

## **MANAGEMENT RESPONSE TO THE TECHNICAL ASSISTANCE PERFORMANCE EVALUATION REPORT FOR SELECTED TECHNICAL ASSISTANCE PROJECTS IN PUBLIC ADMINISTRATION IN THE PEOPLE'S REPUBLIC OF CHINA**

On 16 January 2007, the Director General, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

### **A. Overall Assessment**

1. The Technical Assistance Performance Evaluation Report (TPER) for Selected Technical Assistance (TA) in Public Administration has reviewed a cross-section of ADB's support for public sector governance in the PRC. ADB and other development partners have made important contributions to establishing the legal and administrative environment to support the PRC's transition to a market oriented economy over the last two decades. Some 12 TAs over the last 15 years have focused on supporting audit, procurement, and performance evaluation, and five of these are reviewed under the TPER. It is important to note that technical assistance forms only part of ADB's contribution to public sector reform in the PRC. Public sector lending, which by the end of 2006 totaled \$17.8 billion, has been the other significant modality by which ADB has contributed to reform, innovation and capacity building in the key areas of public financial management, procurement, combating corruption and performance evaluation.

2. Three of the TAs reviewed are rated highly successful (TA 3103–audit, TA 3631–government procurement law, and TA 3357–performance evaluation). One is rated successful (TA 2845 supporting procurement regulations) and one is rated partly successful (TA 3457 supporting procurement institutions). With respect to the latter TA, we note the Government's own satisfaction with the TA's performance.

3. The TPER supports the view that ADB has been undertaking important work in a key area of the PRC's reform agenda, and that ADB's contribution is overall considered to be successful. The TPER identifies some valuable lessons, provides useful insights to our staff continuing to support this work in the PRC, and makes concrete recommendations for the future direction of ADB support. Management supports the overall conclusions of the TPER.

### **B. Key Issues and Lessons Identified, and Follow-up Actions**

4. Management agrees that the formulation of a new country partnership strategy presents an opportunity to develop a strategic approach to governance reform and identify the appropriate role for further technical assistance. It is anticipated that analytical work undertaken in the context of the country partnership strategy (CPS) preparation will lead to a better focused and more strategic approach to governance reform and capacity building.

5. We note the recommendation for a full review of the PRC procurement system as timely. In 2007, ADB will continue to work with central government agencies to further strengthen procurement management.

6. The TPER's recommendations on development of human resources, the possible role of universities, and the use of e-learning and distance education are noted and supported.

7. The PRC's very impressive performance in the construction of its national infrastructure points to a number of lessons, which can be shared with other ADB member countries. Sharing the PRC's development experience is being actively pursued in the context of ADB's partnership with the PRC.

8. The report rightly emphasizes the important role of public access to information to improve transparency and combat corruption. The trend in the PRC in this regard is very positive. In line with the TPER's recommendations, technical assistance to support the China National Audit Office is included in the 2007 program.