

TECHNICAL ASSISTANCE COMPLETION REPORT¹

Division: PRCM

TA No., Country and Name	Amount Approved: \$1,000,000		
TA 4580–PRC: Nongovernment Organization-Government Partnerships in Village-level Poverty Alleviation	Revised Amount: \$1,000,000		
Executing Agency: State Council Leading Group Office of Poverty Alleviation and Development	Source of Funding: Poverty Reduction Cooperation Fund (PRF)	Amount Undisbursed: \$111,204.66	Amount Utilized: \$888,796.34
TA Approval Date: 20 April 2005	TA Signing Date: 1 June 2005	Fielding of First Consultants: 26 June 2005	TA Completion Date Original: 31 October 2007 Actual: 31 October 2008 Account Closing Date Original: 31 January 2008 Actual: 31 January 2009
<p>Description: Particularly since 1978, the People's Republic of China (PRC) has made remarkable progress in poverty reduction. In addition to sustained economic growth, this reflects the role of poverty-related policies and programs. However, persistent challenges remain. Despite rapid economic growth and expanding investment in such programs, poverty has decelerated in the last decade, and innovative approaches are needed to better target and address persistent rural poverty and vulnerability. In 2001, the State Council Leading Group Office of Poverty Alleviation and Development (LGOP) began to roll out participatory village poverty alleviation and development planning (VPADP) as the PRC's flagship grassroots poverty alleviation (PA) program. However, the Government has recognized gaps in the VPADP, in part due to local governments' limited capacities in participatory planning, implementation, and monitoring and evaluation (M&E). Such gaps have undercut the (i) targeting and transparency of fund use; (ii) poor communities' participation in and ownership of VPADP programs; (iii) empowerment of the poor, women, and other marginalized groups; and (iv) magnitude and sustainability of poverty impacts.</p> <p>In view of this, LGOP has increasingly sought to expand the role of nongovernment organizations (NGOs), including an explicit policy statement in the <i>China Rural Poverty Alleviation and Development Outline (2001–2010)</i> on promoting NGO participation in and implementation of state poverty programs. However, due to the lack of a supportive institutional environment and viable mechanisms, this policy had not been actualized by 2005. The Government sought Asian Development Bank (ADB) technical assistance (TA) to help design and demonstrate modalities for NGO-government partnership under the VPADP, and to promote dialogue on supportive reforms.</p>			
<p>Expected Impact, Outcome and Outputs: The TA's guiding impact was rural poverty reduced, with NGOs mainstreamed within more effective, efficient, and well-targeted PA programs nationwide. Its targeted outcome was replicable models and mechanisms for NGO participation in government-funded village-level PA efforts formulated and demonstrated.</p> <p>The TA design foresaw four clusters of outputs, grouped by component: (i) consensus on a comprehensive framework for NGO-government partnerships in reducing poverty, incorporating demonstrated models and mechanisms, and concrete recommendations for institutional and policy reform; (ii) key capacities built among NGOs and local officials for NGO-government cooperation in village PA work, and guidelines and core materials disseminated to support post-TA replication; (iii) NGO capacities for VPADP implementation built and a successful pilot test completed, with new mechanisms proven viable under two pilot modalities; and (iv) an objective and externally credible M&E assessment of the efficacy and impact of NGO-implemented projects, including comparisons with government-implemented PA projects in a control sample of villages.</p> <p>A 2008 interim rating assessment of this TA (along with others funded by the Poverty Reduction Cooperation Fund) by the Independent Evaluation Department (IED), formerly Operations Evaluation Department, considered the TA design highly relevant. Its objectives were appropriate and timely: the Government's shifting development priorities suggest a key (but yet untapped) potential for NGO-government partnerships. The TA's pioneering of the PRC's first ever systematic channeling of government budgetary funds to competitively selected NGOs to facilitate VPADP programs in pilot villages was widely recognized as setting a major precedent. The terms of reference remained appropriate, with only minor refinements required.</p> <p>The TA was completed one year after the planned completion date due to (i) minor delays to allow for sensitive dialogue on the unprecedented release of budgetary funds to NGOs; and (ii) the final policy forum's postponement due to a moratorium on international workshops and study visits due to the 12 May 2008 earthquake and the 2008 Olympics in Beijing. TA design and implementation benefited from very strong ownership by the executing agency, LGOP, their counterparts in Jiangxi, and the China Foundation for Poverty Alleviation and Development (CFPA), an apex NGO that acted as implementing agency for the pilot test. Extensive stakeholder participation also included 9 NGO consortia competitively selected under the pilot, central and local government agencies, and academia. Provision of roughly \$80,000 parallel cofinancing by Singapore-based RGM International to expand NGO capacity building marked the first corporate social responsibility contribution to an ADB TA in the PRC, and one of the first in ADB.</p>			

¹ In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

Delivery of Inputs and Conduct of Activities: TA expenditures on inputs remained just within the budget. Consultant inputs—from five individual consultants and one firm—were considered at the high-end of satisfactory, and were generally well received by LGOP. Downsizing of the second international study visit and later cancellation (due to the noted moratorium) of a proposed additional visit resulted in TA savings.

TA funds for policy workshops and the pilot test were administered by LGOP, their Jiangxi counterparts, and CFP. Highly satisfactory inputs by all three were essential in the TA's success. The performance of the competitively selected NGOs ranged from satisfactory to highly satisfactory.

The pilot test proceeded as planned, excepting the need to trim the number of pilot villages (from 18 to 16) and hybrid model villages (from 4 to 3), since three villages had begun VPADP planning prior to the pilot's second-round bidding and were reclassified as control (government-only) villages. Compared with the hybrid model (where NGOs assisted participatory planning but local governments oversaw plan funds and implementation), success was more marked under the pilot village modality, which outsourced VPADP implementation to NGOs. M&E indicators demonstrated clear gains in pilot villages in the breadth and depth of participation, targeting of marginalized groups like the poor and women, villager satisfaction, and transparency of government fund utilization compared with control villages. Some of the NGOs have also continued village-level work following VPADP completion.

ADB's performance was also considered satisfactory. Both senior-level involvement (e.g., participation by Vice President, Operations Group 2 in the midterm policy forum) and hands-on management by the PRC Resident Mission (PRCM) played key roles. Effective cooperation between PRCM and the NGO and Civil Society Center (NGOC) also expanded exposure of the Jiangxi pilot, which was included as the lead chapter in an ADB publication, *From the Ground Up: Case Studies in Community Empowerment*.²

Evaluation of Outputs and Achievement of Outcome: The TA was efficient in delivering good quality outputs, many of which involved strong stakeholder participation. For example, capacity building activities increasingly integrated experience-sharing across and within NGOs and local governments, as reflected in a final CD-ROM disseminated to support post-TA replication. Other good quality deliverables, including a pair of monographs synthesizing the pilot test and M&E findings, supported dissemination to a broad range of stakeholders and the media.

The TA achieved its outcome. Cementing consensus and implementing institutional reforms will be a long term process, but the Government has recognized the TA's contribution. This is reflected in the identification of NGO-government partnerships as a niche area in ADB's PRC Country Partnership Strategy (2008–2010), as well as LGOP's request for a follow-on TA 7159–PRC: New Models for Civil Society Participation in Poverty Reduction. In addition to replication under that TA, key elements of the piloted model have already been integrated in, for example, China Red Cross and Narada Foundations' allocation of grants to NGOs for post-earthquake interventions. The TA also prompted a request from the Ministry of Civil Affairs—responsible for NGO registration in the PRC—for ADB support to assess international models and policy options for outsourcing of broader public services to NGOs, to which PRCM and NGOC responded by funding a study under TA 4790–PRC: Facility for Reform Support and Capacity Building and additional staff consultant inputs.

The TA's influence is also reflected in the fact that it was selected by the Ministry of Finance as one of five best practice advisory TAs in 2007, substantial media coverage (ranging from domestic media to articles in Reuters and the Los Angeles Times), and invitation by the United States Department of State to present the pilot in a June 2007 forum in Washington, DC.

Overall Assessment and Rating: Consistent with IED's interim rating in 2008, the TA is rated as highly successful. Despite the inherent challenges in pioneering the release of state funds to NGOs, the TA delivered its intended outcome and high quality outputs. The TA has attracted substantial attention in policy, academic, and media circles, while key elements are being replicated, indicating that benefits will likely be sustainable.

Major Lessons: A general lesson is that ADB can effectively partner with governments and NGOs, utilizing its strengths, international experience, and credibility to promote civil society-government partnerships. Given the sensitivity of NGO access to state funds, the restriction to legally registered NGOs was appropriate, but by exploring access to stable funding and legitimizing NGOs' role as a development partner for the state, the TA and noted follow-on work have important implications for the PRC's NGO sector, which is still in its nascence. Second, the TA's success demonstrated that advisory TA can prove an effective instrument for pilot testing new models and mechanisms. Particularly in sensitive areas, piloting puts a premium on careful initial design combined with hands-on management, to ensure a flexible and timely response to any challenges. Government and local ownership is critical to the success of such TAs, which may also require ADB to think outside the box. For example, the TA involved a substantial direct role by the executing and implementing agencies in managing TA funds and activities, and it utilized an array of individual and firm-based external experts tailored to partners' needs and capacities. While this implied the need for multi-partner coordination and greater staff involvement, this was justified by the innovative nature of the TA, and was well received by the government.

Recommendations and Follow-Up Actions: Consistent with the CPS, it is proposed that ADB continue to promote civil society-government partnerships as a key niche area in the PRC. Lessons from this, the successor TA, and other TA in the PRC should continue to be synthesized, with experience-sharing across related models in the region.

² ADB. 2008. *From the Ground Up: Case Studies in Community Empowerment*. Manila.