

## **China Economic Reform Implementation Project (TCC5)**

### **Tenth Supervision Mission**

October 14 – November 7, 2011

#### **Aide Memoire**

### **I. Introduction**

1. From October 14 to November 7, 2011, a World Bank mission and a MOF team<sup>1</sup> carried out joint supervision of China Economic Reform Implementation Project (TCC5) and visited 8 subproject implementation agencies (SIAs) in Beijing and Haikou (see annex 1). The objectives of the mission were to: (i) further strengthen result-orientation at the subproject level; (ii) ensure continuous ownership and commitment of SIAs; (iii) review project progress, ensuring full compliance with Bank procurement and financial management rules; (iv) advise SIAs on key implementation issues and provide necessary support and guidance; and (v) discuss with MOF project management office (MOF PMO) on issues raised from the mission and follow up actions.
2. The mission interacted with the subproject implementation agencies to understand the implementation status, provide technical inputs to studies being carried out, and offer guidance on procurement and disbursement. At the same time, a desk review of semi-annual progress reports on 15 on-going subprojects was also conducted. At end of the supervision mission, the Bank team had a wrap up meeting with Mr. Mo Xiaolong, Director of the MOF PMO and his team. This Aide Memoire set out the mission's findings, issues identified and recommendations for next steps.
3. The Bank team would like to express its sincere thanks to MOF for the support and collaboration received, as well as all the counterparts both at the central and local level for useful discussions during the mission.

### **II. Key Project Data**

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|------------------------|---|
| 4. Effectiveness date: | October 12, 2006                            |
| Original Closing Date: | December 31, 2011                           |
| Extended Closing Date: | December 31, 2013                           |
| Loan Amount:           | USD 20 million                              |
| DFID Grant Amount:     | GBP 5.59 million (Closed on March 31, 2011) |
| Actual transfer-in:    | GBP 3.26 million                            |
| Project Age:           | 5 years                                     |

### **III. Overview of Implementation Progress**

5. **Overall project status:** As of end October, 2011, 48 subprojects have been approved, of which 33 subprojects have been completed, and 15 are ongoing. Total fund allocation (Loan & Grant) amounts to USD 20.2 million as against USD 17.6 million in the previous reporting period, of which IBRD loan of

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<sup>1</sup> The Mission was led by Xiaofan Liu (Task Team Leader), and comprised of Jianqing Chen (operational support), Li Ouyang (mission logistics support), Jingrong He (procurement), Fang Zhang (financial management), Shiyong Wang (Senior Health Specialist), Min Zhao (Senior Economist), Wendao Cao (agricultural specialist), Yingli Jiao (HR Officer). The MOF team was led by Liu Yingzhi (Deputy Director of MOF PMO), and comprised of Liu Qing and Ren Huijie from the Project Management Office located at Technical Assistance Division, International Department of the Ministry of Finance (MOF PMO) joined most of the meetings.

USD 14.79 million allocated to Categories A, C and D, accounting for 74% of the total loan proceeds, and DFID grant of GBP 3.03 million supported the subprojects in Categories B and C.

6. **DFID Grant:** The Grant was closed on March 31, 2011, it financed 14 subprojects in Categories B and C with total funds of GBP 3.03 million committed, accounting for 54% of the total DFID Grant (GBP 5.596 million) committed in the Grant Agreement. By May 31, 2011, the deadline set for withdrawal applications in the grace period, all eligible expenditures had been processed and reimbursed. The actual total payment is GBP 2.9 million, disbursement ratio is 96% against the total financing.

7. The table below summarizes the status of the use of Loan and Grant as of the review period.

Source of Fund	Total Amt	Committed	Disbursed
<b>Loan proceeds</b>	USD 19,950,000	USD 14,792,500	USD 7,664,197
<b>DFID Grant</b>	GBP 5,595,800	GBP 3,025,911	GBP 2,903,285

8. **Disbursement:** By October 15, 2011, overall disbursement against the total fund allocation has reached to USD 12.68 million, of which the actual total payment of USD 2.31 million was made in the review period, of which USD 1.37 million claimed from IBRD loan and USD 0.94 million disbursed from the DFID Grant. The table below summarizes loan disbursed as against loan committed, indicating the disbursement progress over the past 12 months.

	October 2010	March 2011	October 2011
<b>Number of Subprojects</b>	44	46	48
<b>Loan committed</b>	\$11,482,700	\$12,192,700	\$14,792,500
<b>Loan disbursed</b>	\$5,048,215	\$6,290,239	\$7,664,197

9. **Newly approved subprojects:** In the past six months, two new subprojects were reviewed by MOF-WB team and got approved.

Subproject (A25-11) “*Talents Training and Study on Reforming Talent Management System*” undertaken by China Executive Leadership Academy Pudong on behalf of the Coordinating office for Talents Planning of the Central Organizational Department of CPC. The project was initiated against the background of the new national medium and long term program for talents development. It is comprised of two major parts: (i) carrying out as a series of trainings as a primary activity, and (ii) conducting a study on reforming the talent management system to influence policy making. The training program aims to i) enhance capacity of local government leaders in talents planning and management; and ii) train and foster young talents leading scientific and technological development for building an innovative country.

The other subproject (A26-11) is “*Establishing and Improving China's GEO-statistical Information System (GSIS)*” implemented by the National Bureau of Statistics (NBS). The main objectives are to establish a standardized and unified GSIS in China, which is planned to be used in the large enterprises survey as well as the third national economic census in 2013. Capacity

building would also be realized through training activities. The expected outputs would be: i) a master plan for the development of GSIS in China; ii) improved digital maps of the census areas; iii) an improved information platform of GSIS; and iv) an implementation plan of the GSIS.

**10. Project completion and implementation completion report (ICR):** Over the past six months, six subprojects were completed, bringing the total number of completed subprojects to 33. Thus far, the status of the submission and completion of ICRs shows that 26 ICRs are finalized, 4 are being reviewed, 3 are expected to be submitted for review.

**11. A training on project management delivered:** In July, 2011, MOF PMO and the Bank team jointly organized a training workshop on project management, covering topics on subproject preparation, review process, implementation management, policies and guidelines for procurement and disbursement. Over 90 people participated in the 1.5 day workshop, exchanged ideas and experience in project management.

**12. Substantial progress seen in some subprojects:** the Mission is pleased to see that the efforts committed by some subproject agencies have yielded early achievements, and would continue to sustain in pursuit of objectives and implementation results.

- **Performance evaluation system** (Subproject D05-09 Hainan Department of Marine and Fishery): On the basis of the ISO9000 quality standards system that was introduced in earlier phase, the system has now been promoted to broader agencies affiliated with the Department. In the meantime, the present version of performance evaluation system plan and the implementation guidelines are being piloted in all business divisions of the Department. Feedback will be collected so as to further revise and finalize the Plan.
- **Hainan community sustainable development mode pilot** (Subproject C05-10): The pilot was implemented in a selected minority village, and a series of activities, such as teaching agricultural technology, and protecting and preserving nationality culture, have been carried out to assist Li people in building their village into an ecological-friendly and sustainable development community.
- **Preliminary progress made in the study of *Developing Secondary Market of Government Treasury Bonds*** (Subproject A22-10): conceptual outlines of the study were finalized discussed with and endorsed by the SIA, the first draft of the study is progressing well and will be available on schedule in November, and is expected to be commended on by experts from home and abroad.
- **Updated regulations on selecting procurement agency for IFI loan and grant projects** (Subproject A20-10 Int'l Department, MOF): as one of key outputs in the subproject, amendments of the regulations on selection of procurement agency has been completed, and are being reviewed by the relevant department. The new regulations are updates of the policies that MOF issues to guide local governments in carrying out procurement activity in IFI projects. It is expected to be formally issued after the review process.

**13. Financial Management:** The Mission noted that the Investment Appraisal and Evaluation Center (IAEC) of MOF have not yet been reporting expenditures paid from designated account (DA) for two years since November, 2009. Since November 8, 2009, advance in DA in total of USD 4,109,056 was withdrawn from the Bank. However, no expenditure was reported to the Bank. This is a severe non-compliance with the Bank's disbursement requirements specified in the disbursement letter, i.e. expenditures paid from DA need to be reported to the Bank at least on a semi-annual basis together with IFR. The Bank, therefore, requires that the unreported expenditures must be reported to the Bank no later than November 18, 2011.

Per legal agreement, an IFR needs to be submitted to the Bank no later than 45 days after each semester. However, the IFR for the period ended as of June 30, 2011 has not yet been submitted to the Bank. Per the Bank's policy, failure to submit interim financial reports can cause the Bank to take actions to refuse to extend the closing date of the affected loan; or normally delay negotiations and/or Board presentation of any new loans benefiting the noncompliant entity (BP10.02, Annex A). The Bank urges that the overdue IFR must be submitted to the Bank by November 16, 2011.

14. **Procurement.** The Mission reviewed the progress reports, commented on the updated procurement plans submitted by subprojects and concluded that the procurement arrangement and progress, in general, are satisfactory.

#### **IV. Issues and Agreed Actions**

15. The mission raised the following issues at the wrap-up meeting and corresponding actions were agreed with the MOF PMO.

- **Fully utilize loan remainders to support potentially good subprojects in pipeline.** Given the loan will be closed at the end of 2013, the review and selection process of new subprojects will need to be speed up in order to maximize the use and efficiency of the loan proceeds, and allow sufficient time for implementation before the closing date.
- **Failure to report expenditures in designated accounts and IFR.** The delay in reporting expenditure status and IFR needs to be paid serious attention and immediate action by MOF PMO. To solve the issue quickly, MOF PMO will meet the manager of IAEC of MOF to discuss the issue.
- **Implementation delay.** The desk review identified that some activities of the on-going subprojects have lagged behind implementation schedule, such as delay in preparation of TOR, procurement of consulting services, and delivery timetable of output. These delays would not only risk repeated extensions of the implementation timeline, but also potentially affect effectiveness. The subprojects with end June, 2012 as completion date need to be concerned on key milestones vs completion of the related subprojects. Both the MOF PMO and the Bank team should more closely monitor the implementing process of these subprojects. The SIAs should identify and solve the emerging issues in a timely fashion.
- **Capacity constraint of implementation agency.** It is recognized that the institutional capacity of a SIA is a key in ensuring good quality of a subproject implementation. Both the MOF PMO and the Bank team agreed that institutional capacity should be taken as an important indicator in the selection of future subprojects.
- **Assessment of the completed subprojects.** Since TCC5 is approaching its latter stage with 33 completed subprojects, it is the time for the MOF PMO to do post-evaluation for these completed subprojects, especially for those completed for more than two years. As one of the major tasks of subproject (A20-10 Post-evaluation of TA projects and capacity building) which is undertaken by the MOF PMO, the Bank team suggested that it should extend the post-evaluation coverage to more completed subprojects so as to get an overall picture of TCC5's implementation.

#### **VI Next Steps**

16. The following next steps were agreed with MOF:

- MOF PMO to speed up the review process of the new proposals received, and the Bank to provide timely feedback on the proposals.
- MOF PMO to follow up on timely submission of the overdue IFR and the expenditure reports with the Investment Appraisal and Evaluation Center (IAEC) of MOF, and the Bank to review the IFR in terms of compliance with legal covenants (note: MOF PMO took this issue very seriously and an follow up action was taken immediately after the wrap up meeting. By November 16, the requested IFR and expenditure reports were submitted to the Bank).
- MOF PMO to strengthen supervision and guidance on the SIAs having issues in implementation progress.
- The next supervision mission is tentatively scheduled in March, 2012.

## V. Summary of the Individual Subprojects

### 17. A19 - 09, Department of Statistics and Analysis, People's Bank of China (Subproject: *Study Project of Financial Statistical Indicator System and Standards*)

The subproject has come to the final phase with the remaining work to be completed by December 31, 2011. The mission was pleased to see progress being made since the last supervision mission. According to the SIA, the two major studies, which were commissioned to the Institute of Finance and Banking CASS, have mostly been delivered with only a few parts for further revisions.

The study on building a unified and standardized financial statistics system in China, covering statistics of financial instruments, financial derivatives, and financial aggregates, is the core research that the SIA expects to achieve. While the SIA expressed its general satisfaction with the draft, it also proposed three aspects for further improvement: i) adjustment in valuation of financial instruments to enable PBC to build an indicators system on the macro level, ii) address the issue on data acquisition from various institutions, which is a key in building a standardized financial statistical system, and iii) regular verification of key financial aggregate indicators. The report is expected to be finalized soon and will be sent to CBRC, CIRC, commercial banks and insurance companies for comments. A summary of the report will be then submitted to the authority.

The second study on setting up a coordination mechanism of financial statistical work between the central bank and the regulatory departments is somewhat delayed, but is likely to be delivered in November. Due to some sensitivity, this report will be submitted to the State Council as an internal document.

As there is less than three months left before the closing date, the SIA was advised to speed up implementation. In the mean time, the SIA was also reminded to meet payment commitments to improve its lower disbursement ratio.

### 18. A20-10, International Department, MOF

#### (Subproject: *Post-evaluation of TA Projects Financed by IFIs and Capacity Building of MOF*)

The subproject was approved in March 2010 and will be closed at the end of 2013. Its main objectives are: 1) improve the existing project performance evaluation indicator system by post-evaluating the selected projects/subprojects completed in the recent 5 years; 2) revise the existing or formulate new rules and regulations on the cooperation with international financial institutions to further strengthen the project supervision and management; 3) strengthen capacity building of MOF through staff training programs.

To date, the component of capacity building seems to be implemented smoothly and a series of training activities has been carried out. The reports of these trainings will be sent to the Bank for review shortly. Regarding the post-evaluation and improvement of the related indicator system, the SIA was advised to carefully review the draft submitted by the consultant and widely collect comments for its further revision. The mission also suggested to the SIA to speed up the second round of post-evaluation for more completed TCC5 subprojects with a more qualified consulting firm.

The mission is pleased to learn that the other draft revisions of *Guidance on Selection of Bidding Agents in IFIs' Loan Projects* and *Guidance and Regulations on issues related to Procurement Management in IFIs' Loan Projects* are well underway and will be delivered soon.

#### **19. A21 - 10, Treasury Department, MOF**

**(Subproject:** *Developing Secondary Market of Government Treasury Bonds*)

The mission is glad to see the subproject has made good progress since the last mission. The SIA has selected China Securities Depository and Clearing Corporation Limited to undertake the study on China government's bond market development. During the last months, the study team has conducted field surveys/studies in 8 selected cities and completed a detailed outline for the study in close consultation with the SIA. To finalize the report, the study team plans to do more supplementary field studies soon.

Since this is a pretty new and challenged area for China, the mission suggested that the SIA may need to learn more experiences from other countries through international consultancy. While the consulting firm has involved two Asian experts in the study, both the SIA and the consulting firm indicated that they also very much welcome the Bank experts to provide technical advice to the study and attend an international seminar on government bond market scheduled next February.

Responding to the request, the Bank team would approach expertise through its network. To do this, two suggestions were made to the SIA: a) prepare an English summary when the first draft is ready; b) notify the Bank in advance when the exact time of the seminar is settled to allow the Bank to have sufficient time to coordinate.

#### **20. A22-10, Department of Economic Restructuring, NDRC**

**(Subproject:** *Formulate the procedural regulation on promoting and standardizing economic system reform – Regulation on Promoting Economic System Reform*)

The subproject implementation is going well as planned. The goal of this subproject is to formulate and promulgate the *Regulation on Promoting Economic System Reform*, in order to standardize the reform procedures and improve the efficiency of decision-making in the future. The finalized Regulation is expected to be submitted to the State Council for legislative approval.

To date, the work of the first phase has been completed which includes: 6 sub-reports based on the field study in 6 cities and a summary report, 4 sub-reports based on surveys or interviews with government officials and various social groups, as well as a summary report of literatures on foreign practices.

The Regulation drafting work will be started soon based on the outputs of the first phase. Considering the closed linkage between the two phases work and the good performance of the consultants in the first phase, the Bank team suggested the SIA to consider using the same consultants to carry out the second assignment instead of choosing a new one, as such an arrangement could better serve the work continuity and also cost efficiency.

#### **21. A23-10, Department of Disease Control, Ministry of Health, MOH**

**(Subproject:** *National Strategy Research on NCD Prevention and Control in China within the framework of Health Reform*)

The project was approved in July 2010 but has a delayed start because of staff changes in the PMOs of both Ministry of Health and China Center for Disease Control. The mission is glad to see some progress having been made in recent months. Among the four planned studies, 3 have been carried out and the fourth is expected to be started soon. A number of technical issues were identified and discussed at the supervision meeting, too. See the summary in the table below:

Activity	Progress
1. NCD Burden in China	<p>The first draft has been completed. Further analysis in the following dimensions was suggested to improve the quality of the study:</p> <ul style="list-style-type: none"> <li>• Key NCDs and their risk factors by income group</li> <li>• Incomplete information on obesity, smoking and other risk factors among children</li> <li>• No analysis of the attributable burden (DALY) of key risk factors</li> <li>• The section on policy recommendations is weak</li> <li>• A technical dilemma: Is NCD surveillance every three years too frequent?</li> </ul>
2. Case Study of Best Practices in NCD Response	<p>Literature review has been underway. There should be collections of best practices on designated themes, such as:</p> <ul style="list-style-type: none"> <li>• Laws and regulations, in particular on sodium content, on tobacco control, on Trans-fat, etc.</li> <li>• Health Financing and insurance arrangement for encouraging NCD care and prevention</li> <li>• Service delivery mode</li> <li>• Health in all policies: collaboration with other non-health sectors on NCDs</li> </ul> <p>For the overall national strategy, the following countries should be studied: Finland, Japan, New York State of USA, Thailand: Thaiblue</p>
3. NCD Account and Service Delivery	The technical proposal has been well designed. Field investigation sites have been identified. However, further refinement on study proposal is needed.
4. Policy Options for NCD Response in China	Have not started. A responsible consulting firm to be identified.

The Bank expert indicated that since 2011 represents the first year of the second phase for the Health Sector Reform in China and the first year of the 12<sup>th</sup> five year plan implementation, while the Government has been working on the National Plan for NCD Prevention and Control, the studies under the subproject have the potential to provide useful inputs for formulation of the national health sector reform strategy and the national strategy for NCD response.

The mission also indicated some management issues for the SIA's attention including lack of coordination and data sharing mechanism among consultants, weak synergy between the different activities, and lack of international technical consultancy engaged. The SIA was advised to establish a coordination mechanism to improve the communication among different activities and expedite the project implementation. It is recommended that the research institutions could communicate directly with

World Bank team on technical issues under any proposed studies. The SIA was also requested to improve its contract management as there is no disbursement being made by now.

## **22. A24-10, Comprehensive Department, MOF**

**(Subproject: Study on Mid-term Budget Management)**

This subproject was approved in December 2010. It is designed to study and try to work out a mid-term budget framework for China. The expected outputs of the study are a general report on the mid-term budget management framework with two supporting sub-reports: one is focused on the concepts, the current situation and problems review, and the other one is to review and summarize experiences and lessons in pilot provinces and cities as well as other countries with policy recommendations. The two sub-studies have been carried out, and one of the study outlines was submitted to the Bank for comments by the supervision. The first draft of this report is expected to be submitted to the SIA by end October for review and comments.

The Bank mission commented that during the past three decades, many countries around the world have adopted a Medium Term Expenditure Framework (MTEF), but the experience with MTEF implementation and impact on budget management effectiveness and development results has appeared to vary widely by country. Therefore, the Bank mission suggested the study team should carefully review and learn experiences from other countries, clearly identify areas for improvement, and set the sequence of the reforms, namely, what to achieve in the near term and over medium and long terms. On knowledge sharing, it is noted that the Bank has done of research on this subject, and would be happy to give assistance if needed.

With regard to project management and implementation, the mission advised the SIA to make better plan for its remaining activities, especially the overseas training, to ensure smooth overall implementation.

## **23. D05-09, Department of Marine and Fishery, Hainan Province**

**(Subproject: Performance Evaluation on Annual Key Tasks of Department of Marine and Fishery of Hainan Province)**

The subproject is well under way since its implementation started in November 2009. The mission is very impressed by the efficient work of the SIA and the strong leadership of the Department. On the basis of the ISO9000 quality standards system that was introduced in the earlier phase, a trial version of the performance evaluation system with the implementation guidelines is designed and being tried out in the Department. Further revision and improvement will be made based on the feedbacks from the practice.

The mission is glad to notice that this evaluation system is well designed in line with its organization strategy. To enhance fairness and openness, the system introduced not only qualitative measures but also emphasized quantitative measures, which is not very common within the public sector. A performance review panel, including staff representatives, is also set up.

In addition to the positive comments to the work, the Bank expert also provided some observation and suggestions during the discussion:

- Successful implementation of performance management program needs a healthy environment, which is a common understanding and acceptance of reward for performance and results. The management may need to first consider building up a performance culture to avoid equalitarianism and an entitlement mindset.
- An effective performance management system takes time to design, implement and perfect. The current project output is only a start. There is a long way to go with further improvement of the system based on experience and feedback obtained through implementation.

- The current evaluation program is still somewhat complicated. There is room for further simplification. Among the four evaluation frameworks, emphasis should be given to individual performance evaluation, which is a common practice globally. The purpose of performance management is to cascade objectives from top down to each staff member.
- There are three layers of measurement criteria in the current version. The third layer criteria are not reflected in the performance form. Measures should be carefully monitored to avoid calculation mistakes. Staff and supervisors also need better guidance on how to evaluate and rate performance, such as competency criteria and work differentiation criteria. It is suggested to create more clear description to guide the rating process.
- Effective implementation is very critical. Process and accountability for results must be simply designed, clearly assigned and well understood.
- Effective performance conversation is critical. There are informal and formal performance conversations. Informal performance conversation happens every day but is often overlooked. Formal performance conversations need to take place at least once a year and need to be recorded. The draft program only requires performance conversation when the score discrepancy of staff and supervisor is over 10. It is suggested to remove this requirement. Performance conversation should emphasize confirmative and constructive feedback.
- Training is very important and should be tailored to meet the needs of different roles. Apart from general training sessions open to all staff, tailored training to staff with different roles is also important. An information sharing platform also needs to be set up to ensure staff are able to access information easily.
- The OA system needs to be designed and improved to ensure smooth implementation and enhance efficiency. Information collection and report generation function also need to be added to provide information for decision makers.

#### **24. C05-10 Research Academy of Environmental Sciences of Hainan Provincial Department of Land, Environment and Resources**

**(Subproject: Sustainable Land Resources Use in Middle Mountainous Areas in Hainan- Community Development Mode Pilot)**

The Mission visited the pilot village (Fandao) and discussed with local authorities and farmers. The mission congratulated the SIA on the excellent progress that has been made over the past year. The mission is pleased to note that high level leadership attention paid by the Provincial Department of Finance, the SIA and the local governments, as well as the consultants to design and appraise the community development mode, which includes elements such as farmers livelihood improvement, village ecological and environmental protection and institutional and cultural innovation. Most importantly, the pilot community (a Li minority group) has been mobilized and is acting collectively to implement the subprojects.

To date, the key outputs include: i) survey on the natural resource use and management; ii) training and extension services to rubber growers and traditional herbs cultivation; iii) strengthening village institutional capacity: i.e. establishment of farmers' self-help groups and development of community agreement on environment protection; iv) Li Minority Cultural Heritage Protection Imitative; v) village garbage collection and disposal; vi) village waste water treatment initiative; vii) drinking water purification and energy saving activities; viii) drafting report on eco-friendly community development mode; ix) a number of workshops and study tours have been conducted and well received.

On the part of technical advice, the mission emphasizes that the SIA should pay priority attention to the following four aspects in order to achieve sustainable and lasting impacts on the pilot community. First, that is a need to strike the right balance between approaches of expert-leading and community driving and always putting the community in the driver's seat for the sub-project implementation and O&M. In this regard, the concept of the Community Driving Development (CDD) is advised to be introduced to the

sub-project design and implementation; Second, striking the right balance between the dual objectives of livelihood improvement and environmental protection. The current livelihood copying strategy and recommendations for farmer's income generation should be part of the survey of national resource use and management; Third, ensuring that the long-term development plan should combine with short-term, step-by step implementation arrangements to encourage villagers to realize the plan. The mapping tool could be used to visualize the planned results; Fourth, paying attention to the documentation to support future experience sharing, lessons learnt and dissemination for the purpose of scaling up.

**Annex 1**  
**Supervision Meeting Checklist**

<b>Code</b>	<b>Subproject Title</b>	<b>SIA</b>	<b>9th SPN</b>	<b>10th SPN</b>	<b>Planned Closing</b>
<b>A01-06</b>	Administration System of Property Right of Land Owned by Rural Collectives	Department of Finance, Ministry of Land and Resources(MOLR)			Completed
<b>A02-06</b>	China Urban Community Service System Planning in the 11th Five Year Plan	Department of Social Development, National Development and Reform Commission(NDRC)			Completed
<b>A03-06</b>	Work Injury Insurance System	Department of Planning and Finance, Ministry of Personnel, Labor and Social Security			Completed
<b>A04-06</b>	Optimizing the Implementation of the National Development Plans for Ethnic Minorities and Ethnic Minority Areas through Capacity Building and Community-Driven Development Adoption	Economic Development Department, State Ethnic Affairs Commission(SEAC)			Completed
<b>A05-06</b>	Employment Spending Performance Evaluation	Social Security Department, Ministry of Finance(MOF Social)			Completed
<b>A06-06</b>	Improvement of China Government Procurement Legal System and Capacity Building	Legal Department, Ministry of Finance(MOF Legal)			Completed
<b>A07-06</b>	Study Report on the Innovation of the Management Mechanism of Government Public Assets in China	Administrative and Law Enforcement Department, Ministry of Finance(MOF Adm)			Completed
<b>A08-07</b>	Building the Government External Debt Statistics, Analysis, Monitoring and Early-Warning System in China	Finance and Statistic Division, International Department of Ministry of Finance(MOF Intl)			Completed
<b>A09-07</b>	Research on Rationally Regulating Regional Disparity of Civil Service Income	Department of Salary, Benefits and Retirement, Ministry of Personnel(MOP)			Completed
<b>A10-07</b>	Study on the Reform of Transmission and Distribution Separation in China	Policy and Regulations Department, State Electricity Regulatory Commission(SERC)			Completed
<b>A11-07</b>	The VAT Reform and Legislation of China	National People's Congress Standing Committee Budget Affairs Office (NPC)			Completed
<b>A12-07</b>	Study on Amendment of the Negotiation Text for Avoidance of Double Taxation Treaty of China	State Administration of Taxation (SAT)			Cancelled

<b>Code</b>	<b>Subproject Title</b>	<b>SIA</b>	<b>9th SPN</b>	<b>10th SPN</b>	<b>Planned Closing</b>
A13-08	Research on China's External Debt Coverage, Statistics and Monitoring	State Administration of Foreign Exchanges (SAFE)			Completed
A14-08	Study of Strategic Framework of China's Government Accounting Reform and Management	Treasury Department, Ministry of Finance (MOF Treasury)			Completed
A15-09	The Key Issues on Reform of Collective Forestland Tenure in China	Department of Agriculture, Ministry of Finance and China National Forestry Economics and Development Research Center (SFA)			Completed
A16-09	Study on Transforming the Regional Growth Pattern though Independent Innovation	Department of Development Planning and State Information Center of National Development and Reform Commission (SIC)			Completed
A17-09	Research on Improving Housing Fund Management of P. R. of China	Department of Housing Fund Regulation and Management, Ministry of Housing and Urban-Rural Development(MOHURD)			Cancelled
A18-09	Policy Design and Capacity Building for the Private and Non-Enterprise Institutions Development in China	Social Development Department of National Development and Reform Commission(NDRC Social)	X		06/30/12
A19-09	Study Project of Financial Statistical Indicator System and Standards	Department of Statistics and Analysis, People's Bank of China(PBOC)	X	X	12/31/11
A20-10	Post Evaluation of TA Project Financed by IFIs and Capacity Building for the Ministry of Finance	International Department of Ministry of Finance;(MOF TA)		X	12/31/13
A21-10	Constructing a Sound China National Debt Secondary Market	Treasury Department, Ministry of Finance(MOF Treasury)		X	12/31/12
A22-10	Formulate the procedural regulation on promoting and standardizing economic system reform – Regulation on Promoting Economic System Reform	Department of Economic System Reform National Development and Reform Commission(NDRC Reform)		X	12/31/12
A23-10	National Strategy Research on NCD Prevention and Control in China within the framework of Health Reform	Department of Disease Control, Ministry of Health(MOH)		X	12/31/12

<b>Code</b>	<b>Subproject Title</b>	<b>SIA</b>	<b>9th SPN</b>	<b>10th SPN</b>	<b>Planned Closing</b>
A24-10	Study on Mid-term Budget Management	Policy and Fiscal Affairs Department, Ministry of Finance	X	X	12/31/12
A25-11*	Study on the Development of Professionals in Short Supply and Human Resources Management Reform	China Executive Leadership Academy Pudong			12/31/2012
A26-11*	Establishing and Improving the GEO-statistical Information System	National Bureau of Statistics of China			12/31/2013
B01-06	Research on Operational Mechanism of rural Community Development Fund(CDF) and Piloting Project	Department of Planning and Finance, State Council Leading Group Office of Poverty Alleviation and Development; Department of Agriculture, Ministry of Finance(Poverty Office)			Completed
B02-06	Related Research on Medical Quality of HIV/AIDS in Rural Henan Province	Health Bureau of Henan Province(Henan)			Completed
B03-06	Qinghai Pro-Poor Development Strategy Research	Financial Bureau of Qinghai Province(Qinghai)			Completed
B04-06	Economic Transformation Strategy of Panzhihua as a Resource Based City	Panzhihua Municipal People's Government(Panzhihua)			Completed
B05-06	Research on problems for Social Security of Rural and Urban Disadvantages Groups in Jiangxi Province	Jiangxi Provincial Department of Finance(Jiangxi)			Completed
B06-06	Sustainable Development Research of the Energy and Chemistry Industry Base in North Shaanxi	Department of Finance of Shaanxi Province(Shaanxi)			Completed
B07-07	Empowering Poor or Unemployed Women for Reemployment	Gansu Provincial Finance Bureau(Gansu)			Completed
B08-07	Construction of Labor and Social Security Right Protection in Anhui Province for Rural Migrant Workers	Anhui Provincial Labor and Social Securities Bureau (Anhui)			Completed
B09-08	Research on Impacts of Economic Growth and Pro-agriculture Fiscal Policies on Poverty Alleviation in Shanxi Province	Shanxi Provincial Finance Bureau (Shanxi)			Completed
B10-09	Development of Labor Service Industry in Poverty-stricken Areas of Ningxia Hui Autonomous Region	Labor and Social Security Department of Ningxia Hui Autonomous Region (Ningxia)			Completed

<b>Code</b>	<b>Subproject Title</b>	<b>SIA</b>	<b>9th SPN</b>	<b>10th SPN</b>	<b>Planned Closing</b>
<b>C01-06</b>	Study on Sustainable Development Strategy Plan and Natural Resources Sustainable Utilization Demonstration Project	Hengshui Municipal Government, Hebei Province (Hengshui)			Completed
<b>C02-07</b>	Demonstrative Project of Sustainable Land Resources Use in Middle Mountainous Areas in Hainan-A Case study of Zha Yun Township, Qiong Zhong Li and Miao Minority Autonomous County Project	Department of Land, Environment & Resources of Hainan Province(Hainan)			Completed
<b>C03-08</b>	Research on Protection and Utilization of Shanxi Ancient Villages & Towns and Poverty Reduction	Shanxi Provincial Construction Bureau (Shanxi Village)			Completed
<b>C04-09</b>	Research on the Development of the Eco-economic Area of the Poyang Lake	Jiangxi Provincial Development and Reform Commission (Jiangxi DRC)			Completed
<b>C05-10</b>	Demonstrative Project of Sustainable Land Resources Use in Middle Mountainous Areas in Hainan-Community Development Mode Pilot	Research Academy of Environmental Sciences of Hainan Provincial Department of Land, Environment and Resources		X	12/30/2012
<b>D01-06</b>	Strengthening the Institutional Capacity of Eximbank	The Export-Import Bank of China (Exim)			Completed
<b>D02-07</b>	Perfection of the Juristic Framework and Operation System of Investor Protection Fund in China Securities Market	China Securities Investor Protection Fund Corporation Limited(CSIPF)			Completed
<b>D03-08</b>	Study on the Management of Fiscal Special Fund of Guangdong Province	Guangdong Provincial Finance Bureau (Guangdong DOF)			Completed
<b>D04-08</b>	Research on Supervision Mechanisms of Public Service Units in Guangdong Province	Commission Office for Public Sector Reform of Guangdong Province			Completed
<b>D05-09</b>	Performance Evaluation on Annual Key Tasks of Department of Marine and Fishery of Hainan Province	Department of Marine and Fishery of Hainan Provicne(Hainan DOF);		X	3/31/12
<b>D06-10</b>	Study on The Compensation Mechanism of Non-commercial Forest and Building of Supporting Policy and Service System in Henan	Henan Province Forestry Department(Henan Forestry)	X		6/30/12
<b>D07-10</b>	Research of Rural Land Property Right System Reform in Overall Urban-Rural Development Planning in Chengdu, Sichuan Province	Overall Urban-Rural Planning Committee of Chengdu, Sichuan Province(Chengdu)	X		12/31/12

<b>Code</b>	<b>Subproject Title</b>	<b>SIA</b>	<b>9th SPN</b>	<b>10th SPN</b>	<b>Planned Closing</b>
<b>D08-10</b>	Strategy Research of Modern Agriculture Development in Yangling Agriculture Hi-tech Zone (Yangling Agro-Zone)	The Administration Committee of Yangling Agro-Zone(Yangling)	X		6/30/12
<b>D09-10</b>	Plan Design for the Integrated Development of Beijing Shunyi Aerotropolis and Airport Free Trad	The People's Government of Shunyi District, Beijing Municipality	X		12/31/11

\*Subprojects approved during the current reporting period.

**Annex 2**  
**Subprojects Procurement & Disbursement Status**

子项目 Subproject Code and SIA	批复日 Date of WB NOL	批复项目资金 Approved Loan/Grant (USD)	承诺, 截至各子项目半年度报告日期 Committed, as of the date of semi-annual report of each SIA		支付, 截至2011年10月15日 Disbursement, as of October 15, 2011			
			承诺额 Committed Amount (USD)	承诺比例 Ratio (%)	已支付贷款 Loan (USD)	已支付赠款 Grant (GBP)	支付额总计 Total (USD)	支付比例 Ratio (%)
A01 国土	2006/9/11	200,000	185,018	93%	185,018		185,018	93%
A02 发改委	2006/9/11	300,000	299,390	100%	299,390		299,390	100%
A03 工伤	2006/9/13	352,000	351,253	100%	351,253		351,253	100%
A04 民委	2006/10/11	300,000	299,098	100%	299,098		299,098	100%
A05 MOF社保	2006/10/30	300,000	214,560	72%	214,560		214,560	72%
A06 MOF条法	2006/11/3	121,300	115,585	95%	115,585		115,585	95%
A07 MOF政法	2006/11/28	300,000	262,759	88%	262,759		262,759	88%
A08 MOF国际	2007/5/16	300,000	195,460	65%	195,460		195,460	65%
A09 人事	2007/6/6	330,000	330,000	100%	330,000		330,000	100%
A10 电监会	2007/7/3	400,000	357,834	89%	357,834		357,834	89%
A11 人大预算	2007/12/6	300,000	299,229	100%	299,229		299,229	100%
A13 外管局	2008/3/26	350,000	281,957	81%	256,957		256,957	73%
A14 MOF 国库	2008/5/21	600,000	596,910	99%	596,910		596,910	99%
A15 林业部	2009/6/22	296,000	287,221	97%	264,941		264,941	92%
A16 信息中心	2009/6/23	300,000	268,898	90%	268,898		268,898	100%
A18 发改委	2009/10/16	300,000	198,095	66%	162,116		162,116	54%
A19 人民银行	2009/11/2	300,000	205,107	68%	72,169		72,169	24%
A20 MOF 技援	2010/3/3	1,000,000	452,064	45%	383,822		383,822	38%
A21 MOF 国库	2010/5/10	300,000	167,241	56%	36,340		36,340	12%
A22 NDRC	2010/7/22	300,000	132,000	44%	72,911		72,911	24%
A23 MOH	2010/7/22	300,000	139,200	46%	-		-	-
A24 MOF 综合	2010/12/30	250,000	98,000	39%	19,500		19,500	8%
A25 中浦院	2011/7/14	2,250,000	-	-	-		-	-
A26 统计局	2011/10/12	299,800	-	-	-		-	-
B01 扶贫办	2006/9/12	351,000	348,000	99%		185,536	348,000	99%
B02 河南	2006/9/12	300,000	282,000	94%		149,774	282,000	94%
B03 青海	2006/9/12	600,000	546,000	91%		290,123	546,000	91%
B04 攀枝花	2006/10/19	300,000	333,000	111%		177,338	333,000	111%
B05 江西	2006/9/13	550,000	577,500	105%		308,789	577,500	105%
B06 陕西	2006/9/28	400,000	400,000	100%		210,893	400,000	100%
B07 甘肃	2007/3/28	330,000	336,600	102%		172,710	336,600	102%
B08 安徽	2007/11/19	300,000	279,000	93%		136,399	279,000	93%
B09 山西	2008/8/29	580,000	632,200	109%		346,074	632,200	109%
B10 宁夏	2009/2/18	400,000	348,000	87%		243,421	348,000	87%
C01 河北衡水	2006/9/12	331,600	354,526	107%	167,172	100,274	267,446	117%
C02 海南	2007/2/7	300,000	300,000	100%	138,062	80,318	157,500	105%
C03 山西古村	2008/10/28	580,000	563,958	97%	304,028	159,466	563,958	97%
C04 江西	2009/2/25	1,000,000	768,301	77%	400,563	293,731	879,345	88%
C05 海南II	2010/7/27	350,000	289,761	83%	78,382	48,439	157,338	50%
D01 进出口行	2006/9/19	900,000	872,399	97%	872,399		872,399	97%
D02 证监会	2007/7/10	300,000	57,960	19%	57,960		57,960	19%
D03 广东财厅	2008/6/2	170,000	95,565	56%	95,565		95,565	56%
D04 广东编办	2008/11/19	230,000	220,319	96%	220,319		220,319	96%
D05 海南渔业	2009/11/17	400,000	286,778	72%	218,627		218,627	55%
D06 河南林业	2010/6/21	297,600	159,375	54%	21,003		21,003	7%
D07 成都	2010/6/22	300,000	186,850	62%	45,367		45,367	15%
D08 杨凌	2010/6/28	380,000	279,800	74%	-		-	-
D09 顺义	2010/11/25	460,000	-	-	-		-	-
<b>总计 Total</b>	<b>48</b>	<b>20,159,300</b>	<b>14,254,771</b>	<b>71%</b>	<b>7,664,197</b>	<b>2,903,285</b>	<b>12,683,876</b>	<b>63%</b>

Note 1: "Committed" (承诺) is a sum of value of contract signed and expenditures occurred for training/workshop/study tour to date; Note 2: The total is net of cancellation; Note 3: A ratio over 50% is highlighted; Note 4: Exchange Rate at the date of Semi-annual Report ;Grant overrun due to exchange rate fluctuation.