

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

**Project Document**

11 July, 2006

**Human Resources Development and Government Capacity Building to  
Achieve Xiaokang/MDG Targets**

Based on the lessons learned from and the evaluation results of the previous project CPR/02/534 for leadership capacity building and improved governance, this new project is designed to contribute to the development of a Xiaokang Society whose visions correspond with the MDGs of the UN through leadership training in selected sectors and specific action programs relevant to the attainment of Xiaokang/MDGs. This project will generate two main outputs: first, balanced social and economic development through leadership training and capacity building, and second, knowledge and experience dissemination and translation of knowledge into policies. The project will contribute directly to the development of China's Xiaokang Society whose visions converge with UN's MDGs characterized by freedom and dignity, the alleviation of poverty, reduction in social and spatial inequality, greatly improved health care systems where infectious diseases are eliminated, a clean and attractive environment, public participation and social harmony.

The project is aimed at more balanced social and economic development through trainings and capacity building in a number of areas, including rural development involving agricultural production, rural redevelopment and the improvement of peasants' livelihood; citizens' security including social and medical securities and emergency relief; land and resource utilization; infrastructure development; and the improvement of social equality through mainstreaming gender and focusing on the socially and physically disadvantaged groups. Leadership training will occupy a central position in these activities as well.

Knowledge and experience gained from the project will be translated into policies and disseminated to a wider audience through various channels, including oral reports to the colleagues of the project participants, written reports with recommendations for action to the superiors of the participants, publications in professional and popular journals, and information posted on the websites of the sponsoring government agencies. Post-project reviews of the results of the project will be conducted periodically to ascertain the long-term effects of the project, and information networks based on the project will be established to ensure sustained impact.

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**UNDAF Outcome:**

Social and economic policies are developed and improved to be more scientifically based and human centered for sustainable and equitable growth.

**Country Program Outcome/Indicators:**

National efforts to lead and manage Xiaokang/MDG implementation supported through a variety of instruments and capacity building initiatives.

**Country Program Output/Indicators:**

Policy- and result-oriented capacity building contributing to more balanced social and economic development and its dissemination to key stakeholders.

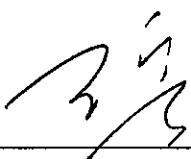
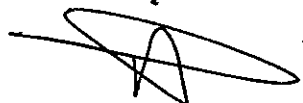
**Government Coordinating & Implementing Agency:**

China International Center for Economic and Technical Exchanges (CICETE)

**Government Cooperating Agencies:**

Government agencies will include National Development and Reform Commission; State Environmental Protection Administration; Ministry of Land and Resources; State Administration of Taxation; Ministry of Civil Affairs; Ministry of Agriculture; Ministry of Finance; Ministry of Labor and Social Security; All China Women's Federation; Ministry of Commerce.

<p><b>Program Period:</b> 2006-2010 <b>Program Component:</b> Achieving MDGs and enhancing capacity <b>Project title:</b> Human Resources Development and Governance Capacity Building to Achieve Xiaokang/MDG Target <b>Duration:</b> 2006-2010 <b>Management arrangements:</b> National Execution</p>	<p>Budget (US\$) 11,200,000</p> <p>Allocated Resources</p> <ul style="list-style-type: none"><li>● Government 9,600,000</li><li>● UNDP TRAC 1,600,000</li></ul> <p>Government in kind</p>
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Agreed by:	Signature	Date	Name and Title
CICETE: Government Coordinating and Implementing Agency		8/8.2006	
UNDP:		10/10/06	

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## Part 1. Situation Analysis

China's post-1978 policies of opening to the outside world and institutional reforms aiming at the transformation of its former command economy to one based on the market have resulted in a dramatic economic and social transformation that has brought enormous improvements in the well-being of China's population and fundamentally altered the nation's urban and rural landscapes.

However, there is a strong need for the society to become more widely well-to-do and more harmonious with civility, to reduce social, economic and regional inequalities and environmental problems, to provide social, medical and other citizens' securities, and to increase the effectiveness of governance through more institutional reforms and capacity building on the part of decision-makers at all levels of China's administrative system. While the importance of the roles of citizens in managing national and local affairs through direct public participation, NGOs or public-private partnerships is now recognized, the idea needs to be translated into more practical action programs to produce the desired results in various areas.

### 1.1 National Policies to Build Xiaokang Society

To achieve these and other goals and to guide China's future development, the Chinese government has outlined a three-step national strategy for modernization by the year 2050. At the 16<sup>th</sup> National Congress of the Communist Party of China (CPC) held in November 2002, the first phase of the third step was defined as building a Xiaokang Society by 2020 which is economically relatively well-to-do in an all-round way with GDP quadrupling that of 2000, geographically widely found and more evenly distributed, socially more balanced, equitable, harmonious and citizen-centered with people's empowerment, and environmentally healthier and more attractive.

In October 2003, at the 3<sup>rd</sup> Plenary Session of the 16<sup>th</sup> Party Central Committee of the CPC, the vision for building the Xiaokang Society was further spelt out that emphasized sustainable development of socioeconomic conditions. It called for balanced development in five areas (known as "five balances"): between urban and rural areas, among different regions, between economic growth and social progress, between man and nature, and between domestic development and opening up to the outside world.

In March 2004, at the second meeting of the 10<sup>th</sup> National People's Congress, Wen Jiabao, China's Premier, further called for the adoption of a "new development concept" incorporating more reforms and innovations, emphasizing the vision again of "five balances," and putting people's interests first. In the "Outline of the 11<sup>th</sup> Five-Year Plan for the Development of the National Economy and Society" adopted on March 14, 2006 by the 4<sup>th</sup> Session of the 10<sup>th</sup> National People's Congress, the Five-Year period (2006-2010) is considered a "critical period" to realize the goal of building a Xiaokang Society, a mandate stated in Chapter 1 of the Outline.<sup>1</sup> During this period, problems of rural development in terms of agriculture (nongye), peasants' well-being (nongmin) and countryside construction (nongcun) (the three areas are collectively known as "sannong"), excessive energy consumption, worsening environmental

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<sup>1</sup> "Zhonghua renmin gongheguo guomin jingji he shehui fazhan de shiyige wunian guihua gangyao (Outline of the 11<sup>th</sup> five-year plan for the development of the national economy and society of the People's Republic of China). Beijing: People's Press, 2006.

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problems, and imbalance between urban and urban areas, regional disparity and increasing income gaps are ear-marked for improvement. The Outline also calls for the improvement in people's livelihood and security in terms medical and social services and citizens' safety as well as the deepening of institutional reforms, especially in the areas of social development towards a more equitable and harmonious society, as well as for the improvement in the systems of transportation, education, finance and taxation.

## **1.2 United Nations Millennium Development Goals**

The visions of China's Xiaokang Society in many respects converge remarkably well with those of the Millennium Declaration adopted by the Heads of State and Governments from 189-member countries at the United Nation's Summit held in September 2000. Basic to the Declaration are the values of freedom and dignity, economic and gender equality, social equity and justice, tolerance, respect for nature, shared responsibility, poverty elimination, and accelerated human development. These values were subsequently transformed into the Millennium Development Goals (MDGs). To assist China to achieve the visions of Xiaokang and MDGs, UNDP has been providing support to the country, particularly through projects for capacity building and institutional reforms at all levels.

## **Part 2. National Development Strategies and the Role of UNDP**

### **2.1. China's Xiaokang Visions**

Although the notion of Xiaokang has been in existence in China since antiquity and it has been invoked periodically by political leaders and scholars, until recently it was invoked largely as an idea and social ideal, and the government is making plans to achieve Xiaokang. Thus the current drive towards Xiaokang is the first genuine effort by the Chinese leadership to give the idea and ideal a tangible form with substance marked by measurable improvement in social and economic conditions in urban and rural places and across regions. It is remarkable that the Xiaokang idea resurfaced to prominence in China at approximately the same period of time as the United Nations was guiding the development of the MDGs whose visions are consistent with those of the Xiaokang Society.

It needs to be emphasized that UNDP has been making efforts in supporting the current phase of China's intensive drive towards the development of the Xiaokang Society. Conceptually, the MDGs emphasize not only material progress in terms of poverty alleviation, increased productivity and improved living conditions in the less developed world but also social and spatial equity, justice and assistance to the groups that are socially and institutionally marginalized, disadvantaged and vulnerable, including women, children, physically and mentally handicapped, the homeless, ethnic minorities and migrants.

Operationally UNDP has provided critical funding to kick off development projects relevant to the realization of the Xiaokang goals. These inputs and the rich experience of UNDP in assisting developing countries to upgrade their social and economic conditions constitute a major factor for the wide reception of its Xiaokang-related programs in China. Needless to say, the reputation of UNDP has raised the level of prestige for the programs it has supported in China. UNDP's sustained involvement in the Xiaokang initiative is needed to facilitate the design and implementation of various Xiaokang projects that will be developed in the near future.

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## 2.2 UNDP/Xiaokang Programming

UNDP and China have worked together on a number of Xiaokang-related projects, which can be grouped into the following three categories:

1. Defining goals, setting standards and advocating for the Xiaokang initiative:

CPR 04/603: Supporting the all-round Xiaokang Society.

2. Capacity building for the development of Xiaokang Society:

CPR04/609: Advanced Leadership Development Project on the Xiao Kang Society.

CPR02/534: Human Resources Development for Governance and Institutional Reform.

CPR98/002: Human Resources Development and Capacity Building Program for the Promotion of Market Economy.

CPR04/518: Capacity Building to Support Pro-poor Fiscal Reform in China.

## 2.3 Lateral Relationship of the Project

One of the on-going UNDP flagship projects is CPR/04/609/A/01/99: Advanced Leadership Development Project on the Xiaokang Society, which aims to enhance senior leaders' understanding of the concepts and goals of this new paradigm of development. The project addresses issues related to the "five balances" and provides training to enhance senior leaders' capacity for leading, managing and implementing policies in their institutions and areas of responsibility to ensure rapid progress towards establishing a Xiaokang society in an all-round way and to achieve a level of development similar to that of MDGs. The project was designed to train some 900 senior leaders at the ministerial and governor level in 3 years.

However, competent middle-level and grassroots leaders are also essential to successful policy implementation and institutional reforms. Situated between the top decision-makers at the national level and the masses below and implementing national policies while making local policies and rules at the same time, their knowledge of the Xiaokang Society and capacity for leadership and institutional reform will greatly affect the outcome of all efforts relevant to the development of the Xiaokang Society. Their strong leadership has been essential for the success of much of China's economic growth. These leaders are best able to reflect the needs of the people and to suggest ways to bring about improvements towards achieving Xiaokang status and MDGs. The ongoing project CPR/02/534: Human Resources Development for Capacity Building and Institutional Reform, which will conclude at the end of 2006, has provided strong support to leadership training and other capacity development activities to some 2,700 mid-level leaders at the middle and local levels of the government in some sectors, but as China is such a large country, there is a need for the training of more leaders at the middle and grassroots levels.

Complementary to the Advanced Leadership Development Project, consistent with the MDGs

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and building on on-going UNDP assistance, the new project proposed here will broaden as well deepen capacity building for effective governance and institutional reform in selected sectors for some 3,000 additional mid-level leaders at the national and local levels. This capacity building component of the project, together with the dissemination of experiences/lessons learned, which is strengthened in the new project, will serve as an integral part of the capacity building program package developed by UNDP and China that will play a highly important role for China to attain the goals envisioned by the Millennium Declaration and China's Xiaokang Society. They are complementarily supporting a magnificently designed social engineering structure.

## **Part 3. Project Strategy**

### **3.1 Overall Project Objectives**

As indicated above, this project takes a two-prong approach to the attainment of MDG/Xiaokang goals: through leadership capacity building for more effective governance and institutional reforms and through the dissemination of experiences/lessons learned that are relevant to the MDG/Xiaokang visions. Success in dealing with poverty, inequity and vulnerability depends critically on further improvement in governance and on broadening and deepening institutional reforms. Exposure to international experience and the systems of administration and operation in advanced countries and large emerging developing economies can help reduce transaction costs of China's reform efforts.

Building on the project CPR/02/534 which has successfully provided training to many leaders and taking into consideration the recommendations of that project's evaluation report, this project will continue to provide opportunities for short-term overseas intensive training for policy-makers and managers at the middle level in selected national as well as sub-national government agencies during the project period from 2006 to 2010. This will enable their sponsoring institutions to critically examine and adjust their policies and action programs against the options, alternatives and new knowledge learned from the advanced countries visited. The training aims to broaden the participants' strategic visions and to better prepare them for managing the process of evolving institutional reforms, e.g. in adopting advanced experiences and techniques for organizational change, resource prioritization, and revision of rules and regulations, all relevant to the attainment of the goals of MDG/Xiaokang Society. The training activities will take various forms including lectures, institutional visits and discussion with concerned foreign authorities.

Expected results will be the formation of new strategic visions on the part of project participants relevant to the goals of the MDG/Xiaokang initiative, an increase in their professional knowledge, and wide dissemination of the knowledge and experience that will have been learned. The direct beneficiaries will be some 3,000 leaders at the middle and grassroots levels in selected sectors and regions, most of them being bureau chiefs, magistrates and deputy magistrates of counties and county-level cities.

The second component of the project will be the dissemination of experiences/lessons learned that are germane to the realization of the visions of MDG/Xiaokang Society. These programs fall into five broad thematic groups of programs involving cross-sectoral participation of different agencies and their leaders, as detailed below.

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The beneficiary institutions will pay the bulk of the training cost in the project, with UNDP resources being used mainly for overseas tuition costs. The cost-sharing ratio between UNDP and China will be similar to or better than that of other UNDP projects, with the bulk of the total budget coming from China.

Although post-training dissemination of information has been conducted in a fairly systematic manner and a great deal of information is now posted on the Internet for internal as well as public consumption, there is a need to find out what are the long-term effects of the project. In the new project, such activities as post-training reviews will be designed, which are to be performed by sectors involving the trainees of some group a year or so after they have returned home. Trainees in the same sector may gather again to exchange views on the progress they have been able to make and the problems encountered in their respective work places.

As suggested in the evaluation report of its predecessor, this project may exert some efforts trying to send some groups to such newly emerging industrial countries as Brazil, Argentina, Mexico, South Africa, South Korea and Singapore where economic growth has been rapid and the population density is high and where some of the conditions or development problems are similar to those of China.

## **3.2. Implementation Strategies for Key Components**

### **3.2.1 Key component 1: The construction of “New Countryside” (Xin Nong Cun)**

As envisioned in the “Outline of the 11<sup>th</sup> Five-Year Plan for the Development of the National Economy and Society in the People’s Republic of China” adopted by the National People’s Congress on March 14, 2006, the construction of “New Countryside” (xin nongcun) is an important and integral part of China’s drive toward a Xiaokang Society which will also facilitate rural China to meet the goals of the Millennium Declaration. The “New Countryside” framework is a broadly conceived and multi-faceted strategic vision that demands significantly improvement in three key areas of the rural development (sannong): agricultural production (nongye), peasants’ livelihood (nongmin) and rural development (nongcun). This vision of the New Countryside is to be achieved through economic, social and cultural constructions that go far beyond merely building bridges and roads and providing basic services such as electricity, water and waste disposal, although these are highly important. What the new paradigm entails is the provision of all basic public goods and services to meet the needs of the rural residents.

It is significant that the New Countryside framework is people-centered, emphasizing the elevation of the overall quality (suzhi) of the people and a measurable improvement of their living environment. The new paradigm also demands the upgrading of rural education, health care system, housing, and significant enhancement in the productive capacity of agriculture, especially in the production of livestock and cash crops. It also requires an increase in peasant income through better farm inputs, employment shift to rural non-farm jobs, more farm subsidies and better farm prices.

Socially and politically, it calls for changes in rural governance moving towards citizens’ participation in democratic self-rule and for the creation of new social environment in which the needs of women, children, the old and the disadvantaged are met in an equitable fashion.

Mid-level national and local leaders whose work is germane to the development of the “New Countryside” will be trained to enhance their governance capacity. A few experimental or prototype New Countryside may be established to gain experience in the construction of New



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Countryside on a larger scale. Such experimental New Countryside should be located in different regions where conditions differ. In border and interior regions where the level of economic development has lagged behind, experimental New Countryside should focus on the provision of basic facilities and services, including roads, water, electricity, gas (or methane) or other alternative sources of fuel and a cooperative medical service system, and where peasants' minimum standard of living is guaranteed. In more developed areas, different economic, social and political programs should be attempted.

Critical to the success of the New Countryside paradigm are civil society collaboration and PPP (public private partnership), with the role of the former limited to guidance and short-term subsidy. Eventually, the New Countryside should be self-sustained and self-ruled through public participation. The valuable experience of South Korea in launching a large-scale "New Countryside Movement" in the early 1970s should be looked at.

### **3.2.2 Key component 2: Improvement in citizens' security**

One important feature of the Xiaokang Society is the development and implementation of people-centered and humanized social programs that would safeguard the livelihood of the country's citizens. Among the problem areas that this project is contemplating of addressing are:

- 1) Social security, medical insurance and other social services that would provide sufficient protection and assistance to both the urban and rural population. Different ways of structuring such social systems by public and private agencies and through public-private partnerships will be explored by the project's participants during training. When conditions warrant, experimental programs may be established to gain experience in selected locations in instituting such programs on a larger scale at a later time.
- 2) Systems of emergency rescue and relief after catastrophic disasters, both natural and man-made, have suddenly struck. Recent natural disasters such as the Indian Ocean tsunami and hurricane Katrina in the United States and man-made disasters such as earlier nuclear radiation leaks in Russia, Tangshan earthquake of 1976, 911 terrorist attack in New York, and the more recent serious chemical spills in the Sungari (Songhua) River in Northeast China serve as painful reminders for well-planned and effectively executed systems for emergency rescue and relief. In this area of training, leaders at both the national and local levels need to learn from the experiences of other countries. One indispensable component of this area is citizens' awareness and knowledge of potential disasters and their participation in the rescue and relief efforts. Again, experimental programs in each of the areas mentioned above may be introduced and implemented in selected locations to test the validity of new ideas in China's context.

### **3.2.3 Key component 3: Improved environment and more efficient utilization of land and other resources**

One important condition for the Xiaokang Society is a clean, safe and aesthetically attractive environment for people to live in. Whereas much progress has already been made in environmental protection, the problem of pollution remains serious, especially in rural areas. There is no shortage of environmental laws, but their enforcement is ineffective. Penalties are never heavy enough to deter violators who would rather pay a fine than complying with the laws because "the cost of violating the law is lower than the cost of obeying the law," a saying

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widely known in China. This sort of mentality results in the reluctance to install equipment to reduce pollution on the part of factories. Another problem is that to close down polluting factories as a form of penalty would cause problems of unemployment and loss of income for the places where the factories are located. More importantly, GDP remains the dominant criterion used by the government to gauge the performance of officials. Thus far the career future of the officials depends heavily on the increase of GDP, not the reduction of pollution although most recently this has also been added as a criterion for judging officials' performance. These and many other issues of environmental protection require more attention.

The entire issue of environmental education has never been given the level of attention it deserves, resulting in poor environmental knowledge, weak level of environmental consciousness, wrong environmental attitudes and bad behaviors on the part of leaders, citizens and enterprises. Meanwhile, after the recent review of China's progress in achieving MDG goals, the environmental problem came into the spotlight as well as several other issues such as HIV/AIDS and gender inequality, all of which are lagged far behind the set targets and progress. There is an urgent need to enhance environmental education at all levels of the educational system and at the society level. The mass media should be encouraged to play an active role to raise the level of environmental consciousness of the public and to urge citizens to participate in local environmental activities. The established pattern of the nation's environmental behavior has been destruction first, protection later; pollution first, cleaning up later; wasteful use of resources first, economize their use later; deforestation first, reforestation later. In each of these binary opposites, the latter is always much more costly and less efficient than the former.

More efficient use of natural resources has not been given the level of attention it deserves either. For example, recycling used household water for other purpose is rarely attempted by cities as this would cut down on the income from selling water for the cities. The use of water for irrigation is also wasteful, and city water is typically too cheap to encourage users to be concerned about its use. There is a whole range of other environmental and resource issues awaiting tackling at the national and local scales. This includes economic and rational use of forests and rangeland and the prevention of soil pollution that is extremely difficult and costly to clean up.

Land use is another major area of concern that needs close monitoring and policy input to regulate its illegal conversion or transfer. Illegal conversion of farmland for urban use in urban fringe areas needs institutional reform and policy intervention to stop it. In rural areas, land fragmentation and shortage have long affected rural economic production, and there is a need to better manage rural land readjustment and exchange, and to identify issues and find solutions to the problems of land tenure and property rights.

#### **3.2.4 Key component 4: Improvement in social service facility/infrastructure and financial system.**

In a Xiaokang Society, essential service infrastructure and a sound finance must be present. This group can include a fairly long list of sectors associated with social service facility development and finance issues, but this project will emphasize the roles of education, sanitation, transportation, communication, taxation and banking service. Capacity building and the implementation of action programs, on an experimental basis at least, are needed for these sectors to make significant contributions to the development of a Xiaokang Society and the realization of MDGs. Among the issues that merit the attention of leaders are rural education, especially in poor areas, education for migrants' children in the cities, vocational education at

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the town and village levels, environmental education, better communication through the Internet in rural places, and better management of the rising number of automobiles in the cities. To provide efficient social service, a sound financial system, including taxation, banking, financial transfer payment system, etc., is indispensable and plays a vital role in ensuring the quality of social service supply. Specific programs in some of these areas as well as other areas will be developed in consultation with proper authorities.

### **3.2.5 Key component 5: Improvement in social conditions through increased social equality for women, children and the socially and physically disadvantaged, marginalized and vulnerable groups**

Social harmony, living with dignity, the elimination of poverty, and equal access to resources and employment and other opportunities are the basic characteristics of a Xiaokang Society. As showed in the recent MDG reviews, China is not in an optimistic situation in pursuing the benefits of various disadvantaged groups. Serious efforts must be made to mainstream gender and to address the needs of the disadvantaged, marginalized and vulnerable groups. Equal employment opportunity for women is a basic requirement, and better education for children with learning disabilities and difficulties is also needed. The general public needs to be educated on the rights of the socially and physically disadvantaged and about the values of compassion and civility in a Xiaokang Society. Also very important is a substantial increase in the benefits for the veterans of wars and demobilized soldiers and for the families of those who have lost their lives for the country, including their educational needs and employment training. The levels of support given to these areas of social concern, both public and private, have been grossly inadequate. People tend to forget that the weak and the handicapped are also full citizens of the nation with equal citizens' rights. The extra cost that might be incurred in providing them with equal accessibility to resources, public goods and opportunities should be seen as normal, to be included in the general budget of a state agency.

Activities to be involved in the above thematic program groups will be determined and specified in greater detail in consultation with government agencies whose work is directly relevant to the areas of concern mentioned above. An improvement in the social conditions of a place would be a significant achievement in its efforts to achieve Xiaokang status and MDGs.

## **3.3 Expected Outcome, Outputs and Indicative Activities**

*Expected outcome:* A number of mid-level leaders trained, new knowledge and perspectives gained, and new policies and action programs formulated and implemented can be expected to lead to the improvement of the economic and social conditions of various places, which will facilitate the attainment of Xiaokang/MDG targets in such places.

*3.3.1. Output One: Enhanced leadership capacity and quality in various sectors to facilitate the attainment of Xiaokang status.*

### **Indicators:**

1. Some 3,000 mid-level Government leaders in various sectors will be trained. They will acquire new perspectives of management and new knowledge of social and economic development relevant to the realization of the Xiaokang Society. These officials will come mostly from sub-provincial government agencies but some of them will come from mid-level offices of the central government.

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2. More specifically, approximately 120 training groups will be established for the project period from 2006 to 2010. This will be broken down into about 30 groups each year, each group containing approximately 25 trainees. The total number of groups will not vary greatly, but the ratio allocated to different aspects/sectors/regions may fluctuate according to practical needs identified by various sectors and/or regions.

As to the training theme, please refer to the above five key components.

Indicative activities:

- Consideration of sector training demand
- Identification & screening of trainees
- Identification of overseas training providers
- Articulation of group training needs & expectations
- Detailed design of training program content
- Pre-training group orientation sessions
- Logistical support for training group travel
- Drafting of individual and group training reports

**3.3.2 Output Two:** *The dissemination of knowledge learned and experiences gained from the project and translation knowledge into policies.*

**Indicators:** Aside from the 3,000 project participants who will benefit directly from the project, thousands more people will benefit indirectly from the project through the dissemination of knowledge learned and experiences gained by the participants from the project.

1. New and/or revised policies, regulations and laws will be produced as a consequence of the project that will help facilitate the governance and management of various social and economic development programs at the grassroots level.
2. Post-training follow-up seminars held annually or bi-annually for project participants to exchange experiences on the application of knowledge learned from the project.
3. A number of action programs in various sectors will be established to demonstrate new ways of social and economic development leading to the Xiaokang Society.

Indicative activities:

Project result reviews to record follow-up activities and collect dissemination fruits through the following ways:

- Written reports on the new knowledge and perspectives gained and experiences acquired by project participants will be submitted to their superiors, together with recommendations for new and revised policies and action programs in their respective areas of work.
- Oral reports and seminars on the knowledge and experiences gained will be given to the colleagues of the participants in their respective work units.
- Selected written reports and papers will be published in professional and internal journals to reach a wider audience.

- Selected books, pamphlets and technical reports obtained abroad that are relevant to leadership capacity building, institutional reforms, technical improvement and beneficial to the attainment of the Xiaokang/MDG targets will be translated into Chinese for wider dissemination.
- Post-project follow-up seminars held annually or bi-annually for project participants to exchange experiences on the application of knowledge learned from the project.
- Formulated national/sub-national/local policies, laws, regulations and action programs related directly or indirectly to the training program.

## **Part 4 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 Implementing Partner 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 Implementing Partner on the use of resources. CICETE as the Implementing Partner is responsible and accountable for managing the project, achieving the project outputs, and for the effective use of UNDP resources. The reference to "Implementing Partner(s)" shall mean "Executing Agency (ies)" as used in the SBAA. A National Programme Management Office (PMO) will be located in CICETE to coordinate all project activities and look after the day-to-day implementation of the project. CICETE will designate a senior official to act as National Project Director (NPD) to oversee the management and implementation. A National Project Manager (NPM) will be assigned full-time to the project and will administer the PMO.

The following cooperating agencies have been identified:

State Development and Reform Commission;  
 State Environmental Protection Administration;  
 Ministry of Land and Resources;  
 State Administration of Taxation;  
 Ministry of Civil Affairs;  
 Ministry of Agriculture;  
 Ministry of Finance;  
 Ministry of Labor and Social Security;  
 All China Women's Federation;  
 Ministry of Commerce

Business sector cooperation agencies, such as key chambers of commerce and business associations, will also be identified to enhance public-private partnership building.

Within each of the sectoral cooperating agencies, there are competent departments for management of training and development of human resources. The main functions of these departments can be summarized as follows:

- Studying the needs for human resources in their respective areas;
- Drawing up guidelines for human resource development;

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- Organizing comparative studies on Chinese and foreign economic systems;
  - Designing, administering and monitoring personnel training programs;
  - Providing consultation on human resource development;
  - Coordinating international cooperation and exchanges;
  - Selecting candidates for training from various areas and levels;
  - Disseminating training results and collecting post-training fruits (e.g. reports, seminars, workshops).

Training programs combine a series of in-country and overseas training sessions that mix lectures, field visits and group discussions. The typical overseas tour lasts 3 weeks. The organization and follow-up to training will be guided by the participants' sponsoring organizations' needs in respect of reforms in the areas of organizational change; resource allocation priorities; and revision of rules and regulations.

Additional sectors and ministries, with needs that are commensurate with the training program scope and objectives, and which have the requisite funds to take part in the training, may later be added. High-level sector experts will be consulted on additional practicable, effective and valuable experiences that should be learned. Expansion to additional sectors will be fully funded through government cost-sharing.

CICETE maintains extensive cooperative relationships with these functional departments in the sectors, and will hold coordination meetings with each sector, e.g. to discuss the training plan at the beginning of each year and review the project implementation and output at the end of each year. CICETE will also undertake liaison with the overseas training institutions chosen among those annually reviewed and recommended by the Department of International Training, State Administration of Foreign Expert Affairs (DIT/SAFEA).

The training component of the project will take various forms including lectures, institutional visits and discussion with relevant foreign authorities. Project organization and execution will follow the following general sequence of activities and arrangements which has been well established through years of practice:

a) **Consideration of sectoral training demand:** CICETE will identify the sectors that: i) have a training need corresponding with the scope of this project, and ii) have the necessary resources to cover the costs of their trainees in this project. In addition to the sectors identified above, other sectors may be added later in consultation with appropriate authorities.

b) **Identification and screening of trainees:** Trainees will be selected at the recommendation of the coordinating sector units, in accordance with the criteria jointly established with CICETE. Trainees with similar interests and needs will be grouped to maximize the use of training time and the achievement of results. Trainees from different professional backgrounds are also welcome to form a general survey group or join a more specialized group if their expertise warrants.

c) **Identification of overseas training providers:** Overseas training institutions will be identified by CICETE in consultation with DIT/SAFEA and the sector units. Selection will be based on comparing their expertise, facilities and costs with the Chinese sector training needs. A training provider's performance in previous training programs will be used to gauge its suitability in this project, but new providers may also be included in the project.

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d) ***Articulation of group training needs and expectations:*** In-country seminars will be held to further identify and specify the objectives and needs of the respective sector training groups. The mandates of leadership capacity building and institutional reform to attain the goals of the Xiaokang Society described above will provide a broad conceptual framework. Individual trainees may also voice their interests and institutional needs if the suggested questions are relevant to potential reforms in their work environment. At this stage, high-level sector experts from an advisory board will be consulted to identify the areas that should be included in the training curriculum. Specialists and advisors will be consulted more often than before for project conceptualization and implementation.

e) ***Detailed design of training program content:*** Based on group training needs identified, CICETE will negotiate with qualified overseas training institutions to finalize the scope of training which will include a mixture of lectures, institutional field visits, group discussions and a cultural program.

f) ***Pre-training group orientation sessions:*** Prior to departure for the overseas training component, participants are provided with a briefing on the cultural aspects of overseas training, in order to avoid the problems that sometimes affect first-time travelers. Key aspects and themes of training programmes will also be introduced to participants in order for them to better prepare for questions and sharpen their learning focuses.

g) ***Logistical support for training group travel:*** Trainees will travel to overseas training sites in small groups, typically consisting of about 25-30 trainees and lasting for 3 weeks. CICETE provides logistical support before and during travel, with each group accompanied by a CICETE staff member.

h) ***Drafting of individual and group training reports:*** Upon completion of the overseas training, individual and group reports are prepared for submission to proper authorities. These will again be guided by the mandates of leadership capacity building and institutional reform, and will be disseminated to CICETE, sector coordination units and workplace managers of respective participants.

i) ***Dissemination of lessons learned:*** The trainees, upon their return to China and to their respective organizations, will hold formal debriefing sessions and informal workshops to expose their colleagues to the new ideas, concepts, vision, and knowledge they will have acquired from their training. An average of 30 colleagues are expected to benefit from each of this dissemination mechanism. Also, some trainees will draft and publish articles in professional journals and newsletters and put pertinent information on the websites of the coordinating institutions.

CICETE will prepare annual plans of training activities. It is also the responsibility of the CICETE to keep UNDP informed of other developments relevant to the project. CICETE will also prepare annual project report and send to UNDP Office.

The project will also be included in related thematic review or outcome evaluation pertaining to overall UNDP assistance in the governance, reform and human resources areas.

In between, review meetings will be convened to monitor the implementation and solve

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problems that may occur.

## **Part 5 Monitoring and Evaluation**

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

With inputs from the project participants, the sector cooperation agencies will prepare an annual report summarizing follow-up activities and institutional reform outcomes achieved subsequent to the training undertaken. These will, in turn, be compiled and summarized into an Annual Project Report, which will form the basis for a review of overall project results, achievements and constraints.

The project will be critically reviewed by a qualified international expert or a group of experts from international and domestic agencies at mid-term or towards the end of the project. An evaluation report will be prepared in which the design, execution and outcome of the project, both positive and negative, will be pointed out. A list of recommendations for the improvement of future projects is also expected.

The outcome of the project will be monitored through periodic post-training seminars and other forms of gathering for project participants after the project has been concluded for more than a year. This will allow the results of new policies and action programs initiated to surface. At such seminars and gatherings, project participants will report on the progress they will have made in their work places in terms of policies initiated, action programs planned or implemented, and difficulties encountered in initiating new programs or revising existing ones.

## **Part 6 Legal Context**

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of the People's Republic of China and the United Nations Development Programme, signed by the parties on 29 June 1979. The reference to "Implementing Partner(s)" shall mean "Executing Agency (ies)" as used in the SBAA.

## **Part 7 Budget**

The duration of the project is 4 years, running from 2006 to 2010. The total budget for the Project is US\$ 11.2 million, including US\$ 1.6 million from UNDP TRAC funding and US\$ 9.6 million as government cost sharing. The project will seek further sources of funding on an on-going basis to extend project activities.

The schedule of payment of Government cost-sharing will follow the arrangement as indicated below.

Time line	Amount to be paid
2006	USD 200,000



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2007	USD 2,400,000
2008	USD 2,400,000
2009	USD 2,400,000
2010	USD 2,200,000

Detailed budgeting for project activities are in Part 8 - Project results and resources framework.

### **Part 8 Risks and mitigation**

Unexpected natural disasters or man-made crisis taking place domestically or internationally, or sudden change of international relations, might result in delay or cancellation of some training programmes. The programme aims at benefiting from knowledge and experiences of a variety of countries, in developed and developing world, which to some extent can mitigate such risks.

Unforeseeable change of budget policy for overseas training by some sectors of government might result in delayed or reduced cost-sharing payment from the Government, which is mitigated through wide participation of government sectors, various regions, and selected business partners.

## Part 9 Results and Resources Framework

### **UNDAF Outcome**

Social and economic policies and human resources are developed and improved to be more scientifically based and human centered for sustainable and equitable growth.

### **Outcome Indicator as stated in the Country Program Results and Resources Framework:**

National efforts to lead and manage Xiaokang/MDG implementation supported through a variety of instruments and capacity building initiatives.

### **Country Program Action Plan Output/Indicators:**

Human resources development and government capacity building to achieve Xiaokang/MDG targets, with output centered on the improvement of leadership quality and dissemination of new knowledge and experience gained from the project to a broad spectrum of stakeholders involved in the development of Xiaokang Society.

### **Partnership Strategy:**

A policy dialogue mechanism will be built in the project among the government agencies including State Development and Reform Commission; State Environmental Protection Administration; Ministry of Land and Resources; State Administration of Taxation; Ministry of Civil Affairs; Ministry of Agriculture; Ministry of Finance; Ministry of Labor and Social Security; All China Women's Federation; China International Center for Economic and Technical Exchange (CICETE) of the Ministry of Commerce and UNDP.

Through the UN Resident Coordinator and the UNDP, the project intends to actively develop linkages with the work of other international agencies in related fields, and particularly with on-going public administration and capacity building projects. The project will establish close relationships with international academia and training institutions, notably in countries where known and successful examples of good practices exist.

**Project Title:** Human Resources Development and Government Capacity Building to Achieve Xiaokang/MDG Targets.

**Expected Outputs:**

**Output One: Enhanced leadership capacity and quality in various sectors.**

**Indicators:** Some 3,000 mid-level Government leaders in various sectors will be trained. Approximately 120 training groups will be established for the project period from 2006 to 2010. This will be broken down into about 30 groups each year, each group containing approximately 25 trainees.

**Output Two: The dissemination of knowledge learned and experiences gained from the project and translation knowledge into policies.**

**Indicators:** *Written and oral reports of knowledge and experience gained by project participants will be disseminated widely, including reports to participants' superiors and colleagues, papers published in journals, putting information on Internet, and post-training seminars by participants to share their experiences of applying new knowledge gained and exchange views on new problems. Such outputs will benefit thousands of people in a wide spectrum of sectors and local places.*

Intended outputs	Output Targets 2006-2010	Indicative Activities	Inputs US\$
<p><b>Output One:</b></p> <p>Enhanced leadership capacity and quality in various sectors to facilitate the attainment of Xiaokang status.</p> <p>Training themes:</p> <ul style="list-style-type: none"> <li>✓ New options for rural development at the national, provincial, county/city, and village levels aiming at the development of "New Countryside."</li> <li>✓ New ways to improve the securities of citizens as demanded by the Xiaokang Society.</li> </ul>	<p><u>September 2006-December 2010</u></p> <ul style="list-style-type: none"> <li>✓ Consultation with relevant state agencies, potential participatory work units and academic institutions to determine the number of trainees and groups to be trained and to map out specific training curricula with detailed timetables.</li> </ul>	<p>1.1.1 Mid-level leaders trained abroad:</p> <ul style="list-style-type: none"> <li>✓ Consideration of sector training demand</li> <li>✓ Identification &amp; screening of trainees</li> <li>✓ Identification of overseas training providers</li> <li>✓ Articulation of group training needs &amp; expectations</li> <li>✓ Detailed design of training program content</li> <li>✓ Pre-training group orientation sessions</li> <li>✓ Logistical support for training group travel</li> <li>✓ Drafting of individual and group training reports</li> </ul>	<p>2006: \$600,000 (TRAC; \$400,000; Gov't C/S: \$200,000)</p> <p>2007-2009: 2,750,000 per year (TRAC: \$350,000; Gov't C/S: \$2,400,000 per year)</p> <p>2010: 2,150,000</p>

Intended outputs	Output Targets 2006-2010	Indicative Activities	Inputs US\$
<ul style="list-style-type: none"> <li>✓ Initiatives at different administrative levels for the improvement of environment as demanded by the Xiaokang Society</li> <li>✓ More efficient use of land and other resources.</li> <li>✓ Infrastructure improvement in selected places for as demanded by the Xiaokang Society.</li> <li>✓ To bring about more social equality for women, children and the disadvantaged. Output will be geared toward the mainstreaming of gender, the marginalized and the disadvantaged.</li> </ul>	<ul style="list-style-type: none"> <li>✓ A specific total number of trainees organized into groups are trained: 750 trainees, 30 groups per year; 3000 trainees, 120 groups in all.</li> </ul>		(Gov't C/S)
<p><b>Output Two:</b></p> <p><b>Dissemination of knowledge learned and experiences gained from the project.</b></p>	<p><u>January 2007-December 2010</u></p> <ul style="list-style-type: none"> <li>✓ Formulated national/sub-national/local policies, laws, regulations and action programs related directly or indirectly to the training program.</li> <li>✓ Theme-based conferences organized to exchange information with sectoral peers.</li> <li>✓ Post-project follow-up</li> </ul>	<p>1.2.1 One sectoral seminar participated per year plus project result reviews to record follow-up activities and collect dissemination fruits through the following channels:</p> <ul style="list-style-type: none"> <li>✓ Written reports on the new knowledge and perspectives gained and experiences acquired by project participants will be submitted to their superiors, together with recommendations for new and revised policies and action programs in their respective areas of work.</li> <li>✓ Oral reports and seminars on the knowledge and experiences gained will be given to the colleagues of the participants in their respective work units.</li> <li>✓ Selected written reports and papers will be published in professional and internal journals to</li> </ul>	<p>2007-2009: \$50,000 per year (TRAC)</p> <p>2010: \$50,000 (Gov't C/S)</p>

Intended outputs	Output Targets 2006-2010	Indicative Activities	Inputs US\$
	<p>seminars held annually or bi-annually for project participants to exchange experiences on the application of knowledge learned from the project.</p>	<p>reach a wider audience.</p> <ul style="list-style-type: none"> <li>✓ Selected books, pamphlets and technical reports obtained abroad that are relevant to leadership capacity building, institutional reforms, technical improvement and beneficial to the attainment of the Xiaokang/MDG targets will be translated into Chinese for wider dissemination.</li> <li>✓ New policies, laws and regulations formulated, and concrete action programs designed and implemented in selected sectors and places.</li> </ul>	

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Annex      **CPR02/534 Evaluation Report**

## **Project Evaluation**

### **CPR/02/534: Human Resources Development**

**for Governance And Institutional Reform**

A project of the  
United Nations Development Programme (UNDP)

Implemented by the  
**China International Center for Economic and Technical Exchanges (CICETE)**

Evaluated by:  
Professor Laurence J. C. Ma, Ph.D. (USA)  
External Reviewer

**The cooperation, arrangements and hospitality provided by UNDP, CICETE and other government agencies are gratefully acknowledged.**

April 21, 2006

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## 1. EXECUTIVE SUMMARY

Since the 1978 economic reforms, China has made significant progress in the transformation of its economy from a closed command-oriented domestic system to a globalized and market-based economic power. Although China's high rate of economic development over the last two decades has brought new prosperity to a large number of people, disparities are increasing – between urban and rural, among groups of different skills and between eastern and western regions. However, in terms of human resources development, governance and institutional reforms, the tempo of change has remained sluggish, especially among local officials and enterprise managers.

Well-informed and competent government officials and managers are indispensable for the formulation of sound development policies and essential in the process of policy and institutional reform. Exposure to international experience and techniques in advanced countries can reduce the total costs of reform. The direct effect of the project CPR/02/534 Human Resources Development for Governance and Institutional Reform is the broadening of vision and outlook, enhancement of sector knowledge, and enrichment of experience for 2,740 mid-level leaders from various levels of the local government who have taken part in 129 group study tours in nine broad sectors that have been sent to Australia, Canada, England, France, Germany, South Africa and the United States. This number exceeds the planned total of 1,800 leaders by a large margin, which is a strong indication of the project's excellent cost effectiveness.

The project under review has significantly contributed to changing the mindset of those leaders trained. It has had positive impacts on institutional reforms including the revision of laws and regulations (most evident in the revised Audit Law), the initiation of new policies (such as the requirement for mandatory environmental impact analysis prior to the approval of proposed construction projects in Yunxiao County, Fujian), and the implementation of new action programs (such as the highly successful "circular economy" projects in Xiamen City whereby waste materials are turned into marketable products). A multiplier effect is that the trainees, upon return, have disseminated the lessons learned to a large number of people through reports to their superiors, briefings or seminars for workplace colleagues, publication of articles in professional journals, and posting findings on the websites of the sponsoring agencies.

The design, implementation and coordination of the program appear to be systematic and efficient. The delivery rate of the project is 100 percent. The outcome of the project converge very well with the MDGs of the United Nations and with China's development objectives, both characterized by the drive toward a more balanced pattern of development, sustainable environment, the creation of a relatively well-to-do society, and improved social, gender and spatial equality. With UNDP funding limited to the cost of overseas tuition fees, the participants' employer institutions have borne the bulk of training costs. Such cost-sharing represents a crucial safeguard of program relevance and cost-effectiveness.

**Given that the program has been effectively executed, that more sectors need enhancement in governance and institutional reform and that continuous training is needed in certain existing sectors, it is recommended that the project be extended to a new phase. A number of other recommendations are also made for the improvement of future projects.**



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## 2. PROJECT BACKGROUND AND METHODOLOGY

The project under review, “CPR/02/534 -- Human Resources Development for Governance and Institutional Reform,” initially covered the period from April 2002 to the end of 2005 but was subsequently extended to the end of 2006. In this evaluation, emphasis will be placed on the outcome of the project against the overall goals of UNDP and China’s development objectives, and against the project’s own declared objectives. It will also make a number of recommendations for future projects that are relevant to human resources development, improved governance and institutional capacity building.

This project review is outcome-oriented. Outcome evaluation draws attention to the “bigger picture” of change that a project seeks to contribute to. The current evaluation is not exactly a terminal one for the project CPR/02/534 because the program is still ongoing and will not terminate until the end of 2006.

This evaluation report has been written after reviewing a large number of relevant documents provided by UNDP and CICETE, meeting with relevant officials from UNDP, CICETE, various government agencies at the national, provincial and local levels who are involved in the program, as well as interviews with individual trainees. Additionally, a wide variety of information sources on China’s socioeconomic development and institutional change have been consulted, including newly released official documents of the Chinese government and published books and scholarly articles, so as to have a better grasp of the dynamism of China’s current development patterns and the salient features of the country’s human resources development and institutional reforms.

## 3. PROJECT GOALS: UNDP, CHINA AND THE CPR/02/534 PROJECT

### 3.1 UNDP goals relevant to China’s human resources development for governance and institutional reforms

In 1997, as part of the United Nations reform agenda, the Secretary General called for the United Nations system at the national level to set out a coherent vision and strategy for achieving common development objectives. These are articulated in the Common Country Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF).

The CCA analyses the national development situation and identifies key development issues while the UNDAF provides a common strategic framework for the operational activities of the United Nations system at the country level. It aims to constitute a rights-based, strategic and results-driven instrument that supports country led efforts to meet national priorities and goals.

In September 2000 at the United Nations, the world leaders reached a historic agreement on the Millennium Declaration with development programs to alleviate poverty and raise the standard of living for the people in the less developed world. Whereas the MDG programs are not designed specifically for human resources development, better governance and institutional reforms, they clearly point to the importance of human resources development and institutional reform in achieving the MDG goals.

The MDG’s China Progress Report (published in 2004) was a key document for the preparation of the CCA and the UNDAF. The CCA draft was prepared in late 2004, after extensive consultations with government agencies coordinated by the Ministry of Commerce and with apex institutions such as

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the National Development Reform Commission and Development Research Centre (of the State Council). Five national priority areas and five UNDAF outcomes for the period 2006-2010 were identified, aiming at growth with equity, social development, environmental sustainability, HIV/AIDS reduction, and better integration with global norms.

### 3.2 China's national development priorities and objectives

China's economy is one of the fastest growing in the world, averaging 9.4 percent over the past two decades. It has resulted in unprecedented progress in reducing poverty and improving the lives of people generally. The government's long term commitment to reform and development has been a key feature in the transformation of China. With an annual per capita income of US \$1100 in 2003, China today is no longer classified as a low income country. And yet although the levels of development vary greatly in terms of regional patterns and urban rural locations, none of the 31 provinces, autonomous regions and municipalities in China belongs to UNDP's 'low human development' category.

China's target is to quadruple its 2000 GDP level by the year 2020. China is set to meet most of the MDGs by 2015, and she has already achieved the MDG goal of halving income poverty. Huge progress has also been made across a range of other socio-development indicators such as life expectancy, child mortality and illiteracy. Despite these achievements, major challenges remain. Rapid economic growth has brought with it new problems and concerns. Imbalances between urban and rural areas and between the coastal provinces and the interior have sharply increased and positive aggregate figures often conceal considerable and sometimes growing inequalities.

In light of these imbalances, the Chinese Government is putting high priority on promoting sustainable development and in extending its benefits to the largest number of people. It is, therefore, putting renewed emphasis on the development of 'Xiaokang Society' (relatively wealthy, all-round and well balanced society), to be achieved by 2020. In 2002, the Xiaokang goal was defined in terms of the following outcomes: quadrupling of per capita incomes; balanced, human centered development; improved environment; support of individual empowerment; and commitment to better governance and accountability. In 2003, the National People's Congress further clarified this vision by advocating the 'Scientific Concept of Development' that focuses on 'five balances' – between urban and rural, between different geographical regions, between economic and social, between people and nature and between domestic development and opening-up beyond China's borders. In March 2006, the Outlines for the Eleventh Five-Year Plan (2006-2010) were announced in which the achievement of Xiaokang status for the nation was considered the top priority for national development.

In the Outlines, the importance of human resources development is emphasized in Chapter 29 of the document. More and better trained leaders and technical personnel to enhance national growth, especially in rural areas and border regions, are considered essential for economic growth. In addition, to deepen institutional reforms is also emphasized in Chapters 30 to 34 where changes in the nation's administrative system and economic institutions are encouraged.

Pro-active steps are being taken to reach the status of Xiaokang society and its specific objectives will be more concretely pursued during the Eleventh Five-Year Plan period. While continuing to aim at the quadrupling of per capital incomes, more attention will be given to the promotion of growth with equity, improvement of governance and continued institutional reforms. The pursuit of Xiaokang reflects the strong political commitment of the Chinese Government to shift the focus of development beyond purely economic and material well-being to putting people first and the achievement of sustainable

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human development outcomes. The “all-round” Xiaokang vision closely mirrors United Nations’ Millennium Development Goals (MDGs).

### 3.3 The goals of CPR/02/534: Human Resources Development for Governance and Institutional Reform

The project CPR/02/534 recognizes that, as the process of economic transition to a market-based economy proceeds, governance is a strategic concern and that breaking down institutional obstacles to development are among the pillars of reforms.

The project points out that successful transformation depends much on the quality of leaders at different levels, in many functions and in various sectors. To further accelerate the transformation of government functions, the government needs to emancipate the minds of civil servants, shake off the fetters of the traditional planned economy. The working style of the government needs to be improved, from formalism and bureaucratism to a culture of ensuring that government truly reflects the people’s wishes and interests through learning about their actual conditions and listening to their opinions. Exposure to international experience and the best practices of the advanced countries can reduce transaction costs of reform. Other countries have accumulated much experience from which Chinese officials may benefit in seeking to develop institutional solutions and management practices that respond to the thrust of national development objectives.

The project document duly emphasizes the importance of UNDP’s MDGs and China’s national development objectives and the project under review was designed to reach those goals and objectives. More specifically, to achieve the goals of human resources development for governance and institutional reform, the project planned to provide training to some 1800 leaders and managers from mid-level and subnational institutions in selected sectors. Through trainees disseminating the lessons learned from their training to other colleagues, a further 54,000 officials were expected to be exposed to new concepts, ideas, vision, and knowledge. A combination of domestic and overseas training was expected to improve the quality of the new generation of leaders in their respective fields, with capabilities to facilitate continued reform and successful transformation to a market economy. It was pointed out that an improved economic system will further economic growth, raise the quality of life for the Chinese people at large and improve Government’s leverage for addressing poverty, inequity and vulnerability. The target for women participants was 25%, with a minimum of 20%. It was anticipated that a minimum of 20% of trainees will be from western regions.

## 4. PROJECT STRATEGY AND OUTCOOME

In assessing the effectiveness of this project, the following questions are asked:

- a. How many officials, policy-makers and sectoral managers at the subnational level have received training from the project under review?
- b. Which sectors of the local state have been involved in the project and selected individuals to participate in the project’s training programs?
- c. What are the salient features of the operational aspects of the project?
- d. In terms of project outcome, has the training changed participants’ mindset, outlook or abilities?
- e. Has the training actually led to any changes in the practices, policies or institutional arrangements of the sending institutions?

The strategy for the project is to provide an overseas intensive training opportunity for groups of officials, policy-makers and sectoral managers at the subnational level that enables their sponsoring institutions to critically examine and adjust their mandates, policies and operations in the light of understanding the options and alternatives embedded in advanced country practices, and also in some developing countries when necessary. The training curriculum combines a series of in-county and overseas training sessions that mix lectures, field visits and group discussions. The project brings together a mix of participants, in groups of 20-30 trainees, drawn from different levels of the government and different sector institutions. The typical overseas study tour lasts for three weeks. The organization and follow-up activities after training are guided by the participants' sponsoring organizations' needs aiming at human resources development for more effective governance and institutional reform, including but not limited to organizational changes, adjustment of resource allocation priorities, new directions of policy formulation, and the revision of rules and guidelines.

Other aspects of the operational features of the program strategy include:

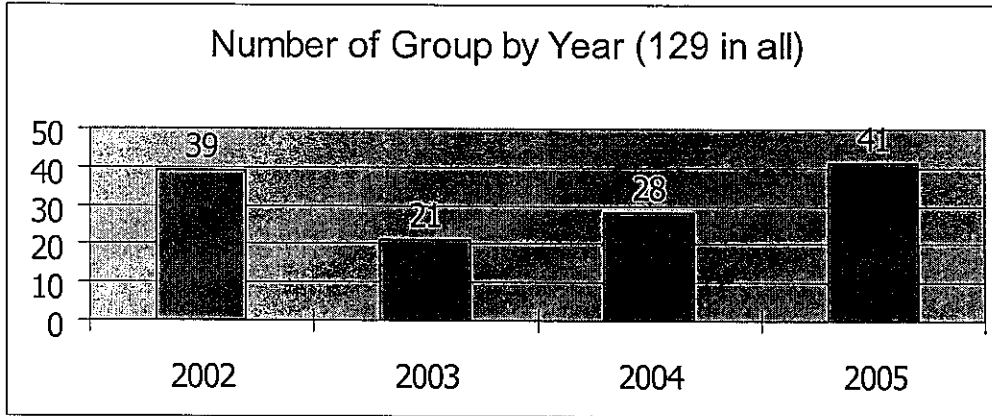
- 1 UNDP contribution covers overseas tuition fees, whilst participant institutions cover travel costs and DSA;
- 2 Trainee target group is either managerial or technical officials, generally at division chief level, drawn from central, provincial and county government;
- 3 Based on prior expressions of need from participants, training course content is tailored to respective groups. Training modality is a combination of lectures, institutional visits and discussion sessions;
- 4 Each study tour group makes a joint report on their learning experience
- 5 Program is aimed at officials below age of 50.

As of April 2006, the project has provided training to 2,740 mid-level personnel at the subnational level in 129 study groups. The number of direct beneficiaries has far exceeded the planned number of 1,800. The sectors, number of study groups formed and the sectoral breakdown of the trainees are as follow:

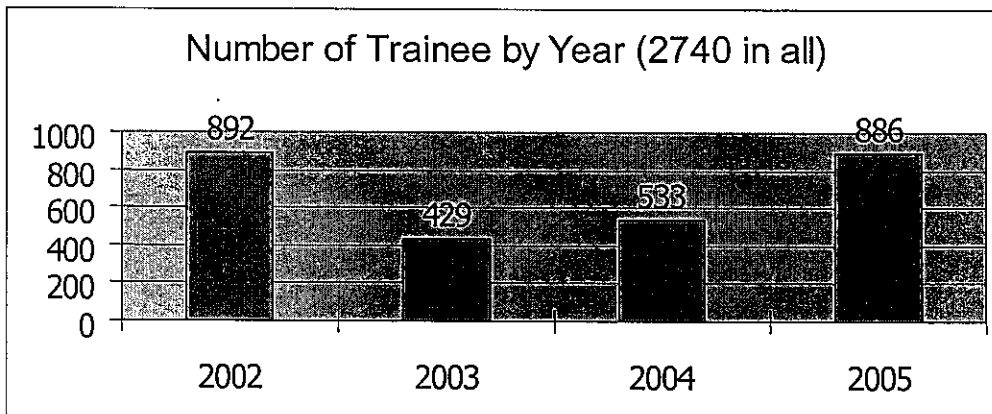
Sector	Number of Groups	Number of Trainees
Audit	12	305
Environment	21	495
Taxation	12	243
Agriculture	21	442
International Cooperation	7	166
Civil Affairs	9	226
Land and Resource Management	7	125
Communication	4	82
Science and Technology	5	73
Industrial Administration	7	140
Finance and Accounting	5	75
Enterprise Management	2	33
Cultural Undertaking	2	33
Others	15	302

<b>Total</b>	<b>129</b>	<b>2,740</b>

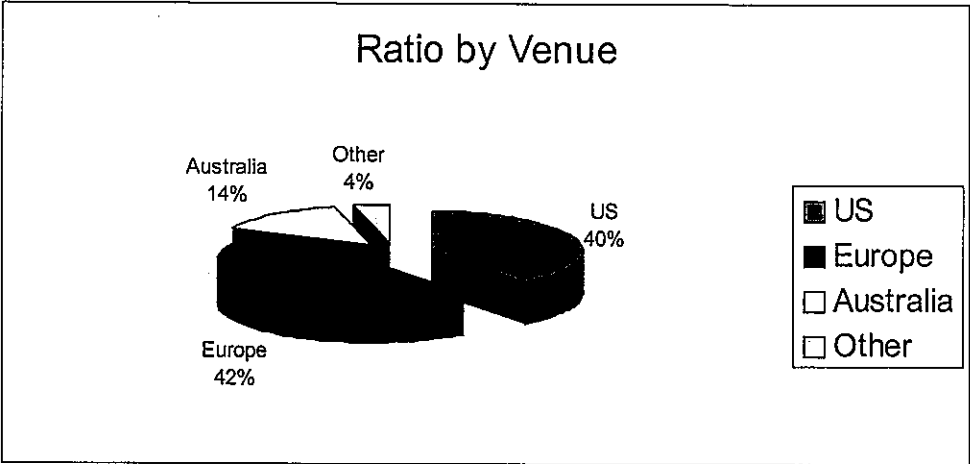
Annual distribution of the number of groups is shown in the following chart:



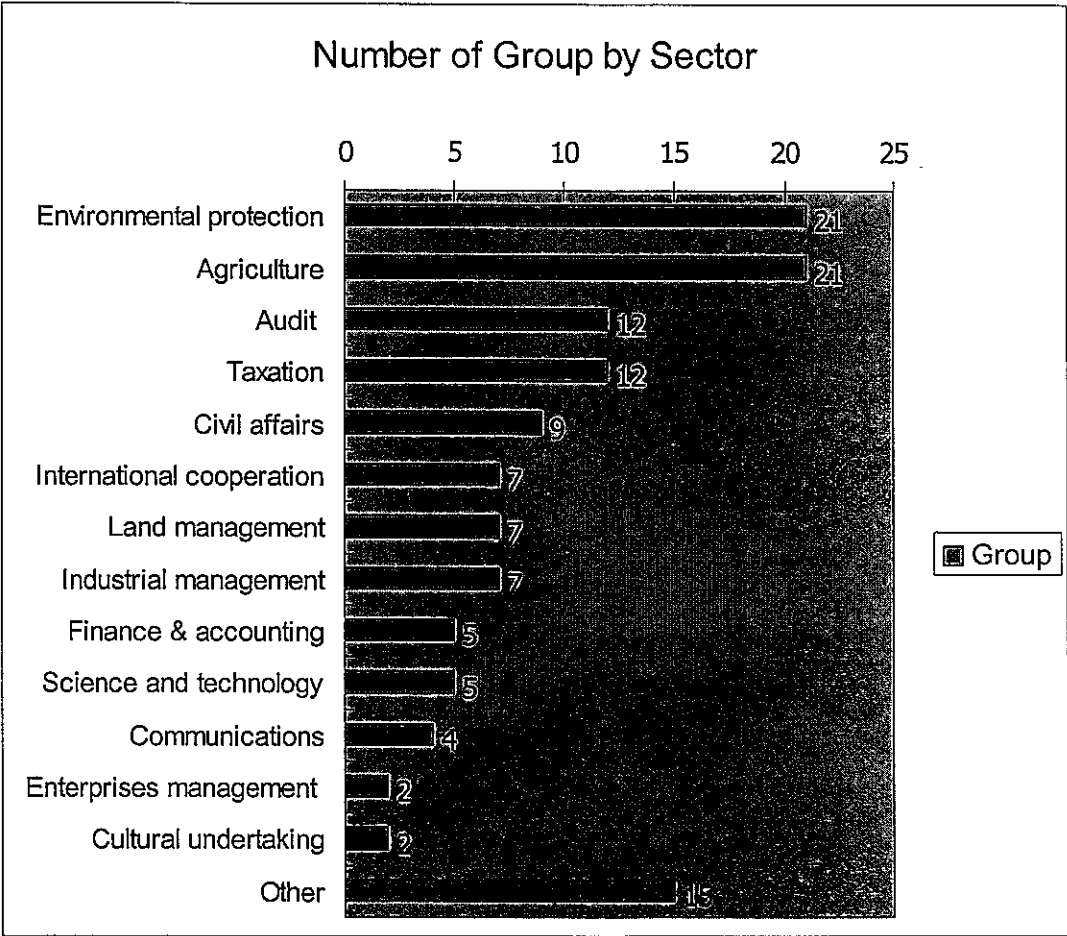
The pattern of the numbers of trainees sent correspond roughly to that of the numbers of groups sent, as the following graph shows:



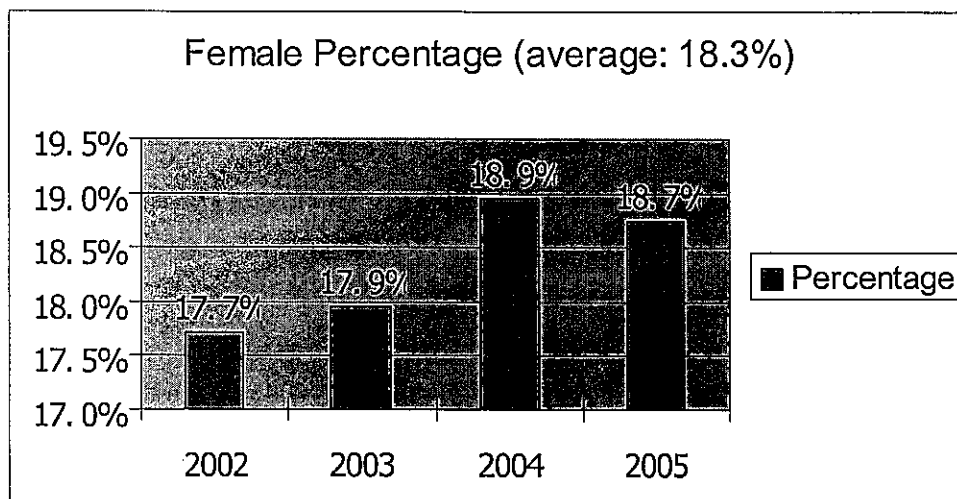
In terms of the roles of different countries to which the trainees were sent, Europe and the United States received the largest numbers which account for 42 and 40 percent of the total respectively, with 14 percent of the trainees going to Australia. The United States leads the countries in receiving trainees.



With respect to sectoral distribution of trainee groups, environment protection and agriculture have sent the largest numbers of groups, each accounting for 21 percent of the total. This is followed by audit and taxation, each sending 12 groups. The graph below shows the sectoral distribution of all groups:



It is significant that female trainees account for about 18 percent of the total number of trainees. Although this number falls short of the planned range of 20 to 25 percent, it is still a respectable figure, for any nation. Of course, efforts should be made in the future to raise the level.



Whereas detailed breakdown of the trainees by region is not yet available, it is known that about 20 percent of the trainees have come from China's Western and border provinces. This is a reasonable good figure which shows that the less developed areas where minority nationalities are found are represented in the project.

## 5. EVALUATION OF PROJECT OUTCOME

### 5.1 Project impact on leadership capacity building and perspectives

The most important effect of the project is that the basic mindsets of the leaders trained have been changed significantly. This is widely recognized by all of the individuals we have interviewed. As the trainees are mid-level leaders with limited world views and little exposure to what are the conditions in the advanced countries, the project has provided them with a rare opportunity to see in person the rich experiences of other countries. They now realize that it is the people, the taxpayers, not the government, that should be their primary concern. They have learned about the importance of achieving a well-balanced and relatively wealthy society in which the needs of the less fortunate, the deprived, women and other marginalized social groups are fully addressed and in which inequalities of gender and regional imbalance are minimized.

Also important is that the project has significantly broadened the perspectives of the trainees which in turn has enhanced leadership capacity building through their understanding of the importance of the rule of law in governance, transparency in administration, and social and gender equality. Through first-hand experiences in foreign countries, they see that China is still behind in many areas and that there are things they can learn from the outside world. The countries visited offer them a high standard against which the trainees can compare the conditions in China and in their own places. Such a

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comparative perspective is very useful in upgrading the work of the trainees.

Another significant impact on the trainees is their realization of the importance of public-private partnerships whereby citizens participate in various programs. In such areas as environmental protection and earthquake relief that directly affect people's well-being, the project has greatly enlightened the trainees about the importance of public awareness of public programs and about the importance of involving ordinary citizens in different public projects to achieve better results. Aside from concrete results from the projects involved, over the long haul, this will produce better synergy and harmony between the state and the people as well.

## 5.2 Project impact on policies and institutional reforms

In a number of sectors, important policy and institutional changes have been effected as a result of long-term participation in the project. Overall, the level of consciousness for the importance of rule of law, citizens' participation, and putting people's interests first has been greatly raised through visits to advanced countries. This section will highlight a few specific changes in terms of policy and institutional reforms.

In the area of audit, a set of revised audit laws was approved by the National Peoples Congress in February 2006 which will go into effect on June 1, 2006.<sup>2</sup> The existing laws have 51 articles, 29 of which have been revised and one deleted from the 2006 version, which also includes 5 new articles and deleted another. Some of the changes clearly were made as a result of the experiences gained by the project participants overseas. In NAO's 2003-2007 plan for work, many ideas gained overseas have been included for planning and implementation.<sup>3</sup>

As a result of participating in the project, the National Audit Office (NAO) has come up with three recommendations for the improvement of China's auditing work. First, it suggests that result-oriented audit should be pursued further through cost-and-benefit analysis. Second, it recommends that, following the American experience, specialty audit should be introduced whereby a specific audit office of the NAO should be developed into a speciality office specializing in a particular field of audit, such as health care audit and natural resources audit. Third, it suggests that the structure of personnel in China's audit offices should be diversified to include not only accountants, but also such personnel as economists, attorneys and information and telecommunication experts.

To better supervise and manage state-owned assets, a group upon return from France and Germany has recommended several new policies to the Commission on the State-Owned Assets Supervision and Administration, including such matters as the introduction of the system of the board of directors for state firms; guidelines for appointing state supervisors to state-owned enterprises; the rights and responsibilities of such supervisors; how to select, pay and evaluate the leaders of state-owned enterprises; how to manage such important matters of state-owned enterprises as merge, split, restructuring, bankruptcy dissolution and large-scale capital investment; how the state can enter contracts with state-owned firms to ascertain the rights and responsibilities

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<sup>2</sup> National Audit Office, *Shenjifa xiuding shiyi duben (A reader explaining the meanings of the revised audit laws)*. Beijing: Zhongguo shidai chubanshe, 2006.

<sup>3</sup> NAO, "Shenjishu 2003 zhi 2007 nian shenji gongzuo fazhan guihua (NAO's development planning for audit work for 2003-2007)". Beijing: NAO, 2003.



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of the two sides; how the state can benefit from state-owned enterprises; and how the state can better manage and supervise state-owned firms through audit. These recommendations are either being studied by the Commission or have become policies.

Likewise, in the sector of earthquake disaster relief, the experience of the U.S. is being looked at by China Seismological Bureau in the revision of laws and regulations relevant to earthquake rescue and relief.

In the area of land and resources management, Policy recommendations have been made regarding the adjustment of land property rights and its legislation, ecological aspects of land adjustment projects, and the establishment of public participation mechanisms. Draft documents, including new policies and regulations, have been produced to facilitate the use of ecological measures, information technology and public participation.

### 5.3 Project impact on action programs and administrative mechanisms

Significant progress has been made in the introduction and implementation of new action programs in various sectors. The number of such programs is too numerous to be listed here, and only a few of the most important new action programs are highlighted.

In earthquake disaster relief, upon return from the U.S., two groups have made recommendations to China Seismological Bureau to establish new action programs. These include the following: the establishment of Coordinating Areas for Emergencies; the formulation of Regional Emergency Response Plans; the development of earthquake maps similar to the ShakeMaps and the Internet Earthquake Intensity Maps of the United States ; certification of rescue and relief personnel, both professionals and volunteers; and the preparation and dissemination of earthquake knowledge to the general public.

In the area of environmental protection, several specific actions programs have been effected that have been directly or indirectly impacted by the project. In Xiamen City, Fujian Province, as a result of participating in the project in Australia, a highly significant program for the development of “circular economy” (xunhuan jingji) has been put into effect in 40 specific projects that turn waste materials into useful products, some of them have entered the market. A good example is the raising of “ecological pigs” that feed on fodder produced with the application of pig droppings as organic fertilizer. Thus the economic benefits of raising pigs are enhanced without soil and water pollution by pigs. It is claimed that the meat is healthier and tastes better.

In the Economic Development Zone of Guangzhou City, the head of its Bureau of Environmental Protection, upon return from a visit to South Africa, has enhanced the training of environmental inspectors, and the number of enterprises inspected and fines imposed have been significantly increased. The effects on such industries as electroplating, printing and dying and chemical factories have been particularly noteworthy. A document titled “A study on the strategy to development circular economy in the Economic Development Zone of Guangzhou City” has been written, and ecologically sound construction for environmental protection has been included in the city’s 11<sup>th</sup> Five-Year Plan.

In the area of land and resources management, trainees learned much new experience and technology, such as the techniques of farm land improvement, land fertility increase, land adjustment and landscape planning, the use of GIS for land use planning, sustainable land use in

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small watershed areas, etc. In Zhejiang Province, measures of ecological preservation have been introduced into the programs of land use adjustment, planning and design. In an experimental model zone in Liaoning, mechanisms of public participation in land use management have been established. The lessons learned from overseas trips have benefited not only leaders and technical personnel but also peasant households. example,

It should be pointed out that the project's impact on the initiation of new action programs is uneven among the groups sent, all groups have been able to identify areas of deficiency that need to be addressed, often with concrete ideas for solutions inspired by overseas experiences. For example, in taxation, the sector now realizes the importance of using individual and company identification numbers as the basis to manage tax collection and supervision, and almost all sectors realize the importance of resorting to law to carry out their respective works. There is every reason to believe that, given more time, many of the ideas will be translated into action programs and more relevant laws and regulations will be introduced. In this regard, followup reviews of project impact should be conducted.

#### 5.4 Dissemination of project results

Upon return, each group has submitted a written report distributed to the superior authorities of the trainees. Some trip findings have been published in internal journals and put on the websites of the sponsoring agencies. In these respects, the works of the sectors of environmental protection and audit are particularly noteworthy.

In such areas as audit and environment protection, project results are reflected in a number of new or revised laws and regulations as noted above which affect a large number of people. This can be seen as the most concrete manifestation of the dissemination of project results at the policy level and at the macro scale.

And yet, the dissemination of information appears to vary among the sectors involved. In the sector of environmental protection, in addition to post-training reports and seminars where trip experiences are dissemination, trainees have met each year from 2003-2005 to exchange views on what have been accomplished in the own places that are germane to the training. In other sectors, more followup activities are needed. More findings should be published in journals and put on the websites for internal and public consumption, and periodical post-training reviews of project results through seminars or other forms of gathering should be more widely useful. Efforts should also be made in each sector to translate into Chinese the most important information for wider distribution, including putting it on appropriate websites for wide public consumption.

Seen collectively, these newly introduced action programs are highly germane to the intended goals of better governance and institutional reforms and are consistent with the objectives of China's Eleventh Five-Year Plan and UNDP's goals of achieving a more balanced and equitable society in which the well-being of the people constitutes the core value of governance.

## 6. LESSONS LEARNED AND CONCLUSIONS

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This section will focus on the positive lessons learned from the project, leaving the areas for improvement to the next section. An important lesson learned is that high rate of Government cost sharing is a key factor for the success of the project. The ratio of government cost-sharing funds to UNDP core funds is approaching 6:1, with the Chinese funds coming from both central and local government sources. With UNDP's limited funding which is used to cover the cost of overseas tuition fees, the participants' respective employer institutions have borne the bulk of the project cost. Because the beneficiary institutions are willing to pay to participate only if they see a program as substantively meaningful and financially worthwhile, this mechanism has represented a crucial safeguard of program relevance and cost-effectiveness. The average cost to UNDP of US\$ 30 per participant per day appears as a remarkably good value for money. Of course, the non-monetary value of UNDP's badge that lends great prestige to the project is incalculable.

In the previous section, the relevance, performance and sustainability of the program have been evaluated. In general, we find the program has been executed effectively and fully in accordance to the design of the project. This project is another example of 100 percent delivery in accordance with the goals specified in the project document. This is a remarkable accomplishment that has become the hallmark of the programs executed by CICETE.

Another lesson learned is that short-term leadership training in appropriate foreign countries is an effect way to fundamentally change the mindset of the leaders. Based on interviews with project organizers, trainees and leaders of sponsoring agencies conducted in China in April 2006 and on various trip reports, it is quite clear that the main objectives of the project aiming at the expansion of the perspectives of the mid-level administrators in various sectors have been achieved. All the beneficiary institutions and individual participants confirm that the project, which provides the opportunity for them to witness in person what is the situation overseas, is highly significant in broadening their horizons of thinking and very useful for them to develop new policies and action programs in their respective lines of work.

In conclusion, based on the information available and interviews with project personnel and trainees, it is clear that the project has been very successfully designed and implemented that meets the MDGs of the United Nations and China's development objectives. As the experiences of the trainees have been introduced to their colleagues through formal oral and written reports, informal communications and daily contacts, the effects of the project under review are likely to last for an extended period of time, benefiting directly the trainees as well as the sending agencies.

The long-term impact of the project, largely indirectly but no less important, will be felt through enhanced capacity building and institutional reforms embedded in the mindset of the leaders trained and through the enactment of new laws and regulations. Through the visits to selected advanced countries, the values and importance of transparency in administration, human centered development, law, social justice, gender and spatial equality, and sustainable economic growth with sustainable environment have been inculcated in the mind of the leaders. The project can be seen as successful in terms of relevance, performance and sustainability.

## 7. RECOMMENDATIONS FOR FUTURE ACTIONS

Based on the findings presented above and for better project development in the same

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realm, the following recommendations are made:

1. **It is recommended that the project be extended to another phase** in which a few critical sectors that have been included but that require more in-depth training in selected areas should be continued while some new sectors should be added. Among the new areas that merit inclusion in the new phase of the project are: (1) new directions of rural development under the rubric of “**New Village**” (Xinnongcun) as outlined in China’s 11<sup>th</sup> Five-Year Plan that addresses the needs of the peasants, villages and agriculture (known as “Sannong”); (2) **citizens’ securities** that should include such facets as social security, medical security, industrial security and emergency relief after natural and man-made disasters. Among the sectors that need continuous training to deepen their capacity building and institutional reforms are environmental protection, finance and taxation, land and resource management, and other problem areas to be identified after consultation with the appropriate sponsoring agencies. Continued training in such sectors would go a long way toward perfecting the systems of operation in the selected sectors.

2. In terms of project format, for sectors that require continuous training, it is recommended that (1) **training groups should be classified into general and specialty groups** to maximize project outcome. General groups are best for first-time participants, including mayors and vice mayors and urban district chiefs in charge of a particular line of work. The purpose of general groups is to provide the trainees with an overall impression of the outside world, while specialty groups will better benefit the participants who are technically more advanced and who need a deeper understanding of selected issues; (2) training curriculum has been focused on lecturing and site visits. There is **a need for more time for trainees to exchange views with local hosts and instructors**, to raise specific questions and to interact more freely with the instructors; (3) it would be useful to send some groups to **such newly emerging industrial countries** as Brazil, Argentina, Mexico and Singapore where economic growth has been rapid and the population density is high and where some of the conditions or development problems are similar to those of China.

3. Although post-training dissemination of information has been conducted in a fairly systematic manner and a great deal of information is now posted on the Internet for internal as well as public consumption, there is a need to find out what are the long-term effects of the project. One way to do this is to perform **post-training reviews by sectors involving the trainees of a group after they have returned for six months or a year or so**. Trainees in the same group would gather again to exchange views on the progress they have been able to make and the problems encountered in their respective work places.

4. The proportion of women trainees included in the project is approaching 20 percent. Although this is a respectable level, it should be increased to the neighbourhood of 30 percent which most international sponsoring agencies consider to be a more satisfactory level. Although it would be difficult for some sectors to achieve this level of female participation because of the structure of their manpower, decision-makers should be aware of the importance of **mainstreaming gender** whenever possible, a goal relevant to the attainment of gender equity which has been repeatedly emphasized by UNDP. Likewise, more trainees should be recruited **from areas of poverty and minority nationalities**, a policy germane to the reduction of regional imbalance in development.

5. As human resources development depends much on how knowledge and skills are taught in formal and informal settings, it is essential to include in each sector one or a few individuals who

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specialize in the training and education of the sector's subject matters and skills, i.e., **an education component should be included in each sector of training** so that new knowledge can be introduced in the educational systems of the chosen sector. This will generate long-term effects of a sector and its projects of operation.

6. Most of the trainees are administrators who are not particularly well informed in technical matters. The composition of the study groups in the area of social and economic development should include more technically oriented individuals so that new technical knowledge can be learned and brought back to China. This is particularly important for sectors that require considerable technical knowledge, such as environmental protection and agriculture.

7. The time allocated to this evaluation mission is inadequate, given the amount of work to be done. Fourteen days is not sufficient for the preparation of two documents and because the bulk of the allocated time is used in interviews with project managers and trainees in Beijing and other places. This leaves only 7-8 days to sort out the vast amount of documents and information and to draft this report and a new project document. Far more time than what has been allocated to complete the required duties. It is recommended that, in the future, **more time should be allocated to evaluation and project formulation to ensure the completion of the duties and the quality of work.**