

Government of the People's Republic of China
United Nations Development Programme (UNDP)

Project Document

24 May 2007

Innovation in China's Public Sector for Good Governance

Country: People's Republic of China

UNDAF Outcome(s)/Indicator(s):	Outcome 1: Social and economic policies are developed and improved to be more scientifically-based and human centers for sustainable and equitable growth
Expected Outcome(s)/Indicator (s):	Country Programme Outcome: 4. Rule of law strengthened to protect human rights of all, especially the poor and the disadvantaged groups.
Expected Output(s)/Annual Targets:	Country Programme Output: 4.2 Transparency and accountability within the civil service increased to promote efficient delivery of services.
Executing Agency:	China International Center for Economic and Technical Exchange (CICETE)
Implementing agency:	The State Commission Office for Public Sector Reform (SCOPSR)

As the Government of China is reorienting its development policies to pursue people-centered and balanced development, the need for greater efficiency, transparency, and innovation in the public sector is recognized by the Chinese leadership as a priority.

This project will continue UNDP's support to the work of the leading government organization in public sector reform, the State Commission Office for Public Sector Reform (SCOPSR), in developing comprehensive strategies of public sector reforms for China. In the upcoming round of administrative reforms, SCOPSR will provide both policy recommendations on reforms to the Chinese leadership, as well as the key coordinating function for the implementation of reform initiatives.

This broad platform project will offer continuous support over the next five years, focusing on the following five priority areas whilst retaining the flexibility to focus project activities more narrowly as and when concrete priorities emerge:

1. People-centered government
2. Efficient and accountable governmental structures
3. Capacity building for good governance
4. Responsive local government
5. Operationalising Public Service Unit (PSU) reform

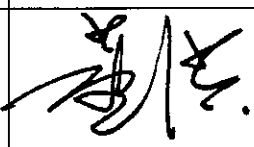


This project will support SCOPSR by creating a space for international dialogue on best practices in public sector reform, implementing targeted pilot reform efforts, and fostering an understanding of the importance for successful public service reform in keeping with the concepts of good governance and efficient service delivery, as well as improving the capacity of SCOPSR at the central level and local level Commission Offices for Public Sector Reform (COPSRs) in the formulation and implementation of policy measures to improve good governance at all levels.

Programme Period: 2006 - 2010
 Programme Component: **Achieving the MDGs and reducing human poverty, Fostering democratic governance**
 Project Title: **Innovation in China's Public Sector for Good Governance**
 Project ID: 00056242
 Project Duration: 5 years (2007 – 2011)
 Management Arrangement: **National Execution**

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Allocated resources:

- UNDP (TRAC 1& 2) USD 1,000,000
- SCOPSR (C/S) USD 740,000

Agreed by	Signature	Title	Date
Government Coordinating Agency and Executing Agency: (CICETE):			2007. 6. 20
Government Implementing Agency (SCOPSR):			2007. 6. 20
UNDP:			03 July 2007

ACRONYMS

AWP	Annual Work Plan
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CICETE	China International Center for Economic and Technical Exchanges
COPSR	Commission Office for Public Sector Reform
CSO	Civil Society Organisation
GOC	Government of China
MDG	Millennium Development Goals
NEA	National Executing Agency
NEX	National Execution
NGO	Non-Governmental Organisation
NPD	National Project Director
PAC	Project Advisory Committee
PMO	Project Management Office
PSU	Public Service Unit
SCOPSR	State Commission Office for Public Sector Reform
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

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2. SITUATION ANALYSIS

2.1 Overall development context

In the last two and a half decades, China has made remarkable progress in terms of economic growth and poverty reduction. However, China's transition from a planned economy to a market economy is producing new challenges, ranging from great regional disparities, large income gaps between social groups, weak social protection systems, varying standards of public service, environmental degradation to weak public involvement in the policy debate. Reducing poverty further is likely to require measures beyond an exclusive reliance on economic growth alone, and will include solid reforms in the institutions of governance.

Aware of the importance of a well functioning public sector, the Chinese leadership is committed to the deepening of its public sector reform programme in line with the formulation of its own development agenda, and to bring it more in line with the fundamental principles of good governance. Since the late 1970s, the Government of China (GOC) has embarked on an important reform of the public sectors to clarify the role of the state, improve the performance of civil services, and clarify management and accountability to ensure the public sector serves the public better. Incremental improvements have been achieved in recent years, but more comprehensive changes to the systems and structures of the public sector are needed. Key challenges are to raise efficiency, accountability and transparency, and to improve administrative mechanisms and governmental management.

Socio-economic reforms in China calls for good governance based on equity, transparency, accountability, and public participation. As the GOC over the past few years has attempted to reorient its development policies to pursue people-centered and balanced development, the need for greater transparency, integrity and efficiency in government and other public sectors is recognized by the Chinese leadership and the Government as a priority of reform and innovation. The equalization of basic public services, i.e. that all Chinese citizens have the right to the same package of basic public services, is receiving increasing attention in the context of the construction of a Harmonious Society and a New Socialist Countryside, and points to the need to overcome the current disparities in rural and urban service delivery. A multi-faceted challenge, in addition to administrative and structural reform, much research has been done and is being undertaken with regards to specific aspects, such as sectoral work on education, health care, social security, and fiscal relations.

2.2 Good governance, public sector reform and poverty reduction

Governance is defined by UNDP as “the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences”. Good Governance is understood as participatory, transparent and accountable, effective and equitable, and it promotes the rule of law. It ensures that political, social and economic priorities are based on broad consensus in

society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources. Good governance can refer to a private company or an NGO, in which case it is called corporate governance; when applied to a governmental organizations it is often referred to as public governance.

UNDP's mandate to reduce poverty, promote equitable human development, and foster good governance implies designing programmes that will have the highest long-term impact on the poor and disadvantaged, especially women and marginalized groups, whilst taking into appropriate account the political and cultural context. An efficient, responsive, transparent and accountable public administration is not only of paramount importance for the proper functioning of a nation; it is also the basic means through which government strategies to achieve the MDGs can be implemented.

The Millennium Declaration recognises good governance, of which the public sector is a central part, as the means for achieving the goals of the Declaration. Support to modernizing state institutions is linked to achieving the MDGs in several ways. First, more resources in developing countries are freed to be used in pursuit of MDG goals if the efficiency of the public sector is increased. Second, by increasing transparency and eradicating corruption, fewer scarce resources in developing countries will be misdirected away from achieving the MDGs. Third, a public administration that responds to the needs of citizens, especially women and marginalized groups, is critical to ensuring the sustainability of the achievements within the rubric of the MDGs. Finally, increasing the accountability of state institutions is an essential feature of governments' strategies to close the democratic deficit, which is key to achieving the MDGs within the context of the broader Millennium Declaration. Moreover, because the public sector is one of the main vehicles through which the relationship between the state and civil society and the private sector is realised, supporting the sector's reform is a means towards achieving higher-order development goals – particularly equitable growth, poverty reduction, peace and stability.

2.3 A Gender Balanced Approach

Gender equality is inextricably linked to good governance, since women make up half of the population but have historically been under-represented and discriminated against. A gendered analysis of governance processes reveals that men and women do not always share the same needs and perspectives, and this highlights the issue of unbalanced participation and representation at all levels of governance. Ensuring gender equality is not only an issue of justice and equality, it is also connected to the credibility and accountability of government structures, and to the efficiency and effectiveness of government serving all its citizens.

China has demonstrated its political will to implement its commitment to gender equality through the adoption of a number of national plans and programmes on the advancement of women, as well as through following the reporting requirements under the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Beijing Platform for Action, and the Millennium Development Goals (MDGs). The cornerstone of regulatory framework for gender equality, the Constitution of the People's Republic of China, declares: "Women in the People's Republic of China enjoy equal rights with men in all spheres of life, in political, economic, cultural, social and family life".

Despite formal commitments and efforts at central and local level, gender inequalities persist in the country and overcoming inequalities are essential if China is to achieve its goals. While China has been successful in attaining most of the MDGs in the past few years, China's National MDG Report indicates that progress in achieving the Goal 3 on gender equality and empowerment of women has been mixed. According to the Inter-Parliamentary Union, China occupies 47th place in the world ranking in percentage of women represented in national assembly (20.3%). The Green Book released by the Women Study Institute of China points to discrepancies in other areas of women's participation: only 8.1 % of ministerial and 12.6 % of all Director General' positions have been occupied by women.

Making gender equality a reality is a core commitment of UNDP, and along with most other UN agencies and development actors, UNDP has adopted gender mainstreaming to promote gender equality throughout its work. The UN defines gender mainstreaming as "The process of assessing the implications for women and men any planned action, including legislation, policies and programmes, in all areas and at all levels. It is a strategy for making women as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated." This project will therefore endeavour to mainstream gender into the planning, implementation, monitoring and evaluation of all project activities, as well as in the institutional framework of its implementation.

3. STRATEGY

3.1 Project Partnerships

It is within this developmental context that the United Nations Development Programme has been working with the State Commission Office for Public Sector Reform (SCOPSR) and the China International Center for Economic and Technical Exchange (CICETE) on a long-term partnership in support of public sector reforms. This project will continue UNDP's support to the work of the leading government organization in public sector reform, the State Commission Office for Public Sector Reform (SCOPSR), in developing comprehensive strategies of public sector reforms for China. As the standing and coordinating organization responsible for the overall structure of the administrative system and reform of the size of the government and public institutions across China, SCOPSR has the remit to propose public sector-wide reform measures directly to the State Council. SCOPSR is responsible for the implementation of Commission Office for Public Sector Reform (COPSR) at local levels - province, prefecture, municipal, and county. There are eight departments inside SCOPSR and three PSUs affiliated to SCOPSR. The Minister of SCOPSR is Mr. Li Tielin. Under the leadership of the State Council of People's Republic of China and the Chairmanship of Mr. Wen Jiabao, the Premier of China, the State Commission for Public Sector Reform (SCPSR), SCOPSR is the standing body of SCPSR in charge of day to day operations. Its main responsibilities are:

- To undertake research and investigations into master-plans for the administrative system and organizational structural reform;
- To review institutional reform plans for central ministries and commissions as well as provinces, autonomous regions and municipalities directly under the State Council;

- To administer the functions, internal organs and quota for staff numbers of ministries and commissions, provide coordination in the area of power sharing and functional demarcation between central government organizations as well as between central government and local governments;
- To review and ratify the setting up of organizations as well as approving the personnel quotas for the governments of provinces, autonomous regions and municipalities directly under the State Council; and the total number of staff to be employed for all levels of governmental organs;
- To formulate organizational reform plans for Public Service Units (PSUs), review and approve restructuring plans for PSUs directly affiliated to the State Council and provide guidance and coordination for those PSUs affiliated to different layers of local government;
- To formulate relevant policies and regulations.

In addition to SCOPSR at the central level and COPSR at provincial and local levels, additional project partners include other government line ministries at central and local levels involved in the Advisory Group and the local Pilot Groups, and national and international experts involved in project activities.

As views on which road China should take in public sector reform differ widely, it is of utmost importance that the project facilitates the active inclusion and participation of a wide range of stakeholders from across the Chinese government, academia and the international donor community, in all project activities and arrangements in order to encourage meaningful debate and stimulate exchanges of views. In order to support such a broad partnerships for reform, the Advisory Group should therefore consist of a wide range of experts, reflecting both the diversity of experience that exists in China in the field of public sector reform, and also the various opinions regarding China's policy options in this field.

3.2 Support to SCOPSR's public sector reform plan

The timing of this project is optimal: In the second half year of 2007, the Chinese Communist Party will convene the 17th Party Congress, and the new Chinese central government will come into power in early 2008. The new government will reform and coordinate the public administrative system and governmental organizational structure in accordance with the requirement of Chinese economic and social development. In this upcoming new round of administrative reform, SCOPSR will provide the brainpower behind such reforms to both the Chinese Communist Party and the Chinese State Council. In addition, SCOPSR will be the organizer and implementer of the reform initiatives.

By formulating this broad platform project ahead of the 17th Party Congress, and the formation of the new Chinese government, UNDP is positioning itself to offer SCOPSR continuous policy support both in the lead-up to these events and over the next five years, whilst retaining the flexibility to focus project activities more narrowly as and when concrete priorities emerge. The following five focus areas have been identified as broad key priorities for public sector reform over the next 5 years, and this project's activities will be developed and implemented in accordance with this outline:

- 1. People-centered government:** streamlining and redefining the role of the governments to promote people-centered and equitable development;
- 2. Efficient and accountable governmental structures:** improving the current central and local governmental organization structures for greater efficiency and accountability;
- 3. Capacity building for good governance:** strengthening the knowledge of key concepts of central staff involved in reform efforts, and improving their administrative capacity;
- 4. Responsive local government:** to improve accountability and transparency in local level government;
- 5. Operationalising Public Service Unit (PSU) reform:** Develop clear strategies and guidelines for further PSU reform.

While the challenges to be addressed in the project are very broad, the project will concentrate on selected pilot sectors. The main outputs will be a series of policy recommendations in the selected areas to be submitted to the State Council, based on research, discussion and pilot interventions. These policy recommendations will inform the government's reform agenda, produce policy results which may be applied in other sectors and levels of government, improve intergovernmental dialogue on key reform agendas, further establish principles of modern public management, and foster the principles of good governance in public administration.

UNDP will support SCOPSR in fulfilling its functions, through creating a neutral space for international dialogue on best practices in public sector reform, providing international expertise, and fostering an understanding of the importance of successful public service reform in keeping with the concepts of good governance and improved service delivery. UNDP will be actively involved, through the Project Board and the regular interaction with both CICETE and SCOPSR project managers, in the formulation of Terms of Reference for recruiting experts, the identification of appropriate study tours, and in ensuring transparent and professional methods for monitoring and evaluation of projects results. Drawing on its global network of development experiences, UNDP will link this project up to reform initiatives in different country contexts, and also connect this particular project to China's wider development goals, such as the MDGs and the construction of a Xiaokang and Harmonious Society.

3.3 Previous public sector reform efforts

The reform policies over the past years have aimed to build an administrative system with standardized behaviors, coordinated operation, fairness and transparency, and integrity and efficiency, and this has greatly improved the quality of public administration and achieved progress in areas such as:

- Transforming the functions of government to be more adapted to market economy and internationally accepted rules (such as WTO rules);

- Restructuring governmental organizations and downsizing government;
- Deregulating by giving more power to lower levels of government and reducing items subject to administrative approvals;
- Supporting the development of grassroots autonomous organizations such as villagers' committees in rural areas, residents' committees in urban areas, and NGOs;
- Consolidating the legal foundations for the functioning of public sector organizations;
- Increasing the transparency of public administration by making public information more easily available to citizens (internet, newspaper, news-bulletins etc.);
- Improving citizen's access to public services by setting up one-stop governmental service centers;
- Involving the public in decision-making through mechanisms such as public hearings;
- Improving performance management systems in particular the performance evaluation of public servants; and
- Piloting PSU reform to improve public service.

Since 1991, UNDP, through its collaboration with SCOPSR and China International Center for Economic and Technical Exchanges (CICETE), has supported the Chinese government's efforts to carry out public administration reform. Up until 2006, this reform programme has seen three phases, focusing on a wide range of topics such as central government restructuring to adapt to a market system and meet WTO requirements, readjusting government organizations and functions in the Western regions, strengthening market supervision and regulation, reform of PSUs, etc. These efforts have greatly contributed to the design and implementation of public sector reform plans at both central and local levels of government.

The previous project, from 2002 to 2006, began as SCOPSR was preparing the master proposal of organizational reform for the new central government appointed in early 2003. Exposure to international practices was followed up by reports and policy proposals. Some of these suggestions following UNDP programme activities were directly incorporated into the master reform plan and later put into practice. For example, concerning the management of state-owned assets, one of the UNDP study trips resulted in the suggestion of setting up a commission/bureau to supervise and manage state-owned assets. In 2003, with the new government's organizational reform, the State Commission for National State-owned Assets Supervision and Administration was established with the aim to improve the management and utilization of state-owned assets. Another example is SCOPSR's policy proposal about the reform of food safety management system. The Chinese government set up several new departments inside the State Drug Administration (SDA), and introduced the new function for food safety management and supervision into this bureau. The SDA was renamed as the State Food and Drug Administration (SFDA), and a corresponding new mission was added to the Drug Administration Bureaus of each level of government. In terms of the Public Service Unit (PSU) reform, SCOPSR has carried out research for many years with the support of UNDP, and this has resulted in a preparatory policy recommendation on PSU reform, incorporating several suggestions from UNDP seminars, study trips and pilots.

UNDP's continued support ensures the active engagement of both SCOPSR officials at the senior level, i.e. ministers and directors, Chinese experts in the field, and local SCOPSR officials, and has created a space for dialogue and experimentation of reform across geographical and

ministerial divisions. For example, UNDP-supported pilot activities has resulted in Chongqing COPSIR pushing forward the reform on the administrative legal system with regards to the regulation of the market, Guangdong COPSIR has piloted successful public administration innovations; and Hubei COPSIR has taken township-level governmental reforms further.

3.4 National development strategy

This project takes the current development strategies as outlined by the Chinese government as its cornerstone:

The Chinese government's aim of reaching "Xiaokang", that is an all-around well-off society, by 2020 bears witness to strong political commitment to shift the focus of development from that of economic and material well-being to include broader concepts of sustainable human development. The Xiaokang vision closely mirrors the commitments made by China to reaching the UN's Millennium Development Goals (MDGs), clear goals, targets and indicators for ending human poverty and accelerating human development. Given the deep synergies between the Government's Xiaokang vision and the MDGs, there exists a unique opportunity for the UNDP and the UN system to support China's long-term reform efforts through a range of knowledge-based interventions. Parallel to the Xiaokang vision, the goal of constructing a "Harmonious Society" expresses the Chinese government's emphasis on overall societal balance, equity and harmony. Furthermore, China's 11th five-year development plan (2006-2010) states that a development priority is to "Make Efforts to Push Forward the Reform of the Administrative System", and elaborates on a number of key areas for reform.

3.5 Linkages to UNDAF and UNDP Country Programme objectives

UNDAF:

Outcome 1: Social and economic policies are developed and improved to be more scientifically-based and human centers for sustainable and equitable growth.

Country Programme Outcome:

4. Rule of law strengthened to protect human rights of all, especially the poor and the disadvantaged groups.

Country Programme Output:

4.2 Transparency and accountability within the civil service increased to promote efficient delivery of services.

3.6 Beneficiaries

The direct beneficiaries of this project include selected officials at SCOPSIR and other officials at central ministries involved in the project activities and trainings, as well as COPSIR and other relevant officials at local/provincial levels where the pilot activities are being carried out. As the project will implement systematic reform measures to improve institutional capacity and service

functions, the general public as the ultimate beneficiaries stands to benefit from improved service delivery, accessibility to government and transparency in process. The project maintains a special emphasis on women and vulnerable groups as beneficiaries. In addition to citizens as individuals, groups that will benefit from a more efficient, effective and service-oriented government are civil society groups, private enterprises, and professional organizations.

4. PROJECT FOCUS

Given the GOC's development strategies, SCOPSR's organizational remit, and UNDP's areas of expertise as well as the goal of the attainment of the MDGs, the following five broad thematic areas have been identified as a platform for supporting SCOPSR in developing comprehensive strategies for reform in accordance with principles of good governance and improved service delivery over the next 5 years:

4.1 People-centered government

An efficient, responsive, transparent, and accountable public administration is not only of paramount importance for the proper functioning of the government structures; it is also the basic means through which government strategies to achieve internationally achieved goals such as the MDGs can be implemented. As China is taking up the improvement of public administrative level and public service level, informed debate on models of modern public management are needed.

The project will explore the role of the government and that of other social actors such as the private sector, PSUs and NGOs, in service delivery and policy- and decision-making processes. It will research reform packages on streamlining and redefining the role of the government developed to promote people-centered and equitable development, in line with gender equality and the views of marginalized groups.

The project will review the current situation with regards to the transfer of service functions, and facilitate debate on the continued role of the government in public service delivery; under what conditions and pending which regulations can the government step back to provide more operating space to private initiative, citizens initiatives, NGOs, and private enterprises. Emphasis will be on equitable and efficient public service delivery to all groups, and on accountability and regulation of service providers.

Baseline: Lack of clear guidelines on the role of the state and that of other actors, such as the market, CSOs and PSUs in the delivery of public services.

Target: Policy recommendation on the role of the state and other actors with regards to efficient and equitable service provision, delivery and regulation of public services, and guidelines on accountability measures for service provision.

4.2 Efficient and accountable governmental structures

To improve the cost-efficiency of the public administration and thereby increase the amount of resources spent on citizens, the project will assist the SCOPSR with the development of policy options to suggest new or revised legislative and regulatory framework to guide the management of public sector agencies. The policy paper will address the principles that guide the organization of public sector agencies such as clearly defined functions and responsibilities (both between ministries levels of ministries) to avoid overlapping of government institutions, streamlining of administrative approval procedures, and the management of staffing levels. These provisions will also need to identify and clarify the mandate of the central agencies responsible for overseeing the correct application of these provisions and the means of these agencies to enforce legal and regulatory provisions and management standards.

The process of public administrative reform for increased efficiency and the pressure to deliver high quality services brings with it a need for organizations to stay on top of how it is performing at any time, both as a whole and also how individual staff is performing. A number of international models exist for measuring and evaluating performance, both internally and externally, and many of them are in the public domain (i.e. the models and the materials needed are free of charge). One such framework is the European CAF (Common Assessment Framework) which was developed to improve public administration has been applied successfully in many European countries, and it has already been piloted in China. The CAF as a quality management tool measures institutional performance against set criteria in nine areas; leadership, strategy and planning, human resources management, partnership and resources, customer/citizen oriented results, people results, society results, and key performance results. The introduction of internationally recognized models of institutional performance management, as a vital part of sustainable public sector reform, will build the capacity of public sector bodies to carry out regular performance assessments is of key concern with regards to the sustainability of reform efforts.

Baseline: Horizontal and vertical overlaps in government functions and responsibilities, complex administrative approval procedures and lack of capacity for institutional performance assessments.

Target: Policy recommendation on the management of public sector institutions, with an emphasis on responsibilities, functions, human resources and performance assessments.

4.3 Capacity building for good governance

As the main drivers for public sector reform for good governance, central staff involved in implementing overall reforms and pilots will benefit from training arrangements to fully engage with the concepts of good governance that underpin this project, and to be able to formulate and implement policy measures to improve good governance at all levels. Training courses will explore both the Chinese context and also best practices from other countries undergoing public sector reform.

Training needs will be identified as the project develops. Key topics will include:

- What is meant by good governance
- Gender mainstreaming in reform measures

- Knowledge, information and experience on public administrative
- China and the MDGs
- Efficient and equitable service delivery
- English language training

Baseline: Lack of understanding among key SCOPSR/COPSR staff of the concepts of good governance, the MDGs, and how this related to public sector reform.

Target: Increased understanding and consensus among key SCOPSR/COPSR staff of the concepts of good governance and the MDGs, and ability to incorporate this into public sector reform initiatives.

4.4 Responsive local government

With public service delivery increasingly devolved to the lower levels of government, reform of their structures and operation is necessary to improve service delivery. There is also a need to increase the accountability and transparency of local government, improve the performance of civil servants, and enhance public participation with a view to set standards of accountability. Hence, this component will address the question of how local government can close the gap between state and citizens, increasing transparency by making information about rights and services more accessible, providing citizens with the opportunity and means to help monitor the performance of local government's service provision. Related issues are how to reduce the administrative burden for citizens in applying for governmental services (deregulation), and how to make sure access to local service delivery is equally accessible to both women and men, and to vulnerable groups.

Baseline: Lack of public access to and participation in local government, and lack of transparency in local government functions.

Target: Policy recommendation for improved responsiveness, accountability and citizen involvement in local government.

4.5 Operationalising public service unit (PSU) reform

Since most PSUs in China are in the fields of education, health, culture, and science, effective implementation of PSU reform would not only make for a more competent government, but it would also improve the quality of the public service.

As a specific output of the previous phase of the UNDP-SCOPSR programme, a guideline proposal for PSU reform was recommended, classifying all PSUs into three categories: 1) those purely for public benefit, 2) those partly for public benefit, and 3) those for profit. To ensure effective implementation of these guideline proposals, clear strategies and operational actions plans for PSU reform are needed. This project will support the drive for PSU reform, by developing operational guidelines such as what criteria to use when evaluating a PSU, and piloting them in one selected PSU sector.

Baseline: Lack of clear operational guidelines for the implementation of PSU reforms.

Target: Policy recommendation, based on extensive piloting, on operational plans for PSU reform, leading to improved service delivery.

4.6 Project activities

- *International and national expertise* will assist in the design and preparation of the project activities and help in monitoring the results oriented activities to guard the expected outcomes during the execution of the project. International input in the form of targeted study tours, technical advice and the participation of international expertise at knowledge-sharing and policy oriented seminars will serve to offer best practices in public sector reform, experiences that China can relate to, and a source of inspiration and knowledge. Drawing on its international network, UNDP will assist the PMO in the identification of international expertise, both for the recruitment of the Technical Advisor and for individual project activities.
- *Research*, in the form of papers, questionnaires and surveys, will support all key issues and be carried out ahead of seminars and international orientation tours in order to ensure substantive analysis, to respond to the State Council's call for public sector reform to have a scientific basis, and to connect the project with the relevant debates both in China and on the international arena. All research and studies will include gender analysis.
- *Seminars and workshops* will be convened on the key topics outlined, ensuring broad, inter-ministerial dialogue and the involvement of both national and international experts.
- *Pilot projects* will test the applicability of reform measures, and the lessons learned will improve the relevance and quality of the reform proposals produced by the project. The pilot sites will vary in terms of its administrative unit classification (provinces, municipalities), socio-economic development, geographical size and location, population size, and the level of reform already undertaken by the local government. The project will designate thirteen pilot sites, five in the west region, five in the middle regions, and three in the east region of China. The five pilot sites in the west region are, Guizhou, Ningxia, Qinghai (provinces) and Chongqing and Lanzhou (municipalities). The five pilot sites in the middle region are Shanxi, Hubei, Anhui, Jilin (provinces) and Xiangfan (city). The three pilot sites in the east region are, Guangdong and Jiangsu (provinces) and Beijing (city). In each pilot sites, the local COPSR will establish a Pilot Group, including at least one director, one division chief and one staff. The Pilot Group is responsible for the project activity related the pilot sites, such as preparation for the international seminar, research on the certain sub-topics. The Pilot Group will also provide suggestion for the project management and implementation.
- *Capacity development:* In addition to supporting SCOPSR in developing well-researched and consensual recommendations for public sector reform tested through research, dialogue and piloting, the project will also develop national capacity at SCOPSR and local Commission Offices for Public Sector Reform (COPSRs) in the formulation and

implementation of policy measures to improve good governance at all levels. More specifically, the project will:

- Enhance the understanding and knowledge of officials, both in SCOPSR and cooperating ministries, about policies, structures and practices for good governance, and thereby support the dialogue on public sector reform;
 - Equip relevant officials with an understanding of the international debate on key public sector reform issues and good governance, so as to stimulate debate and align the dialogue within China with international experiences;
 - Increase the capacity of relevant officials to implement and further develop and improve the reform recommendations.
- *Gender* as an important issue in public sector management will cut across all the key topics, and the project both in terms of its activities and outputs, as well as its process, will be gender mainstreamed. The project itself will ensure that gender experts are included and that all activities are gender balanced. It is strongly encouraged that women constitute at least 30% of participants in all project activities, especially in overseas study tours, seminars and training. Technical support (see page 28) will include gender experts, and capacity training under Output 3 (capacity building for good governance) will include gender sensitization training. The Annual Reviews and Project Board meetings will assess project progress in this regard.
 - *Project synergies:* In addition to UNDP, international organizations that are active in the field of public sector reform include the China Australian Governance Program (CAGP), German Technical Program (GTZ), the Ford Foundation, the European Commission and the World Bank. CAGP is working with 13 Chinese ministries on exchanging information and experiences with counterparts of Australia for improved governance, and is planning to undertake reform policies for removing institutional barriers to mobility of farm labour force in eight pilot cities. GTZ has been working with the Training Center of Central Organization Department to deliver training courses on governance to Chinese officials. The Ford Foundation is working with China Women Research Center to develop indicators of women's development, and with the China Institute of Reform and Development on fiscal reform issues. The EU Delegation has a 5-year cooperation (2003-2007) programme with China National School of Public Administration and the European Institute of Public Administration focusing on training of high-level officials, development of an institutional assessment programme, and the creation of Chinese-European networks in the field of public administration. The World Bank has conducted joint research with National Development and Reform Commission on PSU reform and made performance evaluations of public service delivery in five cities.

The project will continuously explore synergies with other UN projects in the field of public sector reform: The 2007 China National Human Development Report (NHDR) is assessing the state of equity in Chinese public service delivery, and is preparing recommendations for enhancing equity and human development under the government's goal of "equalization of basic public services". There are strong links between the content and objectives of this project and the NHDR report, and this project will take part in the two (or more) upcoming briefings on NHDR findings, and relevant NHDR background reports will be shared with the

project so as to feed into the finalization of initial project activities and plans. The draft NHDR will also be shared with the project for comment in September. NHDR authors and experts will also be engaged for further discussions with project experts after the NHDR launch, to take full advantage of the full findings of the report.

UNDP's "Revitalising Rural China through Land Policy Reform and Innovation in Rural Governance and Public Service Delivery" has important synergies with this project at the local level; the extensive surveys on the demand side of service delivery carried out by this project will greatly inform and enhance the "Responsive Local Government" focus area of the project from the supply side. Knowledge sharing between the two projects will be conducted through research exchanges and possibly thorough joint workshops on service-oriented local government so that UNDP can provide more comprehensive policy advice on public service delivery for China. UNDP's "Advanced Leadership Development Project for Xiaokang Society", aiming to enhance the capacity of senior officials to implement strategies for comprehensive human development, links directly with this project's Output 3 on Capacity Development for Good Governance SCOPSR and COPSR officials. The "Human Resources Capacity Development in Northeastern and Western Areas of China" with the Ministry of Personnel has two linkages with this project; in terms of training province-level civil servants in service-oriented government, and its work on human resources reform in pilot PSUs.

UNDP will ensure linkages with past, present and future relevant initiatives through the diverse membership of its Advisory Group, through the active participation of project staff in stakeholder fora, and through the reporting requirements including links with other projects. The Project Board's 6-monthly meetings provide a mechanism to review the project's success in terms of building relevant synergies.

- *Knowledge Management:* Baseline studies, research, seminar papers, policy recommendations and progress reports will form the bulk of the tangible outputs of this project. The PMO will keep copies of all outputs and continuously update the resource centre, making sure key documents are translated and that stakeholders and other interested parties can easily access these resources. If any documents are considered sensitive and are therefore not made unavailable to the public, the resource centre needs to contain a note explaining the special circumstances.

PROJECT RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country/ Regional/ Global Programme Results and Resource Framework:</p> <p>4. Rule of law strengthened to protect human rights of all, especially the poor and the disadvantaged groups.</p> <p>Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets.</p> <p>2.7.1 Public administration reform for efficient, effective, responsive and pro-poor public services promoted</p> <p>2.7.2 Institution/legal policy frameworks established to promote and enforce accountability, transparency and integrity in public service</p> <p>Applicable MYFF Service Line:</p> <p>2. Fostering democratic governance</p> <p>2.7 Public administration reform and anti-corruption</p> <p>Partnership Strategy</p> <p>See text</p> <p>Project title and ID (ATLAS Award ID):</p> <p>Innovation in China's Public Sector for Good Governance 00056242</p>				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties: SCOPSR	A. B. Inputs
<p>Output 1:</p> <p>People-centered government</p> <p>Reform packages on streamlining and redefining the role of the government developed to promote people-centered and equitable development; participation of civil society organizations, public service units and the private sector in policy- and decision-making process promoted.</p>	2007	1.1 Inception workshop to introduce the main principles of "good governance" and what it means in relation to the role of the government	SCOPSR	40,000
	2008	1.2 Set up Project Advisory Group	SCOPSR	38,000
	2008	1.3 Conduct baseline research: Review of the current situation with regards to service provision and decision making processes	SCOPSR	50,000
	2008	1.4 Seminar workshop to discuss the findings of the baseline/review and selection of pilot sites.	SCOPSR	15,000
	2008	1.5 Study on accountability measures in service provision	SCOPSR	70,000
	2008	1.6 Study tour to observe models of accountability in service provision and regulatory functions	SCOPSR	28,000
	2009	1.7 Pilots in local COPSR	SCOPSR	20,000
	2009	1.8 Study on the regulatory functions of the government vis-à-vis other service provider	SCOPSR	20,000

<p>Output 2: Efficient and accountable governance structures</p> <p>Government structures and functions at the central and local levels reviewed and assessed; recommendations on improving the current governance structures for greater efficiency and accountability drafted and submitted to the State Council.</p> <p>Institutional performance assessments studied and piloted.</p>	<p>2010</p> <p>2007</p> <p>2008</p> <p>2009</p> <p>2010</p>	<p>1.9 International workshop on service provision, accountability methods and regulatory functions</p> <p>1.10 Draft and submit policy recommendation</p> <p>2.1 Selection and analysis of pilot ministries/sites</p> <p>2.2 Analysis of horizontal and vertical overlap in government functions and responsibilities</p> <p>2.3 Analysis of administrative approval procedures</p> <p>2.4 Orientation tour to countries with best practice in ministerial restructuring</p> <p>2.5 International seminar on central-local government relations</p> <p>2.6 Identification of pilot ministries/sites for the introduction of performance assessments</p> <p>2.7 Pilots on organizational performance assessments in pilot sites</p> <p>2.8 Study of models for the internal organization of ministries as well as intra-ministerial relations</p> <p>2.9 Review of pilots institutional performance assessments</p> <p>2.10 International workshop to introduce organizational performance assessment models, and previous experience in China</p> <p>2.11 Draft policy recommendation on regulatory provisions defining the management of public sector institutions, with an emphasis on responsibilities, functions and human resources management</p>	<p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p> <p>SCOPSR</p>	<p>97,000</p> <p>3,000</p> <p>3,000</p> <p>60,000</p> <p>107,000</p> <p>15,000</p> <p>28,000</p> <p>107,000</p> <p>40,000</p>
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<p>Output 3: Capacity building for good governance</p> <p>To provide training to the officials of both SCOPSR and local COPSRs, so as to improve their understanding of good governance.</p>	2.12 Overseas observation on performance management	SCOPSR	60,000	
	3.1 Identify training needs to implement good governance	SCOPSR		
	3.2 Capacity development at pilot sites	SCOPSR	112,000	
	3.3 Oversea Observation to countries with best practices on legalization so as to improve the capacity of officials	SCOPSR	60,000	
	3.4 Domestic capacity training	SCOPSR	71,000	
	3.5 Domestic capacity training	SCOPSR	70,000	
	3.6 Arrange orientation tour to countries with best practice	SCOPSR	70,000	
	3.7 Arrange dissemination workshop and discussion groups	SCOPSR	20,000	
	<p>Output 4: Responsive local government</p> <p>Innovation of local governance structures and functions studied, and policy recommendations submitted to the GOC leadership; a system of performance management and accountability for the public sector at local levels designed and piloted for improved public information, enhanced downward accountability and people's participation.</p>	4.1 Study/analysis of current level and examples of public participation in, and access to, local government, including but not limited to: - public information systems about the functions and duties of local government - systems of upwards and downwards accountability - gender-sensitive access to local government	SCOPSR	15,000
		4.2 Conduct local pilots	SCOPSR	25,000
		4.3 Conduct local pilots	SCOPSR	25,000
		4.4 Policy recommendations for improved responsiveness and accountability at local levels submitted to the government	SCOPSR	15,000
		4.5 Study tour to observe models of successful public participation in local government performance	SCOPSR	53,680
		4.6 International seminar to discuss findings from study tour in a Chinese context	SCOPSR	50,000
<p>Output 5: Operationalising PSU reform</p>	5.1 National seminar to discuss plans for applied PSU reform	SCOPSR	27,000	

Public Service Unit reform designed and piloted in selected localities for better and more efficient service delivery, especially for the poor; new reform packages for PSU reform drafted and submitted to the State Council.	2008	5.2 Develop clear strategies and operational plans for further PSU reform	SCOPSR	10,000
	2009	5.3 Selection of pilot industries	SCOPSR	
		5.4 Capacity building for selected pilot PSUs to support transition period	SCOPSR	20,000
	2010	5.5 Orientation tour to countries with best practice	SCOPSR	60,000
		5.6 Policy recommendation on the advancing of PSU reform drafted and submitted to the State Council	SCOPSR	60,000

4. ANNUAL WORK PLAN Budget Sheets

Year 2007

EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
Output 1: People centered government	1.1 Inception workshop to introduce the main principles of good governance and what it means in relation to the role of the government and public service delivery				X		74500	20000	
							71200	8000	
Output 2: Efficient and accountable governance structures	2.2 Analysis of Horizontal and vertical overlaps in government functions and responsibilities				X		71300	12000	
							30071	3000	
Output 3: Capacity building for good governance	2.3 Analysis of administrative approval procedures						71300	3000	
	2.4 Orientation tour to countries with best practice in ministerial restructuring			X			74500	60000	
	3.2 Capacity development at pilot sites				X		72200	112000	

Output 4: Responsive local government	4.2 Study/analysis of current level and examples of public participation in and access to local government.				X		30071	71300	15000
Output 5: Operationalising PSU reform	5.1 National seminar to discuss plans for applied PSU reform			X			04000	74500	27000
Project Management	Monitoring missions				X		04000	71600	5000
	Miscellaneous				X		30071	74500	5000
	Auditing & Operation				X		04000	74100	5000
	PMO				X		30071	71300	5000
	Communication/Advocacy				X		04000	72510	10000
	GMS				X		30071	75100	2030
	Overhead				X		04000	74500	2610
TOTAL									294460

Year 2008

EXPECTED OUTCOMES and indicators including annual targets	PLANNED ACTIVITIES	TIMEFRAME	RESPONSIBLE PARTY	PLANNED BUDGET
	List all activities including M&E to be undertaken during the year towards stated CP outputs			

		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
Output 1: People-centered government	1.3 Conduct baseline research: review of the current situation with regards to service provision and decision making processes		X				04000	71300	38000
	1.4 Seminar workshop to discuss the findings of the baseline/review and selection of pilot sites.			X			04000	74500	50000
	1.5 Study on accountability measures in service provision						04000	71300	15000
	1.6 Study tour to observe models of accountability in service provision and regulatory functions		X				04000	74500	40000
							30071	74500	30000
	1.7 Pilot in local COPSR				X		04000	74500	18000
							30071	71200 international consultants	10000
Output 2: Efficient and accountable governance structures	2.5 International seminar on central-local government relations			X			04000	74500	50000
							04000	71200	15000

									30071	71300	10000
									30071	74500	30000
						X			30071	71300 national consultants	5000
									30071	71200 International consultants	10000
							X		30071	72200	50000
									04000	72200	21000
									30071	74500	30000
									04000	74500	30000
									30071	71300	25000
Output 3: Capacity building for good governance									04000	74500	10000
Output 4: Responsive local government											
Output 5: Operationalising PSU reform											
Project Management							X		04000	71600	6000
									30071	74500	5000
							X		04000	74100	5000
									04000	72510	10000
							X	X	30071	71300	5000

GMS				X	30071	75100	2100
Overhead				X	04000	74500	9240
TOTAL							529340

Year 2009

EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
Output 1: People-centered government	1.8 Study on the regulatory functions of the government vis-à-vis other service providers						04000	71300	20000
Output 2: Efficient and accountable governance structures	2.8 Study of models for the internal organization of ministries as well as intra-ministerial relations			X			04000	74500	13000
							30071	71200	10000
Output 3: Capacity building	2.10 International workshop to introduce organizational performance assessment models, and previous experience in China			X			04000	74500	50000
							04000	71200	15000
							30071	71300	12000
						30071	74500	30000	
			X			30071	72200	55000	

for local government									04000	72200		5000
Output 4: Responsive government									30071	74500		10000
							X		04000	71300		25000
Output 5: Operational sing PSU reform									30071	71300		5000
									30071	71200		15000
									30071	74500		30000
						X			04000	74500		30000
Project Management									04000	71600		5000
									30071	74500		5000
									04000	74100		5000
									30071	71300		10000
									30071	71600		5000
									04000	72510		10000
									30071	75100		1870
									04000	74500		5340
TOTAL												372210

Year 2010

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME	RESPONSIBLE	PLANNED BUDGET
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	List all activities including M&E to be undertaken during the year towards stated CP outputs	Quarter				PARTY	Source of Funds	Budget Description	Amount
		Q1	Q2	Q3	Q4				
Output 1: People-centered government	1.9 International workshop on service provision, accountability methods and regulatory functions			X			04000	74500	45000
							04000	71200	20000
							30071	71300	12000
							30071	74500	15000
Output 2: Efficient and accountable governance structure	2.11 Draft policy recommendation on regulatory provisions defining the management of public sector institutions, with an emphasis on responsibilities, functions and human resources management			X			04000	74500	20000
							30071	71200	20000
Output 3: Capacity building for good governance:	2.12 Oversea observation on performance management		X				30071	74500	12000
							04000	74500	48000
	3.7 Arrange Dissemination workshop and discussion groups			X			04000	71300	20000
		3.6 Orientation four to countries with best practice		X				04000	74500
							04000	74500	40000
						04000	71300	10000	

Output 4: Responsive local government	4.4 Policy recommendation for improved responsiveness and accountability at local levels submitted to the government				X			04000	71300	15000
Output 5: Operationalising PSU reform	5.6 Policy recommendation on the advancing of PSU reform drafted and submitted to the State Council	X					30071	74500	20000	
							04000	74500	40000	
Project Management	Miscellaneous				X		30071	74500	5000	
	Auditing & Operation				X		04000	74100	5000	
	Monitoring mission			X			04000	71600	5000	
	PMO			X	X		30071	71300	5000	
	Communication/Advocacy				?		04000	72510	10000	
	GMS					X		30071	75100	890
	Overhead					X		04000	74500	8940
TOTAL									396830	

Year 2011

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAKE	RESPONSIBLE PARTY	PLANNED BUDGET
	<i>List all activities including M&E to be undertaken during the year towards stated GP outputs</i>			

		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount	
Output 4: Responsive local government	4.5 Study tour to observe models of successful public participation in local government performance		X				30071	74500	23680	
	4.6 International seminar to discuss findings from study tour in a Chinese context			X			04000	74500	25000	
							04000	71200	40000	
							04000	71300	5000	
							04000	71300	4000	
Project Management	Mission						04000	71600	5900	
	Miscellaneous						30071	74500	5000	
	Auditing & operation				X		04000	74100	5000	
	PMO						30071	71300	10000	
	Monitoring and Evaluation				X		30071	71600	5000	
	Communication/Advocacy				X		04000	72510	15000	
	GMS				X		30071	75100	430	
	Overhead				X		04000	74500	2970	
TOTAL									146980	

6. MANAGEMENT ARRANGEMENTS

The China International Center for Economic and Technical Exchanges (CICETE) is nominated by the Ministry of Commerce of China (MOFCOM) as the Government Coordinating Agency and Executing Agency directly responsible for the Government's participation in each Annual Work Plan (AWP) of this project. The AWP's describe the specific results to be achieved and will form the basic agreement between UNDP and the Executing Agency on the use of resources. CICETE as the Executing Agency is responsible and accountable for managing the project, achieving the project outputs, and for the effective use of UNDP resources. More specifically, as National Executing Agency (NEA), CICETE will assume responsibilities specified in the national executing (NEX) manual, viz. ensuring that the Implementing Agency, SCOPSR, produces clear and updated work plans; that inputs are mobilized as required by the project authority and that the related outputs are produced according to the project objectives and related work plan, and that NEX rules and regulations are followed on the use of project funds, particularly for procurement.

SCOPSR is the leading implementing agency for this project together with other line ministries and pilot sites. Accordingly, it is accountable to the NEA and UNDP for implementing the spirit of the project document to the best of its ability. More specifically, SCOPSR is responsible for nominating a National Project Director (NPD) and a National Project Manager (NPM) for the project, both of which will be approved by the Project Board at its first meeting. SCOPSR is also responsible for establishing a Project Management Office (PMO) at the headquarters, and for the selection of project pilot sites.

UNDP is signatory to this project and is responsible for making funds available under approved budget items and ensuring compliance with UNDP policies on use of project funds. UNDP will support the NEA upon request throughout the project cycle including orienting and training national project personnel at the outset. UNDP will ensure the introduction of the most suitable international practices on the subject of this project in cooperation with its partner UN Agencies and donor(s) of this project. Finally UNDP will help in arranging and monitoring the project's intended results and its evaluation.

Project Board

- The Project Board is responsible for making consensus management decisions for a project.
- In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that ensure best value for money, fairness, integrity, transparency and effective international competition.
- The Project Board will review and approve the Annual Work Plans proposed by the PMO.
- Project reviews by this group are made at designated decision points during the life of the project, and whenever requested by the Project Manager.
- The members of the Project Board will be recommended for approval during the LPAC meeting.
- The Project Board will at a minimum include the NPD (and sometimes the national project manager (NPM)), the UNDP Programme Manager, and the CICETE Programme Manager.
- Other stakeholders and experts may participate in the Project Board as appropriate.

- The Project Board will meet every 6 months to review progress and discuss any upcoming issues, and whenever requested by the Project Manager.
- The Project Board will meet as soon as possible after the project document has been signed in order to review and approve the first Annual Work Plan.

Internal Steering Group (ISG)

- The Internal Steering Group, presided by the vice minister of SCOPSR as the head of ISG, is consisting of the national project director (NPD), one director from each department of SCOPSR and the project manager.
- They will steer the overall effectuation of the project, will provide substantial inputs for the different activities, and will monitor all project activities.
- The ISG will discuss the annual detailing of the program with the different departments of SCOPSR, to ensure that this program stays in line with SCOPSR governmental reform program in practice.
- The ISG will see to it that for international study tours and for (international) seminars scientific preparations are made, resulting in reports.
- The ISG evaluates the preparation of the oversea observation to see whether the delegation members gathering all the domestic information, whether clarify the key questions for oversea observation etc. If the ISG members did not satisfy the preparation of the study tour, the ISG hold the right to delay the leaving.
- The ISG monitors the preparation of reports of all activities (study tours, seminars, pilot projects). The reports will i.a. describe the activities, the findings, the conclusions, the suggestions for applicability in China.
- The ISG will evaluate each overseas observation.

Project Management Office (PMO)

- The PMO is responsible for the organizing of each activity guided by the National Project Director (NPD).
- The NPD is responsible for the day-to-day operation of this project. NPD will guide the implementation of each activity, overview all the documents to UNDP and CICETE, and sign on it when necessary.
- As a team PMO support the meeting of ISG. PMO gathers the suggested detail research topics from all departments of SCOPSR for discussion in the ISG meetings in the October of each round of project year, and then organize the meeting with ISG to discuss and agree on the project topics.
- PMO is also responsible for the preparation of all documents to UNDP and CICETE, such as Annual Project Report (APR), Annual Work Plan (AWP) etc.
- The PMO is composed of at least 2 members, one national project manager (NPM) and another one staff.
- The PMO will guide the pilot group for the implementation of project activities.

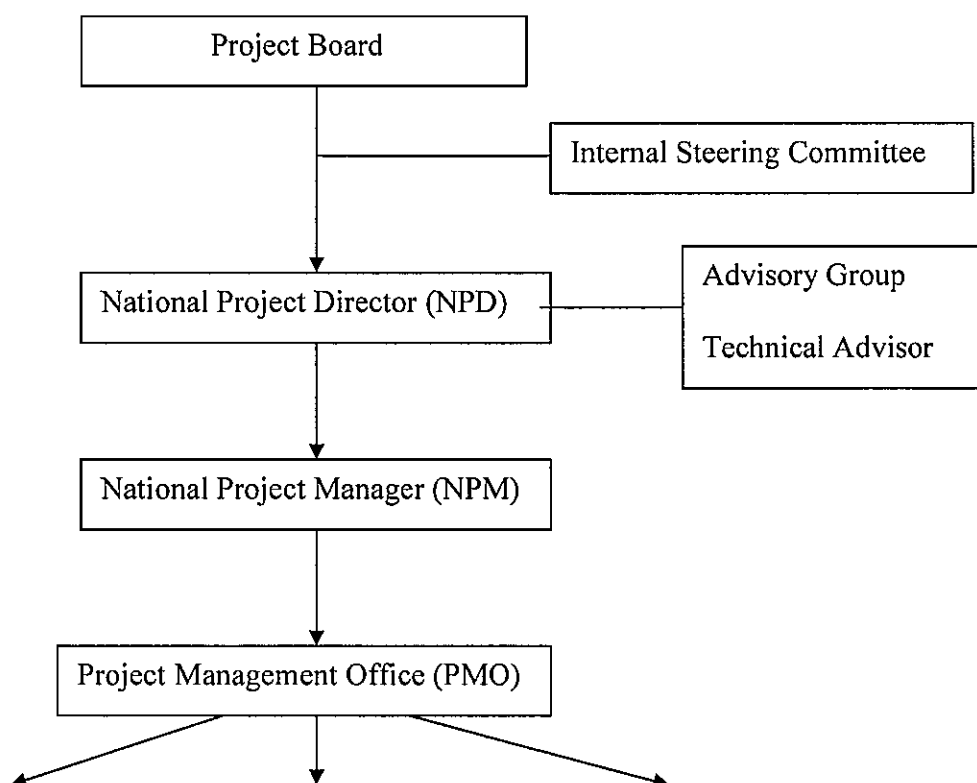
Advisory Group:

The project will establish an Advisory Group consisting of experts and practitioners in the field of public administration, including academics, relevant officials from other ministries, representatives from civil society organisations and professional bodies, research centres, private

enterprise, and any other relevant stakeholders. In recruiting members to the Advisory Group, attention will be paid to balanced gender representation and to diversity in experience and views:

- Advise on the planning of study tours, including identification of countries, organizations, institutions and particular examples to visit in the relevant field;
- Review training plans on an ongoing basis, advise on overseas training opportunities, participate in assessment work, at the centre and pilot sites;
- Advise on design of data collection for the analysis and studies;
- Advice on the planning and implementation of the reform initiatives in the pilot sites;
- Advice on the scope of policy papers for each of the focus areas and feedback on conclusions and recommendations;
- Provide assistance to select experts to lecture on selected topics in the relevant symposium as required and agreed upon with the NPD and PMO, and
- Assist in the preparation of annual reports and the final report at the end of the project.

Technical Advisor: There will be a technical advisor who will serve as the continuity to the project management by periodic visits over the five years in assisting the NPD and PMO in the development and implementation of the project. In addition, project management will contract individual consultants for specialized work as required. The duration of the technical advisor’s assignment will be at maximum of 5 months spreading over the life of the project. He/she should have an outstanding knowledge in public management issues, administrative reform, good governance and gender mainstreaming from a relevant context. The TOR for the TA shall be developed immediately after the approval of the project, and the recruitment will be approved by the Project Board. The TA will be a member of the Advisory Group, and will perform an advisory function similar to that outlined for the Advisory Group, but with an emphasis on international experiences and best practices.



Pilot Group

Pilot Group

Pilot Group

7. MONITORING AND EVALUATION

Monitoring and evaluation (M&E) of the project will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan, as well as the UNDP Country Programme Results Framework. Project monitoring and evaluation will be conducted with focus on outcomes and outputs of interventions, institutional results and partnerships, policy advice and dialogue, advocacy and coordination.

Monitoring progress towards achievement of programme outcomes and outputs will be undertaken at both the level of the overall project, and at all pilot levels. The Executing Agency will submit to UNDP an Annual Project Review, including the Annual Work Plan Monitoring Tool (see tool page 36). The Implementing Agency will submit to the Executing Agency, and copying UNDP, quarterly project reports based on the inputs from the Core Groups and the Pilot Groups. It is imperative that progress reports not only focus on the project itself, but relates achievements, issues, changes and setbacks in light of the overall situation of public sector reform in China as it evolves.

Furthermore, the project will not only focus on the assessment of progress in itself, but also on experiences and lessons learnt to support more informed decision-making and dissemination of project results. The Issues Log and Lessons Learned Logs attached in the Annexes are important tools in this regard.

Monitoring visits will be conducted by UNDP and CICETE an annual basis, or more often if deemed necessary, to assess project progress and results through consultations with relevant stakeholders and beneficiaries.

The final review meeting at the end of the project (2011) will review the final report that will also include a lessons learnt log. It shall be prepared in draft at least two months prior to the meeting.

The project shall be subject to an Outcome Evaluation to be conducted with a cluster of projects that share a common Strategic Results Framework (SRF) outcome. The project itself will also conduct one external mid-term evaluation towards the end of 2009.

The Annual Work Plan (AWP) Monitoring Tool
 CP Component _____
 Implementing Partner _____

Year _____

EXPECTED OUTPUTS AND INDICATORS including annual targets	PLANNED ACTIVITIES <i>List all the activities including monitoring and evaluation activities to be undertaken during the year towards stated CP outputs</i>	C. EXPENDITURES <i>List actual expenditures against activities completed</i>	RESULTS OF ACTIVITIES <i>For each activity, state the results of the activity</i>	PROGRESS TOWARDS ACHIEVING OUTPUTS Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including: <ul style="list-style-type: none"> ▪ <i>Whether risks and assumptions as identified in the CP M&E Framework materialized or whether new risks emerged</i> ▪ <i>Internal factors such as timing of inputs and activities, quality of products and services, coordination and/or other management issues</i>
OUTPUT 1: INDICATOR 1.1 WITH TARGET FOR THE YEAR: INDICATOR 1.2 WITH TARGET FOR THE YEAR: INDICATOR 1.3 WITH TARGET FOR THE YEAR:				
OUTPUT 2: INDICATOR 2.1 WITH TARGET FOR THE YEAR: ETC.				

8. LEGAL FRAMEWORK

This program document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of the People's Republic of China and the United Nations Development Programme signed on June 29, 1979. The host country implementation agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government cooperating agency described in that agreement.

9. ANNEXES

Annex 1: Definitions

Deconcentration means that the government no longer performs a specific task in one place (e.g. the capital), but spreads the production/delivery out to other places in the country. These units in other places still belong to the same government.

Decentralization means the shift of a task to a lower level of government, which receives the full responsibility and authority. The government at that lower level is responsible and accountable to the political leadership at that level.

Decentralization can be divided into *regional decentralization* to lower regional levels (provinces, municipalities, cities, counties, towns, villages), and *functional decentralization*, the allocation of a specific task to a governmental organization with that specific task.

Devolution means the same as decentralization but within a specific organization: the shift of authority and responsibility by the top of the unit to the managers at lower levels of the same unit. The process of devolution may take different forms; *internal autonomization* or integral management whereby the manager will be responsible not only for the programme goals, but also for the resources given, such as personnel, finances, organization, and ICT. The other form is *external autonomization*, which means setting up autonomous *agencies*, which have full responsibility not only for the programme goals, but also for the management of the resources.

Note: the idea of agencies has been applied in many countries which pioneered in modern public management (MPM), such as New Zealand, the UK, the Netherlands, but also in Sweden. In literature on MPM, the concept is also advocated to realize a distinction between policymaking on the one hand and policy implementation on the other hand.¹

Government at arm's length means applying decentralization or devolution.

A collective good is defined as a good (or service)² for which no price can be asked, as exclusion of a consumer is not possible, or because the consumer cannot exclude him or herself.

Note 1: Examples of real collective goods are defense, good government, the rule of law, sea dikes, and light houses.

Note 2: Some collective goods have national status, such as defense, pertaining to all citizens; while other collective goods will pertain to only regional groups of citizens, e.g.

¹ The distinction between policy making and thus decision making on the one hand and implementation on the other hand is closely allied with the economic literature on New Institutional Economics, more specifically the principal agent theory.

² In economics a good is the same as a service.

dikes along a river. This is why it is useful to decentralize such regionally restricted collective goods to lower levels of government.

A market good is a good which benefits only the individual consumer, who can be excluded if they does not wish to pay the price and who for that reason can exclude him or herself. The market sector comprises the (public and private) companies that sell market goods.

Note: A government can decide to influence the consumption of certain market goods by subsidies for equity reasons, or because the the level of consumption of a certain good is too high or too low. If government wishes to stimulate consumption it can subsidize the good, which then becomes a semi-collective good.

A semi-collective good therefore is a market good which is subsidized by government.

Note 1: Government may also wish to reduce the consumption because it is seen as a detrimental good, such as tobacco. Then it will increase the price by imposing taxes.

Note 2: Government may also stimulate or reduce the consumption of good through information or regulation. For instance, government may reduce tobacco consumption by taxing tobacco, but it may also forbid the sale of tobacco to youngsters below a certain age, and run advocacy campaigns about the dangers of smoking.

Note 3: It is also possible that a collective good, which benefits all citizens or regional groups of citizens, is funded from private donations or contributions. This is the fundament for many NGOs who provide services which benefit the general public, thus providing *private collective goods*. Some private organizations provide goods only to members who pay the contribution, in which case the organization is delivering a *club good*. Private non-profit organizations who provide such goods, are not classified as NGOs., but as other non-profit organisations.

The public sector contains the organizations which are established according to public law.

The private sector comprises the organizations established (e.g. stock companies, foundations, associations) or governed (e.g. families, farms) by private law. The market sector comprises the (public and private) companies which sell market goods.

Note 1: Combining the criteria the public sector (mainly all governmental organizations) will normally provide collective goods (defense, disease preventive programmes) and semi-collective goods (education³, different health services, drinking water, public libraries, etc., but may also provide essentially market goods (electricity, chemicals, steel, etc.).

Note 2: A distinction has to be made between the fundamental decision-making, the payment or funding system, the actual production (the making of the good), and the

³ Note that education is not by definition a (semi)collective good. Driving lessons, computer courses, etc., are all provided by market firms at a for profit price.

delivery or provision. Take a dike as an example: the government decides to provide the dike and it will pay for it out of taxes, but the government may hire a private construction firm to actually build the dike.

Note 3: There is also the question of ownership. Public physical goods are normally owned by the government. If a government decides to establish an enterprise, it owns the company; but it depends on the legal status if the enterprise belongs to the private sector or the public sector. An enterprise can provide market goods like steel or chemicals, in which case it belongs to the market sector.

In international practice and literature, the concept of non-governmental organizations, NGOs, is well-known. NGOs are private organizations that provide services to the public with a collective good character; they will be funded from private donations, contributions, sponsoring, and may be wholly or partly funded by government.

The (private) non-profit sector comprises all organizations that deliver services, without the goal to make a profit and which cannot distribute profits to the owners or board members. Thus the non-profit sector comprises both organizations with a collective benefit character and with a membership/club character.

Annex 2: Risk Log

Risk Log

Date of revision:

Award Title:
Award ID:

Project Title: Innovation in China's Public Sector for Strategies for Good Governance

Project ID: 00056242

ID	Description	Category	Impact & Probability	Countermeasures / Management response	Owner	Author	Date Identified	Last Update	Status
01	Change in policy climate favouring efficient service delivery policies and equitable growth	<ul style="list-style-type: none"> ▪ Political 	Very difficult for UNDP to operate meaningfully P = 1 (low probability)	Project will keep well attuned to political changes and ensure appropriate measures taken (suspension or closure) should political changes mean that results become unachievable	Who has been appointed to keep an eye on this risk	Who submitted the risk	When was the risk first identified	When was the status of the risk last checked	e.g. dead, reducing, increasing, no change
02	Change in government's plans to implement wide-ranging	<ul style="list-style-type: none"> ▪ Political 	Difficult for this project to achieve its objectives	Project will keep well attuned to political changes and ensure appropriate measures					

	public sector reforms		P = 1	taken (changing the scope/goals of the project, suspension or closure) should political changes mean that results become unachievable					
03	Additional resources become necessary to achieve goals	<ul style="list-style-type: none"> ▪ Financial ▪ Operational ▪ Strategic 	<p>Certain project activities will not be carried out</p> <p>P = 2</p>	<p>Regular Steering Committee meetings and quarterly reports on financial and operational progress from the Project Manager means and additional need for resources will be brought up in time for extra resource mobilization, or project revision accordingly</p>					
04	Women not well represented in project activities	<ul style="list-style-type: none"> ▪ Political ▪ Strategic ▪ Other 	<p>Project fails to deliver on gender equity and mainstreaming goals</p> <p>P = 3</p>	<p>Provisions for balanced participation has been incorporated into the project activities, for example quotes for women's participation in seminars and on study trips.</p> <p>Progress on gender mainstreaming targets will be reviews at every Project Board meeting.</p>					
05	Project focus	<ul style="list-style-type: none"> ▪ Political 	Project fails to	Project focus areas					

	areas formulated ahead of Party Congress and launch of new administrative reform measures do not correspond to emerging priorities	<ul style="list-style-type: none"> ▪ Strategic 	be relevant P = 1	identified are broad to ensure flexibility in formulating A WPs. SCOPSR will keep Project Board updated on the government's reform initiatives and ensure relevance of all activities.				
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Annex 3: Lessons Learned Log

Lessons Learned Log

Date of revision:

Award Title:

Award ID:

Project Title:

Project ID:

ID	Date logged	Type	Description	Recommendation
01				
02				
03				
04				
05				
06				

Annex 4: Issue Log

Issue Log

Date of revision:

Award Title:

Award ID:

Project Title:

Project ID:

ID	Type	Date Identified	Description and Comments	Status	Status Change Date	Author
01						
02						
03						
04						
05						
06						