China, People's Republic of: The Midterm Review of the 13th Five-Year Plan and the Initial Research Towards the 14th Five-Year Plan

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<td>Project Number</td>
<td>52024-001</td>
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<td>Country</td>
<td>China, People's Republic of</td>
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<td>Project Status</td>
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<td>Project Type / Modality of Assistance</td>
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<td>Source of Funding / Amount</td>
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**Strategic Agendas**
- Environmentally sustainable growth
- Inclusive economic growth

**Drivers of Change**
- Governance and capacity development
- Knowledge solutions
- Private sector development

**Sector / Subsector**
- Public sector management - Economic affairs management - Public administration

**Gender Equity and Mainstreaming**
- Some gender elements

**Description**
During the 2017 country programming mission of the Asian Development Bank (ADB) to the People's Republic of China (PRC), the government requested ADB to provide knowledge and support technical assistance (TA) to the National Development and Reform Commission (NDRC) to support the midterm review of the Thirteenth Five-Year Plan (13th plan) and the preparation of the Fourteenth Five-Year Plan (14th plan). This is a continuation of the support that ADB provided to the 12th and 13th Five-Year Plans. An ADB team met with the NDRC on 31 October 2017 to discuss the objective, key topics to be covered, and timing of the TA. ADB and NDRC initially agreed on:

(i) The objective of the study, which is to help the PRC achieve higher quality growth in order to address the people's ever-growing needs for a better life; (ii) the key areas to be covered, namely, people-centered urbanization, demographic transition, and ecological civilization; and (iii) the major milestone submission of midterm review in June 2018 and provision of strategic recommendations for the 14th plan in June 2019. ADB agreed to support this process over the flagship study by drawing ADB-wide expertise and resources, and included the proposed TA in the country operations business plan 2018-2020 for the PRC.

**Project Rationale and Linkage to Country/Regional Strategy**
The economic performance of the PRC has been impressive over the last four decades. Gross domestic product growth has averaged about 9.6% per year and per capita income has increased by a factor of 8.5. Rapid growth has led to significant improvement in human well-being and quality of life. From 1978 to 2016, the PRC's rural poverty headcount rate declined from 97.5% to 4.5%; life expectancy at birth increased from 67 to 73 years; and child mortality under the age of 5 years declined from 65 to 18 deaths per 1,000.

Historically, the PRC has been very successful in achieving its income-based policy targets, and is expected to become a high-income economy by 2025. However rapid growth has come at a cost, notably a tremendous strain on its environment, rising inequality, and a variety of social challenges associated with rapid rural-urban integration and an aging population. Accordingly, over the past 15 years, the PRC has been progressively shifting from a singular focus on economic growth targets to a broader concept of development, encompassing inclusiveness (harmonious society) and sustainability (ecological civilization). This trend was reinforced at the 13th FYP and more recently in the report of the 19th National Congress of the Communist Party of the People's Republic of China, which emphasized a new strategic goal to foster the well-being (meihaoshenghuo) of the people. This will be a top priority for the government in coming years.

The PRC has a long tradition of formulating five-year plans to address development challenges, and promote social and economic development. The plans lay out the strategic objectives of the country, determine work priorities of the government, and provide guidance for market activities. Since the founding of the PRC, the country has formulated a total of 13 five-year plans; each one has had a significant impact on the PRC's development during the plan period. ADB supported TAs that provided strategic advice to both the 12th and 13th plans. Currently, the implementation of the 13th plan, 2016-2020 is ongoing, and close to midterm. The Government plans to start the midterm review of the 13th plan in June 2018 and then, drawing on the review's findings and conclusions, start the preparation of the 14th plan, which will cover the period 2021-2025. This will be a critical period for the PRC as it aims to move beyond the current goal of a moderately prosperous society and transitions towards a high-income, modern society focused on developing the broader well-being of the population.

The TA will be divided into two phases. The immediate goal of the TA is to conduct a midterm review of the 13th plan in several key areas (see below). The midterm review will assess progress against the objectives of the 13th plan in these areas, and the effectiveness of the policy changes and institutional and legal reforms that have been implemented, and the challenges that remain to achieve the goals of the 13th plan. It will also discuss the challenges to the 13th plan posed by trends in global and domestic socioeconomic context. The areas that have been selected for review include:

(i) People-centered and environmentally sustainable urbanization. The TA will focus on three specific issues in this area: (i) low-carbon and climate-resilient urban development; (ii) city-cluster and urban-rural development cooperation and partnerships; and (iii) social inclusion, covering issues such as hukou reform, social protection systems, healthy cities, and gender-related aspects of these challenges.

(ii) Demographic transition. The TA will examine progress in meeting the demographic transition challenge that the PRC faces, focusing in particular on population policy, potential growth, the pension system, and elderly care.

(iii) Ecological civilization. The TA will build on earlier ADB work and focus on environmental protection, water security, and climate change.

The second phase of the TA will build on the findings and conclusions of the midterm review, and carry research in these three areas forward to provide inputs into the preparation of the 14th plan. The research will draw on relevant international experience in formulating its analysis and recommendations. The proposed reforms will be sequenced and linked to a central theme of transitioning to higher quality development in the pursuit of national well-being. To this end, the second phase will seek to develop an overarching central theme for the study that will be discussed and agreed once the government's priorities for the 14th plan are more firmly established. The latter will also be informed by the outcome of a proposed high-level academic conference. An overview report will be prepared that will summarize the findings, conclusions, and policy recommendations under the overarching central theme.

**Impact**
Unbalanced development hindering progress towards well-being (meihaoshenghuo) goal improved
Project Outcome

Description of Outcome
Policy and regulatory environment to support balance and sustainable development improved.

Progress Toward Outcome
The TA output in the phase I included three reports on urbanization, environment protection, and demographic change. A high-level round table workshop took place in November 2018, which helped transit the TA to the second phase. The second phase produced seven position papers, which submitted to NDRC on 8 October 2019.

Implementation Progress

Description of Project Outputs
One main report and three sub-reports for each phase prepared.

Awareness of balance and sustainable development among stakeholders enhanced.

Status of Implementation Progress (Outputs, Activities, and Issues)
The TA is progressing well. ADB uses the One-ADB approach to implement the TA through the preparation of a flagship study using ADB-wide expertise and resources. ADB set up a steering committee led by the Director General of the East Asia Department, comprising members from the East Asia Department, the Economic Research and Regional Cooperation Department, and the Sustainable Development and Climate Change Department. ADB submitted to NDRC the midterm review reports of the 13th FYP in June 2018. These outputs have been incorporated into the NDRC’s midterm review report of the 13th FYP, which was submitted to the State Council in September 2018. A high-level round table discussion on the transition towards high-quality development took place on 5 November 2018. After the roundtable, the NDRC requested ADB to continue the research work in the major areas discussed in relation to the 14th FYP. The roundtable discussion also served as transition from phase I to phase II of the TA. During phase II, ADB provided the NDRC with seven position papers in jointly selected policy areas as inputs to the preparation of the 14th FYP. The reports were delivered in October 2019 and focused on environment and climate change, ecosystem services and natural capital, inclusive development, livable city clusters, cities and urban-rural areas, role and finances of local governments, rural vitalization, and developing modernization indicators for the PRC’s transition to high quality development.

Considering the complex situation and uncertainties due to the outbreak of COVID-19, the completion date of the TA has extended by nine months from 31 March 2020 to 30 September 2020. In addition, a partial cancellation of $60,000 from TASF-others was approved on 31 July 2020.

Geographical Location
Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation
During Project Design
Stakeholders were closely consulted during project design.

During Project Implementation
Stakeholders were closely consulted during project implementation.

Business Opportunities

Consulting Services
The proposed TA will require a total of 41.5 person-months of consulting services (11 international consultants for a total of 22 person-months and 7 national consultants for a total of 19.5 person-months). ADB will engage individual consultants and procure TA financed goods in accordance with ADB Procurement Policy (2017, as amended from time to time) and the associated Project Administration Instructions/TA Staff Instructions.

Procurement
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Responsible ADB Officer
Peng, Long Yun

Responsible ADB Department
East Asia Department

Responsible ADB Division
PRC Resident Mission

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Department of Development Planning, National Development and Reform Commission
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China

Timetable
Concept Clearance
28 Feb 2018

Fact Finding
02 Mar 2018 to 09 Mar 2018

MRM
-

Approval
14 May 2018

Last Review Mission
-

Last PDS Update
26 Aug 2020

TA 9525-PRC

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