provided to further develop the government's capacity in implementing the 12th and 13th five-year plans.
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Status of Implementation Progress (Outputs, Activities, and Issues)	<p>The TA was effective on 20 January 2015.</p> <p>The Joint Review MOU was co-signed on 16 June 2015. The TA implementation is on the right track. Component A: SP1.1 (Qinghai Low Carbon Development to Address Climate Change Challenges) and SP1.2 (Demonstration of Integrated Magn. of Forest and Water Resources in Guanting Reservoir Watershed) were initiated on 24 December 2015 and 28 April 2016, respectively (SP1.1: consultants of Subcomponent I: Wetlands carbon sink study were fielded in mid-April 2016. The implementation of Subcomponent II: Study on financing ecological services and sustainable grassland management of Sanjiangyuan area is pending; SP1.2: Consultant recruitment was completed, and inception workshop was held in Dec. 2016). On 3 March 2016 and 16 May 2016, ADB endorsed the concept papers of SP1.3 (Internet Finance) and SP1.4 (Gansu Internet Based Agricultural Service System). SP1.3 consultant recruitment was completed, Inception Workshop was and Mid-term review workshop was held in Aug. 2016 and Jan. 2017 respectively. SP1.4 Consultant recruitment and equipment procurement was completed, and inception workshop was held in Mar 2017.</p> <p>Component B: SP2.1 was conducted on 28-29 April 2015. SP2.2 consultant was fielded on 31 Jul. 2015 and TA activity closed. SP2.3 was organized on 29-30 March 2016. SP2.4 was conducted on 12-13 May 2016. SP2.5 was completed. SP2.6 was conducted on 22-23 Nov. 2016. SP2.7 was conducted on 15-16 Dec. 2016. SP2.8 is scheduled on 28-29 Mar. 2017, and SP2.9 proposal is under preparation.</p>
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Geographical Location

## Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

During Project Design	Consultations were conducted with the EA (Ministry of Finance) and relevant government agencies, research institutes and stakeholders during project design period.
During Project Implementation	Stakeholder communication, participation and consultation will be continued along with the TA development.

## Business Opportunities

Consulting Services	ADB will recruit individual consultants in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). A total of 40 person-months of individual consulting services (10 person-months of international consultants, and 30 person-months of national consultants) will be provided, including resource persons and task-specific experts. TORs for individual subprojects will be developed in consultation with relevant implementing agencies and ADB's Operations Services and Financial Management Department and approved by the PRC Resident Mission country director, as appropriate.
Procurement	All procurement under the TA will be carried out in accordance with ADB's Procurement Guidelines (2013, as amended from time to time).

## Responsible Staff

Responsible ADB Officer	Yang, Junmei
Responsible ADB Department	East Asia Department
Responsible ADB Division	PRC Resident Mission
Executing Agencies	<i>Ministry of Finance Sanlihe, Xicheng District Beijing, 100820 People's Republic of China</i>

## Timetable

Concept Clearance	26 Aug 2014
Fact Finding	20 Aug 2014 to 22 Aug 2014
MRM	-
Approval	03 Dec 2014
Last Review Mission	-
Last PDS Update	16 Mar 2017

**TA 8780-PRC**

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
03 Dec 2014	20 Jan 2015	20 Jan 2015	31 Dec 2018	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
800,000.00	0.00	200,000.00	0.00	0.00	0.00	1,000,000.00	03 Dec 2014	389,322.71

Project Page <https://www.adb.org/projects/48108-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=48108-001>

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