

**GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
AND
UNITED NATIONS DEVELOPMENT PROGRAMME**

**Human Resource Capacity Development in the
Northeast and Western Areas of China**

The project will provide senior and middle-level Government officials in the Northeast and Western Regions a clearer understanding of the role of modern government in providing beneficiary oriented public services and in promoting macro social and economic planning in a market oriented society. It will improve the human resource management planning and capacity building to support the functions of a modern government, and pilot test Human Resource Management reform initiatives in Public institutions. The National Project Management Office and the Provincial Project Management Offices will also be strengthened to provide the strategic framework for linking project initiatives and to support research activities and to facilitate dialogue through seminars on lessons learned during the project.

UNDAF Outcome:

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

Country Programme Outcome/Indicators:

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

Government Coordinating Agency: China International Center for Economic and Technical Exchanges (CICETE)

Implementing Partner: China International Center for Economic and Technical Exchanges (CICETE)

Government Cooperating Agency: Ministry of Personnel (MOP)

<p>Programme Period: 2006-2010 Programme Component: Achieving the MDGs and Human Resource Development Project title: Human Resource Development in the Northeast and Western Areas of China Duration: 2006-2009 Management Arrangements: National Execution</p>	<p>Budget (US\$) 2,500,000</p> <p>Allocated Resources</p> <ul style="list-style-type: none"> • Government 1,500,000 • UNDP TRAC 1,000,000
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PART 1. SITUATION ANALYSIS

Background:

The first two decades of the 21st century is a period of important strategic opportunities for China's economic and social development. During this period, the Chinese Government intends to accelerate its progress in building a well-off society of over one billion people, further developing the economy, advancing science and education, enriching culture, and fostering the quality of life for the people. The state will strengthen the rule of law for stability and harmonious co-existence of its people with the environment. These objectives in building a well-off society mirrors the values and principles of the Millennium Development Goals (MDGs) in many areas, including freedom and dignity, equity and social justice, tolerance, respect for nature and shared responsibility.

China is a developing country with vast territory, a population of 1.3 billion and uneven regional development. Despite China's enormous progress and economic achievements in recent decades, "any number divided by 1.3 billion will become very small¹." China's guidelines for accelerating development and building a well-off society are to adhere to the scientific view of development by putting people first and by balancing development between urban and rural areas among different regions. The uneven development of regions is reflected in the widening socio-economic gap, including gaps in scientific development, between the Eastern Region and the Western and Northeast Regions and Other Old Industrial Bases. The Chinese Government promoted its strategy for developing the western region and rejuvenating the northeastern region and Other Old Industrial Bases in 1999 and 2003 to promote the balanced development of different regions.

As indicated in the 11th Five Year Plan of National Economy and Social Development, China intends to continue the policy of developing western region and promoting the northeast industrial base, taking into account the environmental capacity, the basis and potential for development according to the compared advantages and the strengths and weaknesses of the regions to achieve equities in public services and to attain a more equitable society throughout the country. The strategy emphasizes a more balanced and harmonious development including improved interaction among the east, middle and west, as well as gradual reduction of the distance of public services and living standard of people.

Problem Identification - Challenges of the Regions:

There are many reasons why the development between the Eastern Region and the Northeast and Western Regions is lagging, but the primary reasons are the relative backwardness of human resources capacities, development and management and a lack of understanding of the role of government. While the challenges outlined herein are based on meetings and focus group discussions with key officials in Harbin in the Northeast Region and Huhhot in Inner Mongolia, it is assumed that the challenges exist throughout these regions, and are compounded in the more remote areas of the regions.

¹ President Hu Jintao, in his speech at Yale University, 22 April 2006 and reported in China Daily

The Western region includes almost 6.867 million sq.km area of land and 0.36 billion population with a greater concentration of ethnic minorities. Poverty, deficiencies of human resource capacities, weak economic and industrial foundations and the rough natural and ecological conditions have restrained the area's development. The per capita GDP of the western region is 9309 yuan RMB in 2005, which is only 66.5% of national average. Additionally, the rates of literacy and education are lower than the national average. Only 6.2% of the employment population holds college diplomas in the west of China, compared to 8.3% and 11.6% respectively in the northeast and coastal regions. The employment rate of professional and technical personnel is 232 persons in 10,000 compared to 360 per 10,000 in the eastern area. The western market index of human resources is 0.48, while the eastern area is 0.63.

Major interventions are required to promote development of the western region including but not limited to improving conditions for industries, enhancing infrastructure construction, and protection of environment. Western development campaign experienced a government-driven stage. A long term market-driven development plan should be made in the new context.

The new role and responsibilities in the market economy require local government to strengthen capacity in human resource management and development to ensure efficient provision of public service, formulation and implementation of policies in a transparent atmosphere, and safeguard social justice and equality.

The northeast region is equipped with good industrial foundation and the percent of employed professional and technical personnel is 7.7% of the population, 4.7% higher than the western region. Despite these factors, however, the decreasing natural resources and the changing national and global economic structure have resulted in unemployment and obsolete knowledge and technical skills in the area. Strengthened and improved government capacity is the prerequisite to tackle the problems of the area such as unbalanced economic and social development, industry transition of resource-depleted cities, and transformation of government's function.

The task of promoting reform, reorganization and technological upgrading in key industries of the area demand improvements in continuing education and investments in human capital.

While opportunities and constraints differ in degrees, both regions report resistance to continuing education among employers and professionals. Although there is a requirement for 12 days, or 72 hours per year for training, compliance is weak. Chapter 10 of the Civil Service Law outlines nine capacities required of civil servants, however there is no nation-wide legislation on continuing education and training. Only three provinces in the northeastern region and five provinces in the western region have local legislation on continuing education and training.

Part of the resistance to attending training may be due to the archaic methodology of delivery. Training continues to be provided through lectures in large classrooms with many participants. New training methods, pedagogy and curricula have not been introduced. To add to the backward methodologies and lack of training relevance, is an extreme lack of funds to explore and pilot new training methods and curricula or to send people overseas for training.

Another major factor contributing to the backwardness of the regions is the unwillingness of people to work in these areas, particularly top technical personnel. Although a policy has been issued to encourage graduates to work in the regions, including favorable incentives, top young graduates can find favorable employment opportunities in the more desirable Eastern Regions where the quality of life is more suited to their interests.

Along with the preference of personnel to work in the Eastern Regions, and the lack of sufficient incentives to attract qualified professionals to the regions, is the issue of emigration or “brain-drain” from the regions. For example, in the Forestry Academy, the second largest research institution in the country, nine doctoral level professionals left the academy. In the Northeast Region, 1 out of 1,000 has a doctorate degree in state owned enterprises and only 14.5% of the 720,000 technical workers are advanced technicians as opposed to 30% in developed countries.

Backwardness in the regions is further exemplified by the lack of awareness of the role of modern government in a global society. Civil servants continue to see the government’s role in controlling rather than providing beneficiary-oriented public services. The lack of civil servants’ understanding of the role of government as a service provider was identified as a major challenge to development, particularly for civil servants who are responsible for major industries such as power and mining. In the case of public institutions, Government officials at sub-national levels are not sensitive to the usefulness of the institutions in bringing grass-roots issues to the table.

Another challenge to development in the regions is the lack of understanding of beneficiaries’ and market needs. Personnel administrators, for example, continue to function using outdated methods of a planned economy and require new skills to lead personnel reform necessary for a vibrant market economy. Public institutions, in particular, lack theoretical knowledge in human resource management and implementation capacities. Additionally, these institutions lack capacities in innovation, evaluation skills and information management.

The Way Forward

Promoting the development and rejuvenation of the two regions and industrial bases are important tasks of governments at all levels during the 11th Five Year Plan. Strategies to accelerate the strengthening of human resource capacities are critical in achieving these tasks.

Greater investment in human resources development is required to foster talents and to form a social atmosphere to attract and retain talented people. In this regard, the government departments in Northeast China and Other Old Industrial Bases and the Western Region should reinforce the capacity building in (i) understanding role of government and strengthening HR management capacity of public administrative sectors relevant to the requirements of administrative reform; (ii) strengthening HR management capacity of public institutions to enhance the quality of services, and (iii) strengthening the capacities of the continuing education system to address the knowledge and skill requirements of professional and technical personnel associated with the economic structural adjustments.

PART 2. NATIONAL STRATEGY FOR HUMAN RESOURCE CAPACITY BUILDING

China's National Human Development Report (NHDR) and Situational Analysis illustrate the urgent need to address the inequities in development between eastern regions and the rest of the country. The Chinese Government promoted a strategy in 1999 and in 2004 for developing the western region and revitalizing the northeastern region and other old industrial bases to promote balanced development among regions. The national strategy, based on the "scientific concept of development, focusing on sustainable development by boosting production, improving people's life and protecting the environment²," is to support a programme of capacity building for the Northeast and Western Regions and the Old Industrial Bases to address the widening social and economic gap between the regions in line with the Xiao Kang Objective of balanced development. China's strategy emphasizes strengthening the strategic management of senior decision makers in institutionalizing the practices of a modern government and the spirit and rule of law, and the operational management skills of its civil servants. The strategy is also designed to support the human resource management reforms of the public institutions.

The national strategy is directly linked to the Country Programme Document (CPD) outcomes. Specifically, the national strategy addresses the CPD outcome for Millenium Development Goals (MDGs) --"national efforts to lead and manage Xiaokang/MDG implementation supported through a variety of instruments and capacity building initiatives". Human resource capacity development priorities implicit in the national strategy include three major areas:

1. Strengthening HR management capacity of public administrative sectors corresponding to the requirement of national administrative system reform goals:

Premier Wen Jiabao indicates that accelerating the government's administrative reform agenda is the key to deepen reform and to enhance opportunities in the regions. The emphasis of administrative reform is to further change government functions through organizational restructuring, reducing position levels, clarifying duties and lowering operating costs. Additionally, the organizational roles and personnel responsibilities must be clarified and standardized through legislation. The *Civil Servants Law of P.R.C* the first law of civil service management in China history which went into effect on Jan. 1st, 2006 is a major step in the reform programme, however personnel officials in the relatively undeveloped regions are facing challenges in implementing the new legislation and management techniques. Strengthening the capacities of high and middle ranked officials, especially human resource managers, is urgently required to change the old management culture of the planned economy which continues to prevail. The government must change its thinking and its role from directly controlling and managing to enabling and regulating socio-economic growth and delivery of public services.

2. Strengthening HR management capacity of public institutions to enhance the quality of public services,

Public institutions in China refer to those organizations in charge of services such as education, science research, culture, public health, social security and the press. There are currently about

² President Hu Jintao, Ibid

1.5 million public institutions in China divided into more than 25 sectors. Educational institutions represent 48% in numbers among the sectors, while public health institutions represent 20%. There are over 30 million employees in the public institutions, with 45% employed in Chinese public sectors.

The reform of public institutions in China is imperative to transform government functions and deepen the reform of the administration system. Reform measures will involve organizational restructuring, personnel redistribution, and addressing social security and compensation packages. The government personnel departments in charge of the reform of public institutions are positioning to address the reform challenges. The concrete goal is to develop and implement a modern personnel management including management by categories, contract-based employment, post management etc. to support the reform policies through clear legislation and regulatory mechanisms by the year 2010.

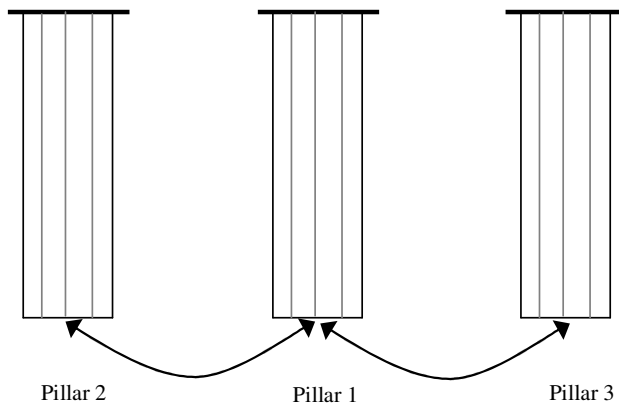
3. Strengthening the capacities of the continuing education system to address the knowledge and skill requirements of professional and technical personnel associated with the economic structural adjustments

In the course of establishing a socialist market economy, the west and northeast must adapt to the market and new technologies supported by talent equipped with the concepts and knowledge of globalization. In the “Working emphasis on promoting the northeast old industrial base in 2004”, it is stressed that as the northeast region works to attract investment and technology, it should also attach importance to the development of HR. Professional education, continuing education and other trainings aimed at increasing the competencies of the workforce should be emphasized and the building of a multi-skilled taskforce must be accelerated. The government personnel departments are the management mechanisms of the continuing education in China. Strengthening the capacities of personnel managers through training and exposure to best practices in other countries on the design and delivery of continuing education programmes is critically needed.

PART 3. PROJECT STRATEGY

The project is designed to assist the government in its national strategy to address the widening economic and social gap in regions lagging behind the Eastern Region, and specifically, to address the issues outlined in the Situational Analysis through human resource capacity development in provinces in the Northeast and western regions. It is anticipated that lessons learned from the project will provide the foundation for wider implementation in the Northeast and Western Regions of the country.

The strategic framework of the project is built on three linked pillars as reflected in Figure 1 and as outlined below:



- ✚ Pillar 1: Creation of a Platform to coordinate research, to share dialogue on project initiatives and to create synergy in the project’s process and initiatives. Pillar 1 is the lynch pin providing synergy between and among the pillar initiatives.
- ✚ Pillar 2: Increased dialogue on the role of government and human resource capacity development facilitated through the platform.
- ✚ Pillar 3: Strengthened capacities of Non-profit institutions and lessons learned through shared seminars facilitated through the platform.

The first pillar envisages strengthening management capacities of the national project management office under the Ministry of Personnel (NPMO) and the provincial project management offices (PPMO) as a platform to facilitate forums for dialogue based on lessons learned from the project’s initiatives and to provide a platform to support research on the government’s role and human resource capacity building needs based on the emerging trends in the region.

The second pillar links to the first pillar through seminars facilitated by the platform to improve the understanding of policy level civil servants, public institution managers and SoE managers of the role of modern government in two integrated areas; i) macro economic and social development planned for beneficiary-oriented public services, and ii) building human resource management planning and capacity building of government staff based on the new understanding of the role government. Seminars and training of government officials on the role of government will be facilitated through the strengthened PMOs directly linking the pillars

The third pillar supports pilot testing of reform initiatives in two [human resource personnel management and salary and compensation packages] of the five public institution reform areas of

non profit institutions. Lessons learned from the pilot will be shared in seminars in the regions facilitated through the platform

3.1. Expected Outcomes, Outputs and Indicative Activities

A. Intended Outcome:

Enhanced capacities of senior government officials and personnel managers in public administration and service to plan and lead balanced socio-economic development in the regions as evidenced through quantitative and qualitative evaluation.

B. Outcome indicators:

- 342 senior and mid-level government officials such as city mayors, directors, and division chiefs in charge of the enforcement of the civil servant law will be trained on the role of modern government and the strategic and operational capacities in enforcing the civil servant law;
- 194 executive directors and personnel managers of the selected public institutions and personnel officials responsible for the reform of public institutions' personnel systems at both national and provincial levels will be trained on the reform of HR management and compensation and benefits of the public institutions;
- 392 officials at national and provincial levels in charge of Continuing Education and the high-level Professional and technical personnel in the selected public institutions, SoEs and private sectors will be trained on continuing education service system and key economic and social subjects.
- 72 project management officials will be trained on project management and skills.
- Survey demonstrating the Civil Servant Law implemented regions-wide in the NE and Western regions
- Survey demonstrating that human resource development policies, programmes, and plans and mechanisms have been developed and implemented;
- Studies of HR reform of public institutions through comparative studies and seminar.
- Seminars and workshops conducted promulgating lessons learned from training and research throughout the region to promote a more balanced development

Output 1. Established and strengthened platform under the PMOs to coordinate research and shared dialogue on project initiatives.

Output Rationale:

A Platform, either virtual or physical depending on feasibility studies, should be established and strengthened through the Project Management Offices at both national and provincial levels to link the initiatives under the project. The platform mechanism under the PMOs will provide the framework for coordinating and linking all of the activities under the outputs and to promulgate the lessons learned from study tours, training and research on emerging trends in the region. The platform will facilitate forums for dialogue and promotion of macro-socio economic development and human resource management best practices throughout the region and for

integrating on-going research relevant to the project outputs. It is anticipated that forums will be mobile with seminars conducted in leading cities based on the specific needs in the regions. Senior and middle level staff under the national and regional project management offices will be strengthened to support the platform activities.

The Project Management Offices will also provide the platform for early discussions on the purpose and agenda of the study tours and specific topics to be explored. Seminars will be convened to discuss the current situation, strategic management capacities and challenges of leaders and senior managers to lead macro socio-economic development in the regions and the capacities needed to improve beneficiary oriented public service delivery. The seminars will also provide the foundation for defining the scope of the project and the project work plan, including the phasing of project activities over the three-year project period. The seminars will be designed and presented under the format and subject areas of a strategic planning exercise. Priority challenges and specific topics and capacity needs will be identified to assist the design of study tours.

Feasibility studies will be conducted to explore the capacities and needs of the PMOs to provide platforms of excellence in human resource management research and dialogue based on emerging opportunities and trends in the regions and for sustainability of the project's results. The concept of Centres of Excellence has been adopted in many countries around the world as platforms based on the comparative advantages of sectors to establish collaborative and exchange relations with other institutions within their regions or abroad which are engaged in similar or related activities to keep them current with best practices. Specifically, Centres of Excellence (CoE) are defined as:

“physical or virtual centres of research which concentrate existing capacity and resources to enable researchers to collaborate across disciplines and institutions, on long-term projects that are locally relevant and internationally competitive in order to enhance the pursuit of research excellence and capacity development.”³

Indicative Activities:

- 1.1 NPMO and PPMO capacities strengthened to build up and sustain a platform of excellence for human resource capacity building through study tours
- 1.2 Inception seminars conducted in each region for initial strategic planning for the project work plan and agenda.
- 1.3 Research talents in specific socio economic development areas recruited based on needs identified during study tours to help translating learning results into policies and actions of the Government
- 1.4 Networks of international experts established in areas of policy development, strategic management and HR public governance in accordance with the changing needs and rules of a market economy
- 1.5 Research conducted as needed for human resource management reforms to respond to regional development priorities

³ NRF, University of Capetown

- 1.6 Feasibility studies conducted for the development of Centres of Excellence as platforms for continuing research and seminars on emerging trends

Output 2: Improved Understanding of the Role of Government and HR Capacities Built

Study tours and training plans prepared to improve senior and middle-level government officials' understanding of the role of modern government in providing beneficiary oriented public services and in promoting macro economic social development; capacity building programmes designed and delivered to strengthen the strategic planning and management capacities of human resources for the two regions

Output Rationale:

The concept of the role of modern government in a global economy is not clearly understood in the regions. Although significant training has been provided to the Northeast and Western regions abroad and domestically and significant gains made in these regions, strengthened human resource management capacities remain a high priority to increase the socio-economic development of these regions in line with the goals of the 11th Five year plan. While government officials are gradually realizing the function of government, further capacity development is needed to facilitate government officials' understanding of the important role government plays in providing services based on beneficiaries' needs and in driving the market for economic and social development.

To address these needs, it is envisaged that three categories of government officials will participate in international and national study tours and seminars focusing on the role of modern government. Considerable emphasis and inputs will be invested in international study tours for middle level decision makers and will be organized as group activities to minimize costs. Follow-up seminars will be conducted to discuss lessons learned during the study tours.

The first category will consist of senior and middle level decision making government officials including city mayors, county governors, managers of Public institutions to improve their capacities for strategic management, building government ruled by law, public policy development and transformation of government functions based on beneficiaries needs. The second category will consist of senior and middle level decision makers in personnel departments who will also participate in study tours and seminars to improve their strategic management capacities to develop modern personnel systems and to implement the civil servant law. The third group will consist of personnel at middle level and below in personnel departments who will implement the new personnel systems and the continuing education programmes.

For senior government officials and policy level personnel managers, the agenda for the study tours and seminars will focus on changing officials' concept of the government's role in a global society and the policy framework and mechanisms necessary to strengthen the spirit and rule of law. The tours and seminars will also explore methods for implementing the civil service law, strategic planning, change management concepts and innovative practices. Seminars and courses for personnel managers will focus on developing a performance based human resource

management system to include but not limited to:, conducting performance needs assessments using scientific methodology; recruitment practices to attract talented personnel; job classification, and performance appraisal. Policy level courses as well as courses identified in the performance based needs assessment will be introduced and facilitated through the platforms established by the NPMO and PPMOs.

Although extensive training has been carried out, many government servants continue to operate as they did under a planned economy and their thinking remains on controlling people rather than on their role as team builders and facilitators of a market driven economy. Exposure to modern human resource management systems, policies, practices and new training delivery methodology and pedagogy are urgently needed to facilitate changes in thinking and behaviour of civil servants.

Indicative Activities

- 2.1 International study tours and national training conducted based on the planned agenda and in the context of enforcement of the new civil servant law to explore policies and best practices on the role and best practices of a modern government in addressing development challenges focusing on socio-economic policy and planning, strategic planning and management capacities of human resources for the two regions such as recruitment, performance appraisal, training and so on.
- 2.2 Based on the requirements of continuing education management reform, seminars and trainings conducted nationally on the subjects of selected areas of modern agriculture, modern management, information technology, modern manufacture and energy technology.
- 2.3 International study tour and comparative studies conducted on successful and innovative Continuing Education Programmes in developed countries, and reforms proposed and pilot tested.
- 2.4 Training of trainers provided to a core of trainers, who in turn will conduct training of trainers courses throughout the region.
- 2.5 Series of seminars and workshops conducted to promulgate lessons learned from the study tours throughout the region.
- 2.6 Training needs assessment conducted using internationally recognized research methods to identify performance based training needs, and courses developed and delivered.
- 2.7 Partnership and linkages established with leading government training institutions nationally and internationally.

Output 3. Study of HR Reform in Pilot Public Institutions

Output Rationale:

During the last two decades, socio-economic changes have been profound in China. These changes have contributed to preparing China for accession to the WTO. However, the challenges in balancing socio-economic development in regions outside the Eastern Region are daunting. In revitalizing the Northeast and continuing to strengthen the Western Region in line with the Government's reform priorities, it is imperative to study and summarize the successful

experiences of on-going HR reform of selected pilot public institutions and take advantage of international experiences and practices in order to put forward a research report on HR reform of public institutions for wider implementation.

The reform of public institutions is an important task to transform the government functions and deepen the reform of administration system in China, involving the system building of structural establishment, personnel, distribution, social security, and financial provision, of which the reform of personnel system is now entering into the stage of breaking through difficulties and obstacles.

There are about 11 million of workers and staff in the public institutions of Northeast China and Other Old Industrial Bases and the Western Region, taking up most of the professional and technical personnel of the two regions. Thus, the reform of public institutions, especially the personnel system reform of public institutions of the two regions will show important influence on the human resources development and management.

At present, it is an urgent need to strengthen the implementation capacity of the government personnel departments at all levels in the Northeast China and Other Old Industrial Bases and the Western Region in the course of personnel system reform of public institutions. Especially, it is imperative to reinforce the theory and policy study on the development of public institutions and how to undertake the functions of public service, foster a pool of talents in the human resources management of public institutions who are specialized and adaptable to the requirements of new systems. This is a very important obligation of government personnel departments at all levels in putting forward the personnel system reform of public institutions.

The personnel system reform of public institutions, which is at the stage of innovative development presently, needs to be studied further and pushed forward steadily. Therefore it is realistic and necessary to conduct comparative study on international and domestic experience for the avoidance of roundabout course in work and the risks. Meanwhile the research report of HR reform based on the experiences of on-going pilot public institutions should be produced to push forward the HR reform of public institutions in a wide range.

Indicative Activities

- 3.1 Identify key public institutions for the study of HR reform
- 3.2 Conduct a structural and functional analyses of the institutions and its human resources based on the role of public institutions in economic and social development
- 3.3 Conduct international study tours and comparative study on modern human resources management of public institutions
- 3.4 Based on the findings of the analyses and lessons learned from study tour, conduct international seminar on the reforms of personnel management system and salary and compensation system
- 3.5 Produce a research report on HR reform of public institutions for wide implementation of the reform

3.2. Targeted Beneficiaries

- Senior and mid-level government officials in charge of the enforcement of the civil servant law.
- Executive directors and personnel managers of the selected public institutions and personnel officials responsible for the reform of public institutions' personnel systems at both national and provincial levels.
- Officials at national and provincial levels in charge of Continuing Education and the high-level Professional and technical personnel in the selected public institutions, SoEs and private sectors.

3.3. Gender Equity

The project will strive to promote and integrate gender sensitive practices and gender equality in research and training in order to increase women's empowerment and access to decision making throughout the provinces.

3.4. Work Plan for Project Activities

The following is the proposed work plan for Output Activities to guide the preparation of the Annual Work Plan after the signing of the Project Document

3.4.1. Strengthened Project Management Offices at both national level (NPMO) and provincial levels (PPMOs) as platforms to coordinate research and shared dialogue on project initiatives

- Strengthening NPMO and PPMOs as Platforms for Excellence in HR Capacity Building: Study tours for the managers of project management offices under the Ministry of Personnel at national and provincial levels will be conducted internationally to explore best practices in macro level human resource capacity building, including research practices and the design of human resource management capacity building programmes.
- Developing Agenda for Study Tours and Seminars: The (NPMO) and PPMOs will organize and conduct policy level seminars on the role of modern government in macro socio economic development and public service delivery. Technical assistance, provided by national and international experts, will facilitate the seminars, assist in drafting a programme and agenda for study tours and follow up seminars. The experts will be from leading institutions in the fields of socio economic policy development, public service delivery and human resource management, including continuing education. The experts will assist in developing network linkages with their institutions.
- Research and Seminars: The NPMO and PPMOs will be the focal points for facilitating and coordinating research identified under the project pillars and will facilitate mobile seminars throughout the region on lessons learned in the special topic areas from the project's activities.

3.4.2 Improved Understanding of the Role of Government and HR Capacities Built

- Study tours, training plans prepared to improve senior and middle-level government officials understanding of the role of modern government in providing beneficiary oriented public services and in promoting macro economic social development; and capacity building programmes designed and delivered to strengthen the strategic planning and management capacities of human resources for the two regions
- Identification of Participants for Study Tours: The NPMO will identify approximately 350 participants for study tours including mayors, government personnel officials at director-general or division director level, county governors, executive directors and personnel managers of the selected public institutions and project management officials. Participants of the project will be those responsible for policy and guidelines in the respective areas of their work. Efforts will be made to group participants with similar training needs to ensure the most efficient and effective use of resources and to ensure sustainability of lessons learned within sectors.
- Study tours preparations finalized and study tours conducted: The agenda and the plans for the study tours will be finalized and pre-departure training of study tour participants will be conducted.
- Study tour follow up workshops: Study tour participants will prepare and conduct a series of follow up seminars throughout the region, scheduled and facilitated by the NPMO and PPMOs, on policies and best practices learned during the study tours. Efforts should be made to involve the media in the regions in the seminars to open ideas throughout the regions.
- Domestic Study Visits and Seminars: Six hundred and fifty (650) participants from the target groups will be selected to participate in various domestic activities including study visits, seminars and training activities.
- Research on Continuing Education and Training Needs: Technical assistance will be provided to personnel managers on conducting performance based training needs assessments using scientific methodology and tools from best practices.
- Improving Continuing Education management: Technical assistance from leading national and international institutions will be provided personnel managers in designing and implementing a modern education and training programme. The technical assistance will be provided in areas of training trainers to implement interactive training programmes and the design of demand based curricula. Experts from the leading institutions will pilot new training methodology with trained personnel managers. Experts will assist personnel departments in establishing partnerships and linkages with their institutions.
- Conducting Training: Training courses on priority capacity building needs identified in the performance based needs assessment and piloted by a core of trainers who have been

trained in the development of methodology and curricula and in training of trainer courses.

3.4.3 Study of HR Reform of Pilot Public institutions

- Identification of public institutions: Key pilot public institutions will be identified for study.
- Structural and Functional Analyses: Technical assistance will be provided the personnel of these institutions to conduct structural and functional analyses based on the role of public institutions in economic and social development. The analysis and recommendations will provide the basis for implementing the human resource management and the salary and compensation reforms.
- Strengthened Capacities of Public Institutions Reform: The capacities of the personnel of the pilot institutions and officials in charge of public institutions HR reform will be strengthened through training on the implementation of the reform measures.
- Evaluation and summarization of pilot reform experiences: International seminar will be conducted and the findings presented at seminar facilitated through the NPMO and PPMOs.
- Putting forward research report on HR reform: Lessons learned and feedback from the seminars will provide the basis for a research report on HR reform of public institutions for broader implementation of the reforms.

3.5 Partnership Strategy

- The HRCB project will maintain linkages with other components under the UNDP/China “Xiao Kang Programme” and the Advanced Leadership Development Project for XiaoKang Society in order to generate synergy among all the components. Partnerships with domestic training institutions and cross-sectoral collaboration with ministries to generate cooperation and exchange of knowledge networks between and among provinces will be built and strengthened.
- Through the UN Resident Coordinator and the UNDP, the project intends to actively involve UN agencies, donors, and other international partners, where they can add significant value. Linkages with the work of other agencies in related fields, and particularly with on-going public institution reform and capacity building projects, such as those supported by World Bank and ADB, may also be sought, as appropriate. The project will establish close relationships with international academia and training institutions, notably in countries where known and successful examples of good practices exist.

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.

The Government Cooperating Agency of the project is the Ministry of Personnel (MOP). A National Project Management Office (NPMO) will be established in the MOP to oversee and coordinate all project activities and look after the day-to-day implementation of the project. MOP will appoint a senior official to act as the National Project Director (NPD) to oversee the management and implementation of the project. A National Project Manager (NPM) will be assigned full time to the project and will administer the NPMO. The NPD takes the responsibility for effective management of the project and oversees the functions of leadership, staffing, planning, scheduling and organization, direction of implementation, monitoring/evaluation and reporting. In accordance with UNDP rules, the NPD also holds the authority to request funds from the project budget. The NPD is not a full-time appointment, but will provide close supervision to the NPM who will be responsible for the day-to-day management of the project.

The National PMO (NPMO) will be responsible for the general management for the project, providing assistance to provincial PMO. The NPMO will have responsibility for the appointment and coordination of international and domestic consultants. The NPMO will be responsible for project fund management. Through its network at provincial level, training courses, workshops and seminars, and other project activities will be conducted; feedback will be provided to NPMO regarding the project operation and performance.

Provincial Project Management Offices (PPMOs) will be established respectively in the Northeast and the Western Regions.

The national and provincial PMOs are anticipated to play the roles of future implementation and coordination for the Centers of Excellence operations throughout northeast and western provinces when this project is completed. Therefore, institutional and managerial capacity building of these PPMOs within the project cycle has a long term effect and result.

The Advisory Group

An Advisory Group is to be established to provide appropriate technical and managerial support to the project. The Advisory Group, led by a chief technical advisor, will provide update information and advice on international best practice to the PMOs and provide policy development advice and support. The Advisory Group will provide advice concerning project evaluation and participate in monitoring and evaluation of the project. The advisory group will comprise domestic and international specialists. The domestic experts will come from national and provincial levels respectively. The advisory Group is not a permanent organization. It is a

kind of mechanism that experts will be invited to provide advice and technical support when needed in seminars, evaluation and etc.

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. The M&E should aim at the following key objectives: 1) focus on results at two levels: at output level, the specific products and services from the Project; at outcome level, in which the Project has contributed to overall capacity improvement of the mid-level and senior government officers especially the personnel management officials in the Northeast and Western Regions of China. 2) to enhance management efficiency of the project and ensure consultation/participation of all stakeholders and 3) to not only focus on assessment of progress of the project, but also on experiences and lessons learnt to support more informed decision-making and dissemination of project results.

Monitoring progress towards achievement of programme outcomes and outputs will be undertaken at both the level of the overall project, and at the individual pilot level. Project management will invite the direct involvement and support of provincial and local level government on an ongoing basis to enhance monitoring and evaluation activities. The extent to which the desired outcome of the project has been achieved will be monitored through a system of M & E activities, annual work plans and budgets, and peer group review and evaluation.

CICETE, MOP and UNDP will invite the Project Advisory Group to annual review meetings to evaluate project progress, results, experiences and lessons learned during project implementation and work plan for the following years. The annual review will be a tool to ensure periodic assessment on whether the approach and interventions will produce the expected outcomes. The NPMO will support convening of the review meetings and will assist MOP, the provincial governments with pilots to prepare annual Project reports.

Monitoring visits will be conducted by UNDP and CICETE to assess project progress and results through consultations with relevant stakeholders and beneficiaries. The national and provincial Project Managers will prepare quarterly project updates to support day to day monitoring and implementation, as well as information sharing among concerned parties. Peer reviews will be conducted on views and experiences of project participants and beneficiaries regarding demonstration results and capacity building activities. Case studies on lessons learned should be collated and shared regularly during project duration and at the end of the project to scale up.

CICETE will provide periodic reports (annual review) on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilization as articulated in the AWP.

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 total budget for the Project is USD2,500,000, including US\$ 1,000,000 from UNDP TRAC funding which will mainly cover overseas training expenses including tuition, board and lodging of the trainees, the cost of international consultancy services and other costs related to project management and US\$ 1,500,000 as government cost sharing which will be supplement expenses of overseas training, project planning, training orientation and follow-up activities. The schedule of payment of Government cost-sharing will follow the arrangement as indicated below.

Time line	Amount to be paid
October 2006	US\$500,000
June 2007	US\$250,000
November 2007	US\$250,000
June 2008	US\$350,000
November 2008	US\$150,000

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Detailed budgeting for project activities is in Part 9 - Programme 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. Under such circumstances, the project will identify alternate training programmes or arrangements to ensure achievements of planned results.

PART 9 PROJECT RESULTS AND RESOURCES FRAMEWORK

Output targets, timing of activities and budget costs

<p>UNDAF Outcome Social and economic policies are developed and improved to be more scientifically based and human centered for sustainable and equitable growth.</p>			
<p>Outcome Indicator as stated in the Country Programme Results and Resources Framework: National efforts to lead and manage Xiaokang/MDG implementation supported through a variety of instruments and capacity building initiatives.</p>			
<p>Project title and ID: Human Resources Capacity Building in the Northeast China and Other Old Industrial Bases and the Western Region</p>			
<p>Outcome: Enhanced capacities of senior and middle-level government officials and personnel managers to plan and lead balanced socio-economic development in the region as evidenced through quantitative and qualitative evaluation.</p>			
Intended Outputs	Output Target (2006-2009)	Indicative Activities	Project Budget
<p>Output 1: Strengthened Project Management Offices at both national level (NPMO) and provincial levels (PPMOs) as platforms to coordinate research and shared dialogue on project initiatives</p>	<p><u>2006</u> PMOs set up at different levels and commence work.</p>	<ul style="list-style-type: none"> - 1.1 NPMO and PPMO capacities strengthened to build up and sustain a platform of excellence for human resource capacity building through study tours - 1.2 Inception seminars conducted in each region for initial strategic planning for the project work plan and focused agenda. - 1.3 Research talents in specific 	<p>TRAC: US\$350,000</p>

<p>government officials understanding of the role of modern government in providing beneficiary oriented public services and in promoting macro economic social development. Capacity building programmes designed and delivered to strengthen the strategic planning and management capacities of human resources for the two regions</p>		<p>planned agenda and in the context of enforcement of the new civil servant law to explore policies and best practices on the role and best practices of a modern government in addressing development challenges focusing on socio-economic policy and planning, strategic planning and management capacities of human resources for the two regions such as recruitment, performance appraisal, training and so on.</p> <ul style="list-style-type: none"> - 2.2 International study tour and comparative studies conducted on successful and innovative Continuing Education Programmes in developed countries, and reforms proposed and pilot tested. - 2.3 Innovative models of continuing education system piloted through seminars and trainings conducted nationally on the key subjects identified by national development plan including modern agriculture, modern management, information technology, modern manufacture and energy technology. 	<p>TRAC: US\$90,000 each year Gov't: US\$ 350,000</p>
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		<ul style="list-style-type: none"> - 2.4 Training of trainers provided to a core of trainers, who in turn will conduct training of trainers courses throughout the region. - 2.5 Series of seminars and workshops conducted to promulgate lessons learned from the study tours throughout the region. - 2.6 Training needs assessment conducted using internationally recognized research methods to identify performance based training needs, and courses developed and delivered. - 2.7 Partnership and linkages established with leading government training institutions nationally and internationally. 	<p>Subtotal: US\$1,320,000 (TRAC: 270,000; Gov't: 1,050,000)</p>
Output 3: Study of HR Reform in Pilot Public Institutions	2007	<ul style="list-style-type: none"> - 3.1 Identify key public institutions for the study of HR reform - 3.2 Conduct a structural and functional analyses of the institutions and its human 	<p>TRAC: US\$100,000 Gov't: US\$ 100,000</p>

	2008	resources based on the role of public institutions in economic and social development - 3.3 Conduct international study tours and comparative study on modern human resources management of public institutions	TRAC: US\$150,000 Gov't: US\$ 100,000
	2009	- 3.4 Based on the findings of the analyses and lessons learned from study tour, conduct international seminar on the reforms of personnel management system and salary and compensation system - 3.5 Produce a research report on HR reform of public institutions for wide implementation of the reform	TRAC: US\$100,000 Gov't: US\$ 100,000
			Subtotal: US\$ 650,000 (TRAC: 350,000; Gov't: 300,000)
Total			US\$2,500,000 (TRAC: 1,000,000; Gov't: 1,500,000)

