



Australian Government

AusAID

ACEDP

Australia China Environment Development Program

Annual Plan 2009-10

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An Australian Government AusAID initiative
implemented by GHD Pty Ltd

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Acronyms

ACEDP	Australian China Environment Development Program
ALO	Australian Liaison Office of the ACEDP in Melbourne
AP	Annual Plan – AP-I for 2007-08, AP-II for 2008-09, AP-III for 2009-10
ATS	Activity Tracking System
AusAID	Australian Agency for International Development
CEF	Communication and Engagement Framework
CCPS	China Country Program Strategy
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAFF	Australian Government Department of Agriculture, Fisheries and Forestry
DEWHA	Australian Government Department of the Environment, Water, Heritage and the Arts
EAT	Environment Advisory Team
EP	Emerging Priorities
EPBC	Environment Protection and Biodiversity Conservation Act 1999 (Australia)
GPS	Gender Mainstreaming, Public Participation and Social Impact
HLRT-I	Inaugural Meeting of the Joint Australia China High-level Roundtable (HLRT) on 25 September 2007 in Beijing and Canberra
HLRT-II	Second Meeting of the HLRT on 8 September 2008 in Canberra
HLRT-III	Third Meeting of the HLRT on 27 July 2009 in Beijing
IRBM	Integrated River Basin Management
MC	Managing Contractor of the ACEDP, GHD Pty Ltd
MEF	Monitoring and Evaluation Framework
MDBA	Australian Government Murray Darling Basin Authority
MEP	Ministry of Environmental Protection (China)
MOFCOM	Ministry of Commerce (China)
MTR	Mid Term Review
MWR	Ministry of Water Resources (China)
NDRC	National Development and Reform Commission (China)
NWC	Australian Government National Water Commission
PCO	Program Coordination Office in Beijing (includes the Program Liaison Office in Melbourne)
QAA	Quality Assurance Advisor
SFA	State Forestry Administration (China)
TAP	Technical Advisory Panel

1 Introduction

1 The ACEDP is a five-year, \$25m Australian Government, AusAID initiative with the objective of supporting and improving policy development in China in the area of environmental protection and natural resources management. The program's initial focus on water resources and integrated river basin management, confirmed at HLRT-II in September 2008, is envisaged to continue but with increased emphasis on developing and sustaining partnerships between Australian and Chinese Government agencies from different jurisdictions.

2 Specific end-of-program outcomes for the ACEDP have been integrated with AusAID's broader China Country Program Strategy, viz 'Influencing Policy', 'Developing & Sustaining Partnerships' and, 'Strengthening Capacities at Technical & Managerial Levels'.

3 The strategic direction of the ACEDP, established at HLRT-II, is going to remain but the annual planning process will require fine-tuning to ensure that residual program funds are allocated so as to maximise program impact and add value to the existing portfolio of activities.

4 The Australian Agency for International Development (AusAID) and the Chinese Ministry of Commerce (MOFCOM) will continue their oversight of the ACEDP and program core partners on both sides will continue to determine the strategic direction of the program and ensure its relevance to national policy priorities. The environment sector is of course highly dynamic, especially at present, and challenges posed by climate change, to name just one, may result in additional national agencies joining the HLRT. This will have also repercussions for the EAT that will need to identify suitable expertise in any new area so that it can continue to deliver high-level strategic advice and review.

5 GHD Pty Ltd is the AusAID-engaged Managing Contractor for the ACEDP and discharges this responsibility through its Program Coordination Office (PCO) headquartered in Beijing and its Australian based Program Liaison Office (PLO) in Melbourne .

2 Background

2.1 Program Origin

6 In April 2004, the China-Australia annual consultations agreed the Australia-China development cooperation program for 2006-2010 would focus on the sectors of governance, health, environment and regional cooperation, while maintaining commitment to cross-cutting gender issues and the principle of balanced development.

7 The annual consultations indicated that water resource management should be a key area for the environment program, reflecting the shared priorities of both governments and building on Australia's international reputation in water management reform and water industry efficiency. A focus on water resource management provides scope for a range of integrated issues to be addressed.

8 The new environment program allows flexible engagement across a range of issues where Australia and China have common interests. Over the life of the Program, these interests could include addressing climate change through, inter alia, water resource management adaptation.

9 Programming missions in 2005 prepared an overarching China Country Program Strategy, an Environment Strategy and a framework for the Australia China Environment Development Program

(ACEDP). These missions drew on lessons from AusAID's previous development cooperation projects in China and broader Agency experience with development cooperation.

2.2 China Australia Country Program Strategy

10 The goal of the China Country Program Strategy (CCPS) is to further mutual national interests by supporting China's balanced development policies and working together in the region. The new CCPS signifies a shift away from discrete poverty reduction activities towards the sharing of ideas, high level capacity building and policy engagement. The CCPS highlights key themes including mutual benefit, building government-to-government linkages and seeking ways for both countries to work together on regional issues. Inherent in the CCPS is the need to maintain both a sharp focus and flexibility. These often-competing priorities will be achieved through increased dialogue and through strengthening the overall annual planning process. The focus on higher-level engagement and government-to-government linkages requires a significant shift in how activities are structured and delivered. This shift reflects a maturing relationship between the two countries and aims to enhance the impact and sustainability of development cooperation activities in China.

2.3 Environment Strategy

11 AusAID's Environment Strategy for the China Program identifies priorities in the Chinese environment sector that match with Australia's capacity to assist. The Strategy provides an assessment of the development issues, context and a rationale for a targeted program of Australian assistance within the sector. The Strategy focuses on water resource management and provides a major shift in the delivery of Australian assistance to China. Evaluations of earlier environment programs highlighted the importance of developing close links with senior levels of the Chinese Administration to enable strategic input into environment and water resource management policies and practices, thereby increasing the impact of these policies.

12 AusAID's global environment strategy provides a corporate perspective under which the ACEDP operates. It recognizes that countries in the Asia-Pacific region are facing urgent environmental pressures that threaten the cornerstones of development: economic growth and poverty reduction. Management of adverse impacts of development and escalating demands for natural resources are foremost among the challenges faced by nations and Australian resources will be directed towards those areas where Australia can contribute knowledge and expertise to achieve the greatest possible impact and effectiveness: Climate Change, Water and Environmental Governance.

3 Program Description

3.1 Goal, Components, Objectives and Outcomes

13 The goal of the ACEDP is to support China's policies for a better environment. The purpose of the ACEDP is to improve environmental protection and natural resource management (in particular water) to balance the needs of the environment and human development in China. The Program focuses on improving outcomes for the environment in China through stronger engagement between Australia and China on environmental issues of mutual interest. In the long term, these outcomes are expected to serve Australia's strategic interests. The ACEDP has three components, each with a specific objective:

Component 1 - Environmental Governance & Dialogue to demonstrate methods and applications of improved environmental governance in China, and to develop and enhance the environment policy dialogue between China and Australia

OUTCOME 1.1 - Improved environmental governance in China, initially in relation to water resource management, including water rights.

Achieved through demonstrations and adaptations of water policy mechanisms to maintain ecosystems services and achieve environmental outcomes, including market-based approaches (water trading and pricing), incentives, awareness, legislation, community consultation processes etc.

OUTCOME 1.2 - Scientific and technological tools that can enhance environmental (risk) management in China are more integrated with policy processes, initially in the area of water resource management.

Achieved through the adaptation and integration of scientific and technological tools that can enhance water resource management in China

OUTCOME 1.3 - Improved models to address environmental impacts that exacerbate poverty, reinforce gender imbalances and are detrimental to HIV-AIDS control and integration of these models in policy processes.

Achieved through demonstrations and adaptation of models, including new strategies, approaches, methods and processes.

OUTCOME 1.4 - Strong bilateral linkages for dialogue in the environment sector, enhancing existing engagement between Chinese and Australian agencies, and shared knowledge on a range of environmental management issues of mutual interest.

Achieved through activities that enhance environment policy dialogue and support exchange of expertise between China and Australia on environmental issues of mutual interest

OUTCOME 1.5 - Active high-level policy dialogue to promote/develop priorities for ACEDP.

Achieved through activities that support identification of priorities for ACEDP through whole of government consultation at all relevant levels.

Component 2 - Integrated River Basin Management to assist with the practical application of IRBM principles in China

OUTCOME 2.1 - Shared understanding of IRBM and IWRM principles and practices in Australia and China.

Achieved through activities that support engagement between Australia and China on IRBM principles.

OUTCOME 2.2 – Improved water resource management through applications of IRBM principles in China and their adoption by Chinese agencies.

Achieved through activities that support strategic demonstrations and piloting of models and policy options for IRBM in China, including integrated resource assessment, participatory planning and community ownership.

Component 3 - Program Management to provide strategic direction to, and effective coordination and efficient management of, the ACEDP

OUTCOME 3.1 - Effective and efficient delivery of the program.

Achieved through a collaborative management approach that emphasizes coordination and networking, building of national ownership and ongoing quality control.

3.2 Risk Management

14 The program employs a number of instruments to manage risks at different levels. Foremost amongst these is the recently updated Monitoring and Evaluation Framework that brings the ACEDP in line with AusAID's China Country Program Strategy. It manages risks through an integrated 5-level M&E strategy (see chapter 5.3). In addition the program employs

- The Environment Advisory Team (EAT) that provides independent policy and program advice on strategic and technical issues to the PCO, AusAID and MOFCOM
- In 2009, the PCO trialed its 'Gender Mainstreaming, Public Participation and Social Impact' or GPS Screening Guidelines to identify and manage unintended social consequences of ACEDP interventions and ensure adherence to relevant legislation
- GHD's internal 'Practice-Quality-Management-System', certified to ISO-9001 standards, guarantees financial probity and administrative efficiency.

15 The attached risk management matrix ([Annex III](#)) identifies some of the major risks facing the program during year 3. However, by definition this list can never be complete and the challenge remains for program management not only to think ahead and anticipate risks, but also to maintain a flexible and responsive approach to any emerging risks.

4 Review of Progress-to-date

16 After an initial slow start up, the program has picked up pace and by the end of the second year the approved project pipeline comprised 23 projects. This includes **10** core projects of which 3 are at implementation stage (Trans-jurisdictional, Public Participation, Social Impact Package), **4** that will mobilise during the first quarter of 2009-10 (Lake Tai, 2 Water Ecology Compensation projects, River Health & Environmental Flow; **2** that are awaiting approval (Large Irrigation Systems, Wetlands Management) and **1** that is at the final re-design stage (Shule-Shiyang River Basins). All are large multi-year classical Technical Assistance type of projects with a combined value of \$ 12.5 million.

17 In addition, **11** new proposals were approved under the second funding tranche in March/April 09 all of which are at the design stage. A result of the 2008 Policy Landscape Review, these projects represent the new type of highly targeted partnership initiatives of generally one-year duration. Their combined value is \$ 1.9 million.

18 **2** small training projects were funded as emerging priorities (Legal Professional Development and Mekong Sub-region Professional Development). Their combined value is \$136,000.

19 The Program Monitoring and Evaluation Framework (MEF), the Communication & Engagement Framework (CEF) were completed as 'living' documents and the Gender Mainstreaming, Public Participation and Social Impact (GPS) Screening Guidelines were trialed in the assessment of second tranche proposals.

20 The program website has been comprehensively re-designed and project information (fact sheets) are presented with a shorter and more user-friendly face. They and the website are updated on a monthly basis. Bilingual e-newsletters are issued quarterly and a new database of Australian service suppliers with an interest in working in the China environment sector has been established and will be available on the program website shortly. To date 33 Australian organisations have registered.

21 A 'Policy Gap Analysis & Progress Review' was conducted by the independent EAT that found the program to be generally on-track (slow progress in the design and tender process for the core projects being one notable exception) with little need to change the strategic direction that was endorsed

by governments at HLRT-II in September 2008. One of its recommendations was that partnering on the Australian side would need to involve other jurisdictions (eg State and Territory Governments) that have a more direct role in environmental policy implementation, as well as relevant R&D and educational institutions.

22 Mobilisation of project teams is progressing at an accelerated pace (3 in the last quarter, 4 more in the next quarter) and the program will continue to initiate 'donor networks' for each of its activities. Some of these networks are indicative of early success, eg for Lake Tai where the World Bank has indicated an interest to cooperate with ACEDP on issues related to their Lake Tai Wetlands Management Loan package.

23 Overall therefore, it is reasonable therefore to say the program is on-track to achieve stated outcomes on time, within budget and to a high quality

- Core projects are likely to achieve their capacity building outcomes. Their potential deficiency in achieving policy outcomes has been identified and will be addressed through targeted complementary activities. The new partnership projects are specifically designed, and were selected on that basis, to influence policies that are of mutual interest to both countries and that have thus a high potential to result in lasting partnerships
- The program budget is largely allocated with only \$1 million in un-allocated funds available for the next three years. It will therefore be necessary to prioritise policy areas of mutual interest and then to explore the most cost-efficient means to identify and promote them. This is one of the main tasks for HLRT-III that will also inform the program mid-term review scheduled tentatively for early 2010
- In terms of expenditure profile, the ACEDP is likely to achieve full expenditure of its \$24.6 million budget. It is also likely to avoid the end-of-program bulge that is a common feature in many grant programs and that often leads to last-minute and ill-considered expenditure decisions that are not necessarily in the best interest of the Commonwealth

4.1 Lessons learned

24 There is no doubt that communication with and engagement of partner agencies in Australia and China has improved considerably – for example the introduction of regular monthly catch-up meetings with Chinese partner agencies; the involvement of Chinese and Australian partner agencies in the selection process for projects that were advertised for public tender; comprehensive briefings for Chinese TAP members; comprehensive pre-mobilisation briefings for counterpart agencies in China; development of joint briefings with Chinese counterparts for the Beijing-based donor community, etc – but challenges remain.

25 On the Australian side, engagement of Australian national level agencies is constrained by the fact that benefits for Commonwealth agencies are not immediately obvious. The same is not true for State and Territory agencies however and it is here, and in the research and education sectors, that the ACEDP can make a major contribution towards policy dialogue, partnering and knowledge flow from China to Australia¹..

26 While Australian agencies were consulted in relevant aspects of project design and preparation of study tour itineraries, this was sometimes perceived to be ad-hoc, or with insufficient detail for agencies to respond satisfactorily. More detailed briefings and better time management are among the tools to address this issue. This will be especially important during year 3 of the program when all 23

¹ Both the 2008 'Policy Landscape Review' and the 2009 'Policy Gap Analysis & Progress Review' identified this as a potential growth area for the ACEDP

projects will compete for time and attention by Australian program core partners (eg briefing for study tours, involvement in training and attachment etc. High levels of coordination by the PCO will be required to address this issue.

27 Related to this is the issue of how Australian core partners can be best kept informed. This could be through regular monthly email updates that foreshadow upcoming missions, through regular telephone hook-ups, meetings, technical seminars or individual visits by sub-contractors / implementing agencies. Not one solution will suit everyone and a diversified approach is more likely to achieve results. Resources are of course a key issue for most agencies and in the absence of a formal agreement with AusAID, eg in form of a 'Record of Understanding', agencies may find it difficult to allocate sufficient resources to meet program needs.

28 The new round of proposals that were approved in April/May 09 are true partnership proposals submitted jointly by two or more agencies from both Australia and China. Contractual arrangements for the disbursement of funds will be either through a two-party contract, ie PCO and the senior party that will then have a subcontract with the other partner(s) or a tri-partite contract, ie PCO with both partners. The latter contract too will need to stipulate one senior party whose recommendation to the PCO will trigger payments to the other partner(s).

5 Implementation Strategy

29 The strategic direction agreed at HLRT-II in September 2008 and its focus on water resources macro policies, water quality and integrated river basin management, water resources management, pollution prevention and control and, cross cutting themes will remain. The ACEDP is an integral part of AusAID's China Country Program Strategy (CCPS) and program outcomes will be measured against the CCPS outcomes. These are: (1) Influencing Policy, (2) Developing & Sustaining Partnerships and (3) Strengthening Capacities at Technical and Managerial Levels.

30 The focus for 2009-10 will then be on bringing the ten core projects, the eleven new partnership proposals plus the emerging priority projects to full implementation and on identifying areas where these projects could be enhanced - through integration and coordination among projects or through targeted interventions to increase the potential for developing and sustaining partnerships.

31 The forward financial commitment for the program and its so far 23 projects is substantial and the best estimate is that there is only \$1 million in un-allocated funds available between now and the end of the program in June 2012. While this is a testimony to good program budgeting (major expenditure in the middle of the program and not towards the end) it restricts the ability of the ACEDP to respond to new policy prerogatives of the two governments. Indeed a major task for HLRT-III will be to determine the best way forward, including, but not limited to, the specific policy areas to focus on, the most efficient modalities for selection of new activities, the reconfirmation of program core partner interests and, the targeting of new partners – eg in the area of climate change or in an extension to other jurisdictions, the research and the academic sector.

32 This does not constitute a relegation of the original group of program core partners. They will continue to determine the strategic direction of the ACEDP, ensuring the program remains relevant to, and aligned with, national government policy priorities.

33 The Environment Advisory Team (EAT) will continue in its role of an independent and high-level advisory and review body reporting to AusAID and MOFCOM. It is strengthened by the independent Quality Assurance Advisor (QAA) whose task is to review the appropriateness and effectiveness of the ACEDP systems and management procedures, including the effectiveness of the EAT itself.

5.1 Communication and Engagement

34 The Communication & Engagement Framework² (CEF) will continue to guide program implementation during 2009-10. Aside from project-specific C&E activities that will be identified by implementing agencies in collaboration with AusAID/MOFCOM and the PCO, the focus in year 3 of the ACEDP will be on engaging Australian program core partners as well as agencies from other jurisdictions, such as is envisaged through the '*Improving Water Use Efficiency through Better Irrigation District Management and Water Right Trading*' project.

35 Engagement across agencies, or inter-agency collaboration will be facilitated through the ACEDP Project Network. This network will bring together all ACEDP funded projects on a regular basis and provide a platform not only for technical exchange among project personnel but also for beneficiary agencies to come together and share information on technical/scientific issues and on corporate implementation strategies/policies.

36 The ACEDP Project Network is complemented by a Donor Network set up for each of the 10 large core projects and that may be extended also to the new 11 partnership projects. The Donor Network is a platform for bilateral and multilateral donors to share information with a specific ACEDP project, to explore synergies, to avoid overlap and duplication and, perhaps, lead to collaboration on jointly funded activities.

37 Other initiatives such as executive-level workshops and seminars, based for example on early outcomes of ACEDP projects of common policy interest to partners through Policy Networks, are possibilities the PCO will continue to explore with AusAID, MOFCOM and program core partners.

5.2 Gender Mainstreaming, Public Participation and Social Impact

38 One of the recommendations of the program GPS Framework³ was to subject potential ACEDP projects to some form of GPS screening. In late 2008 the PCO then developed GPS screening guidelines (Annex IV) for trial in the assessment of new proposals in the March/April 2009 round. Their effectiveness will be evaluated during PCO appraisal of the Activity Design Documents that agencies are asked to prepare and in which they have to address the GPS comments.

39 The two 'social' projects under the ACEDP mobilized in late 2008-09. They are the '*Social Impact & Gender Mainstreaming Package*', which aims to build capacities in all four Chinese program core partners and the '*Public Participation in Social and Environmental Impact Assessment and Basin Water Pollution Control Project*' that aims to strengthen capacities of China's MEP. Both projects will be available as a resource to other ACEDP activities and it is envisaged they will play a role in refining the program GPS Framework and screening guidelines.

5.3 Monitoring and Evaluation

40 The program Monitoring and Evaluation Framework⁴ (MEF) has been recently revised to incorporate latest international best practice and it now reflects closely the M&E criteria used by AusAID for the China Country Program. The three key outcomes are (i) Influencing Policy, (ii) Developing & Sustaining Partnerships and (iii) Strengthening Capacities at Technical & Managerial Levels.

41 The MEF provides for a comprehensive and integrated 5-step approach to activity and program level monitoring of outcomes

² http://www.acedp-partnership.org/en/frameworks/Communication_and_Engagement_Framework/46.aspx

³ http://www.acedp-partnership.org/en/frameworks/Social_Impact_Management/47.aspx

⁴ http://www.acedp-partnership.org/en/frameworks/Monitoring_and_Evaluation_Framework/45.aspx

- Contractors or implementing agencies are responsible for activity level monitoring against agreed performance indicators identified in the 'Activity Results Framework' that every project team has to complete as part of the inception stage. As far as possible these should be evidence based and/or quantifiable
- PCO staff will aggregate these data, including data from the Activity Tracking System and prepare in a narrative form a 'Success or Failure Statement' against the three key program outcomes
- The M&E specialist will, in collaboration with the PCO, AusAID/MOFCOM, EAT and QAA, conduct on an annual basis more detailed analyses of selected projects (case studies). This may or may not require specialised thematic expertise sourced from EAT non core members
- All findings from steps (1) to (3) will be aggregated into a program level 'Statement of Success or Failure' against the three key program outcomes. This step requires consultation with EAT and the QAA
- The Quality Assurance Advisor QAA will, on an annual basis, review management & system performance and effectiveness of both MEF and the EAT.

5.4 Environmental Management

42 As an Australian Government funded initiative, the ACEDP is subject to, and must comply with, relevant legislative and regulatory requirements of Australia's 'Environment Protection and Biodiversity Conservational Act 1999' (EPBC Act), and of pertinent Chinese legislation. AusAID is presently in the process of developing new guidelines for its global program and, once available, these will be adapted to meet the ACEDP requirements.

5.5 Contracting & Procurement

43 The inclusion of Chinese and Australian program core partners in the tender process, through participation in Technical Advisory Panels (TAP) has been successful and contributed to enhanced ownership of the program by both governments.

44 One of the recommendations of the Policy Landscape Review, endorsed in principle by HLRT-II in September 2008, related to the weakness of the public tender process in fostering bilateral partnerships. Cross-border partnerships require early engagement and significant resource allocation up-front to develop a collaborative project. If that project then goes to public tender and the originators lose out, this is likely to reduce any incentive to working through the program.

45 In recognition of this, the PCO advised applicants in the lead-up to the March/April 09 round of applications that priority be given to joint applications that could demonstrate applicants had agreed in principle to collaborate. Of the 22 applications received in that round, 16 of these - or more than 70% - met this criterion, evidence that the PCO requirement was both realistic and achievable.

6 Critical Issues

46 As of the end of FY 2008-09 there were no critical issues for the program. The drawn-out design and tender process for most of the core projects from round I – one of the critiques from the 2009 'Policy Gap Analysis & Progress Review' – had largely been overcome and was in any case addressed

by the new type of small and highly targeted partnership projects with a streamlined design and approval process that did not require public tendering. Nevertheless it is useful to look at some of the key issues so as to avoid making the same mistakes. The delay / inefficiency was a combination of several factors: (i) complex design work that in some cases involved study tours to Australia as part of the design process; (ii) although all projects were designed by joint Chinese - Australian expert teams this did not automatically translate into quick clearance by Chinese ministries but slowed it actually down because each ministry's comment in turn had to be involve the joint expert team, many of whom were on different assignments in the meantime; the managing contractor went through a steep learning process in translating Activity Design Documents into a format suitable for public tendering; technical appraisal of design documents should not have relied on Chinese beneficiary agencies alone, but have involved specialised technical expertise for some of the more specialised projects.

7 Program of Work for 2009-10

47 Details of the program of work for year 3 of the ACEDP are included in the budget ([Annex I](#)) and the Workplan ([Annex II](#)). The program comprises projects and non-project activities.

7.1 Projects

48 The program of work for year 3 of the ACEDP will be pre-occupied with implementing 10 large and 13 smaller projects with an estimated combined Year 3 expenditure of \$8.6 million. This includes the ten core projects that were approved in AP-I and developed during AP-II, the eleven new partnership projects approved during AP-II as well as activities funded as Emerging Priorities ([Table 1](#)).

Table 1 – Activities, Partners and their Status

#	Title	Partners	Status
AP-I	Core Projects		
1.1	Lake Tai Water Pollution Treatment	NDRC	Running
1.2	Inland River Basin Management: Managing the Threats to Sustainable Water Resources Development	MWR – Melbourne Uni	Design
1.3	Wetlands Management Policy, Guidelines and Capacity Building	SFA	Approval
1.4	Water Ecology Compensation (Payment for Environmental Services) Policy & Mechanisms– 2 individual projects	MEP – MWR	Contract
1.5	Trans-jurisdictional Water Pollution Management	MEP	Running
1.6	Public Participation in Social & Environmental Impact Assessment and Basin Water Pollution Control	MEP	Running
2.1	<i>Water Sharing in the Tarim Basin</i>	<i>TRBMC-MWR</i>	<i>Withdrawn</i>
2.2	River Health and Environmental Flows	MEP – MWR	Contract
2.4	Improving Water Efficiency through Better Irrigation District Management and Water Right Trading	MWR – YRCC	Approval
3.8	Social Impact & Gender Mainstreaming Package	MEP-MWR-NDRC-SFA	Running
	Emerging Priorities		
4.1	<i>System of Environmental Economic Accounting for Water SEEAW</i>	<i>MWR-ICEWARM</i>	<i>Withdrawn</i>
4.2	Legal Profession Development	AG – SC	Completed

AP-II	Partnership Projects		
2	Capacity Building on Adaptation to Climate Change in the Field of Water Environment	MEP– Melbourne Uni (?)	Design
4	Impact of Climate Change on Economic Development and Policy Options in China	NDRC/SIC - ANU	Design
5	2009 Australia China High Level Water Policy Meeting	DEWHA - MWR	Design
6	Establishing a Monitoring & Evaluation methodology for Forestry Ecological Programs in Qinghai to support national level policy decision making using multiple criteria analyses tools	SCU-BRS-QFB-SFA	Design
7	The Development of Mechanisms for Community Compensation in Qinghai Province, including Carbon Sequestration through Capacity Building and a Field Based Assessment of a targeted Demonstration Site	SCU-BRS-QFB-SFA	Design
8	Special China Australia session at the 4 th International Yellow River Forum	YRCC	Design
10	Capacity Building on Strategic Planning for Impact of Climate Change on Water Resources	NDRC/ICC - Sydney Uni	Design
14	Research on the Applicability of Australian Total Channel Control Technology in China	MWR - Rubicon Pty	Design
17	Environmental Risk Assessment and Management of Persistent Organic Pollutants Contaminated Water Body	MEP - DEWHA	Design
21	Environmental Informatics for the Development of Environmental Monitoring in the San-Jiang-Yuan Nature Reserve Using Remote Sensing and the Development of a China Dam-Break, Flood Simulation and forecasting System	CSIRO - SBS&M	Design
22	Comparative Study on Countermeasure toward long-lasting Drought between China and Australia	MWR - ICW	Design
AP-III	Emerging Priorities		
4.3	Mekong Subregion Professional Development	MWR - ICEWARM	Contract

7.2 Non-Project Activities

49 There are no scheduled policy or program reviews in this year. Instead AusAID will commission an independent mid term review of the program to be conducted in early 2010. No EAT progress review nor annual systems review by the QAA will thus be required.

50 An amount of \$10,000 has been allocated to permit maintenance and expansion of the web-based registration of Australian companies interested in work with Chinese partners ([activity 3.5](#)). The database will be accessible via the ACEDP website. It does not carry endorsement from the PCO or the Australian and Chinese Governments. The PCO assumes no responsibility for the accuracy of information on that database.

51 An amount of \$86,000 has been allocated to networking activities ([activity 3.15](#)) that aim to (i) foster intra-program networking and information exchange among the various ACEDP funded projects and activities; (ii) foster donor networks with bi- and multilateral agencies involved in the same sub-sector and/or geographic areas; (iii) promote inter-agency collaboration and exchange among Chinese and/or Australian program core partners key stakeholders and; (iv) advance bilateral policy dialogue on topics of mutual interest between Australian and Chinese environmental agencies. Subsumed in this allocation are the annual retreats for Chinese core partners and the PCO. With the maturation of the program and the improvements in communication that go with it, this type of initiative could be rolled over into a network activity where specific policy or technical/scientific outputs are discussed.

52 A separate allocation for PCO attendance at steering committees (activity 3.16) will no longer be required as the Managing Contractor has a separate funding allocation for this purpose. Expenditure in this year is residual.

53 An amount of \$20,000 has been allocated to assist applicants – but especially program core partners – to source specialised technical/scientific advice (activity 3.17) that may be required for preparation of Activity Design Documents.

7.3 Budget Summary Year 3

Item	A\$	A\$	A\$
Total Overall Budget Forecast			10.006.647
Management Cost		1,326,356	
Enhanced MEF Costs		60,075	
Imprest Account		8,614,716	
- Core Activities	8,095,500		
- EAT Activities	81,060		
- Emerging Priorities	135,956		
- Key Operational Activities (component 3 minus EAT)	302,200		