



## Completion Report

---

Project Number: 48094-001  
Technical Assistance Number: 8685  
August 2018

# People's Republic of China: Strengthening Government and Social Organization Cooperation for Rural Poverty Reduction

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

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.

TA Number, Country, and Name:			Amount Approved: \$350,000	
TA 8685-PRC: Strengthening Government and Social Organization Cooperation for Rural Poverty Reduction			Revised Amount: not applicable	
Executing Agency: International Poverty Reduction Center in China		Source of Funding: Technical Special Fund-Other Sources	Amount Undisbursed: \$167,655.69	Amount Utilized: \$182,344.31
TA Approval Date:	TA Signing Date:	Fielding of First Consultants:	TA Completion Date Original: 1 May 2016	Actual: 30 September 2016
10 July 2014	27 August 2014	27 August 2014	Account Closing Date Original: 1 August 2016	Actual: 31 December 2016
<b>Description</b> After years of reducing widespread rural poverty, the People's Republic of China (PRC) government is now focusing on remaining concentrations of persistent poverty and on the quality and reach of its poverty reduction activities. The PRC has also introduced a reform agenda to redefine the role of government in relation to society and the market. In the field of poverty reduction, this includes creating a service-oriented government that is focused more on funding, regulating, and evaluating poverty reduction activities and less on managing and controlling the delivery and assessment of those activities. This reform agenda is also intended to create more opportunities to involve nongovernmental entities, such as social organizations, in delivering and evaluating poverty reduction activities and services. However, an enabling environment of guiding principles and operational framework for this agenda is lacking.				
<b>Expected Impact, Outcome, and Outputs</b> The anticipated impact of the policy and advisory technical assistance (TA) was an enabling environment for social organizations to contract rural poverty reduction services. The expected TA outcome was that government could meet social organization needs and strengthen their capacity to contract poverty reduction services. Planned TA outputs included (i) a robust analysis of PRC government-social organization cooperation; (ii) an assessment of social organization capacity to provide gender-sensitive contracted rural poverty reduction services; (iii) development of processes to improve social organization ability to contract for services under the government poverty reduction program; and (iv) dissemination of TA processes, findings, and knowledge.				
<b>Delivery of Inputs and Conduct of Activities</b> TA inputs and activities were delivered as planned, including a bilingual completion report on government-social organization cooperation and capacity for gender-sensitive contracted rural poverty reduction services, and two bilingual subreports on processes to improve social organization ability to contract for services. These reports were refined as the knowledge resources to produce <i>A Guide to Practice for Procurement of Services (the Guide)</i> and <i>A Social Organization Training Manual (the Manual)</i> . International Poverty Reduction Center in China (IPRCC), the executing agency of the TA requested a minor no-cost extension of the project completion date. This resulted from a 2015 PRC leadership commitment to eliminate extreme poverty by 2020 and progress the sustainable development goals. Poverty reduction staff at all levels undertook urgent tasks such as re-registration of all poor households eligible for poverty relief nationwide. This necessarily reduced staff time and availability for TA activities. The consultant team modified their fieldwork methodology accordingly and utilized the large meetings convened by poverty reduction authorities to conduct concentrated information collection from participants in five western and two central PRC provinces and two eastern and two western cities. This resulted in considerable TA savings from consultant travel, venue and survey assistant recruitment.				
The four national consultants were recruited through individual consultant selection and 34 person-months were utilized as planned. The consultants' performance was rated as <i>satisfactory</i> . The consultant team leader co-organized the first PRC National Philanthropy Day: An Emerging New Ecosystem, Transforming Philanthropy in Beijing, to commemorate the passage of the 2016 PRC <i>Charity Law</i> and the 4th United Nations International Day of Charity. The UN Secretary General's address noted that the new <i>Charity Law</i> "will create an enabling environment for further developing the country's philanthropy sector." For instance, its Article 84 classifies poverty reduction social organizations as philanthropic entities entitled to various institutional guarantees and benefits. The consultant team leader also convened the Targeted Poverty Alleviation Sub-forum and included some preliminary TA findings in his keynote presentation. A World Philanthropy Declaration to the United Nations subsequently called for greater social organization involvement in poverty reduction. Final TA recommendations were also presented by the consultant team leader in a keynote speech to over 300 participants at the National Poverty Reduction Day Forum 2nd Sub-forum on Social Poverty Reduction in Beijing in October 2016. 500 copies of the Guide and Manual were also distributed to participating government and social organization staff. A further 230 sets were posted to key PRC social organizations working on poverty reduction and about 2,000 sets to all national poor county governments. Bilingual electronic copies were uploaded to the IPRCC, ADB and PRC Resident Mission websites, and to the State Information Office China Development Gateway Global Poverty Reduction and Inclusive Growth Portal. IPRCC then convened a training manual familiarization workshop for key agency staff. IPRCC and ADB maintained close coordination and jointly reviewed and discussed TA materials. The ADB TA team leader joined all TA workshops, the IPRCC conference, and training events and was closely involved in knowledge product preparation. IPRCC and ADB performance is rated <i>satisfactory</i> .				

**Evaluation of Outputs and Achievement of Outcome** The TA outcome and outputs were met. TA recommendations included to (i) simplify, decentralize, and reduce registration procedures for social organizations that engage in poverty reduction to bolster numbers; (ii) use the manuals developed under the TA to train local government and social organizations in outsourcing processes and provide opportunities for further learning-through-doing poverty reduction tasks, and ensure that procurement tasks are carefully graduated and contracted to match the developing capacities of the social organizations; (iii) implement relevant provisions of the *Charity Law* and tax legislation so that preferential policies, such as pre-tax deduction of donations for poverty reduction, tax reduction, or exemptions, further incentivize social organizations to engage in contracted poverty reduction; (iv) build local government poverty reduction information service platforms to promote transparent and timely information sharing and more effective matching of government poverty reduction demand, social organization supply, and distribution of available resources; (v) better coordinate the poverty reduction tasks of different government departments to support service outsourcing to social organizations; (vi) encourage innovative collaborations between rural community-based social organizations, social workers, farmer cooperatives, social enterprises, and rural e-commerce; (vii) include outsourcing of poverty reduction services to social organizations in the annual assessment of poverty reduction departments at all levels, and collect information on funds expended, location, and types of activities and contracts; (viii) encourage social organizations to undertake third-party monitoring and evaluation of social poverty reduction activities. Guidance for local county government procurement of poverty reduction services from social organizations was prepared, tested, documented and disseminated. 200 copies of the English language *Guide* and *Manual* were distributed to relevant donors, including ADB staff. Both the *Guide* and the *Manual* include gender as a key element of the processes for procurement and the training. Gender is set as criteria for the initial screening of poverty reduction tasks to be procured and for implementation monitoring and evaluation in the *Guide*.

**Overall Assessment and Rating** The TA is rated *successful, relevant, effective, efficient, and likely sustainable*. TA's topic was and remains relevant due to the importance the government attaches to poverty reduction and new ways to eliminate absolute poverty and reduce relative poverty. All expected outputs were delivered timely and with high savings, confirming both efficiency and effectiveness of the TA. The TA outcome target of increased support from all levels of the poverty reduction leadership for social organization contracting of government rural poverty reduction services has been substantially achieved. IPRCC formally acknowledged that the TA had helped change the perspective of relevant policy makers and implementing staff. TA interim findings also informed the development of the 2016 PRC *Charity Law*. Its Article 87 specifically states that "All levels of people's government and their relevant departments may lawfully use methods such as purchase of services to support charitable organizations in providing service to the public". A recommendation on the Role of Social Organizations in Further Carrying out Targeted Poverty Reduction was also tabled at the PRC National People's Consultative Congress. The PRC Ministry of Civil Affairs (MOCA) and national poverty reduction administration are jointly developing administrative guidance for social organization participation in poverty reduction. MOCA has requested copies of the *Guide Manual* produced under this TA. As a result of all the above and with strong support from the stakeholders, the changes brought by the TA will likely have a long-term impact and durability.

**Major Lessons** The PRC policy context is dynamic and ADB TA must respond flexibly to policy opportunities. This includes preparing recommendations for unanticipated government events and platforms during TA implementation. This TA successfully experimented with a blended knowledge product strategy suited to an upper middle income country. It aimed to increase (i) interim TA knowledge opportunities and outputs (e.g., forums), (ii) knowledge products tailored for different TA stakeholder groups and audiences (e.g., guidelines, briefs, reports, and training manuals), and (iii) EA identification with knowledge outputs through use of country knowledge portals and platforms for dissemination (e.g., journal articles, websites, policy green channels). These steps also helped to reduce gaps in knowledge delivery.

**Recommendations and Follow-Up Actions** TA findings and outcomes validated recommendations made in the flagship report of ADB TA 8641 PRC: Support for the 13th Five-Year Plan.<sup>a</sup> This was presented to the National Development Reform Commission at a workshop held in November 2014. The report section on Building a Better Integrated Social Assistance System noted that creation and coordination of social protection systems is an important aspect of modern state-building, the development of public sector institutions, social satisfaction, and stability. However, PRC social assistance programs and agency functions were fragmented, including between the administrations for poverty reduction and civil affairs. It was necessary to better integrate, elevate, and recognize the status of poverty reduction and social protection work within government, and to better engage social organizations in targeted service delivery through outsourcing. In late 2015, MOCA successfully applied for an ADB policy advisory technical assistance on Strategies for Involving Social Organizations in Social Assistance.<sup>b</sup> The TA will further advance the involvement of social organizations in service delivery at the micro level and promote greater integration of service delivery strategies between civil affairs and poverty reduction authorities at the macro level. This is also reflected in recent government guidance for MOCA and poverty reduction agencies to work more closely together to assist the poorest of the PRC poor.

<sup>a</sup> 2015. ADB. *Technical Assistance for Support for the Thirteenth Five-Year Plan*. Manila.

<sup>b</sup> 2016. ADB. *Technical Assistance for Strategies for Involving Social Organizations in Social Assistance*. Manila.