

Australia China  
Environment  
Development  
Partnership

---

6-monthly progress report  
no 6

Covering the period  
1 January to 30 June 2010

---

Beijing  
August 2010

## **Table of Content**

	Executive Summary
1	Progress towards Achieving Sustainable Outcomes
1.1	End-of-Facility Outcomes
1.2	Project Outcomes
2	Key Outputs (Quantity & Quality)
3	Implementation Progress against Annual Plan and Budget
3.1	Delivery on time
3.2	Not delivered
3.3	Extensions
3.4	Adequacy of Inputs
3.5	Budget
4	Management Systems and Processes
4.1	Annual Planning
4.2	Financial Management
4.3	Value for Money
4.4	Quality of M&E System
4.5	Risk Management
4.6	Staffing and Human Resources Development
4.7	Facility Specific Issues
	Annexures
1	Program Outputs vs Budget
2	Quality Control of Project Outputs - Flowchart
3	Field Monitoring

## **Commonly Used Acronyms**

ACEDP	Australia China Environment Development Partnership
CEF	Communication & Engagement Framework
EAT	Environment Advisory Team
GPS	Gender Mainstreaming, Public Participation and Social Impact Management
HLRT	Joint Australia China High-level Roundtable
IPR	Independent Progress Report (formerly the Mid term Review)
MEF	Monitoring & Evaluation Framework

Pursuant to Clause (9.4) under Schedule 1 of Contract no 41568 between the Commonwealth of Australia and GHD Pty Ltd for the Australia China Environment Development Program, I hereby submit the sixth 6-monthly progress report for the ACEDP, covering the period 1 January to 30 June 2010.

---

Gunther Mau  
Program Manager

### **Executive Summary**

The ACEDP is progressing on schedule with 22% of its 23 projects completed and 65% at implementation stage. Only 3 projects (13%) have not yet commenced. Expenditure for 2009-10 improved to 84% (actual delivery) of estimate, as compared to 17% in 2008-09 and 23% in 2007-08.

Measured by value of outputs, the ACEDP has to-date delivered 42% of contracted output value, representing 45 contracted outputs delivered against an overall number of 133 contracted outputs (34%). This is broken down as follows

	Funds Delivered	Outputs Delivered
<b>Program overall</b>	<b>42 %</b>	<b>34 %</b>
- Study tours	42 %	55 %
- Workshops / training	32 %	17 %
- Milestone reports	42 %	18 %

This progress report analyses progress-against-outcomes for ten selected projects that together represent 64% of available program funds. 80% of these projects are tracking well against their policy engagement, partnership, capacity-building and gender equality outcomes. The 2 projects experiencing delays are not critical at this stage but one in particular (Large Irrigation System) will require careful monitoring to ensure outcomes are not compromised.

The recently concluded Independent Progress Report of the ACEDP provided guidance on further strengthening technical oversight, progress reporting, communication with stakeholders and gender integration.

## **1 Progress towards Achieving Sustainable Outcomes**

The ACEDP was established in 2007 as a facility in support of China's policies for a better environment in the area of water resources management.

The ACEDP funds a number of discreet and largely un-connected project interventions that together aim to strengthen and expand the bilateral policy dialogue between our two nations through targeted capacity building measures and development of sustainable partnerships among relevant government, academic and private sector agencies.

The ACEDP aims to facilitate change. A key aspect of the work undertaken under the program is thus the exposure of Chinese technical, scientific and managerial personnel to different and novel ways of thinking, to more efficient and effective water resources management systems and, last but not least, to the lessons from Australia's own successes and failures in water resources management.

The ACEDP facilitates this through interventions that display a combination of study tours, training courses and workshops, through high-level policy dialogues and, through collaboration in demonstration projects that explore adaptation of Australian experiences to Chinese conditions.

## 1.1 End-of-Facility Outcomes

The ACEDP is a novel concept in Australia's Development Cooperation Program with China. While it is one of three such facilities<sup>1</sup> it is unique in that it operates without a designated counterpart agency, employing instead a loose collaboration of 4 Chinese national level ministries<sup>2</sup> and 5 Australian Government Departments<sup>3</sup> that, under overall stewardship from AusAID and MOFCOM, together determine the strategic direction of the facility.

The mid-term Independent Progress Report for the ACEDP found it difficult to appraise progress towards end-of-facility outcomes, due largely to two factors, (i) there was no clear definition of ACEDP outcomes during the inception phase of the program and, (ii) a slow start-up of the major core projects, resulting in a limited number of large projects being available for evaluation. Consequently the IPR focused on project-level outcomes, rather than program-level ones.

The IPR concluded that the program required a renewed focus of its strategic direction and recommended, inter alia, the preparation of an 'Operationalised Policy Engagement Strategy' and an 'Operationalised Partnership Strategy' for the ACEDP. These two strategies that are presently in preparation by AusAID will be instrumental in assisting the ACEDP articulate end-of-facility outcomes.

To date the ACEDP has been providing funds for 23 project interventions, 5 of which are already completed. This report analyses 10 of the currently running 18 projects that were selected on the basis of size (expenditure in excess of \$1 million), significance (high policy profile) and crosscutting (gender, social, public participation). Together these ten projects represent 64% of all project related expenditure under the ACEDP

## 1.2 Project Outcomes

Analysis of each project is disaggregated by end-of project outcomes, gender equality and other social outcomes, partnership outcomes, changes to policy context, factors affecting sustainability and, contributing factors to success/failure incl any PCO response. The projects are:

---

<sup>1</sup> The 'China Australia Governance Program' (2005-10) and the 'China Australia Health and HIV/AIDS Facility' (2007-12) are its two sister programs.

<sup>2</sup> The Ministry of Water Resources MWR, the Ministry of Environmental Protection MEP, the National Development & Reform Commission NDRC and the State Forestry Administration SFA.

<sup>3</sup> The Department of the Environment, Water, Heritage & the Arts DEWHA, the Department of Agriculture, Fisheries & Forestry DAFF, the National Water Commission NWC, the Commonwealth Scientific and Industrial Research Agency CSIRO, the Murray Darling Basin Authority MDBA and, in an observer capacity, the Department of Climate Change DCC.

**5 Major Projects that together account for 56% of all ACEDP project expenditure**

- Lake Tai Water Pollution Treatment (\$1.8m)
- Wetlands Management Policy & Guidelines (\$1.2m)
- Water Ecology Compensation – actually 2 projects (\$1.3m)
- River Health & Environmental Flows (\$3.3m)
- Water Efficiency & Irrigation District Management (Large Irrigation System) (\$2.3m)

**3 Significant projects that together account for 2% of all project expenditure**

- 2009 Australia China High-level Water Policy Meeting (\$130,000)
- Impact of Climate Change on Economic Development & Policy (\$190,000)
- Australia Session at the Fourth Yellow River Forum (\$82,000)

**2 Cross-cutting projects that together account for 6% of all project expenditure**

- Public Participation in Environmental Impact Assessment (\$660,000)
- Gender, Public Participation & Social Impact Management (\$460,000)

**Major Projects**

**(i) Lake Tai Water Pollution Treatment Project (NDRC)**

**Definition of End-of-Project Outcomes**

- At the *municipal government managerial level* it aims to enable staff in Suzhou (Jiangsu) and Huzhou (Zhejiang) Municipal Government to appreciate, and subsequently apply, lake water resources management principles, ultimately leading to adoption of science-based planning and management tools in Government that will facilitate lake restoration and improved lake management as part of broader river basin management.
- At the *national, provincial and municipal government executive level* it aims to achieve an awareness of more effective river basin governance models and systems among government executive personnel/decision makers, ultimately leading to adoption of improved environmental governance mechanisms for management and restoration of Lake Tai.
- At the *technical/scientific level* the project aims to build individual capacities with a view to contribute, ultimately, towards a measurable decrease in frequency and intensity of algal blooms as a result of specific techniques demonstrated by the project.

**Gender Equality and other Social Outcomes**

- The project aims to raise the awareness and understanding of the importance of GPS<sup>4</sup> in natural resource management and environmental protection among municipal officers and build competencies in basic skills needed to integrate GPS into the design, appraisal and monitoring of public funded natural resource and environmental protection projects. This project does not have a dedicated GPS component<sup>5</sup> and all it can do is to raise the level of awareness, to convey Australian lessons and experiences and, to demonstrate the advantages of applying GPS in public funded projects.

---

<sup>4</sup> GPS is the ACEDP acronym for ‘Gender Mainstreaming, Public Participation and Social Impact Management’

<sup>5</sup> Note that this project will benefit from a dedicated GPS workshop, to be conducted by the ACEDP-funded ‘GPS Project’ in July of 2010.

### Partnership Outcomes

- Partnership was not one of the original project outcomes, but introduced after the ACEDP formally adopted it at HLRT-III in July 2009. The Victorian Government is represented in the Australian Subcontractor (AUS Cluster) and the most realistic opportunities, according to Chinese counterparts, would seem in the area of wastewater treatment technology and system (see below under Sustainability).

### Policy Context

- The project has now extended its reach beyond its initiator NDRC to also involve the 'Taihu Basin Authority' TBA of the Ministry of Water Resources as a member of the project steering committee<sup>6</sup>. Their participation ensures that project interventions are consistent with, and supportive of, the broader national policy goals by the Chinese Government for Lake Tai.

### Progress towards Sustainable Outcomes

- Progress towards achieving outcomes is **largely on track**. The project had to be extended by 6 months to respond to resource constraints faced by municipal authorities but this is cost-neutral and not likely to affect outcomes. Early evaluation of study tours, training courses and workshops indicate higher level of awareness among municipal staff with responsibilities for science-based lake management. Evidence can be seen in the willingness by municipal agencies to apply the new knowledge and to develop an 'Algal Monitoring & Early Warning System' that is based on Australian algal bloom forecasting models and that also utilises non-chemical algal control technologies promoted by Australia. Other evidence of 'practical' outcomes from the project are simple technical adjustments that will optimise wastewater treatment plants efficiency on Lake Tai<sup>7</sup>.

### Contributing Factors

- A key policy driver is the need for government to safeguard drinking water supply that is threatened by algal blooms. Part of the design process was a study tour that exposed Chinese officials to Australian capacities and the final project design was therefore highly targeted to Chinese needs. The project was also able to point at simple ways to optimise wastewater plant operations, which enhanced its profile considerably and created political support at municipal level. The initial timeframe did not allow for municipal resource constraints and is hence unrealistic. The lesson drawn from that is that adequate involvement of local level counterparts in project design is crucial.
- In support of the science content of the project (eutrophication) the PCO has initiated a virtual 'eutrophication network' linking scientists and practitioners from the US, China, Hongkong and Australia. This has already resulted in information exchange with the Australian team and participation by US experts at project workshops.

---

<sup>6</sup> The TBA is the National Government appointed body to coordinate implementation of the April 2008 'Master Plan for Comprehensive Management of Water Environment in the Taihu Lake Basin'

<sup>7</sup> The Australian experts identified relatively simple-to-conduct adjustments that will lead to reduced nitrogen outputs from the plants, thus starving algal blooms of an important food source

## **(ii) Wetlands Management Policy, Guidelines & Capacity Building Project (SFA)**

### Definition of End-of-Project Outcomes

- The project aims to *prepare draft national guidelines* for (i) management planning & monitoring of RAMSAR listed wetlands, (ii) assessment & construction of national wetland parks and, (iii) restoration of wetlands. Through evaluation of the draft guidelines at project pilot sites and subsequent refinement, their eventual adoption by Chinese authorities will ultimately lead to improved wetland management outcomes.
- It aims to *enable* members of China's National Ramsar Convention Implementation Committee CNRCIC to assess, and ultimately facilitate adoption of, the draft guidelines prepared by the project through study tours and workshops for exposing them to Australian ways of wetland management and restoration. This will also contribute to greater inter-agency collaboration among CNRCIC members.
- The project aims to *build individual capacities* of Chinese wetlands specialists through study tours and training in Australia and China, in order to facilitate joint preparation of the guidelines and their ultimate adoption and application.

### Gender Equality and other Social Outcomes

- The project aims to integrate GPS consideration in all aspects of guidelines preparation, evaluation at pilot sites and their ultimate application through GPS training of counterpart staff and building of competencies in applying them throughout the process of developing and refining the guidelines. This project does not have a dedicated GPS component and all it can do is to raise the level of awareness, to convey Australian lessons and experiences and, to demonstrate the advantages of applying GPS in public projects.

### Partnership Outcomes

- Partnership was not one of the original project outcomes, but introduced after the ACEDP formally adopted it at HLRT-III in July 2009. Possibilities exist in establishing twinning relationships between wetlands in Australia and the Chinese pilot sites for ongoing support and advice. As part of the preparation for HLRT-IV later in 2010, SFA have also indicated their interest in exploring policy dialogue with DEWHA in regard to wetlands issues of common concern.

### Policy Context

- Involvement of China's 'National Ramsar Convention Implementation Committee' CNRCIC ensures ongoing relevance of project interventions to China's national policy goals.

### Progress towards Sustainable Outcomes

- Progress towards achieving outcomes is **impossible to assess at this early stage** in the project, but all project activities are **on schedule** and the Chinese Government is confident that project outputs will contribute towards expected outcomes

### Contributing Factors

- The key factor for smooth progress is the policy imperative driving it under the RAMSAR Convention and the fairly straightforward technical/scientific nature of the task. Another factor was that a study tour to Australia was part of the design

process and final project design therefore reflected very closely specific Chinese needs that could be met by what Australia had to offer.

### **(iii) Water Ecology Compensation (Payment for Environmental Services PES) Policy & Mechanisms Project (MEP & MWR)**

#### Definition of End-of-Project Outcomes

- The project aims, through a combination of study tours, workshops and training, to achieve development and *adoption of realistic and practical PES schemes* for MEP and MWR staff, ultimately leading to provision of safe and adequate urban water supplies.
- It aims to *build practical and hands-on knowledge* among MEP and MWR staff through application of PES schemes at pilot sites used for urban water supply.
- It aims to *strengthen knowledge bases* in both MEP and MWR through identification of common PES principles, methodologies and policies, ultimately leading to safer and more secure urban water supplies.

#### Gender Equality and other Social Outcomes

- Exposure to Australian concepts and applications of GPS to PES featured heavily in the learning material for the first study tour and, as shown by the tour evaluation, it has raised participants' awareness of its importance. Further evidence is an internal MEP evaluation report that recommends the Chinese Government adopt laws that guarantee public and stakeholder's rights to 'know' and to 'oppose' government decisions, and to prescribe in legislation the public participation method, scope and procedures.

#### Partnership Outcomes

- Partnership was not one of the original project outcomes, but introduced after the ACEDP formally adopted it at HLRT-III in July 2009. Possibilities exist at the academic exchange level between the Australian implementing agency ANU and Chinese research institutes.

#### Policy Context

- The fact that this project is under the direct tutelage of two national level ministries (MEP and MWR) provides confidence that it continues to be relevant to Chinese Government policy goals. Eco-Compensation is also a key policy issue for the Chinese Government with direct impact on other policy priorities like social stability and justice, public participation, and ecologically sustainable development.

#### Progress towards Sustainable Outcomes

- Progress towards achieving outcomes is **on track**. The project has started to achieve traction as evidenced by results from the MEP driven Miyun Reservoir case study (Miyun provides Beijing's water supply) where the project identified realistic options to convince farmers change their farming behaviour, resulting in a reduction of phosphorus intake for the reservoir. These options are now trialed by MEP. It is also evidenced by the fact that MEP, although not requested by the project, prepared its own comprehensive evaluation report of the March 2010 study tour that included a range of specific policy recommendations to facilitate uptake and mainstreaming of PES. The final project workshop, scheduled for the

week commencing 25 October will provide an opportunity to test government willingness to implement some or all of these recommendations. The MWR study tour was scheduled for July and no report had been received yet.

#### Contributing Factors

- Initial delay in project implementation was caused by the need to partially redefine the objectives and outcomes, triggered largely by a better understanding of what precisely Australia had to offer. Note here, that unlike for the previous two projects, this project design did not include a study tour to Australia.

#### **(iv) River Health & Environmental Flows in China Project (MWR / MEP)**

#### Definition of End-of-Project Outcomes

- The project aims to develop draft *policy recommendations* for MEP and MWR, ultimately leading to adoption of river health and environmental flow guidelines in China and introduction of river reporting cards, with the ultimate aim of improving river health in China. This will be facilitated through pilot studies to develop, trial and demonstrate the application of river health and e-flow assessment methods as well as through study tours, workshops, and training courses that demonstrate science-based river monitoring and environmental flows estimation concepts.
- It further aims to *strengthen capacities* of staff in MEP and MWR in evaluating monitoring and flow estimation at the four pilot sites, to replicate this methodology and apply it at other sites throughout China.

#### Gender Equality and other Social Outcomes

- The project aims to raise the level of awareness of technical staff at MEP and MWR on the importance of GPS issues in determining river health and environmental flows and build competencies in basic skills needed to integrate GPS into their work. Public participation mechanisms are trialed at a pilot site with the aim to replicate them. No assessment of the outcome of the trial is available yet.

#### Partnership Outcomes

- Partnership was not one of the original project outcomes, but introduced after the ACEDP formally adopted it at HLRT-III in July 2009. Academic collaboration on the four pilot projects creates opportunities for post-project collaboration<sup>8</sup>. Participation by DEWHA and the QLD State Government<sup>9</sup> establishes additional policy level contacts that provide a 'door opener' for policy dialogue on issues of common interest.

#### Policy Context

- Establishment of a Steering Committee at Director General (China) and Senior Executive Service level (Australia) guarantees ongoing policy relevance of this project intervention to national policy goals.

---

<sup>8</sup> Note here that the Australian implementing agency, the International Water Centre in Brisbane is a collaboration of The University of Queensland, The University of Western Australia, Griffith University and Monash University

<sup>9</sup> The QLD Department of Environment and Resource Management

#### Progress towards Sustainable Outcomes

- Progress towards achieving outcomes is **on track**. Evaluation of the study tour indicated increased levels of awareness and raised capacities to undertake environmental flow and river health activities under the project.

#### Contributing Factors

- Adoption of new river health guidelines will not only assist safeguarding water for environmental requirements (e-flow) but also contribute to ensuring provision of adequate water supplies for urban areas. This dual nature of the project aspect ties in with key Chinese Government policy concerns, linking ecologically sustainable development to the broader areas of water safety & security and social stability. Another factor was that a study tour to Australia was part of the design process and the final project design therefore closely reflected specific Chinese needs that could then be met by what Australia had to offer.

### **(v) *Improving Water Efficiency through Better Irrigation District Management and Water Rights Trading Project (YRCC)***

#### Definition of End-of-Project Outcomes

- The project aims to develop *draft guidelines* and strategies for irrigation district management and water allocation planning to improve water use efficiency in the Yellow River Basin. It also aims to develop *policy recommendations* for MWR and YRCC that ultimately may lead to an expanded water entitlements and trading/transfers system, strengthened by scientific decision making.
- The project aims to facilitate this through study tours, workshops and training courses at which YRCC staff will be exposed to Australian experiences in improving water use efficiency, thus *enabling* YRCC and irrigation system staff to contribute, ultimately, to improved irrigation water use efficiency in the Yellow River Basin.
- It aims to strengthen *individual and institutional capacities* to better manage water allocation and entitlements transfers within the basin, utilising remote sensing tools for estimating crop-specific water requirements and providing the basis for implementation of a future water entitlement and trading system.

#### Gender Equality and other Social Outcomes

- The planned involvement of Water User's Associations will not only provide an opportunity for YRCC staff to appreciate the advantages inherent in adopting GPS principles in their daily work, but also enhance capacities of participating WUA members to contribute to YRCC policies and programs, ultimately empowering female WUA members to partake in decision making.

#### Partnership Outcomes

- The project is designed specifically to partner Australian and Chinese water utilities, initially through collaboration in pilot projects. A total of eight potential partners from Australia and China were identified at the design stage and the declared objective of the project is to facilitate their engagement during implementation stage.

### Policy Context

- China's 'Yellow River Conservancy Commission' YRCC and the Australian Government 'Murray Darling Basin Authority' MDBA signed a Memorandum of Understanding MOU at the launch of the project in October 09. This is likely to ensure continuing high-level policy attention. A high-level Steering Committee<sup>10</sup> will be established to ensure ongoing relevance of this project intervention to national policy goals.

### Progress towards Sustainable Outcomes

- Progress towards achieving outcomes is **not progressing well**. Consequently, the project had to be re-designed and project implementation (stage 2) will now be subject to separate approval by AusAID/MOFCOM. Even the 1<sup>st</sup> stage (extended design) experienced significant delays and is now likely to take 12 months instead of the originally envisaged 6 months. This will reduce time available for implementation and dissemination (stages 2 & 3) from 24 to not more than 18 months. The main impact will be for the 'Remote Sensing' RS pilot which will have to operate with data from one growing season, instead of two seasons. However, this can be compensated to an extent by using existing, though incomplete, data collected by YRCC. No implications are expected for the 'Water Entitlement & Trading' WET pilot. Impact on the third pilot (partnerships) is impossible to determine at this stage.

### Contributing Factors

- The lack in progress for this project cannot be traced easily to a single root-cause and is a combination of several contributing factors, among which are (i) a perhaps over-ambitious design philosophy that aimed to replicate the ACEDP by lining up a large number of potential future partner projects under the one project umbrella. This in turn led to (ii) considerable design complexity that needed to accommodate the needs and objectives of a larger-than-usual number of project stakeholders, which resulted in (iii) extended negotiation time required to produce a mutually agreeable activity design document. As a result of the above, (iv) the originally envisaged 6 months for stage 1 (extended design) proved to be totally unrealistic. Although a study tour to Australia had been part of the original design phase (and also the extended phase) it is uncertain at this stage if the benefits inherent in that approach have been maximised to the extent possible.

### Significant Projects

#### **(vi) 2009 Australia China High-level Water Policy Meeting (DEWHA – MWR - NDRC)**

### Definition of End-of-Project Outcomes

- The project aimed to facilitate a high-level (Vice Minister/Departmental Secretary) exchange on water policy issues of common interest to *better understand each other's policy context* and water management challenges, including how each government is addressing climate change.

### Gender Equality and other Social Outcomes

- Not pertinent for this type of meeting but GPS issues were included in the brief for the Australian delegation.

---

<sup>10</sup> Presently, this steering committee is envisaged to include SES level representatives of DEWHA, the CSIRO and DSE (Victoria) on the Australian side and MWR and YRCC on the Chinese side.

#### Partnership Outcomes

- Parties agreed to continue the high-level dialogue among the three ministries. No decision had been made at the meeting as to how this would be funded but it is standard practice for the Australian Government to allocate adequate resources to all departmental programs and initiatives once approved by the Minister. Chinese Government Ministries, presumably, follow a similar procedure.

#### Policy Context

- Willingness at high-level to continue the dialogue is the best indicator that the intervention has been, and remains to be, highly relevant to national policy goals.

#### Progress towards Sustainable Outcomes

- Outcomes were **fully achieved**, evidenced by the agreement to continue the dialogue in future and to extend it to sharing learning related to water desalination and recycling.

#### Contributing Factors

- A key factor was that participants at HLRT-II were encouraged to spend additional time before and after the high level round table in meeting their counterpart ministries in Australia. This was fully funded by the ACEDP and contacts made during these discussions facilitated this project.

### ***(vii) Impact of Climate Change on Economic Development and Policy Options in China (NDRC – Monash University - DCC)***

#### Definition of End-of-Project Outcomes

- The project aims to scope a future cooperative arrangement, through preparatory research, to develop China's low-carbon development strategy, ultimately leading towards a substantive greenhouse gas emission reduction policy for China, including a carbon tax.
- Strengthen *institutional capacities* in NDRC State Information Centre to model energy and emission intensity reduction targets to 2020 and the impacts of a carbon tax on the Chinese national economy, including disaggregation of impacts on different economic regions, through domestic and cooperative research with the Australian National University, Melbourne University and Monash University/Centre of Policy Studies, study visits, workshops and training courses.

#### Gender Equality and other Social Outcomes

- Not pertinent for this type of initial research but GPS issues will need to be addressed at any future full project stage.

#### Partnership Outcomes

- This project opens considerable opportunities for a sustained and long-term partnership between Australian universities / research teams and Chinese government agencies involved in modelling impact of climate change on national policy and in developing & implementing policy options for the Chinese Government. Through this latter aspect in particular, there is also substantial potential for enhanced policy dialogue between relevant Australian Government Departments with their Chinese counterparts.

### Policy Context

- The Chinese Government is on record that they are committed to accelerate the change towards a low-carbon footprint economy. Modelling impact scenarios on economic development is a key priority for the national government. The Australian Government position is equally supportive.

### Progress towards Sustainable Outcomes

- Progress towards achieving outcomes is **on track**. The final international dissemination workshop is scheduled for September 2010<sup>11</sup> and will include a session of the next strategic steps planned by the Chinese Government. The Australian Government Department of Climate Change, an early supporter of the ACEDP project, considers the possible larger follow-up project to be in Australia's interest.

### Contributing Factors

- A combination of policy prerogative in China (low carbon economy) and high policy profile in Australia (participation by Prof Garnaut, adviser to a former Prime Minister), is further enhanced through policy interest shown by the Australian Government Department of Climate Change.

## ***(viii) Australia Session at the Fourth International Yellow River Forum in Zhengzhou, China (YRCC – MDBA)***

### Definition of End-of-Project Outcomes

- The project aimed to raise the *awareness* of Chinese conference delegates about the depth of Australian engagement (aid, trade, research and education) in China's water resources sector through presentations from AusAID, ACEDP, AUSTRADE and ICEWaRM.
- Establishing Chinese *high-level support* for the 'Large Irrigation System' project through a formal project launch by senior YRCC / Australian Government officials.
- Initiating *sustained collaboration* between the Yellow River Conservancy Commission YRCC and the Australian Government Murray Darling Basin Authority MDBA through execution of a Memorandum of Understanding.

### Gender Equality and other Social Outcomes

- Not pertinent for this type of promotional activity although ACEDP GPS projects were highlighted in displays and written material distributed to delegates.

### Partnership Outcomes

- The MOU creates a good foundation for potential future collaboration not only between YRCC and MDBA but also among sub-basins / irrigation districts. These are specifically targeted in pilot no 3 (partnerships) of the LIS project, discussed above under 1.2 (v).

---

<sup>11</sup> At the time of writing this progress report (August 2010) this has now been re-scheduled to December 2010.

### Policy Context

- Domestic water management issues take immediate priority for the MDBA and any overseas work commitment may be difficult to implement this year. On the Chinese side, YRCC is the Government appointed agency to manage yellow river basin water resources.

### Progress towards Sustainable Outcomes

- Immediate outcomes were **fully achieved**, as evidenced by project launch and MOU signature while longer-term outcomes are more **difficult to ascertain** at this stage. Significant resource constraints at the MDBA, in addition to its mandatory preoccupation with domestic water issues in Australia, however mean that any overseas activities will be of a peripheral or secondary nature for the MDBA at best. The significance of the MOU may thus be realised more through interaction at the sub-river basin level or through State water authorities/companies<sup>12</sup>.

### Contributing Factors

- Good whole-of-government collaboration in preparing and executing the Australian Session was the most important factor in guaranteeing its success.

### Crosscutting Projects

#### ***(ix) Public Participation in Social & Environmental Impact Assessment and Water Pollution Control (MEP / NIES – CIAD / IDSS)***

### Definition of End-of-Project Outcomes

- The project aims to make *policy recommendations* to MEP, thereby enabling MEP to raise the awareness, and promote the application, of 'public participation' in social and environmental impact assessment SEIA as an integral aspect of river basin water pollution control.
- These draft policy recommendation arise from the testing of Australian public participation mechanisms, *enabling* the participating local EPB and MEP staff to apply and implement improved water control or environmental awareness measures by exposing them to Australian public participation mechanisms, through a combination of study tours, workshops and training courses.
- The project will *strengthen individual and institutional capacities* by building competencies in adopting Australian experiences to Chinese conditions, trialing them at pilot sites, evaluating and then refining them.

### Gender Equality and other Social Outcomes

- The amended SEIA guidelines that the project aims to produce, will feature GPS, and gender equality in particular, as core issues for any public participation mechanism to be adopted by MEP. Progress towards production of these guidelines is on schedule. Following input from municipal-level workshops and input from Community Consultative Groups, the guidelines are currently being revised. Importantly, it is the Chinese subcontractor, the 'Centre for Integrated Agricultural Development' CIAD of the China Agricultural University, that takes the lead role in revising these guidelines and in applying the Australian GPS experiences to the Chinese context. This raises the confidence that they will be

---

<sup>12</sup> Note that this is exactly what is envisaged for the 'Large Irrigation Systems' project – see above in this report.

both practical and acceptable to the Chinese Government, important factors in sustainability.

#### Partnership Outcomes

- Partnership was not one of the original project outcomes, but introduced after the ACEDP formally adopted it at HLRT-III in July 2009. Opportunities might exist through the existing Jiangsu-Victoria sister relationship. Under this umbrella, Changzhou City (Jiangsu Province) and Maribyrnong City Council (Victoria) have commenced exploratory talks on collaboration. If successful, these talks may go beyond the immediate project issue of 'public participation in social and environmental impact assessment' and cover broader public participation and other issues of mutual interest.

#### Policy Context

- Adherence to national policy goals is ensured through the Chinese implementation agency, the Nanjing Institute of Environmental Sciences NIES, a specialised research agency under the tutelage of MEP.

#### Progress towards Sustainable Outcomes

- Progress towards achieving outcomes is **on track**. The project completed its pilot training workshops for local farmers at Lake Tai and will use the lessons learned to update its training manual, the 'Public Participation Mechanisms Manual' it is producing as one of the outputs under the project. Chinese stakeholders MEP, NIES and Nanjing University reached consensus on how best to integrate public participation in SEIA procedures that will now be field-tested through Community Consultative Groups.

#### Contributing Factors

- Policy prerogatives in China to adopt public participation are a strong driver but institutional change is not easy to implement. It should be based on evidence that public participation models achieve clear and tangible benefits and this evidence needs to be communicated to all level of the bureaucracy. It should also be accompanied by an appropriate incentive structure for local government. The guidelines to be produced as the final output are expected to identify appropriate communication mechanisms to be adopted by MEP. The final project completion workshop will include a discussion by MEP on how they propose to take the project outputs forward towards implementation, through incentives or otherwise.

### **(x) *Gender Mainstreaming, Public Participation and Social Impact Management (MEP / MOFCOM / MWR / NDRC / SFA – CIAD / IDSS)***

#### Definition of End-of-Project Outcomes

- The project aims to *raise awareness* of GPS among designated staff in the five ministries through study tours, workshops and training courses that expose them to Australian GPS applications, lessons and experiences that will be documented and made available to the five ministries providing them with the tools to apply GPS in their work.
- Subject to availability of additional resources from with the ACEDP, enable selected counterpart staff of other ACEDP projects to apply GPS principles in their daily work by applying simple and straightforward GPS principles (toolbox)

through participation in a GPS Outreach training workshop for approximately 10-12 projects, scheduled for November 2010.

#### Gender Equality and other Social Outcomes

- This project is specifically designed to address GPS issues. Gender mainstreaming, the term adopted by the ACEDP, is loosely defined to include (i) the appreciation of AusAID gender policy outcomes (ii) the acquisition of tools and mechanisms to contribute towards enhanced participation of women in decision-making processes related to water management, leading ultimately to (iii) empowerment of women and their improved economic status <sup>13</sup>.

#### Partnership Outcomes

- Partnership was not one of the original project outcomes, but introduced after the ACEDP formally adopted it at HLRT-III in July 2009. Possibilities have been identified for future collaboration with the Victoria Women's Trust. Initially this link will be maintained through the Chinese sub-contractor for the project, the College of Humanities & Development at the Centre for Integrated Agricultural Development of the China Agricultural University. A major 'domestic' partnership outcome was the strengthened link between the five Chinese ministries taking part in the Australian study tour and delegates undertook to explore collaborate in future.

#### Policy Context

- The key policy interest in China is public participation and mitigation of unintended negative social impacts of policy/programs. Gender equity is not considered to be an issue in China<sup>14</sup> but there is a growing realisation that improvements are needed. Translating that into action in the ministries is difficult however.

#### Progress towards Sustainable Outcomes

- Progress towards achieving outcomes is **slow** and completion of the project delayed by three months to early December. This is partly intentional to enable a major outreach and training workshop for other ACEDP projects in late 2010. The first outreach will be a GPS workshop for the Lake Tai project in July 2010 that will act as a test for the larger one planned for later in that year. Evaluation of the study tour demonstrated clear understanding by participants on how adoption of public participation could make their work more effective.

#### Contributing Factors

- Policy prerogatives in China plus the selection of an Australian contractor in joint venture with a qualified high-profile Chinese agency (CIAD) provided a perfect mix of Australian and Chinese experiences that resonates well with Chinese agencies.

## **2 Key Outputs**

Of the 23 ACEDP projects, 5 are completed, 15 are at implementation stage and 3 have not yet started. The latter category includes one \$500,000 core project that AusAID has deferred, pending consideration of the IPR and two \$200,000 partnership projects that

---

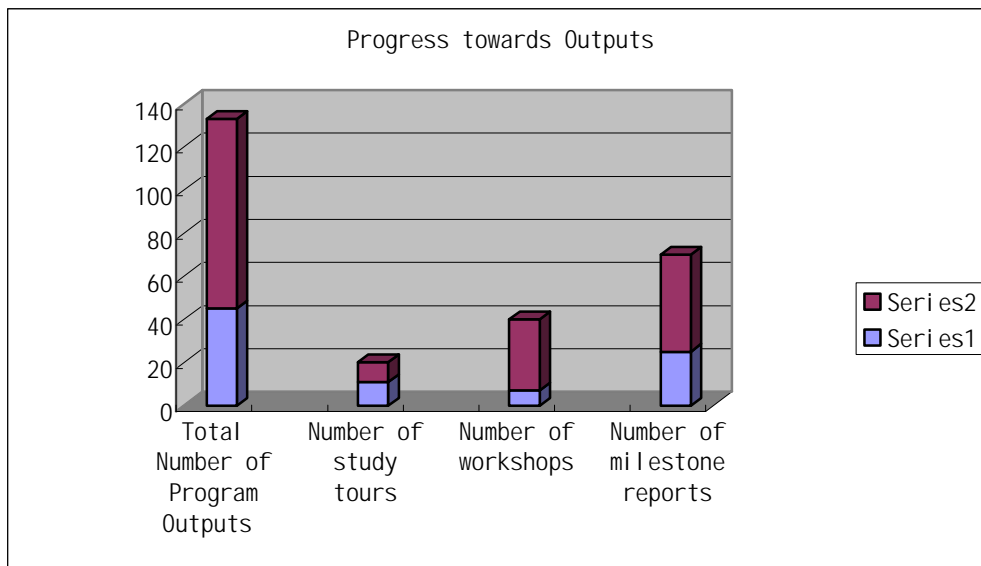
<sup>13</sup> This is not to say that other gender equality outcomes such as education, health and the plight of girl-children will be not considered where appropriate. However, for the purposes of the ACEDP 'empowerment' would appear to be the area where the program is most likely to have an impact.

<sup>14</sup> China's constitution states equality of man and women

are still at late design stage. These two were given a deadline of early August to submit their design or risk cancellation<sup>15</sup>.

The total combined number of contractual project outputs<sup>16</sup> of the 20 ACEDP projects is 133 with a combined contract value of \$8.7million. Of these, 45 outputs with a total value of \$3.6 million have been completed and acquitted, representing 41.6 % of value or 33.8 % in terms of number of outputs

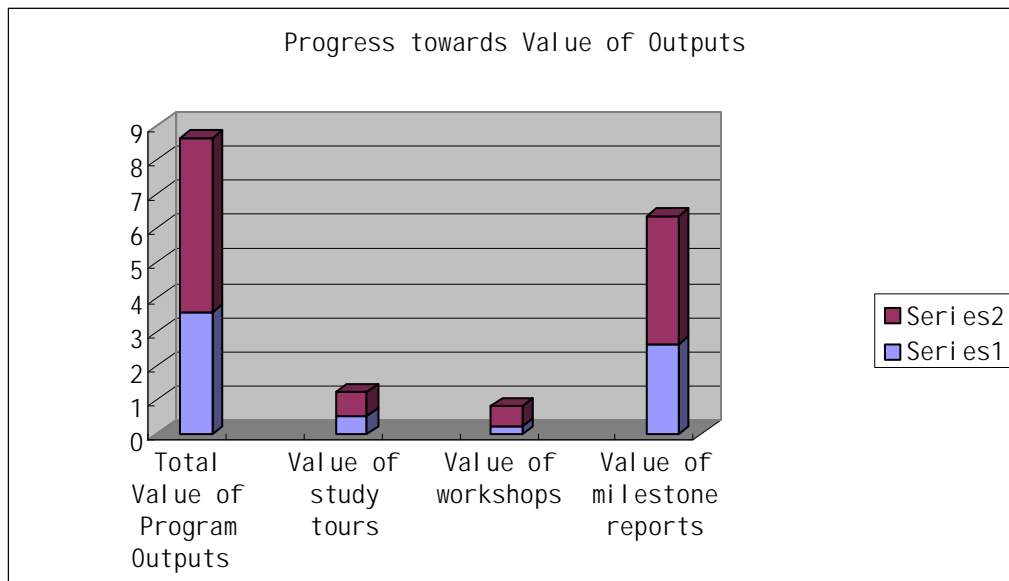
11 out of 20 study tours (55%) have been completed, 7 out of 41 workshops (17%) conducted and 25 out of 70 technical & progress reports (36%) accepted and acquitted to-date. In the table below blue (series 1) represents outputs achieved and red (series 2) outputs pending



In terms of where the money went, the bulk of funds with 72% were for preparation of milestone (technical/progress) reports (\$2.6 million), followed by study tours that absorbed 14% (\$0.5 million) and workshops with 7.5% (0.3 million). In the table below blue (series 1) represents outputs achieved and red (series 2) outputs pending.

<sup>15</sup> As of early August, both projects are likely to continue

<sup>16</sup> This includes predominantly study tours, technical & progress reports, training courses, workshops, etc



Judging by Chinese feedback, eg through endorsed progress reports, through communication at monthly catch-up meeting, through PCO field monitoring and, through project internal evaluation that are, as a matter of routine, endorsed by Chinese counterparts, the quality of outputs has been high generally, both in terms of relevance to Chinese needs and appropriateness of learning content to Chinese conditions.

### 3 Implementation Progress against Annual Plan and Budget

#### 3.1 Delivery on time

Five out of the 23 ACEDP projects were completed prior to 31 December 2009. Of the 18 remaining projects, 15 (83%) are in full implementation mode as per Annual Plan schedule.

All of these 15 projects generally adhere to their annual plans. The main reason for non-performance lies in study tours (3 projects of these 15 or 20 %). Chinese internal approval processes for overseas trips have been tightened and delegates find it increasingly difficult to obtaining internal travel approvals in time for lodging visa applications with the Australian Embassy. Following last-minute postponement of study tours last year, application deadlines have been tightened and applicants must now lodge visa applications with the Chinese Ministry of Foreign Affairs MFA at least 10 working days prior to departure. MFA in turn must lodge applications with the Australian Embassy 5 working days prior to departure.

One of those 15 projects is the 'Large Irrigation Systems' project that has faced significant obstacles to its implementation (see discussion under 1.2 (v) above), but that is now progressing, albeit delayed, according to its revised workplan.

#### 3.2 Not Delivered

Of the three delayed projects, the design was completed in March 2009 but AusAID has deferred consideration of the design, pending a decision on allocation of residual program funds in the context of the IPR. The remaining two are still at late design stage with

partners apparently unable to resolve disagreements. PCO has set a deadline of August to resolve issues or risk losing the money<sup>17</sup>.

### 3.3 Project Extension

Two projects out of the group of 15 (13%) have requested extension of the project completion date at no cost to the program and at no risk to project or program outcomes. Both requests are valid. One (Lake Tai) is in recognition of competing domestic demands on municipal resources that stretch their capacities to deliver. The other (GPS) simply responds to an improved understanding of GPS needs in the ACEDP and the role of the project as a learning resource for the ACEDP.

### 3.4 Adequacy of Inputs

Inputs are adequate and appropriate for all 15 projects (100%) during the reporting period and no project team has requested for additional inputs or substantial input variations. This is further evidenced by end-of-component evaluations done for all study tours and training courses.

### 3.5 Budget

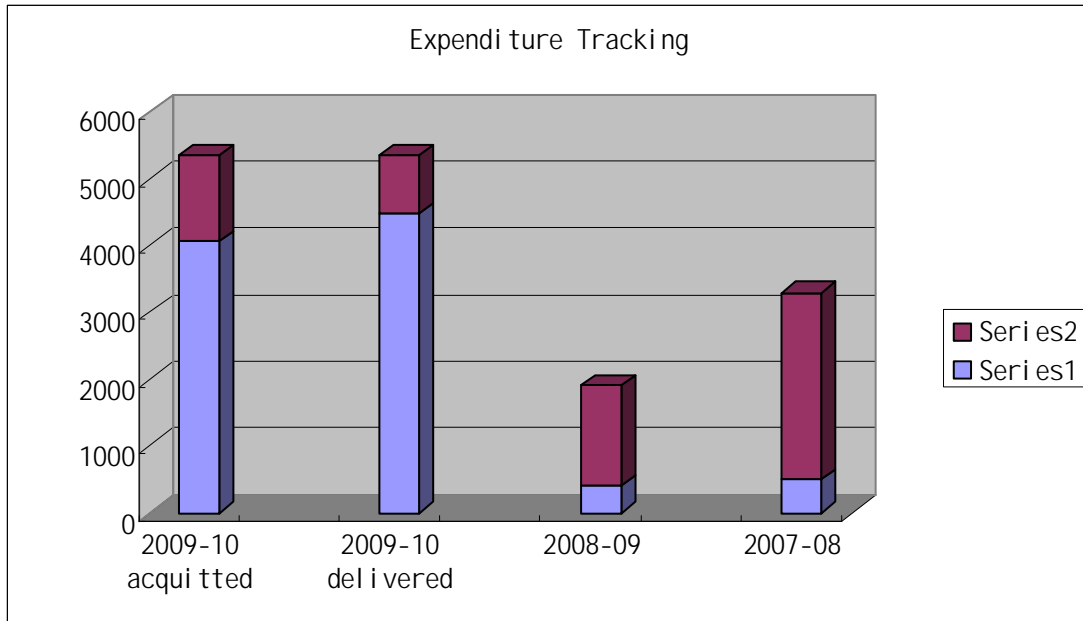
The budget forecast for Annual Plan III (2009-10) was for \$1.326 million in management fees. Expenditure was on track with \$627,000 for the 6-months period Jan-Jun 2010 achieving annual expenditure of \$1.281 million (97%).

The annual budget forecast 2009-10 for the imprest account of initially \$8.615 million was revised back to \$5.343 million in January 2010. Of this, \$4.075 million had been acquitted by the end of June 10 (76%). Allowing for an additional \$418,000 in outputs delivered but not yet invoiced, brings the actual delivered imprest account expenditure, to \$4.493 million (84%). Delayed implementation of the three projects mentioned above is the main reason for underperformance.

Irrespective, it constitutes a marked improvement over expenditure pattern in previous years. Year 1 of the ACEDP (2007-08) had a revised forecast of \$1.9 million vs actual expenditure of \$0.4million (23%) while year 2 of the ACEDP (2008-09) had an even poorer performance with revised forecast of \$3.3 million vs actual expenditure of \$0.5 million (17%). In the table below the blue series 1 represents actual expenditure achieved and the red series 2 annual plan expenditure not achieved:

---

<sup>17</sup> Project teams responded positively and now, in August 2010, it looks likely that both projects will continue.



#### 4 Management Systems and Processes

##### 4.1 Annual Planning

HLRT-III in July 2009 decided to put the annual planning process on hold, pending the outcome of the Independent Progress Report IPR that was submitted finally in May 2010. Consequently, no new activities were initiated during the reporting period, although discussions commenced with UNIFEM, exploring co-funding for a women empowerment project in the water sector in Ningxia.

##### 4.2 Financial Management

This chapter summarises expenditure for the period 1 January to 30 June 2010, disaggregated by management fees and Imprest Account. All figures are in A\$.

##### Imprest Account

The total amount GHD received from AusAID for the Imprest Account by the end of June 2010 is \$9,321,546.28 (inclusive of GST). This amount was transferred to the ACEDP Imprest Account in seven tranches.

Claim Number	Date	Net Amount (A\$)	GST (A\$)	Total (A\$)
1	06 Dec 07	976,550.00	97,655.00	1,074,205.00
2	07 May 08	1,130,822.79	113,082.28	1,243,905.07
3	15 Jan 09	875,581.91	87,558.19	963,140.10
4	24 Mar 09	945,000.00	94,500.00	1,039,500.00
5	8 May 09	895,000.00	89,500.00	984,500.00
6	30 Oct 09	1,798,187.16	179,818.72	1,978,005.88
7	28 Apr 10	1,852,991.12	185,299.11	2,038,290.23
<b>Total</b>		<b>8,474,132.98</b>	<b>847,413.30</b>	<b>9,321,546.28</b>

As of the end of June 2010, GHD had made total payments of \$6,151,978.03 (inclusive of GST) from the Imprest Account. Note that the GST amount has been fully refunded by the end of June 2010). This expenditure mainly paid for milestone payments (eg

professional fees), reimbursables (eg travel, meetings, per diems) and management fees (generally 10% of reimbursables) paid to Subcontractors for project implementation

- Lake Tai Water Pollution Management Project
- Wetlands Management Policy, Guidelines & Capacity Building Project
- Water Ecology Compensation Policy and Mechanisms Project
- Public Participation in Social & Environmental Impact Assessment Project
- Social Impact & Gender Mainstreaming Package
- Capacity Building on Adaptation to Climate Change in Water Environment
- Impact of Climate Change on Economic Development and Policy Options in China
- Research on the Applicability of Australian Total Channel Control Technology in China
- River Health and Environmental Flows in China Project
- Large Irrigation Scheme Project
- Partner Database & Network Initiatives

**Total Imprest Account expenditure from 1 January to 30 June 2010 was \$2,511,820.14 (\$2,314,930.72 + GST of \$196,889.42).**

Management Account

Total expenditures for management and personnel costs (1 Jan to 30 Jun 10)

Total Program Management	310,500.00
Long Term Personnel	258,574.21
Short Term Personnel	19,883.09
Program Administration & Equipment	37,614.75
<b>Total</b>	<b>626,572.05</b>

Total expenditures for the Imprest Account & Management Account

Imprest Account total expenditure to date (GST exclusive)	5,777,698.31
Management Account expenditure to date (GST exclusive)	4,145,980.07
<b>Total</b>	<b>9,923,678.38</b>

Budget for next six months

Imprest Account budget for next 6 months	5,293,537.00
Management Account budget for next 6 months	720,574.00
<b>Total</b>	<b>6,014,111.00</b>

4.3 Value For Money

The IPR has raised some legitimate concerns on whether the ACEDP constitutes good value-for-money (a particular concern was the proportion of management versus program costs) but the immediate question for ACEDP management is whether the administrative costs incurred in delivering the program add a commensurate level of value to the program. While the end-of-the-program is the obvious time to assess whether or not the Chinese agencies have adopted, or have been influenced by, the recommendations and/or draft guidelines produced by the program, program management is now applying

appropriate and responsive quality assurance mechanisms<sup>18</sup> to ensure the program's value for money.

As for sustainability of partnerships, the other program outcome, this will be even more difficult to appraise during the lifetime of the program and the best program management can do is to ensure, through the above quality assurance mechanisms, that individual projects deliver good quality outcomes that are of relevance to both partners.

#### 4.4 Quality of the Monitoring and Evaluation System

The ACEDP MEF has been established as a dynamic process. At the time of HLRT-III in July 2009 it was planned to conduct annual in-depth case study evaluation of selected projects, assessing their progress towards meeting program outcomes and analysing reasons for success/failure. However, in early 2010 AusAID decided to discontinue this approach, pending preparation of the two strategies that were recommended by the IPR (see below) and in the context of the resignation of the M&E Advisor. At present the MEF comprises the following elements

##### Project level M&E

- Project teams finetune the Results Framework RF during the inception phase
- Project teams develop M&E plans to monitor adherence to their RF
- Project teams prepare six monthly progress reports (for larger projects) or completion reports (for smaller projects of less than 1 year)
- PCO appraises all project outputs, using external technical expertise where required ([Annex 2](#))
- PCO records day-to-day events on the Activity Tracking System ATS
- PCO conducts ongoing field monitoring of projects ([Annex 3](#)) and issues reports for follow-up steps that are copied to AusAID and relevant program core partners
- PCO tracks project adherence to requested follow up steps
- PCO conducts monthly 'catch-up meeting' with supervising ministries to discuss progress, identify issues and agree on remedial measures
- Steering Committee meetings (for larger projects only) involving PCO, AusAID, subcontractors and supervising ministry

##### Program level M&E

- 'Progress Review & Policy GAP Analysis' by the EAT in Feb 09
- Mid-term 'Independent Progress Report' in May 10, recommending
  - o An oversight group chaired by AusAID/MOFCOM
  - o 2 strategic documents to guide program level M&E - the 'Operationalised Policy Engagement Strategy' and the 'Operationalised Partnership Strategy'

#### 4.5 Risk Management

This chapter deals only with significant risks defined to have the potential to seriously impede program outcomes.

##### ***Technical quality control of project outputs***

- This risk is becoming more apparent as projects start producing outputs (reports, study tours, training workshops, seminars, etc) of a technical / scientific nature.

---

<sup>18</sup> Eg through enhanced technical scrutiny of project outputs by PCO, through accelerated field monitoring of projects by PCO, by maximising the value of project steering committees and by judicious use of policy/technical expertise resident among Australian program core partners.

PCO monitoring of the quality of these outputs is possible only to a certain extent, as they require specialised expertise not necessarily resident among PCO staff.

- The effect of poor or inadequate technical/scientific outputs can be severe. It will erode clients' confidence in the ACEDP as a tool to foster bilateral policy dialogue and strengthen and develop partnerships between agencies in the two countries. It can also affect policy views of Australia as a reliable partner for China.
- The PCO response is multi-pronged, addressing technical/scientific and strategic issues
  - o During 2009 the PCO relied on a combination of EAT assessment and scientific peer review by the Chinese beneficiary ministry (eg Trans-jurisdictional Project). Maturation of the program in late 09 saw more projects producing technical/scientific outputs and the PCO adopted a rigorous system of internal quality control, drawing on external expertise as required ([Annex 2](#)).
  - o During 2009, the EAT conducted its first Policy Gap Analysis for the ACEDP that confirmed the relevance of the program's strategic direction agreed in 2007 and 2008. At this stage in the program there seems little justification for another GAP Analysis as 94% of program funds have already been allocated. Rather, the two operationalised strategies that are in preparation by AusAID are intended to enable assessments of the strategic/technical relevance of projects towards program outcomes, and identify gaps/opportunities for further strengthening partnership or policy outcomes.
  - o In early 2010 the PCO started to issue 'Guidelines for Project Teams' on issues of common interest. PCO monitors adherence to these Guidelines<sup>19</sup>. The first set that was distributed to all joint project teams comprised short 1-2 page guidelines for preparation of project-specific Monitoring & Evaluation M&E, Communication & Engagement C&E and Establishment of Project Steering Committees.
  - o The PCO also distributed a guide for preparation and internal clearance by project teams of project outputs, including technical reports, progress reports and study tour reports that requested Australian teamleaders to get all project material cleared by Chinese counterpart agencies before submission to the PCO <sup>20</sup>. The same applies of course to Chinese teamleaders that are requested to get clearance from their Australian counterparts.

### ***PCO Progress Reporting to AusAID***

- That risk was identified by the IPR that concluded the reporting formats used to-date did not provide the type of information required by AusAID for its internal reporting.
- The effect of inadequate reporting can be severe. If achievements and lessons learned are not communicated, this may affect public perceptions of the value-for-

---

<sup>19</sup> PCO appraisal of project outputs (reports) and field monitoring are two interactions where PCO monitors use of these guidelines by projects, ensuring their application.

<sup>20</sup> PCO does not process draft reports unless the respective counterpart has cleared them by email.

money offered by the ACEDP and reduce public/political support for the program and its intended outcomes.

- The PCO response is to change the reporting format (this report) and, in accord with the two Operationalised Strategies currently in preparation, to refine its M&E Framework so that it communicates achievements and challenges effectively.

### ***Communication with Stakeholders***

- That risk has been a pervading one for the ACEDP, applying particularly to Australian Commonwealth Departments that, unlike the Chinese program core partners, are not direct beneficiaries of the ACEDP. It is also a highly dynamic risk – as the program matures, so does the communication with, and involvement of, Australian program core partners. While the ACEDP was successful in involving program core partners in the project design phase (through participation in design teams) and in the selection process for subcontractors (through membership in technical advisory panels), the implementation stage of the program is largely run by independent subcontractors, with involvement of Commonwealth agencies limited largely to giving presentations to study tours.
- Major complicating factors are the absence of an identified counterpart in China and the presence of Australian Commonwealth Departments / Agencies as program core partners. Together that has created a unique set of challenges for the ACEDP. Servicing the needs and objectives of nine quite disparate national policy ministries in two countries with vastly different political and administrative systems is compounded by the non-political status of the PCO that is managed by a commercial company GHD Pty Ltd, which automatically limits its access at the policy level in Australia.
- The effect of that risk is potentially significant as the program risks losing policy traction in Australia, which will affect agency preparedness in using the ACEDP to engage with China in partnership arrangements or policy dialogue. However, the ACEDP has moved beyond the original 5 Australian program core partners – only CSIRO, BRS (DAFF) and DEWHA remain directly involved in project implementation, while a range of other State government, academic and commercial organisations are now also involved.
- The PCO continues issue of bilingual quarterly e-newsletters and has expanded the monthly ‘Schedule of Events’ that lists all ACEDP funded training courses, workshops, study tours and so on both in Australia and China. As of July of this year, the Schedule is issued bilingual.
- The PCO updates the bilingual ACEDP website and its associated Project Portal on a continuous basis, with material uploaded as it arrives and is cleared for dissemination. A separate ‘Eutrophication Portal’ has been established to link scientists and practitioners engaged in algal boom management. Current subscribers are academicians and administrators from China, Australia, USA and Hongkong.
- Any further ACEDP response to communication challenges will need to be harmonised with the two operationalised strategies (policy engagement and partnership) that are currently in preparation by AusAID as these strategies will influence the strategic direction of the program for its remaining two years of operation.

### ***Strengthening Gender Integration in the Program***

- Although the program has taken steps to integrate social and gender issues throughout the program (see below) the challenge remains to go beyond a minimalist approach and to leave a lasting legacy that has the potential to institute change.
- The effect of that risk is potentially high. As an Australian Government AusAID initiative, the ACEDP has to adhere to AusAID's stated gender policy<sup>21</sup>. Non-adherence will not only be in contravention of that policy – and hence the contract between the managing contractor and AusAID - but could also affect perceptions that the ACEDP does not constitute value-for-money.
- PCO response to-date has been diversified, is project specific, and, up to now, has been appropriate to the stage of development of the program
  - o At the start-up phase it consisted of appointment of a social specialist and preparation of a Gender Mainstreaming, Public Participation and Social Impact Management GPS Framework
  - o At the project identification and design phase it consisted of requiring design teams to address the GPS Framework requirements
  - o At the project assessment stage, the PCO developed internal GPS Screening Guidelines that helped in identifying specific GPS needs / requirements for any future projects. This assessment was then provided to project teams
  - o At the project inception phase, project teams were required to address issues identified in the GPS Screening Guidelines
  - o At the implementation phase, all outputs (technical reports, study tours, workshops etc) need to demonstrate that GPS has been addressed. This is the appraised by PCO.
- Despite these efforts, adoption of GPS in projects remains sub-optimal and will require additional inputs to maximise sustainability. An outreach of the GPS project has started with a dedicated GPS training course for municipal officer from two provinces (Jiangsu, Zhejiang) involved in a science-based project (Lake Tai), conducted in July 2010. This training course is a test case for a much larger effort later in 2010 when a dedicated GPS training course is planned for Chinese counterpart staff from 10-12 ACEDP water resources projects. The aim of that workshop will be to build competencies for project implementation staff in applying GPS in their day-to-day work responsibilities of managing environmental / water resources programs.
- In addition the PCO has commenced negotiations with UNIFEM22 with a view to co-finance a women empowerment project in the water sector in Ningxia. This will complement three other ACEDP projects that have pilot sites in the same Qingtongixa River Basin of Ningxia Hui Autonomous region.

#### 4.6 Staffing and Human Resources

Staffing at the PCO Beijing office and its outrigger offices in Melbourne and Sydney remains unchanged during the reporting period.

---

<sup>21</sup> The reference document here is 'Gender Equality in Australia's Aid Program – why and how', issued by AusAID in March 2007

<sup>22</sup> On 2 July 2010, the United Nations General Assembly voted unanimously to create a new entity to accelerate progress in meeting the needs of women and girls worldwide through establishment of a UN Entity for Gender Equity and Empowerment of Women (or **UN Women** for short). The new entity will absorb the UN Development Fund for Women UNIFEM, the Office of the Special Advisor on Gender Issues and Advancement of Women OSAGI, the UN International Research and Training Institute for the Advancement of Women INSTRAW and the Division for the Advancement of Women DAW.

Two Beijing based PCO officers, both at senior program officer level, are expected to depart in August 2010 (maternity and acceptance of an overseas scholarship offer) and efforts have begun to identify a suitable replacement. This will pose a considerable challenge for the PCO, as two out of its three experienced project managers will have to be replaced.

A request for channelling funds from the allocation for the Melbourne-based Australian Liaison Officer (part-time) to the Sydney-based Senior Policy Coordinator (part-time) was submitted to AusAID before the current reporting period and is still pending.

One of the PCO short-term specialists, the M&E adviser, has resigned and in consultation with AusAID it was decided not to replace that specialist for the time being, pending completion of the two operationalised strategies currently under preparation by AusAID.

Training for Beijing-based PCO staff continued during the reporting period

Date	Topic	Resources	Staff
8-9 Jan 2010	Project Management Practical Skills Training	External professional trainer, Mr Wu Yongda	Senior Program Officers
5 Feb 2010	ACEDP Operations Manual	Program Manager G Mau / Deputy PM Pei Xiaodong	All staff
3 Mar 2010	ACEDP Operations Manual	Program Manager G Mau / Deputy PM Pei Xiaodong	All staff
11 Mar 2010	ACEDP Operations Manual	Program Manager G Mau / Deputy PM Pei Xiaodong	All staff
16 Mar 2010	ACEDP Operations Manual	Program Manager G Mau / Deputy PM Pei Xiaodong	All staff
18 Mar 2010	ACEDP Operations Manual	Program Manager G Mau / Deputy PM Pei Xiaodong	All staff
20 May 2010	ACEDP Fraud Assessment & Risk Control	Finance Manager Zhang Xiao	All staff

#### 4.7 Facility Specific Issues

##### Decision making processes

Following a resolution at HLRT-III in July 2009, no new applications have been accepted, pending consideration of relevant IPR recommendations at HLRT-IV later in 2010. One project application was reactivated during the reporting period, an application by the MWR-associated 'Institute of Water Resources and Hydropower Research' for 2 weeks training at ICEWaRM in Adelaide on 'Establishment of a System of Environmental Economic Accounting for Water (SEEAW)'. This proposal had originally been approved under the ACEDP 'Emerging Priorities' facility and had received support from Australian program core partners but was postponed due to internal travel restrictions at MWR at the time. The reactivation request was basically unchanged and there was no need to go

through yet another approval process. AusAID MOFCOM thus followed the PCO recommendation to approve it.

In early 2010 MOFCOM advised AusAID and the PCO that it required all Chinese sponsoring agencies to submit to MOFCOM a separate formal request in support of any application for funding.

#### Quality of Activity Design

No new projects were designed during the reporting period. Discussions with UNIFEM continued in regard to submission of a request for co-funding a women empowerment project in Ningxia. PCO appraised the proposal and suggested some modifications that were accepted by UNIFEM. AusAID approved the utilisation of ACEDP's donor networking resources for this work and PCO commenced contract negotiations.