

China Australian Development Scholarship (ADS)
& Small Activities Scheme (SAS)
Program Review

REPORT

15 March 2009

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ABBREVIATIONS AND ACRONYMS

ACAA	Australia-China Alumni Association
ACEDP	Australia-China Environment Development
ACWF	All China Women's Federation
ADB	Asian Development Bank
ADS	Australian Development Scholarship(s)
AEC	Australian Education Centre
AEI	Australian Education International
ALA	Australian Leadership Award(s)
ARDS	Australian Regional Development Scholarship
AS	Australian Scholarship(s)
ASG	Australian Scholarships Group
AUAN	Australian Universities Alumni Network
AUIAC	Australian Universities' International Alumni Convention
AusAID	Australian Agency for International Development
CAGP	China Australia Governance Program
CAHHE	China-Australia Integrated Health & HIV/AIDS Facility ¹
CPS	China-Australia Country Program Strategy
DEEWR	Department of Education, Employment and Workplace Relations
DEST	Department of Education, Science and Training (previous)
DFAT	Department of Foreign Affairs and Trade
DOFCOM	Department of Commerce (Provincial)
EAP	English for Academic Purposes
ELT	English Language Training
EID	Emerging Infectious Diseases
GDP	Gross Domestic Product
GoA	Government of Australia
GoPRC	Government of Peoples' Republic of China
HRD	Human Resource Development
IAP	Introductory Academic Program
IELTS	International English Language Testing System
IWRM	Integrated Water Resource Management
JICA	Japan International Cooperation Agency
M&E	Monitoring and Evaluation
MEF	Monitoring & Evaluation Framework
MDG	Millennium Development Goal
MOA	Memorandum/a of Understanding
MOFCOM	Ministry of Finance
NWCWC	National Working Committee on Women and Children
NZAID	Government of New Zealand aid program
ODA	Official Development Assistance
ODL	Open and Distance Learning
OECD	Organisation for Economic Co-operation and Development
PRC	Peoples' Republic of China
SAS	Small Activities Scheme
SIMON	Student Information Management System
UNDP	United Nations Development Program

¹ For ease of reference throughout, the Health-HIV/AIDS sector is named "health"

1 BACKGROUND

1.1 Activity description, origin and design preparation

1.1.1 China-Australia Country Program Strategy (CPS)

The *China-Australia Country Program Strategy* for 2006-2010 identifies the overarching goal of Australia's aid program to China as being to further mutual national interest by supporting China's balanced development policies and working together in the region, through a focus on three themes:

- Building capacity in selected sectors in China, in particular governance, environment and health;
- Enhancing the Australia-China relationship by building institutional linkages;
- Working collaboratively to strengthen the region.

The importance of these three themes is reflected in the current and continuing support by AusAID for its three PRC facilities:

- *China Australia Governance Program (CAGP) 2004-2010 (\$20.3 million GoA contribution)*. CAGP seeks to address governance issues "which have an impact on the effectiveness of poverty alleviation"². CAGP, scheduled to cease operating in mid-2010, addresses governance issues through: (a) supporting strategic engagement between Australia and China; (b) funding a small number of projects to support implementation of specific policy initiatives, particularly at the sub-national level (SAS); and (c) providing administrative support for the ADS program.³
- *Australia-China Environment Development Program (ACEDP) 2007-2012 (\$24.6 million GoA contribution)*. With an initial focus on IWRM, ACEDP supports China's policies for a better environment in areas of mutual interest to both countries. However, ACEDP can also respond to shifting policy priorities and emerging issues - of common interest.
- *China-Australia Integrated Health & HIV/AIDS Facility (CAHHF) 2007-2012 (\$25 million GoA contribution)*. Australia's support for CAHHF aims to: (a) improve China's capacity to halt and reverse the spread of HIV; (b) protect its population against emerging infectious diseases (EID); and (c) strengthen its health systems.

The 2006-2010 CPS objectives are based on a clear principle of supporting equity in China's development, by addressing the factors that underpin poverty and less on direct poverty alleviation.⁴ A 2002-2005 internal review of the *China-Australia Country Program Strategy* identified key attributes leading to success of activities in China, and recommended the use of more innovative and effective forms of aid based on seven "Key Implementation Principles".

1. responsiveness to changing circumstances with an increasing focus on high-level policy engagement;
2. aligning with China's own programs and policies;
3. institutional analysis of the absorptive capacity of partner agencies as well as the cultural context;
4. building on existing relationships including our whole-of-government engagement and existing platform of activities;
5. strategic partnerships (with counterparts, multilateral agencies and other donors);
6. consideration of the use of "aid advisers" and "aid experts" to enhance effectiveness and program integration with Chinese systems; and
7. more effective integration of all strategy activities.

The options presented and recommendations proposed in this report align with all Key Principles, and especially with #3, #4 and #5. Wherever possible, the potential to link review recommendations concerning future directions within both ADS and SAS to the three facilities operating in PRC has been maximised. It should also be noted, however, that CAGP, the facility with current, strongest links to the management aspects of ADS and SAS, is scheduled to cease to operate in approximately 12 months.

² Refer: <http://www.cagp-online.org/english/>, Introduction

³ Refer: <http://www.aid.gov.au/china/projects/cag.cfm>

⁴ *China-Australia Country Program Strategy*, p. 2, 2006

1.1.2 China Australian Development Scholarship (ADS)

Australia has provided scholarship assistance for individuals from a range of developing countries to undertake studies at Australian education institutions since the early 1950s.⁵ The current Australian Development Scholarships (ADS) program globally involves approximately 1000 students annually, and is represented in 31 countries.

The China ADS scheme supports studies for a Masters degree over a period of up to 18 months (not including up to three months in-Australia Introductory Academic Programs and pre-course English studies), in priority areas outlined in the *China-Australia Country Program Strategy*, namely: governance (especially economic and public sector reform), environment (mainly water resource management, climate change and clean energy), and health (public health, HIV/AIDS, and other communicable diseases).

ADS is an integral part of the current Australia-China Development Program and is consistent with, and supportive of, the broad strategic objectives and themes of the *China-Australia Country Program Strategy*.

The China ADS program has formed a significant element of Australian aid to China with the provision of more than 700 scholarships over the past 21 years. The ADS program began in China in 1987 and, until 2002, an average of 40 scholarships was awarded each year. In 2003, the number of available scholarships was halved because of over-programming. In 2005, scholarships numbers were increased to 24 per annum using savings from shortening the formal study period and from related savings. Since 2005, 24 scholarships have been awarded annually, according to a defined and agreed allocation strategy. The current, annual ADS budget is \$2m.

The ADS program objective is currently stated as *promoting human resource development in China through a program of in-Australia scholarships for public category Chinese students to undertake postgraduate studies at Australian universities at the Masters level.*⁶

1.1.3 China Small Activities Scheme (SAS)

The Small Activities Scheme (SAS) has also operated in China since 1987. SAS was implemented to contribute to poverty reduction through small-scale interventions at community level in poorer, remote and minority group areas.

The current Scheme is flexible and focuses on rural, poorer areas of central and western China. The projects presently support poverty reduction through sustainable development, as well as promoting policy reform, environmental protection and social development activities. In short, SAS provides:

- grants to support small-scale technical and financial assistance to China using quick disbursement and simplified administrative mechanisms;
- support for Australian and Chinese organisations engaged in developmental activities in China on a non-profit basis; and
- a means of using existing AusAID funded project experiences in China to extend the benefits of larger technical co-operation activities to other provinces.

Since 1987 almost 300 projects have been funded under SAS - in more than 20 provinces, and across a wide range of activities, including rural development, education, health, water supply and sanitation, community development, emergency activities, women and development, and research and poverty reduction.

Between 2004-05 and 2006-07, the annual budget allocation for SAS was \$1 million, supporting an average of 20 projects annually. In the 2008-09 financial year this amount has been reduced to \$500,000.

1.2 Situation analysis and review strategies chosen

1.2.1 ADS

The China ADS program is one of the smallest operating across AusAID's 31 Scholarships countries. With the recent change in the number of annual scholarships to 24 per annum, the Beijing Post and its partner agency, MOFCOM, have developed specific allocation guidelines for awarding scholarships. Attachment 2

⁵ The Australian Government was an active member and contributor to the Colombo plan, a multilateral scholarship scheme that began in 1951.

⁶ www.cagp-online.org/english/ (Introduction)

illustrates recent ADS allocations by discipline/sector studied in Australia; and summarises ADS award allocation by gender.

To date, the broad process has been for AusAID and MOFCOM to meet annually and agree on the specific sectoral distribution of scholarships for the next academic year; then determine which central and provincial government authorities will be asked to submit ADS nominations. MOFCOM contacts the eligible central ministries and provincial DOFCOMs inviting nominations from all eligible public sector employees. Provincial DOFCOMs then coordinate the nominations from their related provincial departments. Once submitted to each of the DOFCOMs, all *selected* applications and nominations for awards are forwarded to MOFCOM who then provides AusAID with complete copies of all applications received from DOFCOMs. All listed applicants undertake IELTS testing (funded by AusAID, and undertaken by the British Council). When IELTS testing is completed, individual scores are registered against each applicant. Following this, AusAID and MOFCOM convene the annual joint selection meeting, with discussions and decisions being informed by each agency's own discrete assessment of listed candidates.

Although not considered a significant issue by MOFCOM or by individual DOFCOMs, AusAID has identified what it considers to be a major fault in the selection process, namely that the Australian Development Scholarships are not necessarily being awarded to the most appropriate persons, particularly when the needs of the Chinese public sector *and/or* priorities identified in AusAID's Country Strategy are considered: "there is a fundamental issue with seeking nominations for awards which are not based on needs or skills gap analysis or rigorous selection criteria..."⁷ The recommendations included in this Report attempt to resolve this weakness, and propose broad strategies to ensure agency and organisation HR needs *and* AusAID priorities assume greater significance.

Given the important role of MOFCOM within the Central Chinese Government and DOFCOMs at the provincial level, it was essential that any analysis of the existing situation, and strategies to investigate potential changes or enhancements to the ADS program be approached tactically and sensitively. Accordingly, a range of meetings were arranged by the Beijing AusAID Post for review team members to meet with key mid- to senior-level public servants in key central ministries, including: MOFCOM, Ministry of Agriculture, Ministry of Environment Protection, Ministry of Health, State Forestry Administration, Ministry of Water Resources, and the National Development and Reform Commission. Meetings were also arranged by the Post with representatives of the three AusAID-supported China facilities: ACEDP, CAGP and CAHHF. Other meetings (relating to ADS) involved those with the Shaanxi and Guangxi DOFCOMs, and participation in a forestry-focussed ACEDP workshop.

Following the first week of meetings in Beijing with central ministries, review team members met with the Beijing AusAID Minister Counsellor and the First Secretary to: (a) report on progress to date (ADS only); (b) present a summary of the team's further direction; and (c) ensure that team activities aligned with the Post's priorities and the Terms of Reference. A copy of the document presented at that meeting is attached (Attachment 18).

Although originally seeking to develop a potential new model for ADS (and for SAS) which would meet the needs and priorities of both MOFCOM and the AusAID Post, discussions following the presentation of the draft aide memoire after the provincial visits resulted in a refocusing of the review team's report, with a stronger emphasis on presenting a number of options for AusAID to consider, before presenting to MOFCOM for discussion. Those options have been identified in this document, and preferred options for future ADS scope and delivery outlined; consequently, recommendations relating to the ADS program assume the acceptance of the preferred option – one of several investigated.

1.2.2 SAS

The Small Activities Scheme (SAS) is AusAID's program of direct assistance for small development activities which currently respond to locally identified needs in the areas of health (and related services/facilities), community development, income generation, life skills training, education, and good governance. Since its inception in 1987, the main objective of (China) SAS has been to contribute to the reduction of poverty in China. As part of Australia's official bilateral aid program to China, the Scheme is a "grants" fund (as noted above, \$500,000 in 2008/2009) managed by AusAID's Beijing Post collaboratively with MOFCOM. Grants awarded are of a small scale, and over the past five years have averaged RMB 349,400 (equivalent to approximately \$75,000 - as at December 2008). *See also Attachment 2 for further SAS*

⁷ Review ToRs, p. 2 section 1.1

program financial data. Restricted to poorer, remote and minority group areas within central and western China, the current application process is managed at the provincial level by each local DOFCOM, with support, wherever possible, by the China Women's Federation (ACWF) (or similar national sector-focus groups). Since 2003-2004, projects have varied in length from five to 13 months, although discrepancies in reporting timeframes from DOFCOMs means that the time scales listed here are not necessarily accurate.

Between 1997/1998 and 2003/2004, annual total budgets for SAS ranged from \$970,000 to \$2.5 million and an average of 20 projects was funded in each financial year. During 2003/04 the allocation for China SAS was reduced to \$1 million. The reduction in the total pool of funds available in the current financial year (2008/2009) to 50 per cent of the annual average of \$1 million since 2004 accorded with an overall reduction in Australia's financial commitment to the China program. The reduction also represents a move away from stand-alone technical assistance or infrastructure projects to a partnership program based on policy dialogue on issues of mutual interest.⁸

A 2004 Review of the SAS program recommended that the Scheme should be continued as an integral part of AusAID's *China-Australia Country Program Strategy*. The reviewers found that the Scheme has consistently demonstrated "strong counterpart ownership, with high levels of matching funding, and significant leverage for AusAID's project funds".⁹ (It should be noted however, that since the introduction of the 2006-2010 CPS, Education – which had accounted for almost one-half of the SAS projects (44 per cent both in terms of number of projects and expenditure allocated) (*see Attachment 2*) – is no longer identified as a priority for SPS funding.)

This Review suggests that SAS provides appropriate examples of successful models for activity implementation at the lower levels of government. It is acknowledged, however, that the reviewers investigated in person six SAS-funded projects only. The reviewers did, however, have access to summaries of all SAS programs since 1987, as well as specific data and reports on a number of funded activities not inspected during the review period. The success of the China SAS program could provide other AusAID-funded small activities scheme programs a practical example of the value and cost effectiveness of such low-cost programs, *when there is a commitment to counterpart funding matching AusAID grant funding*. There appear to be few doubts that the SAS is a very successful program in terms of meeting local needs in a number of high-needs locations; the major issue of concern is that SAS, as it currently operates, does not have a focus "on higher-level, upstream engagement centred on policy, planning and management, particularly at the national level".¹⁰

Furthermore, concerns have been expressed by Post officers that the SAS program is not closely enough aligned with the *China-Australia Country Program Strategy*, and that a number of the projects funded in recent years did not align sufficiently with the three priorities identified in the CPS – namely: governance, environment and health-HIV/AIDS. Discussions in Beijing prior to the brief program of site visits (*See Attachment 16*) with central GoPRC ministry representatives provided some further clarification on perceptions of government officials concerning the effectiveness and management of SAS (although it should be noted that the majority of discussions undertaken during the Beijing meetings related to the ADS program). Nevertheless, brief meetings organised by the Post, with staff of the health, environment and governance facilities provided review team members with the opportunity to question those staffs on the current and potential relevance of (and connections with) the SAS program, to their mainstream activities.

During site visits to completed SAS projects in Guangxi and Shaanxi, discussion were held with broadly representative groups and individuals concerning the local and provincial perceptions of Scheme outcomes, administration and sustainability – among other key issues. These discussions were undertaken in both group and individual contexts, to ensure that the presence of provincial DOFCOM officers (or other senior Government officials) did not constrain the frankness of local residents in discussions and questioning by Review members.

On return to Beijing following the visits to the two provinces, team members met with representatives of the similar NZAID small grants scheme. The team leader for the AusAID ADS/SAS Review activity also participated in a small number of sessions within the ACEDP Forestry seminar, where further opportunities arose to discuss with both ACEDP staff and local counterparts the relevance of the SAS program to the overall management and directions of the AusAID Environment Facility.

⁸ ToRs, p 1. Section 1

⁹ China small activity scheme (SAS) Review, November 2004, p. 4

¹⁰ *China Australia Country Program Strategy 2006-2010*, p.3

2 PREPARATION STEPS

2.1 Purposes and objectives of review activities – ADS & SAS

Following: (a) reconsideration of the China ADS and SAS programs; (b) low ratings achieved by both programs in the Annual Program Performance Report (2007-08); and (c) a stronger focus on effectiveness and measurable and meaningful outcomes identified in the Paris Declaration,¹¹ AusAID decided that a review of both China ADS and SAS should be undertaken to determine if they are meeting current directions and priorities of AusAID and the new (2006-2010) China Program Strategy. As both programs have the same Chinese co-operating partner (MOFCOM), and as the nomination of ADS candidates and the submission of SAS proposals are both undertaken through MOFCOM, it was believed that combined (cost-effective) reviews would assist in identifying common issues.

The objectives of the joint review were specified in the ToRs as: (for ADS) to identify and review the fundamental weaknesses of the current China ADS program including objectives, focus, processes, HRD linkages, partnerships, and reintegration and alumni. Review recommendations were sought relating to impact of ADS on the CPS objectives, enhancing linkages, improving and modifying ADS and continuing management options. Outputs sought from the review of the SAS program involved an assessment of the effectiveness of SAS, determining its appropriateness when considering the CPS goal and objectives, and offering recommendations for improved monitoring and evaluating outcomes and impact of the scheme.¹²

2.2 Methodologies used – ADS & SAS

The Review of both ADS and SAS was conducted in three stages:

- (a) Review of key documents available
- (b) Discussions in Canberra with relevant AusAID officers
- (c) In-China meetings, sites visits, and further document analysis, followed by discussion with Post of a draft aide memoire.

This report comprises the fourth and final stage in the review process.

Beijing Post staff negotiated meetings, visits and related activities. However, given the focus that the Post currently has on the roles of the three facilities, it would have been valuable to have had the opportunity to observe the activities of facilities' staff in operation. In-country schedules and the need to undertake site visits across a broad geographic area precluded this option.

Specific in-country methodologies included:

ADS	SAS
▪ consultations with AusAID Post in Beijing	▪ consultations with MOFCOM
▪ consultations with MOFCOM	▪ meetings with representatives of DOFCOMs
▪ consultations with key GoPRC Central agencies	▪ discussions with individual project participants
▪ meetings with ACEDP, CAHHF and CAGP facilities' staffs	▪ consultations with representatives of provincial governments, municipalities and villages/towns
▪ meetings with representatives of DOFCOMs	▪ discussions with local implementing agencies
▪ consultations with returned ADS scholars – in Beijing and in both provinces	▪ site visits to SAS activities in two provinces, including local meetings
▪ distribution of ADS graduate questionnaire and subsequent analysis of results	▪ discussions with ACEDP, CAHHF and CAGP facilities
▪ distribution of ADS graduate-employer questionnaire and subsequent analysis of results	▪ comparison of facilities' foci with recent SAS activities
▪ convening of focus-group session within 2009 ADS awardee pre-departure briefings	

Attachment 16 list all meetings & consultations undertaken, including brief summaries of major issues discussed. *Attachment 15* contains reports of each of the site visits.

2.3 Implementation

¹¹ Refer Paris Declaration Progress Indicator 11 – “Results-oriented frameworks” in Managing for Results

¹² The complete set of objectives for the review are included in the copy of the ToRs, in Attachment 19

Prior to the in-China activity, two team members completed discussions in Canberra with identified AusAID representatives, including: East Asia Regional Branch (Ms Gaynor Shaw, Mr Matt Plaistowe, Ms Anne Rigby); AusAID Scholarships Group (ASG) (Ms Lisa Spender, Mr Colin Reynolds); and with Ms Nandhini Nagaratnam (Program Manager Capacity Development) and Mr Graham Rady (Asia Program Quality Adviser). These discussions confirmed the review team's understanding that the purpose of the review was as indicated in the ToRs and that there were no outstanding issues, opinions, preferences or external/internal parameters on the proposed work and planned activities of the team.

The Review involved a total period of 21 days in China – with approximately one half of this period based in Beijing and the remainder in two previously identified provinces – Guangxi and Shaanxi. As noted above, the in-China activity was preceded by a review of available documentation and data sources; meetings with relevant AusAID sections in Canberra; and was followed by further days in Australia undertaking email, telephone and face-to-face meetings and discussions with a range of agencies and individuals in Australia and in PRC.

Fifteen meetings with key agencies and organisations were undertaken in Beijing, Nanning, Guilin, Xian and Yanling, along with five SAS site visits in the provinces. A focus group of ADS awardees was conducted by the Team M&E expert, and all team members participated in the pre-departure briefing for departing 2009 ADS scholars, while the team leader participated in a workshop conducted by the Environment Facility program staff. Two members of the review team met with staff of the New Zealand Embassy to discuss the small activities scheme and any related NZAID activities or programs. A presentation of the draft *Aide Memoire* was made to Beijing Post officer(s) on 4 December, with further follow-up discussions on Friday 5 December.

2.4 Benefits, risks and justification

Following the introduction of the (overall) Australian Scholarship program in 2006, and subsequent adjustments to the manner in which DEEWR and AusAID offer, select and manage their respective scholarship programs, a number of Australian Government Posts are undertaking reviews and, where necessary, redesigns of their ADS programs. Furthermore, given the changing nature of Australia's relationships with China, China's increasing regional disparity in terms of wealth distribution nationally, and the changed skills necessary to assist China in its transition from a developing country, undertaking the joint review at this stage was intended to assist AusAID in better planning its future relationship with, and donor funding support for, China.

The major risk identified prior to review implementation was a legitimate concern that any reassessment of both programs could encourage counterpart agencies to perceive that AusAID was considering an increase in funding. Similarly, the review had the potential also to create concerns within the Chinese bureaucracy that Australia was about to terminate both the ADS and the SAS programs. Although such a risk had the potential to create unnecessary conflict with and misgivings amongst counterparts, it was considered that the need for a review at this time, when the relationships between both countries is under scrutiny, far outweighed any potential negative outcomes.

Review team members discussed the above issues with both the Canberra China desk and with Post officers and ensured that their discussion with counterpart agencies and individual representatives of other organisations did not create confusion *or* unrealistic expectations.

3 ANALYSIS AND KEY FINDINGS

3.1 Introduction

The ADS and SAS programs have few operational linkages, apart from their joint program management by MOFCOM and AusAID, and the current location of their administrative responsibilities in CAGP. Both programs are small-budget activities which adhere to the basic or broader operating guidelines provided by AusAID for scholarships and for small grants:

“The **China Australian Development Scholarship (ADS)** is an integral part of the Australia-China Development Program and is consistent with, and supportive of, the objectives and themes of the China Country Strategy paper. The objective of the ADS program is to promote human resource development in China through a program of in-Australia scholarships for public category Chinese students to undertake postgraduate studies at Australian universities at the Masters level. The areas of study for the awards must be consistent with the themes of the China Country Strategy, i.e. with more of a focus on supporting policy reform.”¹³

“The goal of the **Small Activities Scheme** is to contribute to poverty reduction through small-scale interventions at community level, especially in nationally recognised poverty stricken counties. It is a practical and flexible mechanism which enables quick and effective disbursement in rural, poorer areas of China. The projects focus on poverty reduction through sustainable development, as well as supporting policy reform, environmental protection and social development activities.”¹⁴

However, stronger strategic linkages can be discerned when both programs are considered within the three program strategic objectives and eight program outcomes contained in the *China-Australia Country Program Strategy* objective tree, in particular across strategic objectives 1 and 2.

The opportunity exists for more productive linkages to be made across the ADS and SAS programs through a stronger focus on the three priority areas outlined in the CPS, supported by a more integrated role of the three facilities in coordinating their work with skilling needs, and linking small-scale SAS projects to the larger activities funded by the facilities. (These issues are addressed in detail in the following analysis, and in the recommendations, *See Section 4.*)

3.2 Analysis of key ADS issues, including major challenges identified and options assessed

3.2.1 Recent ADS program reviews in other locations

Recent reviews of Australian scholarship programs covering many of the major country recipients of Australian scholarships have identified lessons that have bearing on future scholarship program designs. Key issues most directly relevant to the China environment, that have influenced present ADS redesigns include: combining ELT with some academic preparation; strong employing agency ownership; increasing alignment between ADS and country program objectives; ensuring effective agency HRD planning is in place; better linkages with agency operational planning; effective and practical action and re-integration / re-entry plans; maximising benefits inherent in Alumni organisations; acquisition of strategic and conceptual thinking; and more effective post-award monitoring. Further information relating to these global issues and their potential implications for China ADS are included in *Attachment 7*.

3.2.2 Issues requiring consideration

While acknowledging the overall soundness of implementation of the current ADS program, a number of issues require consideration. These are summarised below, are captured in the options presented, and are also addressed in the recommendations contained in *Section 4*.

- In the course of discussions with PRC ministry and departmental representatives; from interviews; and the questionnaire analysis of scholars (returning and new), the review team found that the majority of respondents saw ADS as primarily about development, i.e. Australia helping China develop individual and organisational capacity. In most instances, the objective of mutual benefit to both China and Australia was either not evident or only rarely articulated - and this only after some prompting. There needs to be more focused efforts – and strategies in place – to ensure that ministries, departments and scholars are better able to consider, and identify, means to demonstrate tangible benefit to *both* countries.

¹³ Australian Development Scholarships: China; Information for Intakes Commencing 2009

¹⁴ <http://www.usaid.gov/china/projects/sas.cfm> (dated May 2008)

- The review team believes that, with minor adjustments and no increase in allocated budget, the ADS program could play a greater role in developing and strengthening high-level strategic linkages between China and Australia, through the provision of short-term training to senior- and mid-level officers within key line ministries, at both the central and provincial levels. Such short-term courses should be specific in nature, addressing key officer skills' gaps as identified in agency HRD plans.
- A number of returned scholars remarked on the potential value to undertake a short internship - in government or the private sector - during their period of ADS studies in Australia. Such an activity could also value-add to the proposed short-term awards. However, any internships would need to be organised by the participating recipient university and costs kept within current budget allocations. The potential for a brief “add-on” internship period in Australia is currently being considered by other ADS countries.
- Alumni are an essential component in the life-cycle of Australian scholarships. Investing in a coordinated Alumni network of returned ADS and, potentially, short-term awardees, would provide the Beijing Post with important contact and graduate employment status details for monitoring and evaluating activities such as tracer studies and case studies, as well as an easily accessible network of in-China professionals well-disposed to Australia and positioned to influence their national development goals.
- The Review Team also considered concerns identified in the ToRs relating to process transparency, gender balance and overall impact within agencies. All discussions and interviews with central and provincial public servants, and with returned ADS graduates (both in the presence of MOFCOM and DOFCOM representatives, and privately) indicated a high level of satisfaction *from the agencies' and individuals' perspectives* in relation to selection transparency.¹⁵ Note however, that some agency representatives sought more informative feedback from MOFCOM concerning reasons for *lack of success* of particular candidates from within their agency.
- Similarly, the limited number of male applicants appears to have resulted, *in part*, from a “self-de-selection” process as a significant number of potential male applicants realise they do not have sufficiently high IELTS scores and/or are unlikely to achieve them, and thus do not seek nomination.¹⁶
- Other concerns included in the ToRs relating to the inability to determine actual or direct ADS impact is a challenging task in any scholarship program. However, at a basic level, a readily identifiable impact is represented by the significant number of returned ADS scholars who have been promoted since their return to central (or, to a lesser extent) provincial ministries. (*See Section 5.3 also*). In the absence of quantitative data on promotions obtained, either through a formal tracer study or from MOFCOM / AusAID records, such anecdotal data are all that are available - from which assumptions may reasonably be made.
- Team members were concerned about some apparent level of inconsistency within line agencies in relation to the requirement (or not) that government officers holding a Masters degree from a Chinese institution were ineligible to apply for an ADS. Similarly, timelines to advise of success or otherwise in relation to gaining an ADS create impediments for GoPRC public servants who are prohibited from applying for more than one international ODA scholarship at any one time.

3.2.3 Appropriateness of ADS in relation to goal and objectives of CPS, including support for China's balanced development

The ADS program has always maintained a strong focus on *building capacity*, although it must be acknowledged that the (relatively small) number of AusAID scholarships awarded annually, and the sheer size of the countries at which they are targeted, is unlikely to have a major impact in a country the size of China. For this reason alone, careful targeting of the (current) 24 available scholarships is essential, even to the extent of identifying important and emerging priority sub-themes within the key CPS sectors of governance, environment and health, on an annual basis.

The activities of the three facilities, in particular the environment and health facilities, are already resulting in enhancing *effective linkages* between Australian and China institutions. A closer relationship between the mainstream work of the facilities and the China ADS program will assist in promoting individual linkages within the broader scope of institutional relationships and memoranda of understanding (MOU).

¹⁵ It should also be noted that, irrespective of the brevity of the visit by the review team, and the influence that MOFCOM could, if desired, impose upon the schedule of and participants included in meetings, the reviewers were still able to derive conclusions from activities witnessed and meetings undertaken, and, as such, the reviewers believe that the selection processes are reasonably equitable, if not as transparent as desired.

¹⁶ Note that longitudinal data relating to *application* by gender is not available from MOFCOM

Although the (current) restriction of ADS scholarships to GoPRC agencies, and the resulting limited levels of data dissemination of skills and knowledge gained and intra-discipline networks established, during the in-Australia scholarship, more thorough M&E requirements on sponsoring agencies (*See Section 5*), will also assist in strengthening knowledge and skills transfer across the three CPS priority themes.

3.2.4 Monitoring and evaluating of AusAID scholarships

The Australian Scholarship Group (ASG) is currently finalising a Monitoring and Evaluation Framework (MEF). In order to maintain consistency of global ADS reporting, there are obvious advantages in using the new MEF as the basis of the China ADS. However, this should be adjusted / supplemented to ensure that specific high-level objectives and impact of the China ADS are captured and reported.

As the first step in evaluating ADS, initial baseline data have now been recorded as a result of questionnaires completed by 30 returning ADS scholars (2003-2007); six “sending” Ministries; and 26 of the 2009 cohort of scholars comprising the full 2009 ADS/ALA participant group. As part of future joint evaluations, these questionnaires and representative interviews/focus groups’ discussions can be used to compare trends, identify issues and assess impact. Currently neither SAS nor ADS are clearly identified in the CPS objectives tree. As noted previously, the review team sees SAS and ADS as being intrinsic, cutting across all three strategic objectives and most component outcomes. Accordingly, a revised/annotated objective tree representation has been proposed (*See Attachment 6*).

3.2.5 English language

The Review Team noted significant differences in English-speaking abilities among returned ADS graduates encountered during meetings with central and provincial ministries and across those awardees soon to depart for their studies in Australia in 2009. An average of about one-half of current successful AGS applicants require additional English language skilling on arrival in Australia. This high proportion seems excessive, especially when one considers that the applicants have already undertaken an IELTS test in China, within the year of their application, and in which they must have achieved a score of 6.0 overall (with no individual score less than 5.5).

The additional English language studies currently required to ensure Australian university applicant acceptance, and, of course, to increase a student’s potential for success in their subsequent Master’s studies, “pushes” the in-Australia time out by a further three months. Alternative strategies to ensure that entry-level students have appropriate English-language skills need to be considered by AusAID and MOFCOM, to ensure that an equitable gender, geographic and discipline spread of ADS students is achieved, without a significant reduction in the IELTS scores required and thus an increase in the demands that would face “language-unprepared” students in Australia. There is a number of potential solutions to this challenge, including:

Potential Solution	Benefits	Disadvantages
(a) Offer ELT program <i>in China only</i> , (for any selected short-listed candidates who do not achieve the (current) 6.00 overall and \geq 5.5 individual, scores in the June IELTS tests)	Shorter disruption to Chinese counterpart agencies; reduced costs (in-Australia component) to AusAID; <i>standardised</i> ELT program across all ADS awardees	Single location would involve additional costs for non-Beijing candidates – or for AusAID / MOFCOM
(b) Assume that <i>all</i> ADS recipients will require an (in-Australia) EAP program and build requirement into contractual arrangements with universities	Clearer budget processes; removes EL skill level as a candidate selection criteria	Higher costs; potential for unnecessary training of outstanding-EL applicants
(c) Increase the IELTS score levels required (even for application stage) to 6.5 overall and \geq 6.0 individual, and provide no ELT programs whatsoever	Avoids any AusAID/ university commitment to English language training (although does not remove necessity for an orientation program in Australia)	IELTS scores are not necessarily a valid indicator of potential discipline area success
(d) Increase the length of the in-Australia (or in-China) EL training program from three	Potential to better target priority areas for GoA and GoPRC, by not unintentionally excluding	Additional costs significant; and data from other non-EL scholarship countries indicates

months to <i>up to</i> nine months	candidates whose language learning skills are not as proficient as their discipline area skills and potential	that longer programs tend to have a lower subsequent IELTS success rate
(e) Do not use the four multiplier for total IELTS-tested <i>applicants</i> ; rather, reduce to a smaller number/proportion and where insufficient EL-skilled candidates subsequently identified, ignore target of 24/year and award fewer scholarships	Reduces costs and could potentially increase overall EL skills across candidates	Limits potentially good discipline-skilled candidates, who are not able to be considered within a larger shortlisting “pool”
(f) Retain IELTS-required scores at existing levels (or reduce marginally – 5.5 overall, 5.0 individual), but impose a technical language (by discipline) test depending on study topic / focus (governance, environment or health)	Could be perceived to be more equitable in terms of identifying discipline-skilled, but not necessarily broad-EL-proficient candidates/ participants	Previous experience in a number of ADS-recipient countries has shown that lower English level entry requirements simply increase the potential of ADS students to fail in their selected course or programs of study

Note, however, that should the ADS China program be restructured to provide for short-term courses, it should not necessarily be assumed that short-term candidates need have any English language skills; many such short-courses could be delivered in Australia, through an interpreter.

3.2.6 ADS graduate reintegration and Alumni

Scholarships are often inadequately perceived by funding or grant organisations as a short-term intervention, admittedly one highly valued by the recipient and the recipient’s organisation/country, but for which the funding organisation believes it has no further interest or responsibility, post-graduation. Such a view is extremely shortsighted, and assumes that professional growth and development is completed with the *awarding* of a degree. And, although ultimate responsibility for subsequent career development must rest with the individual and his/her employer, AusAID’s Posts can readily and cost-effectively maximise the development impact of its scholarships program through minimal resource input and a commitment to ensuring that AusAID scholarships graduates are effectively re-integrated into their home and work environment.

In general, no formal in-China or in-agency reintegration processes currently exist to ensure that the skills gained by ADS graduates are maximised. One agency (Agriculture) currently runs *ad hoc* workshops from relevant staff on particular topics of interest, with presentations by returned graduates. However, graduate reintegration strategies, both at a country and agency level, need to be formalised; a starting point for which is a structured re-entry plan developed, and committed to, by both the ADS awardee and her/his supervisor, as well as the relevant Central agency (or DOFCOM) Director-General. Given the population of China; its geographic spread; the relatively small number of AusAID scholarships; and a central and provincial government bureaucratic structure which does not necessarily value effective and practical pre-selection planning and awardee reintegration, responsibility for maximising post-graduation impact will therefore probably need to rest with the Beijing Post, preferably through a (supported) AusAID scholarships alumni organisation..

Alumni are an important component to the life-cycle of tertiary studies and scholarships. The Australia-China Alumni Association (ACAA) is already operating as a supported and productive group of returned graduates – both self-funded and scholarship recipients. (Note, however, that the ACAA website does not specifically refer to ADS graduates, or to AusAID – while AEI and DEEWR are listed clearly as the key Australian Government supporters.) Investing further in a coordinated Alumni network or scholarship graduates *within* the existing ACAA alumni organisation structure – even another ACAA “committee” - would provide AusAID with important data for monitoring and evaluation activities, as well as an easily accessible network of in-China professionals well-disposed to Australia and positioned to influence their national development goals.

And, assuming appropriate resourcing, effective management, and meaningful benefits for members, an international network of scholarship graduates of Australian tertiary institutions could enhance skills and

expertise across a wide range of disciplines to assist in the balanced development of China. Alumni are an essential resource to assist with the re-entry strategy for recent returnees, especially as mentors and providing advice to employers on re-entry strategies. They can also be drawn on for expertise and valuable guidance through the recruitment and pre-departure phases of the scholarship cycle.

A number of recent studies of civil society and voluntary organisations have shown that the level of involvement in an institutional activity relates directly to the outcome achieved by the participant. (Expressed more simply, the extent of membership commitment and active involvement in an organisation will depend on the perceived advantages and benefits by a member or potential member.) Thus, AusAID can maximise the impact of the scholarship on individual ADS recipients and on China by ensuring that its scholarship recipients, through a relatively low-cost alumni program provides a seamless interaction with AusAID between selection and subsequent home country reintegration. In practical terms, this means that the Beijing Post should consider supporting the establishment of a targeted AusAID scholarships alumni structure¹⁷ focused on the three *development themes* identified in the China CPS, offering members activities as:

- access to development research and research publications, particularly across the themes of health, environment and governance;
- AusAID scholarship graduate website support and interaction;
- opportunities to upgrade professional or discipline-specific skills;
- professional and social networking with other alumni members;
- recognition of status through in-China ceremonial activities (graduation, awards);
- collegial support in meeting the challenges of work and country reintegration;
- potential commercial advantage in consultancy employment, particularly across CPS priority areas;
- participation in philanthropic and /or benevolent activities which are aid-related; and
- on-award contact and relationship building with AusAID and Australian universities.

The Beijing Post can also experience practical benefits from a China ADS alumni program, *within* the broader AusAID global alumni network initiative; Alumni membership data and members' perceptions can assist in measuring scholarship effectiveness against country-specific and broader network goals. Through an AusAID China Alumni, quantitative data, such as numbers of Alumni members in particular locations, will be relatively easy to collect, compare and analyse; accessing valid qualitative data on the overall impact of the AusAID scholarships program in China will be a harder task. The approach to gaining useful and valid data from a China alumni must answer two questions: (a) at the basic level - "How can the Beijing Post use an alumni organisation to better assess the success or otherwise of its ADS scholarship program?"; and (b) at the broader level - "How effective is the PRC AusAID alumni program in supporting the priorities contained in the China CPS".

3.2.7 Enhancing linkages with facilities

The three facilities presently accounting for the majority of the AusAID China program budget are currently being under-used in terms of their potential to establish productive linkages with the ADS program. The review team met briefly with representatives of ACEDP, CAGP and Health-HIV/AIDs facilities, at which meetings the potential involvement of the facilities in the ADS program was discussed. Although the meetings indicated that the facilities believed they had little current capacity to broaden their role into a closer ADS program relationship, all were prepared to consider a closer alignment. Any such closer alignment would need to operate across all three facilities, and, if CAGP continues (post-June 2010) to manage the ADS program on behalf of AusAID, its role as a promoter of effective governance needs to be operated separately from its responsibilities as manager of ADS. At minimum, facilities should regularly identify potential scholarship awardees through their discipline-specific networks; and recommend specific consideration of those identified persons to MOFCOM / AusAID and/or DOFCOMs. Further, if it is decided that ADS short courses will be offered in addition to the standard Masters program, facilities must be able to contribute to identifying the topics for such courses, and assist AusAID and MOFCOM by advising on available courses in Australia.

The facilities currently operating within the AusAID China program, although funded at similar levels, represent differing degrees of involvement with, and linkages to, either ADS or SAS. For example, CAGP

¹⁷ As noted earlier, an AusAID alumni organisation is not being proposed as a replacement for the ACAA, established in 2007 and 2008 (Shanghai); rather it could operate within the overall ACAA structure, with a stronger focus on development priorities. ACAA, supported by DEEWR, AEI and Australian universities strongly involved in the commercially focused Australian education export business, does not have a specific national (or global) development focus (see Aims - <http://www.austchinaalumni.org/about2.asp>).

has only one year of its six-year tenure still to run; ACEDP has another three years; while CAHHF is not scheduled to conclude for another three-four years, in 2012/13. As the facility with current greatest administrative responsibility for both ADS and SAS administration (CAGP) faces dissolution in approximately 12 months, the findings of the current review provide the opportunity to reconsider potential future levels of involvement and to assess both possible discrete and/or shared responsibilities for the two facilities with greatest longevity; as well as the future location of ADS and SAS administrative roles, should the CAGP function not be continued post-June 2010.¹⁸

Accordingly, following *Aide Memoire* discussions with Post, the review team, as requested, considered a broader range of strategic and implementation options for both the ASD and SAS programs, within the existing facilities structures, and based on in-Country investigations. Further consideration of those options, tabulated in *Attachments 11 and 13* and summarised below, have assisted in the development of the Review's draft recommendations for consideration by AusAID.

3.2.8 ADS Options

- Option 1: Maintain the current focus and scope of the existing China ADS program, using the structure and processes already in place (MOFCOM/AusAID collaborative decision making). Within the existing budget allocation, provide flexibility to reduce the total number of ADS awards to allow for a stronger focus on building strategic linkages at the existing mid- to high-level management stages, (predominantly) through optional short-course options. Retain the current facilities (limited) levels of involvement in the ADS program.
- Option 2: As above, reallocating total available scholarship funds to support both ADS and short-term courses, but with both counterpart agencies and staff of the three existing AusAID China facility programs identifying and recommending potential scholarship awardees to central ministries and DOFCOMS. Public servants only would be eligible; and final approvals would remain within the current MOFCOM / AusAID joint decision making arrangement. Offer scholarships solely in the three themes: governance, environment and health.
- Option 3: As for Options 1 and 2, both long- and short-courses would be offered within existing China ADS budget allocation. Facilities, with their counterpart agencies, would be responsible for recommending both central and provincial (and NGO) applicants for ADS scholarships. Potentially, MOFCOM would be involved only at the annual strategic direction setting level, and at the shortlisting stage following facilities' and counterpart agencies' recommendation and nomination of ADS applicants – and potentially with no final awardee selection role by the GoPRC, which would reside solely with AusAID. Staff of China-based NGOs would be able to apply for awards selection. As for Option 2, restrict to the three CPS priority areas only.
- Option 4: Create both "Open" and "Public" categories, providing both standard ADS (Masters, & potentially PhDs) and short-course programs across both sectors. Fully independent AusAID selection strategies and practices, exclusive of MOFCOM / DOFCOMS' involvement; includes potential involvement of any China-based NGO nominees. Overall emphasis in both sectors on three priority themes. Facilities solely responsible for identifying and nominating scholarship or short-course awardees to AusAID,

3.2.9 Discussion of ADS options

Each of the above options, apart from the first, provide for an enhanced role for the three facilities. Option one's only major divergence from the current model involves the potential to offer short-term courses (aimed at higher-echelon public servants unable to allocate long periods – as in a Master's program in Australia - away from their positions). Options 3 and 4 increase significantly the roles of the facilities, in either nominating or, in Option 4, selecting (for AusAID approval) scholarship candidates, from a wider potential selection field. Both of these options still provide flexibility to move into short-term courses where necessary. However, as the ADS program in China, as in all other countries with which Australia has a bilateral agreement, is based on collaborative decision making, these two options may appear to be too extreme to MOFCOM, and would represent a significant reduction in their supervisory role. For these reasons, neither Option 3 nor Option 4 is considered to be an appropriate ADS implementation model, at this stage. It is believed that Option 2 provides the most realistic and achievable approach to managing AusAID

¹⁸ A further impact is that of the current emphasis on "governance" (as a theme, not as a facility). If governance is to remain the highest priority (50% of current scholarships), a replacement governance facility will be necessary, even if its current administrative responsibilities for ADS and SAS are located elsewhere

scholarships in China, within the priorities and themes established in the current CPS. Accordingly, the recommendations which follow in *Section 4*, and are summarised in *Attachment 1*, are based on the reviewers' support for Option 2.

3.3 Analysis of key SAS issues, including major challenges identified

3.3.1 Relationships with PRC Government agencies

SAS is consistent with the current *China-Australia Country Program Strategy 2006-2010* in supporting China's balanced development policies, with a focus on poor, disadvantaged and minority groups. SAS is also supportive of the CPS objective of facilitating Government-to-Government strategic linkages: despite their small scale, SAS activities have generated a significant profile, attracting scrutiny, support and appreciation from senior Chinese officials.

It is clear from the site visits that, although SAS projects are implemented at the community or village levels, *all* levels of governments - including MOFCOM, provincial DOFCOM, municipal, county and township - contribute to SAS implementation, not only in terms of funding, but also in relation to taxation exemption, special policy support and efforts to promote the SAS projects within the provinces. Matching funds from the local governments often comprise almost two-thirds of the total SAS budgets. Many of the projects the team visited were completed three to five years ago and the facilities continue to be well maintained and still contribute to the local people's health and environment improvement. Further, many of the successful SAS projects are being used to provide a guide and encouragement for other rural and remote Chinese communities. For example, the biogas project in Longshen County, which was completed eight years ago, is modeled by the provincial government as a pilot (demonstration) project to supporting current national policy for the promotion of new rural society construction (*See also footnote #19*). Refer to *Attachment 8* for a more detailed analysis by the reviewers of recent SAS directions, strategies and challenges, as well as summary data of SAS grants by location and sector.

3.3.2 SAS focus on poverty alleviation and assessing outcomes

The team considers that the current overall objective of SAS – poverty alleviation - is potentially too narrow. Although this aligns with AusAID's current overall global goal ("*Advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development*"), focusing on poverty may miss the opportunity to promote Australia's profile at the important provincial and county levels. Admittedly, this is a long-term, broad objective and can be difficult to measure. SAS activities in China are, by design, flexible and short-term in duration. They are generally multifaceted, incorporating interventions targeting more than just poverty in a community. Direct and indirect outcomes may be evident in areas such as improved water supply, sanitation, health, education, environment, rehabilitation, emergency housing and support, income generation, gender / community empowerment, leisure, and social justice. Viewed in this way, SAS is really about improving the overall *quality of life* in a target community, than direct poverty reduction.

By moving to a more immediate-level objective such as *improving the quality of life*, specific and easier to measure performance indicators can be developed that will identify immediate and ongoing changes. This is crucial when assessing the impact of SAS. From an M&E perspective, SAS performance reporting has some strengths but also some significant weaknesses. Its strength is that, overall, "below-the-line" reporting (implementation/compliance) (*See Section 5.2.2*) is sufficient to meet audit and general reporting needs. AusAID's monitoring templates (refined and improved over time), together with periodic site visits, and the use of Chinese (DOFCOM) monitoring, oversight and audit systems are commensurate with the scale of activities.

However, SAS M&E currently suffers from a number of weaknesses, all of which can be overcome without difficulty and within current resources. The main deficiency is that SAS is not sufficiently reporting performance "above-the-line" (outcome or impact reporting). The Review Team found a range of positive outcomes that are not being systematically captured. Equally, negative outcomes - where they exist - may be missed. The reasons for this are firstly that MOFCOM / DOFCOM and AusAID are currently not asking implementing projects for this higher-level information. Secondly, clear, jointly agreed outcome indicators are either missing or not sufficiently robust. Thirdly, some staff in all partner agencies lack specific evaluation skills training.

3.3.3 Factors contributing to activity success, activity replication and sustainability

Given the relatively small number of SAS sites visited, and the limited data available concerning specific activity nomination and selection processes used by DOFCOMs and local/municipal bodies, it was not possible for the team to isolate specific factors which contributed exclusively to activity success. However, anecdotal data gained from the activity visits made, discussions with MOFCOM and DOFCOM officials, and with municipal and village representatives, indicated that the following factors *generally* contribute to activity success:

- Clear applicant acceptance of level of continuing local (GoPRC) commitment necessary;
- Guaranteed financial commitment by provincial and local bodies;
- Applicant understanding of, and commitment to, transparent implementation and accounting processes;
- Meaningful participation by female municipal and village leaders in activity planning and implementation;
- Implementation of post-intervention processes that assist in assuring sustainable outcomes.

Similarly, by visiting only five activity sites, it was not possible to determine level of replication. However, as noted above, anecdotal evidence from municipal and provincial authorities does indicate that the AusAID-funded SAS activities are being used as a model for project design and donor funding sources within each local geographic area.

Furthermore, the review team, in assessing all available SAS documents and undertaking the Post-scheduled site visits, has determined on available information that AusAID, MOFCOM, DOFCOM and local governments and communities made great efforts to contribute to each SAS project's success and to promote their sustainability. This assessment is based on the following facts and / or observations:

- AusAID's SAS Guidelines are clearly presented, outlining objectives, targets, selection criteria, application procedures, and management and monitoring requirements;
- MOFCOM, through DOFCOM, target only proposals from poor provinces in western and central China. All projects selected are also identified by the relevant local governments in their development plans;
- Assured counterpart funding and project management capacity are considered by DOFCOMs as a prerequisite when selecting projects.
- DOFCOM staff personally visit project sites to ensure the level of commitment from county and township governments and communities before they submit the proposal to AusAID and MOFCOM;
- Because of an overarching philosophy of strong local ownership, the local governments and communities focus on activity successful and sustainability. All projects the team visited achieved the stated project objectives and continue to be very well maintained.
- DOFCOM representatives often visit project sites for monitoring during the project implementation, as well as to supervise and assist the local people in activity implementation. If, for any unforeseen reason, problems arise in relation to the Chinese commitment, the provincial DOFCOM works with relevant agencies to allocate support funding to the project.
- Anecdotal evidence of replication of SAS successes is apparent in some key sectors, including the environment theme.¹⁹

3.3.4 Appropriateness of SAS in relation to goal and objectives of CPS, including support for China's balanced development

Recent and verifiable statistics indicate that two-thirds of the population in the western and central China are still living in poverty, or at a level of existence that is not appropriate for a nation with substantial wealth and an increasing national GDP. Although the Chinese government argues that it is committed to addressing the imbalance, such changes require a mid-to long-term approach *and* the support of donor countries. As such, AusAID's SAS program is contributing practically and meaningfully to these efforts.

Although SAS is a program with a limited budget, it is making substantial improvements to the everyday life of *individual villages and localities*, at low cost. It is believed that a current major weakness of SAS is that its impact and positive experiences, admittedly scattered and often singular, have not been valued and thus

¹⁹ For example, the Biogas project in Guangxi, which was initially funded eight years ago is officially designated by the provincial government as a model to replicate in the province. The usage of biogas facility in the county in 2000 was 10.25% and to October 2008, usage rate in the county reached 65%. After AusAID funded the biogas project, the local community's awareness of health and environment issues improved; and with the help of local government, the community has fixed facilities of water supply, toilets, village roads and carried out income generation activities.

promoted appropriately. The review team views that these experiences can be shared and promoted to a far larger audience within the affected region(s) and elsewhere.

As noted earlier both ADS and SAS have implications for all three CPS strategic objectives, although at this stage, the linkages with and potential for the third objective are limited. Nevertheless, the opportunities for collaborative approach on regional – and global – issues, especially in environment (water) and health (EIDs) is strong and learnings from SAS activities can inform both bilateral and global activities. With China’s emerging role in supporting third world countries – and AusAID’s renewed focus on Asia and Africa, the Scheme can provide valuable research, implementation and assessment data in a number of diverse geographic environments.

3.3.5 Building capacity in governance, environment and health

Capacity building through the SAS initiative is addressed at a range of levels:

- MOFCOM and DOFCOMs have strengthened their own organisational capacity through managing the Scheme and through the SAS workshops, development proposals and M&E processes. Their experiences and lessons learned inform those agencies’ relationships and negotiations with other donors’ projects in the areas of governance, environment and health as well as within their day-to-day work.
- Awareness of health, hygiene and environment within communities has been increased through implementation of water supply, biogas, health facility projects.²⁰

3.3.6 Geographic focus

The current SAS targets 12 provinces in the western and central China. This geographic spread aligns with the PRC national government’s development plan and also with identified priorities of the GoPRC’s poverty alleviation plan. For this reason the review team believes that any continuation of the SAS program should not only continue to focus on the selected provinces in western and central China, potentially with a stronger emphasis (through application support and communication) on those provinces which the table in *Attachment 2* indicates are receiving limited SAS funding; but also on activities at the central level which can inform broader national and regional policy and strategic directions. It is important to note, that the current CPS does not advocate a (China-western and -central provincial) regional focus: “...reflecting the strengthened emphasis in the Strategy on upstream policy engagement, together with the rapid evolution in China’s own poverty reduction programs, existing geographic-focused initiatives will be phased out. Whilst this does not exclude a geographic focus moving forward, the touchstone in each case will be how to best support Chinese government priorities, where these align with Australia’s national interests and technical strengths.”²¹ As Australia’s bilateral program with China requires collaborative decision making, this potential discrepancy between national foci will need to be resolved by MOFCOM and AusAID; a blend of funded central policy and (China central and west) regional “pilot” SAS activities could assist in informing these discussions, and in resolving any divergence in national preferences.

3.3.7 Funding levels

The review team noted that the projects visited demonstrated a strong level of ownership, commitments from all levels of local governments and communities to the project outcomes, and an overall commitment to accountability in terms of technical support and financial management. At the provincial, municipal and local levels, SAS should continue to target community-based activities solely in the areas of governance, environment and health. At the same time, there should be an increased focus on funding small activities relating to central policy and strategy development within CPS-agreed sectors at a *national level*. With the 2006-2010 CPS move away from a continuing focus on the education sector, and although collaboratively built school buildings have been highly successful in the past and maintain a high community and provincial profile, SAS should now focus exclusively on the three priority areas, and be informed by potential project knowledge and expertise residing in the three facilities.

The current SAS-provided funding limitation for individual projects is A\$100,000. However, projects funded in the past two financial years have ranked lower, at approximately A\$75,000. The Chinese government’s commitment remains at approximately the same level as the AusAID commitment. An assessment of each of

²⁰ For example, the Director of the All China Women’s Federation (ACWF) in Gongchen County, Guangxi told the Review Team that after the water supply system was installed in the village, the villagers, especially women, and guided by the village doctor, are far more aware of the value in promoting hygienic habits among their children, and within house and village environments. As a result, the extent of reported infectious diseases has been significantly reduced. From anecdotal evidence, this improvement has been replicated in other SAS health or environment projects.

²¹ Refer CPS, page 2 “Guiding Principles”

the projects visited demonstrated that the A\$100,000 (around RMB400,000) limit is sufficient to fund small scale activities, and therefore the team believes that the level of per-project SAS funding *should not* exceed this amount, while lower funding levels should also be considered for potential smaller scale activities.

The review team has noted however that, in recent years, most AusAID SAS funding requests have sought the maximum available, irrespective of the nature of the project and its scope. Although this is a “natural” response to seeking grant funding, this inflexibility by applicants in seeking financial support may /could impact negatively on the level of village project and local government commitments. The need for identifying valid and realistic funding request levels should be addressed when MOFCOM and AusAID assess any future proposals submitted - either through DOFCOMs or through any alternate funding application pathways subsequently introduced as an outcome of this Review.

3.3.8 Enhancing linkages with Facilities

AusAID’s China Facilities are in a position to provide expert advice on potential SAS-funded projects within their areas of expertise. In this regard, facilities should have a dual role: (a) through their activities on larger scale projects (e.g. Yellow River Commission, Qinghai Forestry RMP) to recommend to AusAID/DOFCOM potentially outstanding small community-, village- or NGO-led activities within their discipline area that could be productively supported in submitting applications through DOFCOMs; and (b) to provide AusAID/MOFCOM with advice on received SAS submissions, in relation to their validity, estimated costs and potential for sustainability. In short, SAS activities should be seen as an integrated means of complementing other activities running as part of the wider development assistance program to central and western China – but must remain within the three CPS themes of governance, environment and health.

3.3.9 SAS Options

- Option 1: While acknowledging the CPS strategic direction that existing geographic-focused initiatives will be phased out, continue for now to maintain the current geographic foci, sector focus and scope of the existing Scheme (including education infrastructure support), using the application and approval processes currently in place, but with a much stronger focus on outcomes’ monitoring, evaluation and reporting
- Option 2: As outlined above, in relation to the increased M&E focus, but implementing much closer alignment with infrastructure, training and capacity-building in three AusAID CPS priority programs of health, environment, governance. This option could either be implemented through the existing facilities’ structures or operate independently of them, but requires a commitment from MOFCOM and DOFCOMs to support the AusAID priority theme.
- Option 3: As for Option 2, but with the broader client scope of allowing the facilities to support China (approved) NGOs with which they work, in applying for funding across the three focus areas: health, governance and environment, in direct competition with GoPRC agencies also seeking SAS funding. Applications need not go through DOFCOMs, rather can go directly to MOFCOM / AusAID, particularly any targeting policy and strategic directions centrally. Option also involves an increased M&E role by MOFCOM and DOFCOMs.
- Option 4: Potentially exclude all or most GoPRC-initiated projects unless there are direct and formal linkages with China and/or International NGOs. Consider collaborative programs with other donors, NGOs and CSOs.

3.3.10 Discussion of SAS options presented

Options 2, 3 and 4 propose an enhanced role for the three Facilities, ranging from basic advice to AusAID on the appropriateness or otherwise of particular projects / activities seeking funding; to a highly discretionary role for each of the facilities, allowing them to recommend financial support for China-approved and international NGOs, (resulting in a corresponding reduced access / funding by GoPRC agencies). Of the three themes identified in the CPS, both health (& HIV/AIDS), and environment offer substantial potential for informed and coordinated SPS activity participation by appropriate NGOs. The greater flexibility that Options 2, 3 and 4 would offer should result in the ability for facilities to gain greater value for money from the lower-cost and often more efficient work of NGOs. However, it should also be noted that the potential increased efficiency benefits from involving NGOs in the SAS program could be countered negatively by a reduction in the counterpart funding being provided by municipalities and local government organisations. Ideally, NGO involvement in SAS-funded projects across the three themes should be negotiated within the scope of (basic) *individual project tripartite agreements* involving SAS (AusAID & MOFCOM), the

relevant government authority, and the participating NGO. It is believed, therefore, that Option 3 provides the most realistic and achievable approach to managing the SAS program in China, within the priorities and themes established in the current CPS. Accordingly, the recommendations which follow in *Section 4*, and are summarised in *Attachment 1*, are based on the reviewers' support for Option 3.

4 RECOMMENDATIONS ²²

4.1 Recommendations - Australian Development Scholarships

4.1.1 Rationale

By reallocating total available scholarship funds to support both ADS and (where appropriate) short-term courses, and, maximising the expertise of both counterpart agencies and Facility staff of the three existing AusAID China programs, it will be possible to better identify and recommend potential scholarship awardees to central ministries and to DOFCOMs. Although public servants only would continue to be eligible, and final candidate approvals would remain within the current MOFCOM/AusAID joint decision making process, the enhanced focus on the roles of the facilities would allow China ADS to better support AusAID's CPS themes of: health, environment and governance.

4.1.2 Recommendations relating to CPS Strategic Objective 1: “Build capacity in selected sectors in China, in particular governance, environment and health”

- (1) That consideration be given to restating the current objective of the China ADS program as:
The objective of ADS is to support the CPS goal and strategic objectives through a program of in-Australia scholarships and short-term training that aims to improve the effectiveness of individuals and organisations that are key to the achievement of country program objectives in the areas of health, environment and governance.
- (2) That MOFCOM, with support from AusAID, develops a process to assist relevant counterpart agencies in the three priority areas of governance, environment and health-HIV/AIDS to create and/or update agency HRD plans and – where possible – skills' gap analyses.
- (3) That enhanced monitoring and evaluation processes (*M&E recommendations outlined separately below*) be implemented, supported by regular reporting processes.
- (4) That more thorough assessments be undertaken of applicants and the commitment of supervising agencies to ensure that graduates will be able to contribute meaningfully to practical outcomes within the three priority themes upon the completion of their studies.
- (5) That MOFCOM commits to ensuring that applications for AusAID awards in China be restricted to those persons working within the current CPS priority areas of governance, environment and health-HIV/AIDS.

4.1.3 Recommendations relating to CPS Strategic Objective 2: “Enhance the Australia - China relationship by building institutional linkages”

- (6) That the current available ADS China budget be redistributed to allow for the potential inclusion of a number of short courses, with topics identified by AusAID in collaboration with MOFCOM, AusAID facilities and facility counterparts.
- (7) That, in collaboration with MOFCOM, and with advice from the Facilities, AusAID Beijing introduces a formal cyclical scoping process to better target and address specific HRD needs with Chinese Government agencies.
- (8) That all Master's awards program participants complete a practical re-entry/re-integration strategy, to be endorsed by the participant's agency and monitored by MOFCOM, at time of application.
- (9) That AusAID support the ACAA to establish a special interest sub-group of members with a national development focus, and that ACAA approach ASG, through the Post for funding to assist in establishing the sub-group.
- (10) That AusAID's in-China Facilities be supported to provide an increased sector-specific expertise and input into the identification and nomination of applicants.

4.1.4 Recommendations relating to CPS Strategic Objective 3: Working collaboratively to strengthen the region.

²² Note that specific M&E recommendations are outlined in Section 6.

- (11) That, following the closure of the CAGP program in China (mid-2010), and irrespective of the potential implementation of a replacement governance facility or function, the Beijing Post seek to appoint a managing contractor with responsibility for administering all ADS procedural activities, with nominee identification and nomination support as outlined above from the remaining facility structures.²³

4.2 Recommendations: Small Activities Scheme

4.2.1 Rationale

The data gathered and analysed during the review has shown that there is a need to focus more strongly on outcomes' monitoring, evaluation and reporting (as opposed to compliance reporting) to gain a better understanding of the real "worth" of SAS-funded programs. To further assist a more focused approach, a much closer alignment with infrastructure knowledge, training opportunities and targeted capacity-building in the three AusAID CPS priority programs of health, environment, governance needs to be introduced. As noted previously, this will require a commitment from MOFCOM and DOFCOMs to support the AusAID CPS priority foci. To potentially achieve an enhanced cost-benefit nexus and to access the widespread community and organisational expertise that does *not* reside within PRC government agencies, approved NGOs working in the three theme areas and identified by the relevant facility or PRC counterpart agency, should be allowed to apply for funding in potential direct competition with PRC Government agencies. With a wider range of potential funded organisations, MOFCOM / DOFCOMs must take on a stronger M&E responsibility.

4.2.2 Recommendations relating to CPS Strategic Objective 1: "Build capacity in selected sectors in China, in particular governance, environment and health"

- (1) That consideration be given to changing the China SAS program objective from the current broad goal of "poverty alleviation" to the more immediate-level objective of improving quality of life; and therefore, that the objective of SAS be restated as:

The objective of SAS is to reduce poverty through improving the quality of life for specific poor, disadvantaged and minority groups in China, through both the funding, implementation and dissemination of individual practical (pilot) activities; and through funded Scheme support of central policy and strategic development activities.

- (2) That the China Small Activity Scheme continue to operate for the next three years, with an increased (and sole) emphasis on the three CPS priority areas of governance, environment and health-HIV/AIDS.

4.2.3 Recommendations relating to CPS Strategic Objective 2: "Enhance the Australia - China relationship by building institutional linkages"

- (3) That facilities be required to provide greater expert input in terms of: (a) potential suitable project identification and application support; (b) assessment of applications; and (c) monitoring and evaluation of project implementation.
- (4) That MOFCOM, with support from AusAID, assume responsibility for skilling DOFCOM staff, identified and appropriate NGOs, and other appropriate provincial, municipal and local organisations in the submission of improved SAS applications, and in monitoring project activities.

4.2.4 Recommendations relating to CPS Strategic Objective 3: Working collaboratively to strengthen the region.

- (5) That more applications by NGOs be encouraged – particularly through the informed and support role of the AusAID facilities within the relevant themes.²⁴
- (6) That a maximum funding limit of A\$75,000 per project be introduced, subject to equivalent funding by China agencies/organisations.
- (7) That GoPRC central and provincial agencies assume greater SAS monitoring and evaluation responsibility. (See Section 5, M&E)

²³ See Attachment 10 for comparison of Post and MC management responsibility estimates

²⁴ Data indicates that only three applications from NGOs have been funded between 2003-04 and 2007-08

- (8) That, following the closure of the CAGP program in China (mid-2010), and irrespective of the potential implementation of a replacement governance facility or function, the Beijing Post seek to appoint a managing contractor with responsibility for administering all SAS procedural activities, with nominee identification and nomination support as outlined above from the remaining facility structures.

5. MONITORING AND EVALUATION FRAMEWORK

5.1 Strategy and Approach

The Review ToRs requested the formulation of *practical* M&E frameworks for SAS and ADS. The Team was advised that resources (finance and personnel) are limited, and that M&E arrangements need to be proportional to the scale of the project²⁵. The objective therefore is to have an M&E system in place that is simple, “do-able” (achievable), cost-effective and meets the performance reporting needs of the key stakeholders.

As a result of the current Review there are a number of options to be considered by AusAID and MOFCOM regarding the future focus, targeting, modality and management arrangements for both SAS and ADS. In addition, as a result of a recent (October) AusAID review of the Country Program Strategy Performance Assessment Framework (PAF), the AusAID China Post is currently developing a revised PAF (incorporating target outcome objectives) that will feed into the Annual Program Performance Review (APPR).

The design of detailed M&E frameworks/plans for SAS and ADS is not possible until the preferred option(s) are bedded down and revised PAF objectives negotiated and agreed upon. As the revised schemes are operationalised, an evaluability assessment involving AusAID, MOFCOM and oversight agencies/ implementing partners will be required to ensure there is “sign off” i.e. a common understanding and agreement on the objectives, expectations, and requirements of the future M&E arrangements.

The recommended strategy and approach outlined in the following sections encapsulates principles and good-practice that can be applied to whichever SAS /ADS option is eventually accepted and implemented. It draws from the AusAID M&E Arrangements Guide²⁶ and the performance assessment approach/frameworks of the Office of Development Effectiveness (ODE). It involves maintaining and/or strengthening the links between, and active involvement of, the key partners in M&E design and evaluation activities.

5.2 Small Activities Scheme - SAS

5.2.1 Key M&E issues - overview

From an M&E perspective, *monitoring* processes are generally adequate. SAS has been underway for over 20 years and systems for collecting and documenting implementation / compliance have been progressively fine-tuned. Guidelines are clear and the required reporting formats are relevant and concise. Over-site arrangements feature generally close MOFCOM and DOFCOM links with the implementing agencies and target beneficiaries. Although there are ongoing issues with the timeliness and consistency of reports received from some DOFCOMs, this is considered to be a communication / management issue (between DOFCOM and implementing agency) rather than a structural M&E one.

Through observation and informal interviews during their site visits, the Review Team found a range of positive outcomes that are not being systematically captured. Equally, negative outcomes - where they exist – are probably being missed. The main reasons for this are:

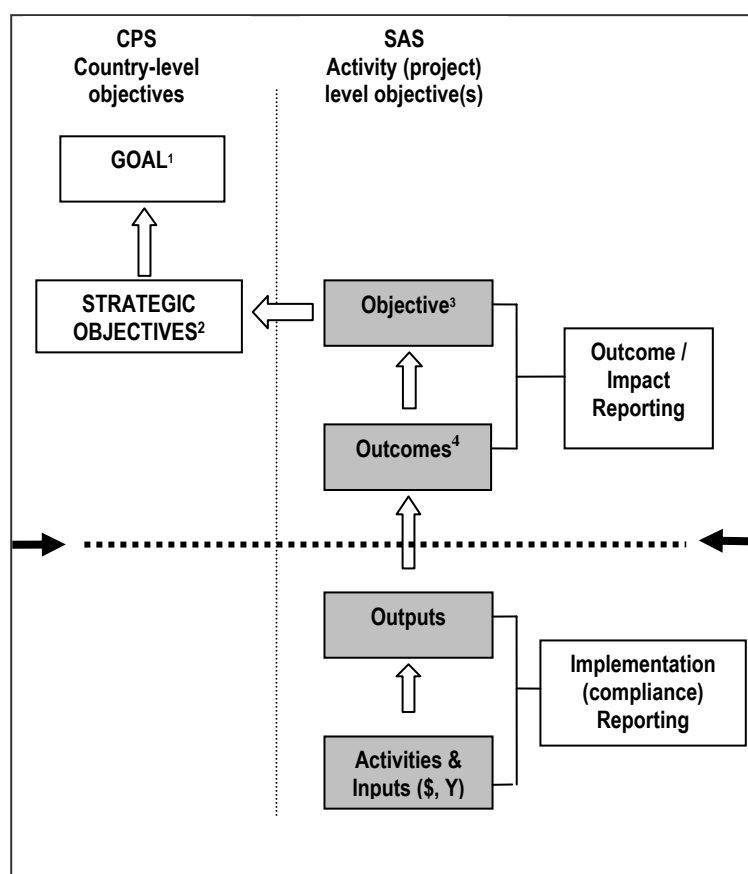
1. MOFCOM / DOFCOM and AusAID are currently either not specifically, or not consistently, asking implementing agencies for this higher-level information.
2. Although there is provision in the SAS Guidelines, there is no regular scheduling of (ideally) joint MOFCOM / DOFCOM / AusAID evaluation activities
3. Clear, jointly agreed objectives (multi-level) with related performance indicators are either missing or not sufficiently robust.
4. Some staff in partner agencies either lack specific evaluation skills training or require refresher training

For SAS the key M&E issue (“problem”), and the focus of the suggested approach, is that *evaluation* arrangements for identifying short-term and medium-term outcomes and long-term impact are either weak, or non-existent. In the M&E jargon, SAS is not adequately reporting performance “above-the-line” (i.e. outcome or impact reporting). This relates to both assessing the impact at individual SAS activity-level, and also, when aggregated, the overall CPS level. The figure over, which will be an ongoing point of reference, illustrates the concept.

²⁵ SAS and ADS are small-scale, relatively low-cost activities – individual SAS allocations are approximately A\$75,000 (RMB 300,000), ADS (MA) scholarships around A\$90,000. However combined annual expenditure is significant - currently A\$2.5 million or approximately 10 % of the total China program budget.

²⁶ AusAID M&E Arrangement Good Practice Guide (June 2006)

5.2.2 Program logic –measuring performance “above-and-below the line”



Key (drawn from CPS objectives tree):

1. Further mutual national interest by supporting China's balanced development policies [and working together in the region].
2. Build capacity in selected sectors in China; in particular, governance, environment and health (CPS Strategic Objective 1)
Enhance Australia – China relationship through development cooperation (CPS Strategic Objective
3. Poverty reduction [through improved quality of life for poor, disadvantaged and minority groups in targeted provinces].
4. Specific target outcomes of individual funded SAS activities-----

Monitoring: “Below-the-line”, focusing on implementation

- Answering “Did we do what we said we do?”
- Adherence to plans, budgets, quality and timeliness of deliverables
- Implementing Agency progress reports, financial audit
- Periodic AusAID, MOFCOM, DOFCOM site visits

Evaluation: “Above-the-line”, focusing on outcomes and impact

- Answering “So what?” and “How could it be done better?”
- Assessing if and how the situation has changed (+, -)
- Assessing if and how SAS activities are meeting Country-level objectives
- Implementing agency Completion Reports
- Annual (?) AusAID, MOFCOM, DOFCOM joint evaluations

There is a crucial conceptual issue that needs to be highlighted. Individual SAS activities are generally short-term - usually less than one year, sometimes spanning just a few months. They are usually time-driven, output-focused e.g. construct a well or pump-house, connect households with running water, build classrooms, construct emergency housing, train community leaders etc. Outcomes (as a result of these outputs) are not always immediate, they can take time to appear. Impact will take even longer. This timing dimension needs to be taken into account when considering evaluation activities assessing outcomes and impact.

Going forward, to get assessments and reporting “above-the-line”, the following steps are proposed. The assumption – depending on the future model of SAS option chosen – is that there will be a designated staff member (part-time or full-time). It is also assumed there will be budget allocation to enable periodic monitoring and joint evaluation visits, consultations and annual M&E training for key partners. A figure of 7.5 % – 10 % (up to a maximum of A\$50,000) of the annual SAS allocation is recommended.

▪ **Step 1: Agreeing on the objectives**

The starting point for an effective SAS M&E system is ensuring that the intervention has clear objectives and key indicators against which performance can be assessed. Objectives are multi-level so M&E activities need to be focused on the appropriate level.

Within the Country Program Strategy (CPS) 2006 – 2010 program logic (see figure 1) SAS is, overall, consistent with two broad, high-level objectives:

- CPS Goal – Supporting China’s balanced development policies, with its focus on poor, disadvantaged and minority groups. (Its contribution to “working together in the region” is less clear).
- CPS Strategic Objectives 1 and 2 – building capacity in selected sectors (governance, environment, health); and enhancing the China - Australia relationship through development co-operation. (Again, it is less clear whether it supports Strategic Objective 3 - “work collaboratively to strengthen the region”).

These objectives are long-term, difficult to measure and will ultimately require judgment calls as to the extent to which they are being achieved. The Annual Program Performance Review (APPR) aims to make that analysis. Over time SAS above-the-line reporting will progressively provide evidence on how SAS activities are making a contribution. This is best done by keeping the main M&E focus at the lower, more immediate level (Activity / project) objective i.e. “poverty reduction.”

However, there is a potential difficulty with “poverty reduction” in that poverty has a number of dimensions. For example is it extreme poverty (e.g. meeting basic needs)? Or poverty of opportunity (e.g. limitations on economic, social, civil and political opportunities)? Or vulnerability to poverty (e.g. circumstances damaging individuals’ or community’s livelihoods)? For future M&E this will need to be “unpacked”. SAS activities in China are short-term in duration and generally multifaceted. They incorporate interventions targeting more than just poverty in a community. Direct and indirect outcomes are evident in areas such as improved water supply, sanitation, health, education, environment, rehabilitation, emergency housing and support, income generation, gender / community empowerment, leisure, and social justice. Viewed in this way, SAS is really about improving the overall quality of life in a target community.

By focusing on a more immediate-level objective such as *improving the quality of life*, specific and easier to measure performance indicators and key evaluation questions can be developed in consultation with partners that will more easily identify immediate and ongoing changes.

Recommendation²⁷: *To help focus future SAS evaluation, the objective of SAS should be restated as: “Poverty reduction through improving the quality of life for poor, disadvantaged and minority groups in China”;*

Practical implications – AusAID and MOFCOM need to agree on what each sees as the main objective of SAS. Ideally this should be done before the revised PAF is finalised. The above example is given to help start that discussion. Once agreement on the main objective(s) is reached and the expected outcomes identified, performance indicators can be developed as part of the proposed evaluability workshop/s (see Step 2) and used as the basis for performance (above-the-line) reporting.

▪ **Step 2: Stakeholder engagement and partnership**

An effective monitoring and evaluation system requires ongoing, close engagement of key stakeholders and partners. This is an obvious principle and action but it is important to re-state it. Although MOFCOM and AusAID understand the importance and benefits of outcome/impact reporting, this is not always the case with line Ministries, provincial departments, implementing agencies or local authorities. Moving to “above-the-line” reporting will require a change in thinking and approach. Sensitising stakeholders/partners to what is required – and explaining the benefits - will avoid misunderstandings, ensure a focus on key data collection, and make the conduct of evaluations much easier.

Regardless of the SAS option selected, AusAID and MOFCOM - either jointly or separately - will need to have mechanisms in place to enable stakeholder consultations with the organisations/ Ministries/ Departments responsible for implementing or over-sighting the project. Apart from scheduled meetings and formal documentation, ideally this should feature an evaluability assessment workshop(s). The purpose of these consultations will be to help determine the target outcomes, outcome indicators and key evaluation questions for SAS overall. The objective of each individual workshop will be to identify the most important outcomes, key evaluation questions and outcome indicators for a particular SAS activity (which are applicable to SAS overall). This will form the basis for an SAS M&E matrix to be used as the key reference for future evaluations.

Recommendation: *To ensure that stakeholders and implementing partners can contribute to the formulation of overall outcomes, indicators and key evaluation questions, annual evaluability assessment workshops (one day’s duration) should be held at least once during the funding cycle*

Practical implications: the nature, timing and number of stakeholder consultation/evaluability assessment workshops will depend on the future SAS model chosen. The consultations could be determined by sector, geographically, implementing Ministry etc. Costs should be shared between AusAID and MOFCOM and, where appropriate, the implementing Ministry / agency. Experience in other AusAID country programs (e.g.

²⁷ NOTE” for ease of implementation, this key *objective* recommendation, with a specific M&E focus, has been subsumed within the broader context of SAS Recommendation #1 – See Attachment 1.

PNG, Indonesia) is that it is money well spent in terms of getting common agreement, cooperation and consequent productive engagement on M&E (see Step 3).

▪ **Step 3 - Maximising the use of local systems (including joint evaluations)**

SAS is a demand-driven activity. It features strong local ownership evidenced by a high level of community consultation, counterpart funding and the use of Chinese Government monitoring (albeit “below-the-line”) and over-site systems. As mentioned earlier, SAS activities have a strong and visible *output* focus. Over-sighting agencies (Ministries, Departments, Municipal authorities) - who have a financial stake in the project - consult, visit, monitor and report on physical progress. This practical ongoing engagement at local, municipal and provincial levels is a strength that can be used and built upon to facilitate future above-the-line reporting. Directly linked to the results of the recommended stakeholder consultation/ evaluability workshops outlined in Step 2, two opportunities arise:

- As part of regular monitoring visits by local agencies, and particularly as part of the Completion Report requirements, the agreed target *outcomes* and key indicators can be assessed and reported by the local agencies (e.g. DOFCOM or other provincial / municipal body);
- Joint assessment missions involving MOFCOM and AusAID working with local authorities as part of periodic (cluster sample) impact evaluations.

The advantage of this approach is that all stakeholders/partners are, from the beginning, working together and focusing on the same expected outcomes.

Recommendation - *Project Completion Reports be revised to include provision for implementers to assess and report on agreed immediate and emerging outcomes (impact);*

Recommendation - *joint MOFCOM/ DOFCOM/ AusAID impact evaluations of representative (cluster) SAS activities be undertaken annually;*

Practical implications - the key aspect of this strategy is the evaluability workshop(s) where agreement is reached on the specific outcomes and indicators. These would then be incorporated into the Completion Report templates, which in turn will be used as the basis for any subsequent post-project joint evaluations. Resources will not permit all SAS projects to be jointly evaluated. The specific SAS projects selected for joint evaluations each year will be determined by AusAID and MOFCOM. Considerations will include the requirements of AusAID and MOFCOM’s reporting cycles (see Step 4).

▪ **Step 4 - Aligning with reporting cycles and formats**

The “above-the-line” performance information to be collected will need to meet the internal and external reporting needs of the principal target audiences i.e. AusAID and MOFCOM. There is obviously no point in collecting information that is either out of date or not relevant. (The analogy of trying to knock square pegs into round holes is appropriate). Although the timing and reporting formats for MOFCOM are not known, in discussions with the Review Team MOFCOM confirmed that a greater focus on the higher-level outcomes and impact of SAS will be of significant value within their organisation. For AusAID, the key reporting documents are the six-monthly Performance Assessment Framework (PAF) and the Annual Program Performance Review (APPR). Both are currently undergoing revision. If the Facility programs become more involved in SAS, then their milestone reporting formats will need to include suitable provision for presenting key SAS data / analysis.

Recommendation – *Ensure that the future performance information of SAS is structured and timed to align with both the timelines and specific content required in the key reporting documents of AusAID and MOFCOM (e.g. PAF and APPR)*

Practical implications – no real difficulties with this approach. Timing of information collection is a matter of making sure the deadlines are known. Care needs to be taken in the stakeholder consultation/ evaluability assessment workshops to ensure that the agreed objectives, outcomes and indicators align with the categories within the reporting templates.

▪ **Step 5 - Adding value through partner M&E capacity building (where needed)**

AusAID and MOFCOM have in the past conducted M&E workshops for over-sighting and implementing partner agencies. This is good practice and should continue. New staff need skills, and existing staff benefit from refresher training. Apart from developing individual skills of key personnel (including within AusAID

and MOFCOM), it supports mainstreaming a culture of M&E within an organisation and adds value beyond the life of the SAS activity.

Recommendation - improve the individual capacity of MOFCOM/ DOFCOM staff to develop, implement and report on SAS activities, through biennial SAS management training workshops.

Recommendation - enhance the organisational capacity of over-sighting and implementing partner agencies to assess and report the impact of SAS activities through annual short-term training (2-3 days) in evaluation and reporting techniques.

Practical implications - AusAID and MOFCOM / DOFCOM would share costs and, ideally, each provide trainers. There may be advantages in incorporating training sessions into the stakeholder consultations / evaluability assessment workshops.

There is also an opportunity – beyond SAS – to specifically target key individuals with MOFCOM/ DOFCOM and from other key Ministries/ Departments through provision of ADS awards for high level M&E studies (Master of Evaluation), and short course training in M&E.

Recommendation - develop high-level evaluation skills within MOFCOM/DOFCOM, and other key Ministries / Departments through specific one year ADS Master of Evaluation scholarships; and short course training in M&E for identified key staff

Practical implications - the number of ADS scholarships earmarked each year, and the target intake for the short-term training would be negotiated between MOFCOM and AusAID. Upon return / completion of their studies these officers would be a logical focal point for co-ordinating and participating in future AusAID / MOFCOM evaluation activities and related training.

▪ **Step 6 - Learning and accountability (continual improvement)**

Currently there is no specific provision for capturing and sharing SAS lessons learned. Apart from being a requirement for all AusAID activities, it represents general good practice.

Recommendation – As a commitment to continual improvement, specific provision for capturing SAS Lessons Learned should be included in individual activity Completion Reports and as periodic program review activities

Practical implications – a number of possibilities. Apart from information outlined in Completion Report and the periodic joint evaluation documentation, these could be periodic one day workshops organised and co-funded by provincial agencies with AusAID / MOFCOM participation prior to Annual Consultations. The workshops give the opportunity for implementers and over-site agencies to reflect, learn, recommend and act on the positives and negatives aspects of the activity.

5.3 Australian Development Scholarships - ADS

5.3.1 Key M&E issues – overview

The ADS M&E arrangements are potentially simpler than SAS. The reasons include: the narrower focus (small number of known, finite, ongoing partner Ministries), good communication channels (easier access to key personnel – policy makers, HR areas, former and future scholars within Chinese Ministries, and Australian host institutions), less language barriers; access to support and resources of other AusAID projects (Facilities), established monitoring systems (recent PAF noted that activity implementation is “well monitored by the MC”) and clear policy and supportive M&E links with the AusAID Australian Scholarship Group (ASG) in Canberra.

The main issue for ADS, as with SAS, is that “above-the-line” assessment of outcomes and impact is weak. In fact no substantive evaluation efforts have taken place until the current Review team mission. However this is not considered to be a difficult challenge to overcome. There is already work under way – in both Beijing and Canberra – that will enable those assessments to be made.

In Canberra, the Review Team met with AusAID officers who are currently finalising a Monitoring and Evaluation Framework (MEF). In order to maintain consistency of global ADS reporting, there are obvious advantages in using the ASG approach as the basis of the China ADS. However, this can and should be adjusted/supplemented to ensure that specific outcome objectives and impact of the China ADS are captured and reported.

In Beijing, as the first step in evaluating ADS, the AusAID Post and Review Team were able to design and distribute a questionnaire for past and future ADS scholars, arrange interviews with Ministries and returned scholars, and conduct a Focus Group. The Report appears as *Attachment 1*. The methodology used is recommended for future ADS evaluations. An initial baseline data has now been captured as a result of questionnaires completed by 30 returning ADS scholars (2003 – 2007), six “sending” Ministries, and 26 scholars comprising the full 2009 ADS/ALA cohort. As part of future joint evaluations, these questionnaires and representative interviews/focus group discussions can be used to compare trends and identify issues. The instruments can be improved and progressively fine-tuned in consultation with MOFCOM and ASG.

Going forward, to get ADS assessments and reporting “above-the-line”, the following steps are proposed. The assumption – depending on the future model of ADS option chosen – is that there will be a designated staff member whose responsibilities will include co-ordinating the monitoring and evaluation process. This person will work closely with Chinese counterparts in MOFCOM and target Ministries. It is also assumed that partner Ministries/ agencies will be providing much of the information. The budget implications are therefore minor. The preparation, distribution and collection of the annual questionnaire / surveys can be done in-house (in consultation with MOFCOM), analysis can either be in-house or by a local consultant, and interviews/ focus groups can also be conducted in-house. If there is a need to travel to provinces to conduct further interviews, a budget allocation will be required, or alternatively can be added to existing scheduled travel.

▪ **Step 1: Agreeing on the objectives (multi-level)**

The PAF lists two main ADS objectives – “promote human resource development”; and “create sustainable linkages between graduates and Australians”. The Review Team was asked to revise the current objective(s). This is the logical first step in setting up the new ADS M&E approach.

Within the Country Program Strategy (CPS) 2006 – 2010 program logic ADS is, overall, *not inconsistent* with the Goal and the three strategic objectives but the direct links and extent of contribution (recognising the small scale of ADS) are difficult to quantify and measure. The focus of the M&E activity needs to be at a lower level.

There appears to be a lack of shared understanding between the Chinese side (MOFCOM, Ministries, Departments) and AusAID on what is the main objective. From the AusAID side, it was frequently emphasised that beyond the currently stated objective, the main purpose of ADS was to “support our work in China”. This of course makes sense but is open to various interpretations. AusAID was implicitly highlighting agreed sectoral focus and mutual benefit. From the Chinese side, in the course of discussions with Ministries, Departments and interview / questionnaire analysis from scholars (returning and new) the Review Team found that the majority of Chinese respondents saw ADS as primarily about supporting China’s development i.e. Australia helping China develop individual and organisational capacity at central and (poorer) provincial levels. In most instances, the objective of mutual benefit to both China AND Australia was either not evident or only rarely articulated - and this after some prompting. Although both interpretations of ADS are consistent with the CPS, each side is looking at different aspects. Expectations need to be negotiated, agreed and made explicit.

Recommendation ²⁸ - *in order to clarify understanding and more effectively focus future evaluation, the ADS objective be revised as follows:*

Support the CPS Goal and Strategic Objectives through a program of In-Australia scholarships and short-term training that aims to:

- 1. improve the effectiveness of organisations that are key to achievement of country program objectives*
- 2. Increase the pool of Chinese able to provide good leadership and influence the country’s development outcomes*
- 3. develop sustainable individual and institutional linkages between China and Australia.*

Practical implications - this draft objective is suggested as a basis for discussions with MOFCOM and AusAID. This should be done before the revised PAF is finalised i.e. the jointly agreed objective can then be specified in the PAF. Agreed indicators and evaluation questions can then be constructed around these three sub-objectives. A first attempt to help this process is the draft ADS M&E matrix, modelled on aspects of other ADS M&E programs, which appears at the end of this section.

²⁸ NOTE” for ease of implementation, this key *objective* recommendation, with a specific M&E focus, has been subsumed within the broader context of ADS Recommendation #1 – See Attachment 1.

▪ **Step 2: Stakeholder engagement and partnership**

The principal stakeholders for ADS M&E are the target “sending” Ministries / Departments, the relevant Managing contractor, other current AusAID programs (Facilities), and the ASG. As outlined earlier these are a finite and accessible group and it should not be difficult to engage each in the design, implementation and reporting of the M&E system. This is already being done so it will be just a matter of strengthening when necessary. The main issue is ensuring that each understands and shares the ADS objectives. Continuation of ADS funding is vulnerable if mutual benefit is not established and this needs to be emphasised.

Recommendation - MOFCOM and AusAID (and / or Managing Contractor) regularly liaise with target Ministries / Departments to ensure that each sending agency (and their ADS scholars / trainees) understands and is able to work towards achieving the objectives of ADS and the mutual benefits arising.

Practical implications – this is a specific recommendation aimed at overcoming what appears to be a significant concern within AusAID about the lack of focus on mutual benefit and consequent lack of related performance information. It is a logical follow-up to the revised ADS objective and would be a normal focus of discussions with sending agencies during ADS initial briefings and ongoing planning meetings.

▪ **Step 3 - Maximising the use of local systems (including joint evaluations)**

As noted earlier, the ADS “below-the-line” reporting involving the Managing contractor using internal data collection and storage systems of sending agencies is going well. Evaluation, however, will be a new area of engagement and would involve sharing the expertise and resources of both MOFCOM and AusAID in conducting joint evaluations.

Recommendation - joint MOFCOM / DOFCOM / AusAID impact evaluations of ADS be undertaken annually

Practical implications – the recommended methodology, drawing from the agreed M&E matrix, is the use of questionnaire / survey, interviews and focus group discussions. The first attempt has been trialled and appears viable and within the capacity constraints of the key over-site agencies. Future evaluations (co-ordinated by the Managing contractor) would involve MOFCOM and AusAID reviewing and fine-tuning the indicators and specific evaluation questions to be used and then scheduling a plan and time frame for collecting and analysing the data. This would be annually and linked into the key milestone reporting cycle of each agency.

▪ **Step 4 - Aligning with reporting cycles and formats**

As with general comments made on SAS on the need to clearly align reporting to timeframes and formats – particularly the PAF and APPR.

An important aspect of ongoing China ADS evaluations will be the specific link back to the consolidated reporting needs of ASG. Currently ASG is finalising a set of key questions. These draft questions are outlined below. They will need to be aligned to the finally agreed M&E matrix indicators and then used (supplemented where necessary) during future joint evaluations. As part of efforts to facilitate contribution analysis, ASG is also considering assigning a scoring system against each finding e.g. impact - high / low?, positive / negative?; attribution – high/low?

1. Is the program on track to achieve selected output targets?
2. Are Higher Education Institutions / Australian host Organisations meeting their Key Performance Measures?
3. Are awardees satisfied with selected aspects of their award-related and personal experiences in-Australia?
4. Are key milestones of reintegration plans (or workforce integration plans) being met?
5. Are alumni contributing to the development of their home country or developing countries of their region?
6. Are alumni maintaining linkages with Australia and networking with other awardees?
7. Have alumni strengthened their organisational capacity to contribute to the development of their home country or developing countries of their region?
8. Have Australian Scholarships promoted gender equity?

Recommendation – to facilitate global AusAID ADS reporting, future China ADS evaluations incorporate relevant ASG key evaluation questions

Practical implications - The questionnaires and interviews undertaken in the recent evaluation have provided performance information that responds to most of these questions. Where there are gaps, or need for further triangulation, the survey questions and indicators can be sharpened prior to the next evaluation cycle.

▪ **Step 5 - Adding value through partner M&E capacity building (where needed)**

As with general comments made on SAS on value of building or enhancing M&E skills within partner agencies.

Recommendation- *develop high-level evaluation skills within MOFCOM/DOFCOM, and other key Ministries / Departments through specific one year ADS Master of Evaluation scholarships; and short course training in M&E for identified key staff*

Practical implications - the number of ADS scholarships earmarked each year, and the target intake for the short-term training, would be negotiated between MOFCOM and AusAID. Upon return / completion of their studies these officers would be a logical focal point for co-ordinating and participating in future AusAID / MOFCOM evaluation activities and related training.

▪ **Step 6 - Learning and accountability (continual improvement)**

Currently there is no specific provision for capturing and sharing ADS lessons learned. Apart from being a requirement for all AusAID activities, it represents general good practice.

Recommendation – *as a commitment to continual improvement, specific provision for capturing ADS Lessons Learned should be included in individual activity Completion Reports and as periodic program review activities*

Practical implications – This would perhaps best be done through periodic half or one-day workshops organised and co-funded by partner agencies with AusAID / MOFCOM participation prior to Annual Consultations.

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ATTACHMENT 1: SUMMARY & RECOMMENDATIONS

The Report which follows responds to the tasks outlined in the activity *Terms of Reference*, namely to:

- identify and review the fundamental weaknesses of the current China ADS program;
- produce recommendations (relating to ADS);
- provide recommendations on how to monitor and evaluate the outcomes and impact of the SAS;
- assess the effectiveness of SAS in relation to its intended goals and objectives, including factors that contribute to activity success, (and) the extent to which activities are replicated and sustained;
- assess the appropriateness of SAS in light of the goal and objectives of the CPS.

As such, the Report is not an *Activity Design Document*; rather, it comprises a report of the above Program Review, including analyses, findings, recommendations and potential challenges.

It should be noted that there are few synergies between the ADS and SAS programs, and their linkages are based almost exclusively on their discrete involvement with MOFCOM - the PRC Partner agency which assist AusAID in administering the programs.

Nevertheless, the China ADS and SAS activities, which are currently relatively disconnected, can be linked more productively if their strategic and operational directions are better aligned with the priorities and sector foci identified in the Country Program Strategy, as well as the mainstream activities of each of the three AusAID in-China facilities.

Following consideration by AusAID, the discussion of relevant sections of this Report with MOFCOM, and a decision made by AusAID in relation to the options and recommendations presented here, AusAID will need to develop specific program designs both for SAS and ADS, building on the comprehensive data and analysis contained in this document.

The recommendations below ²⁹, therefore, should be considered within the overall context of the Review, including potential ADS and SAS options, available budgets, and the Australian Government's as yet unconfirmed policy on international development interaction with China.

ADS

- (1) That consideration be given to restating the current objective of the China ADS program as: *The objective of ADS is to support the CPS goal and strategic objectives through a program of in-Australia scholarships and short-term training that aims to improve the effectiveness of individuals and organisations that are key to the achievement of country program objectives in the areas of health, environment and governance.*
- (2) That MOFCOM, with support from AusAID, develops a process to assist relevant counterpart agencies in the three priority areas of governance, environment and health-HIV/AIDS to create and/or update agency HRD plans and – where possible – skills' gap analyses.
- (3) That enhanced monitoring and evaluation processes (*M&E recommendations outlined separately below*) be implemented, supported by regular reporting processes.
- (4) That more thorough assessments be undertaken of applicants and the commitment of supervising agencies to ensure that graduates will be able to contribute meaningfully to practical outcomes within the three priority themes upon the completion of their studies.
- (5) That MOFCOM commits to ensuring that applications for AusAID awards in China be restricted to those persons working within the current CPS priority areas of governance, environment and health-HIV/AIDS.
- (6) That the current available ADS China budget be redistributed to allow for the potential inclusion of a number of short courses, with topics identified by AusAID in collaboration with MOFCOM, AusAID facilities and facility counterparts.

²⁹ See Section 4 for discussion on each of the above recommendations

- (7) That, in collaboration with MOFCOM, and with advice from the Facilities, AusAID Beijing introduces a formal cyclical scoping process to better target and address specific HRD needs with Chinese Government agencies.
- (8) That all Master's awards program participants complete a practical re-entry/re-integration strategy, to be endorsed by the participant's agency and monitored by MOFCOM, at time of application.
- (9) That AusAID support the ACAA to establish a special interest sub-group of members with a national development focus, and that ACAA approach ASG, through the Post for funding to assist in establishing the sub-group.
- (10) That AusAID's in-China Facilities be supported to provide an increased sector-specific expertise and input into the identification and nomination of applicants.
- (11) That, following the closure of the CAGP program in China (mid-2010), and irrespective of the potential implementation of a replacement governance facility or function, the Beijing Post seek to appoint a managing contractor with responsibility for administering all ADS procedural activities, with nominee identification and nomination support as outlined above from the remaining facility structures.³⁰

SAS

- (1) That consideration be given to changing the China SAS program objective from the current broad goal of "poverty alleviation" to the more immediate-level objective of improving quality of life; and therefore, that the objective of SAS be restated as:
The objective of SAS is to reduce poverty through improving the quality of life for specific poor, disadvantaged and minority groups in China, through both the funding, implementation and dissemination of individual practical (pilot) activities; and through funded Scheme support of central policy and strategic development activities.
- (2) That the China Small Activity Scheme continue to operate for the next three years, with an increased (and sole) emphasis on the three CPS priority areas of governance, environment and health-HIV/AIDS.
- (3) That facilities be required to provide greater expert input in terms of: (a) potential suitable project identification and application support; (b) assessment of applications; and (c) monitoring and evaluation of project implementation.
- (4) That MOFCOM, with support from AusAID, assume responsibility for skilling DOFCOM staff, identified and appropriate NGOs, and other appropriate provincial, municipal and local organisations in the submission of improved SAS applications, and in monitoring project activities.
- (5) That more applications by NGOs be encouraged – particularly through the informed and support role of the AusAID facilities within the relevant themes.³¹
- (6) That a maximum funding limit of A\$75,000 per project be introduced, subject to equivalent funding by China agencies/organisations.
- (7) That GoPRC central and provincial agencies assume greater SAS monitoring and evaluation responsibility. (*See Section 5, M&E*)
- (8) That, following the closure of the CAGP program in China (mid-2010), and irrespective of the potential implementation of a replacement governance facility or function, the Beijing Post seek to appoint a managing contractor with responsibility for administering all SAS procedural activities, with nominee identification and nomination support as outlined above from the remaining facility structures.

³⁰ See Attachment 10 for comparison of Post and MC management responsibility estimates

³¹ Data indicates that only three applications from NGOs have been funded between 2003-04 and 2007-08

SPECIFIC RECOMMENDATIONS: MONITORING AND EVALUATION-

ADS

- (1) That MOFCOM and AusAID (and/or MC, if applicable) regularly liaise with target Ministries / Departments to ensure that each sending agency (and their ADS scholars / trainees) understand and are able to work towards achieving the objectives of ADS and the mutual benefits arising.
- (2) That joint MOFCOM / DOFCOM / AusAID impact evaluations of ADS be undertaken annually.
- (3) That, to facilitate global AusAID ADS reporting, future China ADS evaluations incorporate relevant ASG key evaluation questions.
- (4) That the development of high-level evaluation skills within MOFCOM/ DOFCOM, and other key Ministries /Departments be supported through consideration of the potential for specific one-year ADS Master of Evaluation scholarships; as well as short course training in M&E for identified key staff.
- (5) That, as a commitment to continual improvement, specific provision for capturing ADS *Lessons Learned* should be included in individual activity Completion Reports and as periodic program review activities.

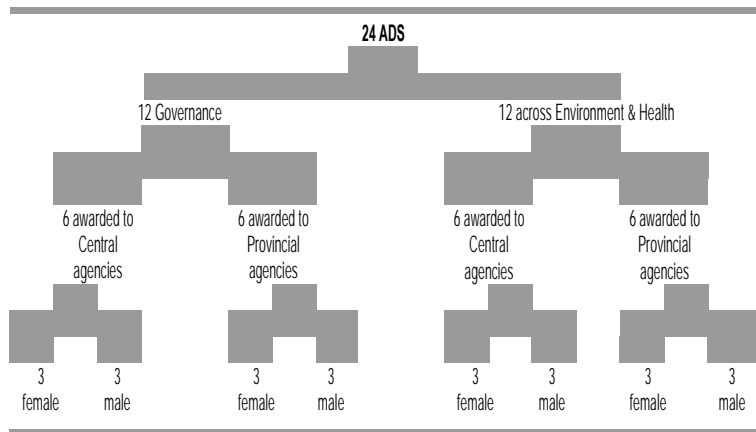
SAS

- (1) That, to ensure that stakeholders and implementing partners can contribute to the formulation of overall outcomes, indicators and key evaluation questions, annual evaluability assessment workshops (one day's duration) should be held at least once during the funding cycle.
- (2) That Project Completion Reports be revised to include provision for implementers to assess and report on agreed immediate and emerging outcomes (impact).
- (3) That joint MOFCOM / DOFCOM / AusAID impact evaluations of representative (cluster) SAS activities be undertaken annually.
- (4) That, to ensure that the future performance information of SAS is structured and timed to align with both the timelines and specific content required in the key reporting documents of AusAID and MOFCOM (e.g. PAF and APPR).
- (5) That, to improve the individual capacity of MOFCOM/ DOFCOM staff to develop, implement and report on SAS activities, biennial SAS management training workshops be undertaken.
- (6) That, to enhance the organisational capacity of over-sighting and implementing partner agencies to assess and report the impact of SAS activities, annual short-term training (2-3 days) in evaluation and reporting techniques be undertaken.
- (7) That, to develop high-level evaluation skills within MOFCOM/DOFCOM, and other key Ministries / Departments, consideration be given to offering specific one year ADS Master of Evaluation scholarships be offered; as well as short course training in M&E for identified key staff.
- (8) That, as a commitment to continual improvement, specific provision for capturing SAS *Lessons Learned* should be included in individual activity Completion Reports and as periodic program review activities.

ATTACHMENT 2: SITUATION ANALYSIS AND STRATEGIES CHOSEN

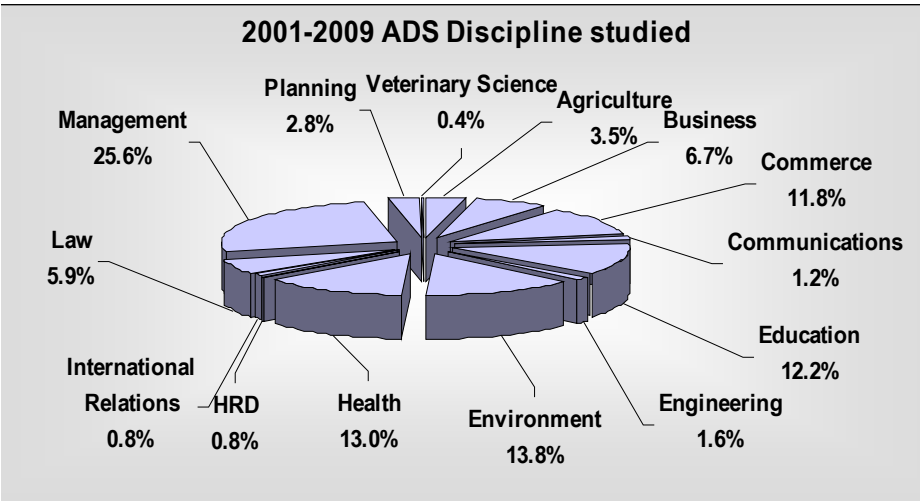
ADS

The China ADS program is one of the smallest operating across AusAID’s 31 Scholarships countries. With the recent reduction to 24 scholarships per annum, the Beijing Post and its Partner agency MOFCOM, have developed specific allocation guidelines for awarding scholarships – at right.. The diagram below illustrates recent ADS allocation by discipline/sector studied in Australia; and the graph over summarises ADS award allocation by gender.



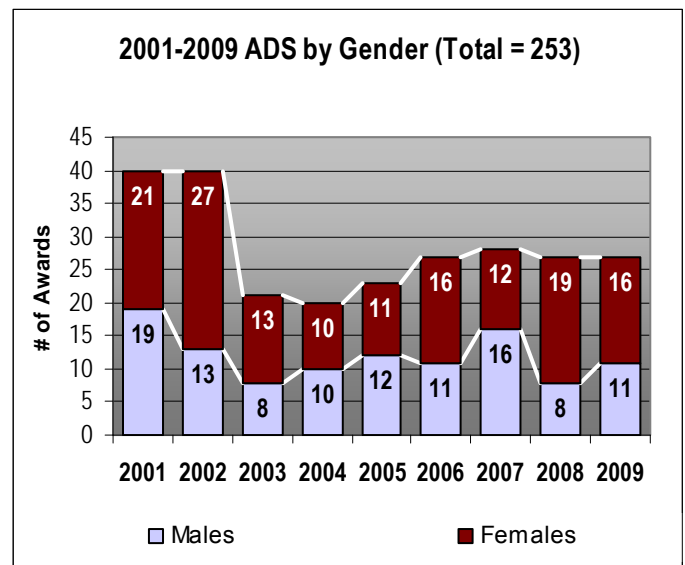
To date, AusAID and MOFCOM meet annually and agree on the specific sectoral distribution of scholarships for the next academic year, and determine which central and provincial government authorities will be asked to submit ADS nominations. MOFCOM contacts the eligible central ministries and provincial DOFCOM inviting nominations from all eligible public sector employees.

Provincial DOFCOMs then coordinate the nominations from their related provincial departments. Once submitted to each of the DOFCOMs, all selected applications and nominations for awards are forwarded to MOFCOM who then provides AusAID with complete copies of all applications received from DOFCOMs. All listed applicants undertake IELTS



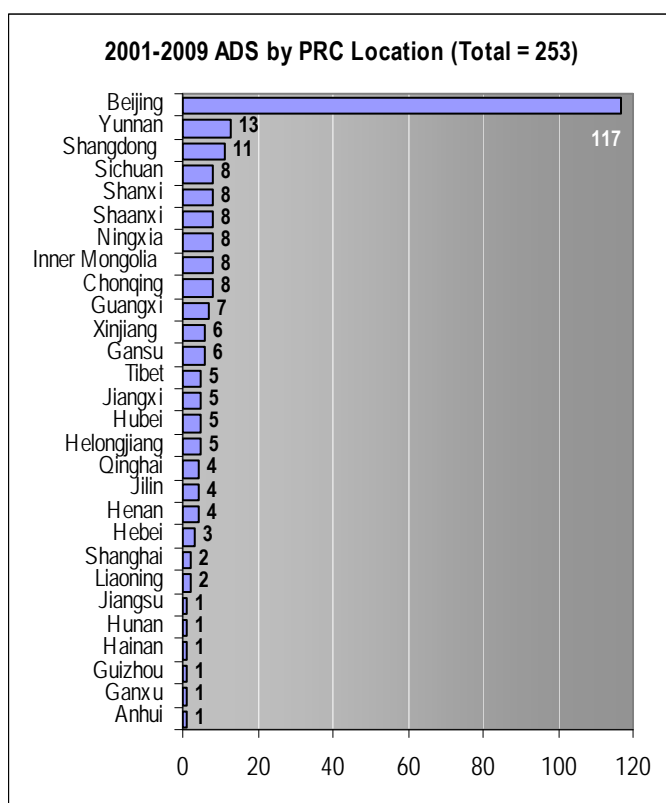
testing (funded by AusAID, and undertaken by the British Council). When IELTS testing is completed, individual scores are entered against each applicant, following which AusAID and MOFCOM convene a joint selection meeting, with discussions and decisions being informed by each agency’s own discrete assessment of listed candidates.

Although not considered a significant issue by MOFCOM or individual DOFCOMs, AusAID has identified what it considers to be a major fault in the selection process, namely that the Australian Development Scholarships are not necessarily being awarded to the most appropriate persons, particularly when the needs of the Chinese public sector *and/or* priorities identified in AusAID’s Country Strategy are considered: “there is a fundamental issue with seeking nominations for awards which are not based on needs or skills gap analysis or rigorous selection criteria...”
32



32 Review ToRs, p. 2 section 1.1

Given the role of MOFCOM within the Central Chinese Government and DOFCOMs at the provincial level,



it was important that any analysis of the existing situation, and strategies to investigate potential changes or enhancements to the ADS program, be approached tactically and sensitively. Accordingly, a range of meetings were arranged by the Beijing Post for Review team members to meet with key mid- to senior-level public servants in key central ministries, including: MOFCOM, Ministry of Agriculture, Ministry of Environment Protection, Ministry of Health, State Forestry Administration, Ministry of Water Resources, and the National Development and Reform Commission. Meetings were also arranged by the Post with representatives of the three AusAID-supported China facilities: ACEDP, CAGP and CAH-HIV/AIDS. Other meetings (relating to ADS) undertaken involved those with the Shaanxi and Guangxi DOFCOMs, and participation in a forestry-focused ACEDP workshop.

Following the first week of meetings in Beijing with central ministries, review team members met with the Beijing AusAID Minister Counsellor and the First Secretary to report on progress to date (ADS only); to present a

summary of the team's further direction; and to ensure that team activities aligned with the Post's priorities and the Terms of Reference. A copy of the document presented at that meeting is attached (Attachment 12).

Although originally seeking to develop a potential new model for both ADS and SAS which would meet the needs and priorities of both MOFCOM and the AusAID Post, discussions following the presentation of the draft aide memoire resulted in a refocusing of the review team's report, with a stronger emphasis on presenting a number of options for AusAID to consider, before presenting to MOFCOM for discussion.

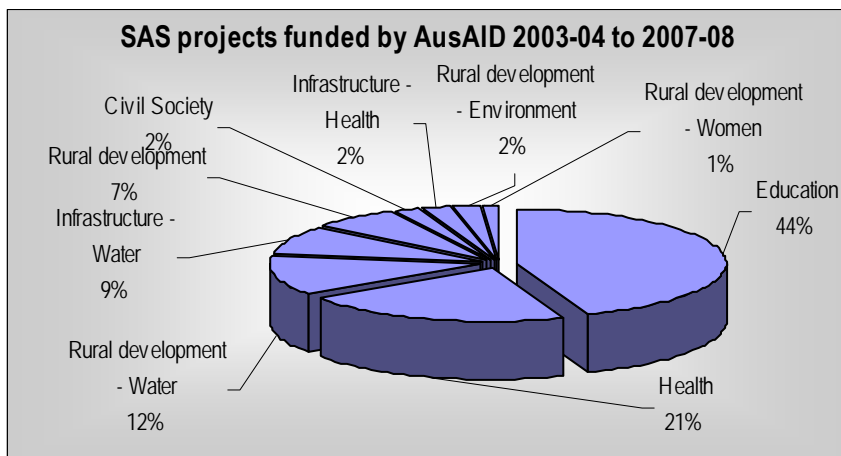
SAS

The Small Activities Scheme (SAS) is AusAID's program of direct assistance for small development activities which currently respond to locally identified needs in the areas of health (and related services/facilities), community development, income generation, life skills training, education, and good governance. Since its inception in 1987, the main objective of (China) SAS has been to contribute to the reduction of poverty in China. As part of Australia's official bilateral aid program to China, the Scheme is a "grants" fund (as noted above, \$500,000 in 2008/2009) managed by AusAID's Beijing Post collaboratively with MOFCOM. Grants awarded are of a small scale, and over the past five years have averaged 349,400 Yuan (equivalent to approximately \$75,000 as at December 2008). *See also table at right.* Restricted to poorer, remote and minority group areas within Central and Western China, the current application process is managed at the provincial level by the local DOFCOM, with support wherever possible by the China Women's Federation (or similar national specific-focus groups). Since 2003-2004, projects have varied in length from five to 13 months, although discrepancies in reporting

Province, Municipality or Region	SAS activities funded 2003-2004 to 2007-2008	Total allocation in Yuan
Anhui	7	¥2,290,096
Ningxia	7	¥2,211,890
Chongqing	6	¥2,205,000
Guangxi	6	¥2,233,024
Guizhou	6	¥2,200,410
Hunan	6	¥2,170,000
Xinjiang	6	¥2,177,680
Gansu	5	¥1,794,000
Jiangxi	5	¥1,629,960
Shaanxi	5	¥1,762,700
Sichuan	5	¥1,763,000
Various Provinces	5	¥1,789,000
Qinghai	4	¥1,450,000
Shanxi	4	¥1,410,000
Tibet	4	¥1,430,000
Inner Mongolia	3	¥974,316
Yunnan	3	¥1,033,000
Henan	2	¥680,000
Hubei	2	¥650,000
Hebei	1	¥290,000

timeframes from DOFCOMs means that the ranges expressed here are not necessarily accurate.

Between 1997/1998 and 2003/2004, annual budgets for SAS ranged from \$970,000 to \$2.5 million and an average of 20 projects was funded in each financial year. During 2003/04 the allocation for China SAS was \$1 million. The reduction in the total pool of funds available in the current financial year (2008/2009) to 50 per cent of the annual average of \$1 million since 2004 accorded with an overall reduction in Australia's financial commitment to the China program. According to Post, the reduction also represents a move away from stand-alone technical assistance or infrastructure projects to a partnership program based on policy dialogue on issues of mutual interest.³³



A 2004 Review of the SAS program recommended that the Scheme should be continued as an integral part of AusAID's *China-Australia Country Program Strategy*. The reviewers found that the Scheme has consistently demonstrated "strong counterpart ownership, with high levels of matching funding, and significant leverage for AusAID's project funds".³⁴ (It should be noted however, that since the introduction of the 2006-2010 CPS, Education – which accounted for

almost one-half of the SAS projects (44 per cent both in terms of number of projects and expenditure allocated) (see Diagram above) – is no longer a priority for SPS funding.)

This Review suggests that SAS provides appropriate examples of successful models for activity implementation at the lower levels of government. Moreover, the success of the China SAS program could provide other AusAID-funded small activities scheme programs a practical example of the value and cost effectiveness of such low-cost programs, *when counterpart funding matched grant funding*.

Concerns have been expressed by Post officers that the SAS program was not closely enough aligned with the *China-Australia Country Program Strategy*, and that a number of the projects funded in recent years did not align sufficiently with the three priorities identified in the CCS – namely: Governance, Environment and Health-HIV/AIDS. Discussions in Beijing prior to the brief program of site visits (See Attachment 15) with central ministry representatives, provided some further clarification on perceptions of government officials concerning the effectiveness and management of SAS (although it should be noted that the majority of discussions undertaken during the Beijing meetings related to the ADS program). Nevertheless, brief meetings organised by the Post, with staff of the Environment and Governance facilities provided Review team members with the opportunity to question those staffs on the current and potential relevance of, and connections with, the SAS program to their activities.

During site visits to completed SAS projects in Guangxi and Shaanxi, discussion were held with broadly representative groups and individuals concerning the local and provincial perceptions of Scheme outcomes, administration and sustainability – among other key issues. These discussions were undertaken in both group and individual contexts, to ensure that the presence of provincial DOFCOM officers (or other senior Government officials) did not constrain the frankness of local residents in discussions and questioning by Review members.

On return to Beijing following the visits to the two provinces, team members met with representatives of the similar New Zealand small grants scheme. The team leader also participated in a small number of sessions within the ACEDP Forestry seminar, where further opportunities arose to discuss with both ACEDP staff and local counterparts the relevance of the SAS program to the overall management and directions of the Environment facility.

³³ ToRs, p 1. Section 1

³⁴ China small activity scheme (SAS) Review, November 2004, p. 4

ATTACHMENT 3: DEVELOPMENT CONTEXT - CHINA

Introduction

The stated goal of the *China–Australia Country Program Strategy* for 2006-2010 is defined as: “further(ing) mutual national interest by supporting China's balanced development policies and working together in the region”.³⁵

It is clear from the data which follows that China is far from its goal of balanced development. Therefore, for Australia to work effectively with China in the region, it is necessary that it accepts the imbalances and supports China in addressing and resolving the challenges the nation is facing. Australia could simply walk away from China, arguing that its combined wealth removes any need for donor support. Certainly this has been a recent approach of some other donor countries.

However, if AusAID is to meet its three Strategic Objectives for China:

- build capacity in selected sectors in China, in particular governance, environment and health,
 - enhance the Australia - China relationship by building institutional linkages,
 - working collaboratively to strengthen the region,
- it cannot ignore the imbalances that exist and reject effective means of implementing its strategies in a linked manner; each of the above strategic objectives must be considered in relation to its impact on the others.

Inequalities in China development

Recent global representations of the People's Republic of China suggest that it is now a technologically and economically advanced country which no longer requires significant donor support to assist it in addressing challenges of industrial development, poverty reduction, official corruption and environmental degradation.

High profile events and activities such as: the 2008 Olympic Games; major Government of China-funded infrastructure projects in large Chinese cities; and an increased normalisation of China's relationship with the rest of the world *appear to suggest* that the entire nation comprises reasonably affluent people, with a growing westernised approach to consumerism and personal comfort. While the perception of increased affluence has relevance for a significant number of Chinese people living in large cities on the Eastern seaboard, some 60 per cent (almost 800 million people) live in poor rural areas of China.

And while one can argue that if the nation can afford to fund large-scale events such as the Olympic Games, it should no longer expect international donor support; this argument, however, is spurious, and could be considered akin to suggesting that the Australian Government no longer assist in funding poor indigenous communities in Aurukun or Doomadgee, because Queensland is such a wealthy state in its own right (particularly when considered in light of the third objective: “working collaboratively to strengthen the region”.)

Since the implementation of the "reform and opening-up" policy in 1978, China's economy has been undergoing a rapid and healthy development. Over the past 30 years, China's annual GDP growth has averaged 9.4 per cent, and more than doubled that of the world over the same period.³⁶

However although much progress has been made, particularly over recent decades, in addressing the challenges listed in the first paragraph, the vast majority of Chinese peoples – certainly in Central and Western China – still live in conditions which are equivalent to those in many other developing countries.

Technological, labour, and educational reforms in China have favoured residents of urban areas, particularly those along the seaboard. In 2006 Chow³⁷ identified three main contributors to the challenges of rural poverty in China.

He identified the first of these as the income gap between the urban and rural residents. Per capita income of Chinese rural residents has increased reasonably rapidly, (about 5.5 percent per year since 1989), and the percentage of rural residents with income below the poverty line has declined rapidly. However, the *relative*

³⁵ CPS, p. 2.

³⁶ Embassy of the People's Republic of China in Australia; A Rising China and the Flourishing China-Australia Relations, 11 July 2005; Submission to the Senate Foreign Affairs, Defence and Trade References Committee

³⁷ Refer: Chow, G.C.; Rural Poverty in China: Problem and Policy; 8 September 2006

income of the rural residents has deteriorated significantly in spite of the increase in absolute income. (See Graph on following page).

The second contributing factor Chow lists as the unfavourable treatment by the central government for the rural residents - when compared with the urban residents. The central Chinese government has spent less on infrastructure investment in rural areas than in urban areas, and has invested only a limited amount to improve agricultural productivity. Furthermore, it has provided less welfare benefits including health care and education subsidies to rural residents.

Discussions with MOFCOM officials reinforce the existing inequities. AusAID's PRC counterpart agency estimates that that 30 million people from Central and Western China are still living under poverty line and emphasise that poverty alleviation is still a top priority strategy for all levels of Chinese government.

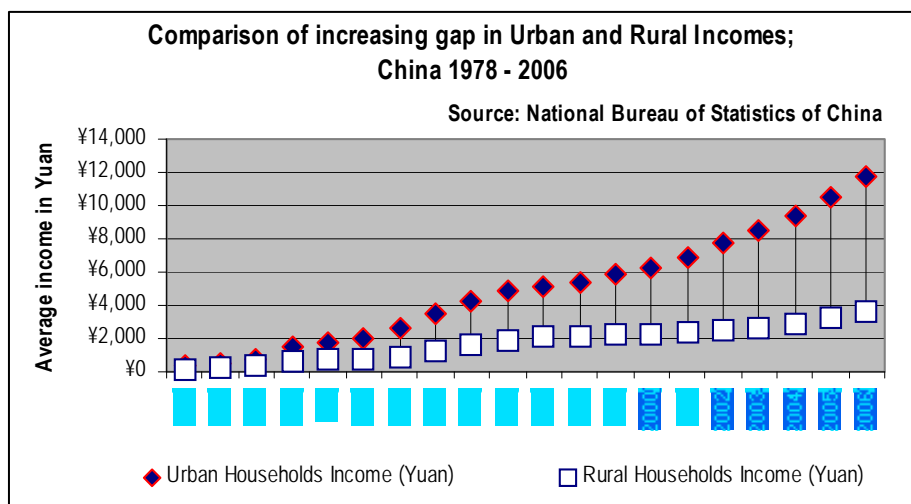
Australia's support for Chinese citizens through both the ADS and SAS programs attempts to address the rural-urban financial and opportunity gaps. Both programs are well-managed within China and, although it is not possible to confirm that they are completely corruption free, AusAID's monitoring of both ADS and SAS significant reduces the potential for corrupt practices which are argued to be widespread in other Chinese Government or donor programs.

Australia's development support for China also needs to be considered within the context of international trade relations. China is now Australia's third largest trading partner and second largest export market. Australia is China's ninth largest trading partner. China leads every other country in terms of providing foreign students to the International Export Education trade sector. Mainland Chinese student enrolments in Australia in 2004 totalled around 50,000; four years later in 2006, numbers grown by almost 88 per cent to 90,000. ³⁸ Of the 800,000 Chinese students in international institutions, Australia's share (13 percent, compared with US (16 percent); UK (14 per cent)), contributes almost two billion dollars to Australia's national income annually. ³⁹

The OECD predicts a drop in continuing GDP growth, from a peak of nearly 12 per cent in 2007 to around eight per cent in 2009 ⁴⁰. World Bank estimates for 2009 indicate an estimated GDP growth of 7.5 per cent in 2009. ⁴¹ Export growth is weakening while domestic demand is also expected to ease in 2009, before recovering in 2010. Even given its size and seeming wealth, China is not immune to global economic fluidity, and the continuation of Australia's close economic relationship with China, built largely on recognition by the GoA in the 1970s, is a major factor that needs to be considered in any potential change to AusAID's support for the country.

DFAT believes ⁴² that the reform of the agricultural sector remains a key challenge, particularly in building a system of enforceable land rights, providing greater access to funds for farmers and allowing freer movement of workers from country to city regions, while underemployment continue to be a major challenge in the rural sector.

In December 2005, the UNDP Report ⁴³ (*China's Human Development Report*) illustrated the already widening wealth divide between urban and rural communities in China, which is among the highest in the world. The UNDP report indicated that, since 1980 China has succeeded in lifting 250 million people out of poverty, but in the



³⁸ AEI 2007 Market Snapshot - China

³⁹ Australian Bureau of Statistics

⁴⁰ Refer: <http://www.oecd.org/dataoecd/52/10/36761580.pdf> p.1

⁴¹ "Weekend Australian", 27-28 December 2008, p 24

⁴² Refer: http://www.dfat.gov.au/geo/china/cb_index.html , p. 2

⁴³ Report prepared with the support of the central government's Development Research Centre.

same period the urban-rural income divide doubled. (Data from China's own statistical agency suggests an even larger disparity – see diagram at right.)

“In 2002, the richest 10 per cent of the population enjoyed 41 per cent of China's wealth, making Chinese income inequality markedly higher than that of the avowedly capitalist US.”⁴⁴

Among other examples, the 2005 UNDP report identified the following disparities between urban and rural China:

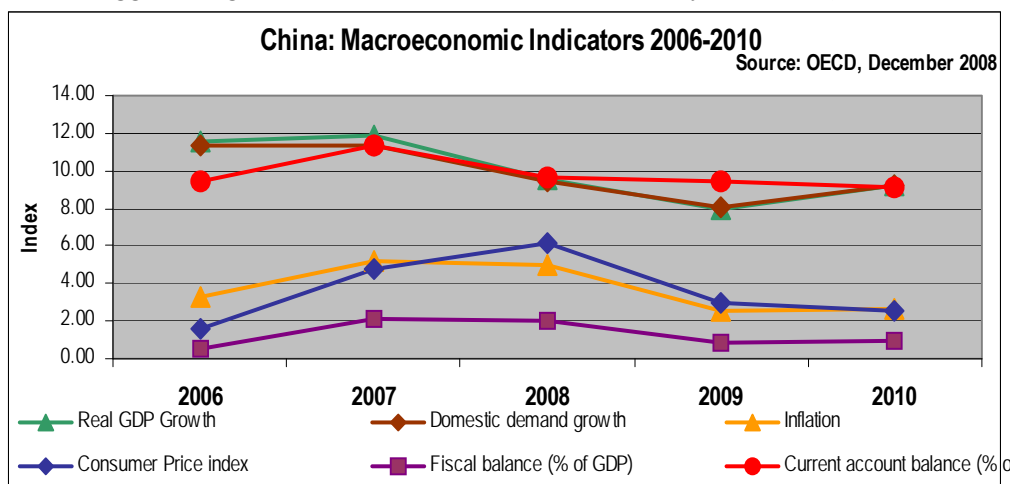
- A person living in a Chinese city earned on average US\$ 1,000 a year—compared to just over US\$300 in the countryside—and could expect to live over 5 years longer than a farmer.
- A farmer living in Guizhou or Yunnan can expect to live until the age of 65 while an individual in Hainan or Jiangsu can live to 74.
- Only 15 per cent of rural residents had medical insurance in 2004, while 50 per cent of the urban population benefited from full insurance.
- In Tibet only half of the population can read and write compared to 97 per cent in cities like Beijing, Shanghai and Tianjin.
- Less than 1.5 per cent of Tibetan children go to junior high whilst more than 60 per cent of children in big cities pursue their secondary education.
- The illiteracy rate for women is more than double that of men.

The 2007-08 UNDP report⁴⁵ indicates a similarly wide gap between rich and poor in China. It tracks the vast and increasing gaps between rural and urban areas and regions of China and warns that differences in income are matched by disparities in social welfare, education and elderly care.

“While Beijing and Shanghai have reached the development level of countries such as Cyprus and Portugal, provinces such as south-western Guizhou are comparable to Namibia....”

In summary, despite China's tremendous economic achievements, with a population of 1.3 billion, the GDP per capita⁴⁶ is still only one-twentieth of that of the United States and one-eighteenth that of Australia, and is currently ranked at higher than 100 globally (2008 data). The nation's economy only accounted for four percent of the world total.

The most recent (December 2008) data from OECD indicates that all Macroeconomic indicators relating to China suggest a significant reduction over then next two years. (See graph below). For these reasons, China



still believes strongly that it needs continuing donor support to redress the substantial imbalance in its national development. In many ways, development assistance to China has subtly changed its focus, from poverty alleviation – to one of improving the quality of life of its citizens

*equitably and irrespective of their location or ethnic diversity.*⁴⁷

⁴⁴ <http://www.asianews>; 19 December 2005 & *China's huge poverty gap slowing growth*, Guardian, 17 November 2008

⁴⁵ “Access for All”; *China Human Development Report 2007/2008*; UNDP China & China Institute for Reform and Development

⁴⁶ United Nations Statistics Division, National Accounts Section, available from the National Accounts Main Aggregates Database website (2006 comparisons)

⁴⁷ Note also that supporting data was also sourced from the document: *China Statistical Yearbook 2007*, an annual statistical publication of the Government of China, which reflects comprehensively the economic and social development of China.

ATTACHMENT 4: ADS DRAFT M&E MATRIX

system element		data		people		time
design logic	indicator, data or information needed	means of verification, method of collection	analysis to be undertaken	who will collect the information ?	who will use the data & analysis?	RECO MM. collecti on freque ncy
ADS Objective : Support the CPS Goal and Strategic Objectives through a program of In-Australia scholarships and short-term training that aims to:						
Sub-objective 1 Improve the effectiveness of organisations that are key to achievement of country program objectives	<ul style="list-style-type: none"> ▪ Number of valid, quality applications received from Key Agencies ▪ Extent to which graduates are applying technical and managerial knowledge and skills in designated priority sectors ▪ Extent to which target Ministries/ Departments are satisfied with organisational and systems improvements ▪ Extent to which scholarships and training activities align with key agency HRD plans ▪ Level of ADS student English language in relation to their study/research needs 	<ul style="list-style-type: none"> ▪ Cyclical scoping meetings ▪ Surveys ▪ Interviews ▪ MOFCOM / DOFCOM data ▪ Application data records – disaggregated ▪ Tracer studies 	<ul style="list-style-type: none"> ▪ Level of correlation between HRD plans and disciplines selected for study by applicants ▪ Disaggregation across all major ADS variables ▪ Results & subjects disaggregated by gender, (home) location, university and discipline ▪ Identifying contribution / causal link with ADS activity 	<ul style="list-style-type: none"> ▪ Managing Contractor ▪ Key Agencies 	<ul style="list-style-type: none"> ▪ AusAID ▪ MOFCOM ▪ Key GoC agencies GoA 	<ul style="list-style-type: none"> ▪ Annually ▪ TBA
Sub-objective 2 Increase the pool of Chinese able to provide good leadership and influence the country's development outcomes	<ul style="list-style-type: none"> ▪ Number of ADS scholars successfully completing in-Australia ▪ Number of ADS trainees successfully completing short-term training ▪ Level of graduate / trainee's professional role in host organisation, post-studies ▪ ADS graduates (scholars and trainees), through their professional career paths and networks contribute to the ongoing development of China 	<ul style="list-style-type: none"> ▪ Surveys ▪ Interviews ▪ Case studies ▪ Observation ▪ Tracer studies ▪ Alumni focus groups ▪ MOFCOM / DOFCOM data ▪ Key Agency data ▪ Post observations 	<ul style="list-style-type: none"> ▪ Disaggregation across all major ADS variables ▪ Results & subjects disaggregated by gender, (home) location, university and discipline ▪ Frequency of promotion within organisation ▪ Post-Award position in organisation ▪ Professional progress of IADS graduates within organisations 	<ul style="list-style-type: none"> ▪ Managing Contractor ▪ MOFCOM / DOFCOM ▪ Alumni organisations 	<ul style="list-style-type: none"> ▪ AusAID ▪ MOFCOM ▪ Key GoC agencies ▪ DFAT ▪ Alumni ▪ Australian private sector 	<ul style="list-style-type: none"> ▪ Annual ▪ TBA
Sub-objective 3 Develop sustainable individual and institutional	<ul style="list-style-type: none"> ▪ Extent of positive perceptions by returnees about the Australian experience ▪ Strength, durability and 	<ul style="list-style-type: none"> ▪ Surveys (Australia & China) ▪ Questionnaires ▪ Alumni focus groups 	<ul style="list-style-type: none"> ▪ Level of cultural understanding within ADS graduates, their Australian hosts, 	<ul style="list-style-type: none"> ▪ Managing Contractor ▪ Universities ▪ DEWR 	<ul style="list-style-type: none"> ▪ AusAID ▪ MOFCOM ▪ Key GoC agencies 	<ul style="list-style-type: none"> ▪ Annually ▪ TBA

system element		data		people		time
design logic	indicator, data or information needed	means of verification, method of collection	analysis to be undertaken	who will collect the information ?	who will use the data & analysis?	RECO MM. collecti on freque ncy
linkages between China and Australia.	<p>life of continuing friendships with Australian colleagues and community members, post-studies</p> <ul style="list-style-type: none"> ▪ Level of awareness by workplace colleagues of Australian tertiary and commercial opportunities ▪ Number, range and value of Government to Government co-operation activities ▪ Quality and nature of joint research arising from studies ▪ Extent of professional networks developed during time in Australia - and sustained post-studies 	<p>and events</p> <ul style="list-style-type: none"> ▪ Focus groups ▪ University student integration reports ▪ Case studies ▪ Tracer studies 	<p>friends, families, work colleagues</p> <ul style="list-style-type: none"> ▪ Determine "depth" and longevity of relationships created, ▪ Highlight trends in Govt to Govt co-operation and causal link with ADS activity ▪ Highlight trends in joint research and the causal link with ADS activity 	<ul style="list-style-type: none"> ▪ Alumni organisations 	<ul style="list-style-type: none"> ▪ DFAT ▪ Alumni ▪ Australian private sector ▪ Australian universities 	

ATTACHMENT 5: ANALYSIS OF ADS QUESTIONNAIRES AND FOCUS GROUP DISCUSSIONS

PART ONE – EXECUTIVE SUMMARY

As part of the Terms of Reference for the Review, the Team was tasked with analysing data from questionnaires sent by AusAID Beijing to former ADS scholars and ten sending Ministries / Departments. The purpose of the survey was to gain information and feedback on the extent to which the ADS scheme had contributed to individual and organisational capacity building, together with the identification of key issues and suggestions for improvement. The ADS scholar survey methodology comprised:

- A questionnaire sent to 100 former ADS scholars (2004 – 2008) - 30 % response rate
- A questionnaire sent to key ten (10) sending Ministries - 60 % response rate
- A questionnaire given to twenty six (26) 2009 scholars (23 ADS, 3 ALA) - 100 % response rate
- A Focus Group discussion with the twenty six (26) 2009 ADS / ALA scholars - 100% response rate

The key finding (and setting aside the issue of candidate selection) is that ADS is relevant to the needs of the sending Ministries. Individual and organisational capacity building objectives are reported as being met although without specific detail or targets. There is goodwill and appreciation from the Chinese side. Stronger links with Australian agencies are reported but without much specific detail. ADS appears to be seen by the scholars and Ministries as being primarily a developmental activity. The mutual benefit to both China and Australia is seen as an indirect outcome. Administration aspects are generally seen as being good although recommendations were made for better in-Australia support (initial stages) and the creation of an alumni association.

The main results from the questionnaire analysis are:

Relevance of ADS studies to work

Overall, ADS experience/studies are relevant to their professional work. Most scholars are using skills, and relationships with Australian agencies / counterparts are reported to have been strengthened. There is a differential between the experience of males and females, with males reporting higher levels of course / work alignment.

Impact on work

The impact ADS has made on the work of the individual is reported as being overall positive. Respondents highlighted contributions to policy making and operations, as well as changes in approach and management style.

Impact on career

The impact ADS has made on the career of the individual is reported as being overall positive. Respondents highlighted increased confidence and credibility. Between one quarter and one third have been promoted. Slightly more females than males have been promoted.

Impact on organisation - Ministries

Three (of 6) Ministries report having established more links with Australian agencies (not detailed).

Challenges within the organisation – returning scholars

For both males and females, most reported that the biggest challenge was expectations being too high about the amount of change possible. The second biggest challenge was the lack of infrastructure (ICT).

Challenges within the organisation - Ministries

Ministries considered that the three biggest challenges for returning scholars were lack of essential equipment, professional networks, and ICT. This was generally consistent with the perceptions of the scholars themselves.

Levels of support from colleagues

Overall positive but significant differences in levels of collegiate support between males and females reported. Males receive higher levels of support from colleagues.

2009 ADS / ALA scholars - reasons for course selection

The majority (80%) of scholars reported that they had negotiated their course of study with their work unit. There appears to be close alignment with their current and expected areas of work, and the courses are generally consistent with the AusAID China Program Strategy priority areas. The rationale / comments from most respondents are consistent with individual and organisational capacity building objectives. Benefits for Australia either do not appear, or are implicit.

Expectations of 2009 ADS / ALA scholars - collegiate support

The expectations of 2009 scholars' concerning the level of collegiate support upon return are not matched by the actual experience of former ADS scholars.

Expectations of 2009 ADS / ALA scholars – placement and promotion

Most scholars (male 53 %, females 60 %) females expected to be promoted either in their organisation (same part or different) immediately or in the short term. This compares with former ADS scholars who report actual promotion rates as 25 % for males and 30 % for females.

Expected benefit to the Ministry / work unit

All 2009 ADA/ALA respondents believed their new skills/knowledge/approach would be used to benefit their Ministry / work unit

Expected benefit to China

Although aspirational, the majority expressed strong feelings of China needing to engage in the outside world, and also the mutual benefit arising from friendship and understanding.

Expected benefit to Australia

Respondents comments were primary aspirational with the belief that the value is primarily in the mutual cultural understanding. No specific examples of clear benefit were given. Only one response focused on direct commercial benefits to Australia, the others were more implicit ie the economic and strategic advantages arising from ADS scholars returning to ultimate greater decision / policy making roles.

Suggested improvements to ADS

Ministries

Only two Ministries added suggestions for improvement. These were generally phrased for requests for further scholarships. However a specific suggestion was for the provision of English language training – reflecting a common concern / request expressed by all Ministries / Departments in discussions with the Team.

Returning scholars

Most returning scholars - many of whom expressed their appreciation for the Australian support - gave suggestions. Overall there were no major areas of concern. There is extremely strong demand for some sort of alumni or network to enable returning scholars to maintain professional and social contact. Nearly every respondent made this suggestion. There were also several requests/ remarks regarding in-Australia support, particularly in the first months suggesting that there may be a problem here. Suggestions on nomination / selection focused on expanding the pool of applicants beyond Government, and also to include West and poorer regions.

PART TWO – BACKGROUND

2.1 Purpose

As part of the Terms of Reference for the Review, the Team was tasked with analysing data from questionnaires sent by AusAID Beijing to former ADS scholars and ten sending Ministries / Departments.

The purpose of the survey was to gain information and feedback on the extent to which the ADS scheme had contributed to individual and organisational capacity building, together with the identification of key issues and suggestions for improvement. This information from the survey was to be an important supplement / cross-reference to the first-hand views and information gathered by the Team during the series of scheduled

discussions with AusAID, Ministries, provincial Departments and former scholars in Beijing, Guangxi and Shaanxi.

The Team's visit coincided with the Embassy's one-day pre-departure briefing for 2009 ADS/ALA scholars. This presented an opportunity for gathering additional baseline data with a focus on the motivation, expectations and concerns of the new scholars. Accordingly, an additional (amended) questionnaire was prepared and given to the 2009 scholars, supplemented by a Focus Group discussion.

2.2 Methodology

The ADS scholar survey methodology comprised:

- A questionnaire sent to 100 former ADS scholars (2004 – 2008) - See Annex A
- A questionnaire sent to key ten (10) sending Ministries - See Annex B
- A questionnaire given to twenty six (26) 2009 scholars (23 ADS, 3 ALA) – see Annex C
- A Focus Group discussion with the twenty six (26) 2009 scholars – see Annex D

Some triangulation of the survey results was undertaken during the Review Team's scheduled discussions with Ministerial and Departmental staff and former scholars in Beijing, Guangxi and Shaanxi (see separate Review Report).

2.3 Strengths and Limitations

Strengths:

- This was the first occasion that ADS scholars (returning and new) and sending Ministries had been surveyed. Having a well-designed questionnaire with efficient implementation enables access to a large and geographically target group. The mainly quantitative nature of the form facilitates quick processing and visual presentation of key results. Spaces for comments / examples and subsequent interviews and Focus Group provide the opportunity for some cross-referencing and qualitative input.
- ADS baseline data now exists and can be used for immediate planning, future comparisons (issues, trends) and ongoing discussions with partners and stakeholders. The questionnaire form can, and should, be adapted / improved as required and be incorporated into regular future monitoring and evaluation processes.

Limitations:

- ADS has been underway for 20 years but the sample set was 100 scholars from the last 4 years ie the views and experiences of hundreds of earlier scholars are not included (apart from a few who attended the Review Team's discussions with Ministries / Departments). The target sample set was 100 of which 30 (30%) responded. This is a reasonable response rate, recognising that forty percent is generally regarded as a good survey response rate. The reasons why the remaining 70% did not respond are unknown (did not receive? did not want to respond? were unable to respond? were no longer working in the Ministries etc?).
- The main questionnaire was an adaptation of the one used for the Mongolian ADS survey. As such it did not entirely align with the objectives of the current China ADS scheme (e.g. there were no specific questions on how scholars and Ministries saw mutual benefit).
- Time did not permit pre-survey testing of the questionnaire form. The questionnaire contained some repetition, and some of the instructions may have been seen as inconsistent or misunderstood (e.g. some asked for one response, some sought multiple responses, others for ranked order).
- The questionnaire was also in English and the wording was, in part, nuanced. Differing levels of English ability amongst respondents may have led to misinterpretation of some of the questions.
- Finally, it is assumed (but not confirmed) that the respondents were able to provide frank and confidential responses without having any filtering or guidance by superiors.

2.4 Respondent profile

Former ADS Scholars

Of the 30 (30%) who responded; 16 were males and 14 were females. All studied for a master's degree and were in Australia from one to two and a half years. Nearly two-thirds are currently in their 30s (66%) with

less than a quarter (23%) older than 40 years and the rest (10%) aged 26-30. One “outrider” included was a questionnaire from a Ministerial Deputy Director-General (age 51) who undertook his ADS award in 1994.

The Ministries

Six ministries out of ten responded to the survey: Ministry of Finance, Water Resources, Health, Agriculture, Environment Protection and the Shaanxi Provincial Department of Commerce. The Ministry of Health sent the largest number of students (6) since 2000 while the Shaanxi Department of Commerce sent the least (3).

Pre-departure scholars (23 ADS, 3 ALA)

Twenty-six would-be scholars who attended the pre-departure briefing at the Australian Embassy completed their questionnaire. Eleven were males and 15 were females. Almost half (48%) are in the age range 26-30. All will be studying for a masters’ degree except for one who will undertake a postgraduate diploma. Twenty per cent (20 %) (3 M, 2 F) stated they would bring their families. Fifty four per cent (54 %) said “no” (M 4, F 9), with 26% (M 2, F 5) said they were “not sure”.

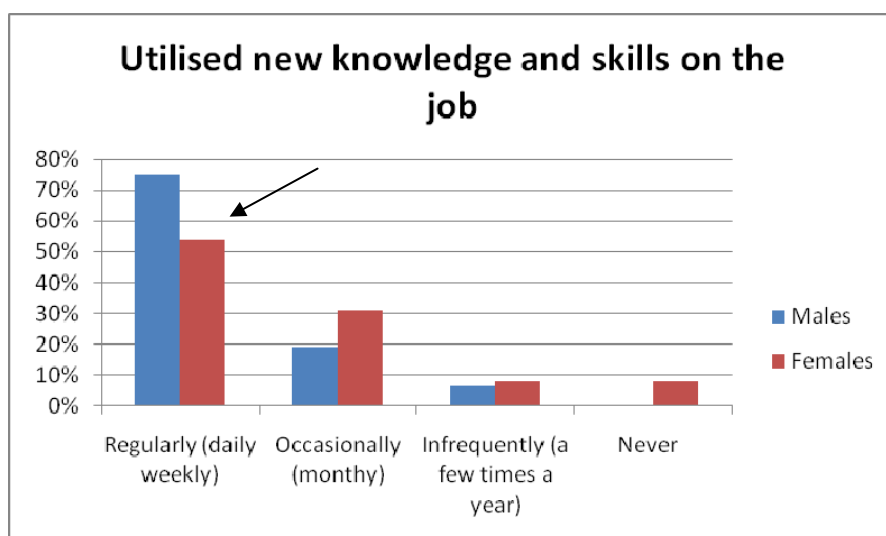
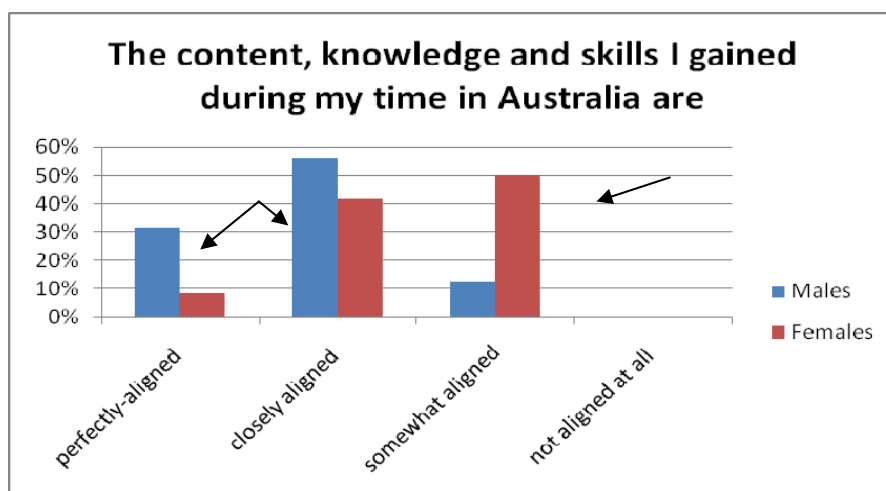
PART THREE – RESULTS AND MAIN FINDINGS

3.1 Relevance of ADS studies to work

Finding: Overall, ADS experience/studies are relevant to their professional work. Sixty six per cent (66%) of the ADS scholars gave the highest rating of 5 or 6 (scale of 1 to 6, with 1 being not relevant and 6 being extremely relevant); 100% of Ministries gave a rating of 5 or 6. Most scholars reported using new skills, and that relationships with Australian agencies / counterparts have been strengthened. There is a differential between the experience of males and females, with males reporting higher levels of course / work alignment.

Key points:

- Overall 71% said studies were either perfectly or closely aligned to job (M 87%, F 50 %).
- The fact that half (50%) of females consider that their new knowledge/skills are only somewhat aligned to their jobs may warrant further investigation
- Overall 66% regularly use their new knowledge and skills (M 75%, F 54%)



Comments from Ministries of the value to the organisation of the returning scholars included:

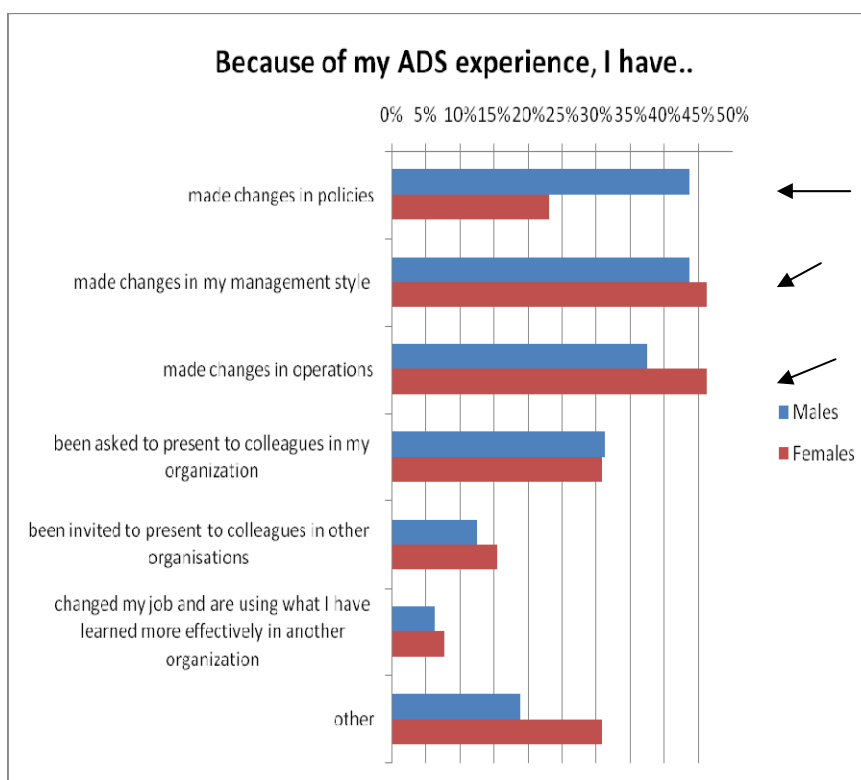
- “*Learned international best practices*” (Min of Finance)
- “*Better understanding of Australia*” (DofCOM, Shaanxi; Min Environmental Protection))
- “*Established more links with Australian counterpart agencies*” (Min Water Resources; Min of Health, Min of Agriculture)
- “*More frequent visits with Australian counterpart agencies*” (Min of Agriculture)

3.2 Impact on work

Finding: The impact ADS has made on the work of the individual is reported as being overall positive. Respondents highlighted changes in approach and contribution to policy making, operations and management style.

Key points:

- Overall positive impact, for both males and females - possibly indicative of promotion or access to decision-making levels
- Males (44 %) have made more changes in policies than females (23 %), while the reverse was true for changes in operations (M 38%, F 46%)
- 90% have changed their management style



Comments included:

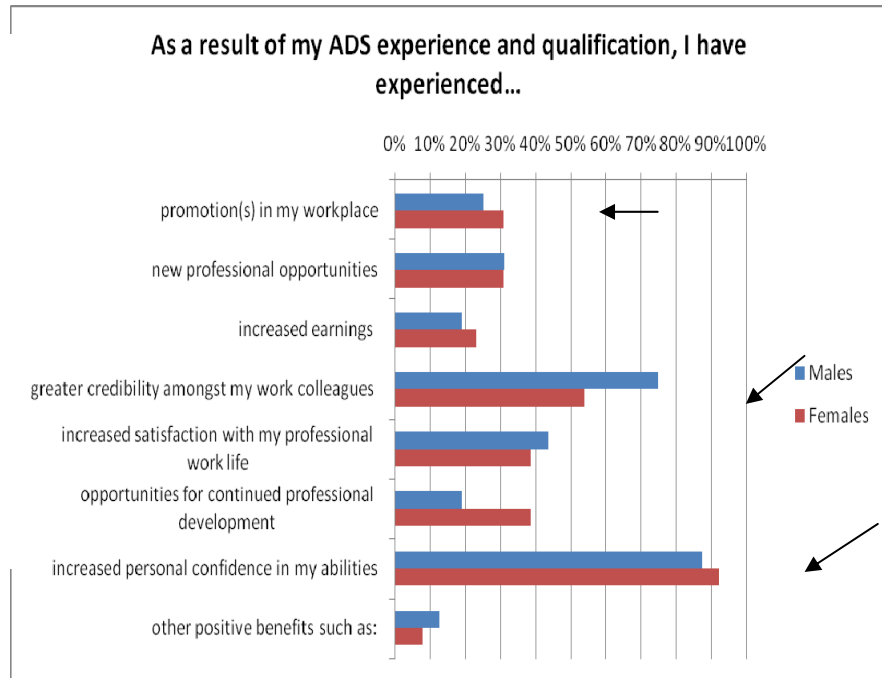
- “*I realise the impact of effective management ...I would like to introduce motivation strategy and communications skills*” (Female, Shaanxi Dept of Health)
- “*I give training to other organisations 2 or 3 times a year, 20 people per time*” (Male, China Assoc of Micro Finance)
- “*We’ve kicked off a new cooperation program with our counterparts in Australia*” (Male, China Peacekeeping Police Training Centre)
- “*I gave advice to China-EU biodiversity project in preparation of their action plan of Chongqing biodiversity*” (Male, Chongqing Environmental Protection Bureau)
- “*I highlight [to colleagues] conducting research before making policy process*” (Female, China customs)
- “*Health security for Beijing Olympic Games; policy on health emergency responses to earthquakes and natural disasters*” (Male, Min of Health)
- “*I have employed most of the teaching approaches I learnt in Australia---changed my students from passive, exam- orientated learners into active and practice-orientated learners*” (Female, Guangxi Vocational College)

3.3 Impact on career

Finding: The impact ADS has made on the career of the individual is reported as being overall positive. Respondents highlighted increased confidence and credibility. Between one quarter and one third have been promoted.

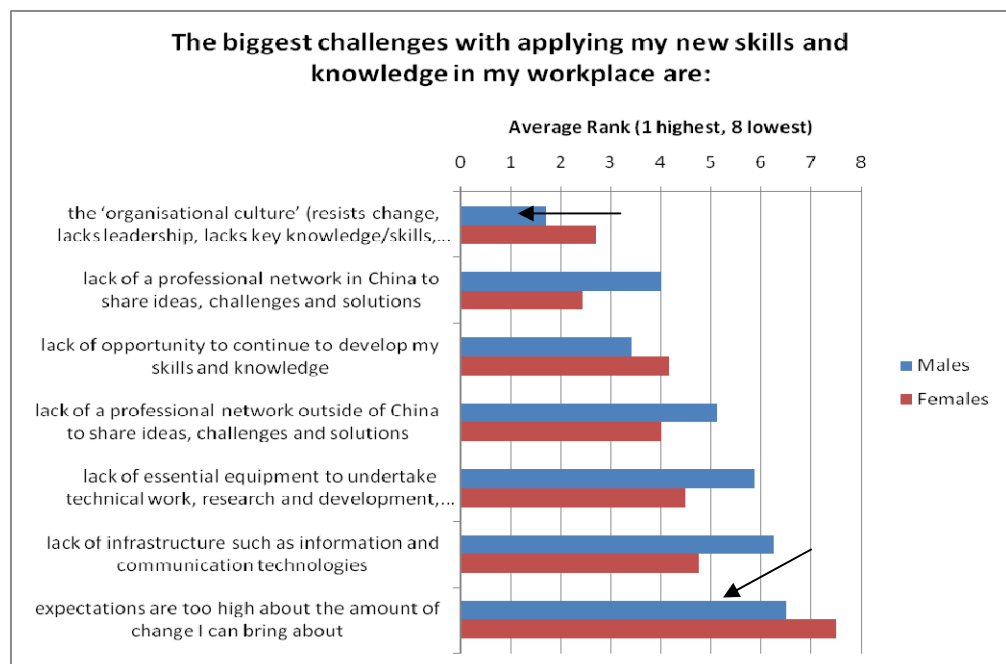
Key points:

- Greatest impact for both males and females is:
 - increased personal confidence in my abilities
 - greater credibility amongst my work colleagues
- 30 % females have reported promotions, 25 % of males
- (is this fast or slow? would they have received this anyway?)



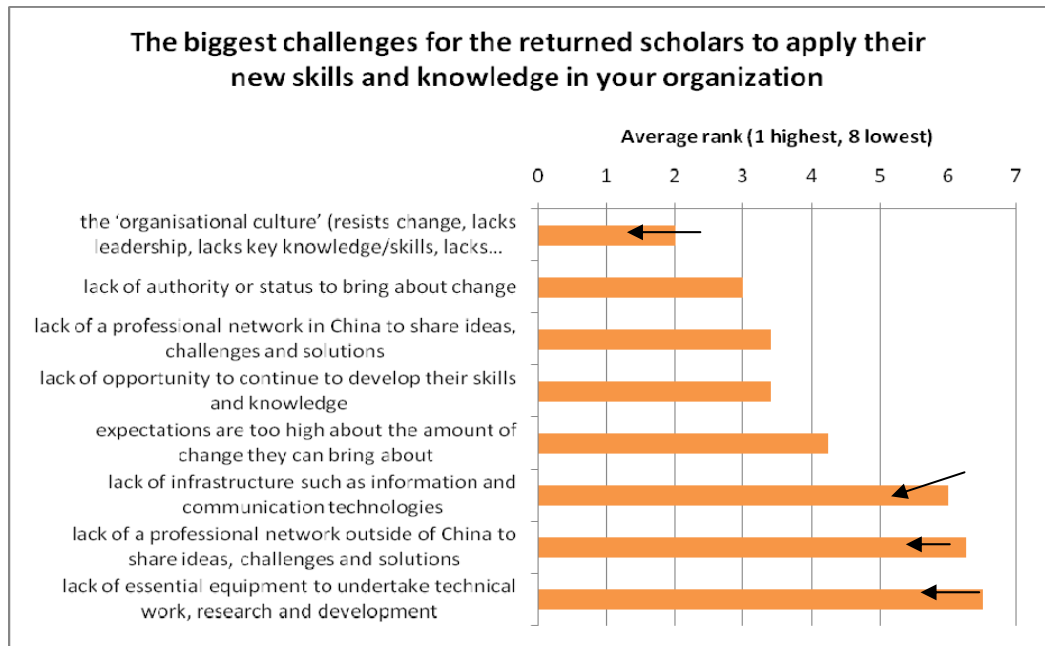
3.3 Challenges within the organisation – returning scholars

Finding: For both males and females, most reported that the biggest challenge was expectations being too high about the amount of change possible. The second biggest challenge for both male and female was the lack of infrastructure (ICT). Interestingly the lowest challenge for both male and female was a resistant organisational culture, suggesting a generally supportive / flexible working environment.



3.4 Challenges within the organisation - Ministries

Finding: Ministries considered that the three biggest challenges for returning scholars were lack of essential equipment, professional networks, and ICT. This was generally consistent with the perceptions of the scholars themselves. Similarly, as with the perceptions of returning scholars, the Ministries ranked a resistant, inflexible organisational culture as the lowest (ie a non) challenge.



3.5 Impact on organisation - Ministries

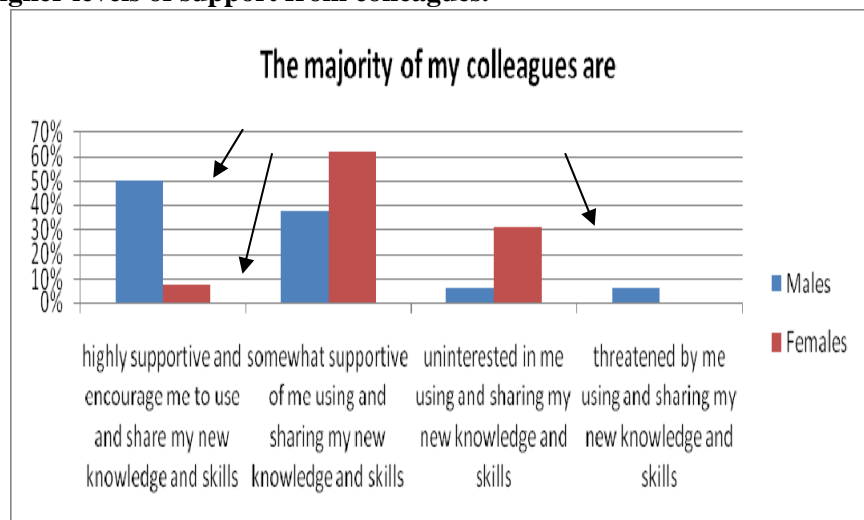
Finding: Three (of 6) Ministries report having established more links with Australian agencies (not detailed).



3.6 Levels of support from colleagues

Finding: Overall positive but significant differences in levels of collegiate support between males and give higher levels of support from colleagues.

- Half (50%) of males report high levels of support. Only 8 % of females report the same support and encouragement.
- Whereas 5% of males consider colleagues to be uninterested, compared with 30 % of females



PART FOUR – 2009 ADS / ALA SCHOLARS

4.1. 2009 ADS / ALA scholars - reasons for course selection

Finding: The majority (80%) of scholars reported that they had negotiated their course of study with their work unit. There appears to be close alignment with their current and expected areas of work, and the courses are generally consistent with the AusAID China Program Strategy priority areas. The rationale / comments from most respondents are consistent with individual and organisational capacity building objectives. Benefits for Australia either do not appear, or are implicit.

Consultation with work unit:

- Eighty per cent (80%) stated they had negotiated their course of study with their work unit.
- Sixty per cent (60 %) stated they sound send progress reports, 33% were not sure, 7 % said they would not.

Reasons given for course selection:

ADS Scholars

- Environmental Management - *My first major is forestry, the proposed major is related to it – more importantly the environment in China is polluted*
- Public Policy and Management – *As a public servant I'd like to take a systematic course in this area*
- Public Health – *To study the advanced experience of Australia and to work for our country's development in public health.*
- Economics – *I am working for economic management sector in China, and economics is useful for my job*
- Public Policy – *Quite relative [relevant?] to the function of my institution which is devoted to studies in international trade and FDI policy*
- Management (International Business) – *Because of the present job, and to bridge the international co-operation*
- Sustainable Development of Agriculture – *I want to learn more advanced knowledge and do better service for my local government*
- Public Health – *Strong relationship with my occupation; benefit to my Ministry; benefit to public health in China*
- Environmental Science – *associated with my current work field; environmental crisis*
- Public Policy – *to learn opportunities for continued professional development and devote more to people of China*
- Public Policy – *I'm interested in this area*
- Public Policy – *Intending to master research skills and methodology for solving social problems*
- Master of Public Administration – *to improve Government's ability to manage when facing challenges brought by globalisation*
- Commerce – *it's connected with the work I am doing, and I am longing to improve myself in that field*
- Human Resource Management and Industrial Relations – *to promote my work in the Ministry*
- Public Policy and Management – *highly relevant to my current position*
- Public Administration – *the course has close relationship with my current job*
- Public Administration – *will benefit my future post and career development*
- Commerce – *I think it will be a precious opportunity to further my knowledge and enrich my future work and life*

- International Economics and Finance – *to improve my ability at management of IFI (?) projects in China, and regional co-operation*
- Applied Finance – *I want to extend my knowledge in financial field*
- Environmental management – *As a public servant of forestry department, I want to improve my capacity*
- International Social Development – *Cause it's the subject I concerned about all the time in my current job*

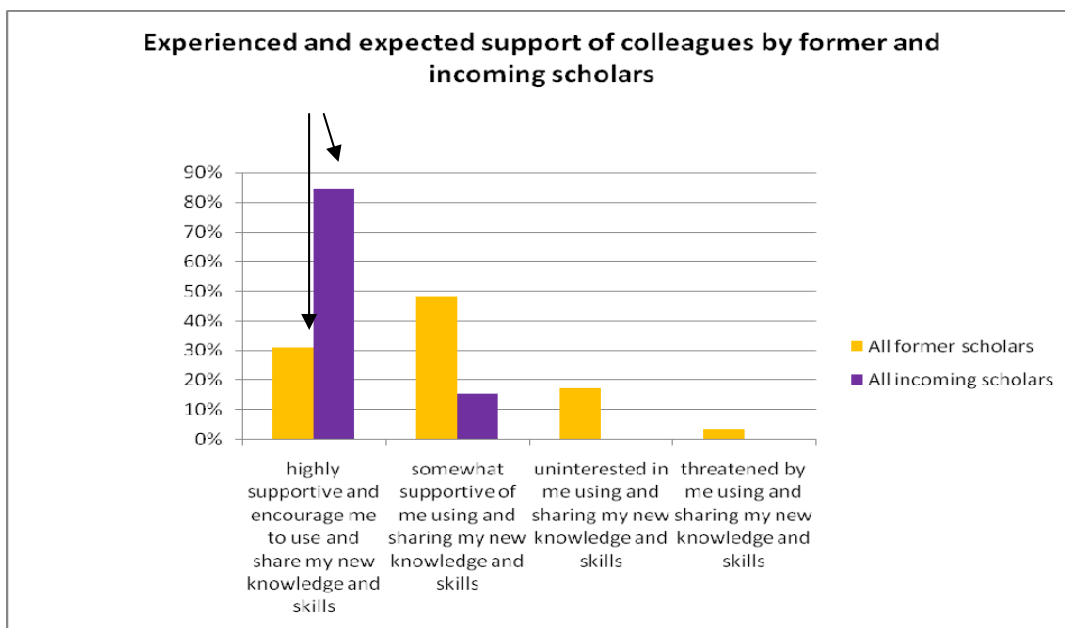
ALA Scholars

- Business - Philanthropy and Non-Profit Studies (ALA scholar) – *to be better equipped to work for non-profit organisations in China*
- Photovoltaic engineering (ALA scholar) - *further research of my Master's topic and also its now a new field in China*
- Media (ALA scholar) – *It's my current pursuit*

4.2 Expectations of 2009 ADS / ALA scholars - collegiate support (a comparison)

Finding: In terms of 2009 scholars' expectations of collegiate support upon return are not matched by the actual experience of former ADS scholars.

- Over 80 % of 2009 cohort expected high levels of support from colleagues. However overall only 30% (males 50 % and females 8 %) of returned scholars experienced this level of support.



4.3 Expectations of 2009 ADS / ALA scholars – placement and promotion

Finding: Forty five per cent (53 %) of males and 60 % of females expected to be promoted either in their organisation (same part or different) immediately or in the short term. This compares with former ADS scholars who report actual promotion rates as 25 % for males and 30 % for females.



4.4 2009 Scholars - Focus Group discussion

A thirty-minute focus Group discussion was held with the 2009 ADS/ALA cohort. Earlier in the day they had completed the questionnaire. The aim of the Focus Group was to solicit views on how they saw their scholarship benefiting their Ministry / work unit, China and Australia. The discussion was conducted in English and although there was active engagement from many participants, not all offered comment and this is assumed to be lack of confidence in using English in a formal public gathering. The full discussion report appears as Annex D.

Question 1 - Benefit to the Ministry / work unit

(In the questionnaire you mentioned what you hope to achieve individually as a result of the ADS award. I want to ask you about your Ministry / work unit. How will it benefit from your ADS scholarship?)

Finding: Most respondents believed their new skills/knowledge/approach would be used to benefit their Ministry / work unit

Comments included:

Better policy development	Better research writing skills and methods
Teaching styles – influence teaching methods	Global point of view - broader
FTA – will benefit negotiations	Forest group co-operation (env management)
Medical systems reforms	Better environmental mgt policies
Good pattern of mgt in Aust applied to social development	Introduce good patterns and approach of Australia to development

Question 2 – Benefit to China

(Ok, let's think a bit broader now. How will your scholarship benefit China?)

Finding: Although aspirational, majority expressed strong feelings of China needing to engage in the outside world, and also the mutual benefit arising from friendship and understanding.

Comments included:

Strengthen friendship between Aust and China	Improve internal (in China) understanding of Aust
Global integration – China more open, has to integrate	Better understanding between nations (people and government)
Promote harmony (Chairman Hu Jintao)	We can work in our own depts to make changes and this will spread
Act local, act global - small group impact	Multiplier effect – 24 people can influence 24 more
Learn about Australia	It will take time- 5 + years

Question 3 – Benefit to Australia

(Finally, how will your scholarship benefit the people of Australia?)

Finding: Again aspirational but with genuine views that the value is primarily in the mutual cultural understanding. No specific examples of clear benefit. Only one response focused on direct commercial

benefits to Australia, the others were more implicit ie the economic and strategic advantages arising from ADS scholars returning to ultimate greater decision / policy making roles.

China is a far-away country from Australia. We can build a bridge to help understanding of China, also to teach Australians about China	Opportunity for Aust businesses to earn more money because more Chinese students in Australia. Therefore govt gets more tax and can benefit Aust (infrastructure etc)
In the long run this co-operation will help increase Australia's influence in China. We works for senior Govt bodies to build relationships – the people-to-people ties	We are 24 seeds, we will grow up to be trees, with enduring links between Aust and China (Govt –to Gov links, and people to people links)
A chance for Aust to learn about China and its culture, history, Confucianism, promoting cultural exchange	When we come back we can know that Australians will understand (China) better
We can build relationships (be Ambassadors)	If China's capacity is strengthened, this will benefit Australians and the whole world
Most important is cultural understanding – people learn about Australia. Like my (8 year old) son who supports both countries when playing sport	The influence is little by little
We are all global citizens. Australian can feel thankful for the intangible benefits as well as the tangible ones	

PART FIVE – SUGGESTED IMPROVEMENTS TO ADS

The final question to returning scholars and Ministries sought suggestions for improving ADS. Comments that were received included:

Ministries

Finding: Only two Ministries added suggestions for improvement. These were generally phrased for requests for further scholarships. However a specific suggestion was for the provision of English language training – reflecting a common concern / request expressed by all Ministries / Departments in discussions with the Team.

- *“To increase the chances and opportunities for Western provinces, and to relax the IELTS requirement if possible. Furthermore, to provide short-term English training course for those candidates who have a better background but are constrained by English.” (Shaanxi DOFCOM)*
- *“MoA very much appreciates the opportunities that AusAID provides us every year. We can see the progress [returning scholars] have made in their working ability and the management theories....in their work. We hope more opportunities to study in Australia in public administration, agricultural policies, and economics. Contributions will be then made to the cooperation in the field of agriculture between China and Australia.”(Ministry of Agriculture)*

Returning scholars

Finding: Most returning scholars - many of whom expressed their appreciation for the Australian support - gave suggestions. Overall there were no major areas of concern. There is extremely strong demand for some sort of alumni or network to enable returning scholars to maintain professional and social contact. Nearly every respondent made this suggestion. There were also several requests/remarks regarding in-Australia support, particularly in the first months suggesting that there may be a problem here. Suggestions were offered on nomination / selection focusing on expanding the pool of applicants beyond Government, and also including West and poorer regions.

Nomination Process

- *Nominations should not only be chosen from among public servants but teachers as well because teachers badly need to improve their teaching skills.*
- *Field of study should not be restricted for local officials*

- *More quota should be assigned to local candidates*
- *A more open process which may make us understand where the weak point is*
- *Nominations should include government support agencies, like institutions, centres under the administration departments*

IELTS Booking and Taking process

- *No need to book and arrange the test for nominees. Nominees are to arrange and take the test in the local test centres and submit their test scores within a period of time*
- *Probably we should encourage the potential candidates to the test before being selected rather than taking the test together*

Selection process

- *We need more opportunities for the staff from poor and remote areas*
- *Give more chance to those in West China and underdeveloped areas*
- *Takes too much time – it could be shortened*
- *A more open process which may make us understand where the weak point is*

Pre-departure briefing

- *The pre-departure briefing is helpful but emphasising too much about precaution against crimes may make the students have a feeling of insecurity. Based on my experience in Australia, I think it is a safe place and the people are very friendly*
- *More electronic or written information should be provided*
- *Invite more alumni to present their experiences*

In-Australia

- *More chances for AusAID students to get together may be helpful for their study and life, especially in the first three months*
- *To organise meetings or visits to local organisations, companies, and institutes. To hold closing ceremony for those who have finished their studies*
- *Be more supportive, particularly at the beginning*
- *More respect and concern*
- *Help organise ADS scholars get some part-time job opportunities relevant to their chosen study field and future profession*
- *[Provide] mentor in each university*
- *You and your staff could help us to build up the connection with our counterparts there*
- *The AusAID local focal points are expected to play a more pro-active role and provide better facilitation to the students. More social life activities can be organised and more team building exercises*
- *More contacts from the Chinese embassy or Consulate to the ADS scholars*

- *At beginning, it is a little bit uncomfortable. But now, I am totally adapted myself with the life of the Australian people*

On return to China

- *Hope AusAID can provide more chances for ADS scholars to communicate with each other and with their mother institutions in order to contribute to China-Australia friendship*
- *To continue updating ADS information to returned ADS scholars, especially some further study information please*
- *Lack of further contacts with students*
- *More activities for returned scholars*
- *Hope the returned students could have some opportunities to meet together, possibly through the organisation of the AusAID office*
- *Establish a network of scholars to share ideas, make exchanges, promote cooperation*
- *Make a network of all these students and take some activities*
- *Since most students are from government departments, is it possible to establish certain way of maintaining contact to improve mutual relationship including trade, investment and other economic cooperation*
- *More organised gatherings of returned ADS scholars*
- *ADS recipients network should be set up and communication should be enhanced*
- *We may have a regular gathering of classmates each year after returning to China*
- *Organise a national web of ADS scholars to facilitate communication, care about and help each other*
- *More contacts and activities among alumni*
- *Arrange some “party” to consolidate friendship among coming-back-students and your excellent staff. We could pay for our shots [drinks]*
- *Set up some platform for alumni who work in similar field to share information*
- *Bi-annual getting together, make a network*

Any other suggestions?

- *AusAID program should be continuing in China. It is a benefit to the capacity building and long term friendship between Australia and China. It has the unimaginable potential influence for the people, for the organisation and even bilateral relationship*
- *The option way of AusAID program may combine the degree study and short-term training together, which can cover more people. For the degrees study, a short-term internship in relevant organisation may help scholars realise the real world and use theory in practice.*

ADS SCHOLAR QUESTIONNAIRE

PART 1

Biographical Information

1. Your name: _____

2. Your Organisation: _____

3. Your sex: Male Female

4. Your age: 20-25 26-30 31-35 36-40 41-45 46-50 51+

PART 2

Your Australian Development Scholarship (ADS) Details

5. Your qualification:

Post-Graduate Diploma

Master's Degree

Other (please name) _____

6. Your field of study: _____

7. Month/Year when you began your ADS studies: |

8. Month/Year you completed your ADS studies: |

PART 3

ADS and Your Workplace

9. I have utilised my new knowledge and skills on the job:

- regularly (daily weekly)
- occasionally (monthly)
- infrequently (a few times a year)
- never

10. Because of my ADS experience...

- I have made changes in policies (please give examples of policy changes to which you have contributed)

-
- I have made changes in my management style (...examples of ways in which you have changed)

-
- I have made changes in operations (...examples of operational changes to which you have contributed)

I have been asked to present to colleagues in *my* organization (How often? To how many people?)

I have been invited to present to colleagues in *other* organisations (How often? To how many people?)

I have changed my job and are using what I have learned more effectively in another organization (where and who are you working for now?)

I have...._____

11. The content, knowledge and skills I gained during my time in Australia are...(choose one)

- perfectly-aligned with the content, knowledge and skills I need to perform my job
- closely aligned with the content, knowledge and skills I need to perform my job
- somewhat aligned with the content, knowledge and skills I need to perform my job
- not aligned at all with the content, knowledge and skills I need to perform my job

BEFORE responding to this question, please read the choices carefully.

12. Since returning from my studies, I have...(tick ANY that apply)

- remained in same job position in the same part of my organisation
- been promoted to a new position in the same part of my organisation
- been demoted in the same part of my organisation
- been demoted and I have moved to a different part of my organisation
- been promoted and I have moved to a different area of my organisation
- left my organisation and I have moved to a different organisation
 - public sector
 - private sector
 - not for profit organisation
- left my organisation and started my own business
- undertaken further study at _____
- left my organisation and am currently unemployed.

13. As a result of my ADS experience and qualification, I have experienced...(tick ANY that apply)

- promotion(s) in my workplace
- new professional opportunities
- increased earnings

- greater credibility amongst my work colleagues
- increased satisfaction with my professional work life
- opportunities for continued professional development
- increased personal confidence in my abilities
- other positive benefits such as: _____

14. On a scale of 1 to 6, with 1 being NOT RELEVANT and 6 being EXTREMELY RELEVANT, how relevant overall has your ADS experience and qualifications been to your professional work life? (Please circle only ONE number that best describes the level of relevance.)

1	2	3	4	5	6	
Not Relevant		←————→				Very Relevant

15. If you have had a change in your work position, do you believe the change(s) in your position is(are) a direct result of your ADS experience and qualification?

- Yes
 No

16. The majority of my colleagues are:

- highly supportive and encourage me to use and share my new knowledge and skills
- somewhat supportive of me using and sharing my new knowledge and skills
- uninterested in me using and sharing my new knowledge and skills
- threatened by me using and sharing my new knowledge and skills

17. The biggest challenges with applying my new skills and knowledge in my workplace are:
(Rank the following 8 answers from 1 to 8 with 1 being the biggest challenge)

- the ‘organisational culture’ (resists change, lacks leadership, lacks key knowledge/skills, lacks likeminded people..)
- lack of infrastructure such as information and communication technologies
- lack of essential equipment to undertake technical work, research and development, etc.
- lack of a professional network in China to share ideas, challenges and solutions
- lack of a professional network outside of China to share ideas, challenges and solutions
- lack of opportunity to continue to develop my skills and knowledge
- expectations are too high about the amount of change I can bring about
- lack of authority or status to bring about change
- other: _____

PART 4
ADS and Your Future

18. As a result of my ADS experience and qualification, I believe I will have... (tick ANY that apply)

- promotions

- new professional opportunities
- increased earnings
- greater credibility
- greater satisfaction with my professional work life
- opportunities for continued professional development
- opportunities for further study overseas
- increased personal satisfaction
- other positive benefits such as: _____

PART 5

Your Suggestions

19. How could the following ADS program processes be improved?

Nomination Process	
IELTS Booking and Taking Process	
Selection Process	
Pre-Departure Briefing	
In-Australia	
On Return to China	

20. Any other suggestions and comments:

Questionnaire Survey for Central Chinese Ministries Who Nominated ADS Candidates

General Information

1. Name of your organisation: _____

2. Number of staff members in your ministry who have been awarded ADS scholarship since 2000:

Nomination

3. Which is the most important factor you consider when you nominate ADS candidates from your organization? (tick one only)

- English language skills
- Work experience
- Senior Position
- HRD needs of your organization
- Equal opportunities among staff members for further study overseas
- An award to those performing well
- Availability/willingness to go overseas for further study
- Family considerations
- Other factors such as: _____

4. Who have been consulted in your organization when you nominate the ADS candidates (Can tick more than one)

- Vice ministers and above in your organisation
- Human Resources Department of your organisation
- Director-Generals/Deputy Director-Generals of the candidates
- Division Directors of the candidates
- Peers of the candidates
- Others such as: _____

5. On a scale of 1 to 6, with 1 being NOT RELEVANT and 6 being EXTREMELY RELEVANT, how relevant overall has your internal selection of ADS candidates been to your institution's HRD plan?

(Please circle only ONE number that best describes the level of relevance.)

1	2	3	4	5	6
Not Relevant ←————→ Very Relevant					

Reintegration

6. Does your organisation have a Reintegration Plan for ADS returned students to go back to their work more easily?

Yes No

If Yes, please describe it briefly: _____

ADS Experience and Outcomes

7. When your staff members return from their ADS study, the majority of your colleagues are:

- highly supportive and encourage them to use and share their new knowledge and skills
- somewhat supportive of them using and sharing their new knowledge and skills
- uninterested in them using and sharing their new knowledge and skills
- threatened by them using and sharing their new knowledge and skills

8. Because of the ADS experience of your staff members,

- some changes have been made in policies in your organisation (please give examples of policy changes they have contributed to)

- some changes have been made in management style in your organisation (...examples of changes in management style they have contributed to)

- some changes have been made in operations in your organisation (...examples of operational changes they have contributed to)

- they have been asked to present to colleagues in your organization (How often? To how many people?)

- They have been invited to present to colleagues in *other* organisations (How often? To how many people?)

- They have changed their jobs and are using what they have learned more effectively in another organization (where and who are they working for now?)

- they have.... _____

- lack of a professional network in China to share ideas, challenges and solutions
- lack of a professional network outside of China to share ideas, challenges and solutions
- lack of opportunity to continue to develop their skills and knowledge
- expectations are too high about the amount of change they can bring about
- lack of authority or status to bring about change

- other: _____

Additional Comments

14. How do you think we can improve the scholarship process?

ADS SCHOLAR PRE- DEPARTURE QUESTIONNAIRE

Congratulations on receiving an ADS Award! We would really appreciate if you could spare a few moments to complete this questionnaire. Your responses and views will help to improve the ADS program. All the information you provide is CONFIDENTIAL.

PART 1

Biographical Information

1. Your Organisation:

2. Your sex: Male | Female

3. Your age: 20-25 | 26-30 | 31-35 | 36-40 | 41-45 | 46-50 | 51+

PART 2

Your Australian Development Scholarship (ADS) Details

4. Your qualification:

| Post-Graduate Diploma

| Master's Degree

| Other (please name) _____

5. Your field of study: _____

6. Why did you choose this course? _____

7. My main motivation in applying for an ADS award was...(tick ANY that apply)

- promotion
- new professional opportunities
- opportunity to live in a new country
- learn about Australia and its culture
- improve my English language ability
- new professional opportunities
- increased earnings
- greater credibility amongst my work colleagues
- increased satisfaction with my professional work life
- opportunities for continued professional development
- increased personal confidence in my abilities
- other positive benefits such as: _____

8. Did you negotiate your choice of course with your work place? Yes | No |

PART 3

Living and studying in Australia

9. Have you spoken to former ADS scholars holders about life and study in Australia?

Yes | No

10. If yes to (8) above, was their experience mainly:

Positive | Negative | Neutral

11. Will you bring your family member(s) to Australia?

Yes | No | Not sure

12. Will you send progress reports to your work unit?

Yes | No | Not sure

PART 4

Coming home to China

13. When I return to China, I expect to:...(tick ANY that apply)

- remain in the same job position in the same part of my organisation
- be promoted to a new position in the same part of my organisation
- be promoted and move to a different area of my organisation
- leave my organisation and move to a different organisation
 - public sector
 - private sector
 - not for profit organization

undertake further study at _____

14. Maintain a professional (work-related) association with Australia Yes No Not sure

15. Maintain a personal association and interest in Australia Yes No Not sure

16. On my return to China, I believe the majority of my colleagues will be:

- highly supportive and encourage me to use and share my new knowledge and skills
- somewhat supportive of me using and sharing my new knowledge and skills
- uninterested in me using and sharing my new knowledge and skills
- threatened by me using and sharing my new knowledge and skills

PART 5
Your Suggestions

17. How could the following ADS program processes be improved?

Nomination Process	
IELTS Booking and Taking Process	
Selection Process	
Pre-Departure Briefing	

18. Any other suggestions and comments:

THANK YOU!

AusAID
ADS Program Review Team
Beijing, 21 November 2008

FOCUS GROUP QUESTIONS – 21 Nov 2008 (21 ADS, 3 ALA participants)

Ice Breakers

1. When I say the word Australia, what is the first word that comes into your mind?

Kangaroo, emu, beach, Opera House, Sydney, sunshine, XXXX beer, acacias, flag, ADS koala, wool, flies minerals, sea, aborigines

Comment – tourist images – all positive (no negatives)

2. OK, you are about to get on a plane soon to live and study in Australia for around 12 months. If I asked how you feel now, what one word would best describe your feelings?

Expectations, diversity, worry, nervous, exciting, waiting, worried, anxious, intensive work, freedom, colourful life, thankful

Comment – mixture but several mentioning anxiety levels, including safety

Substantive

3. I heard the word “scared”. Let’s talk about this one. What is your biggest fear / concern you have about living and studying in Australia?

New life, new environment (50 % never left China) Homesick language
Loneliness study hard work study concerns different teaching styles
Accommodation how to write essays language barrier buying food
Understanding signs and labels safety world economic crisis – will it affect safety?

Comment – again several people mentioned safety, with reference to the recent Sydney incidents; accommodation was a shared concern, study methods/styles also – usual student issues

4. In the questionnaire you mentioned what you hope to achieve individually as a result of the ADS award. I want to ask you about your Ministry / work unit. How will it benefit from your ADS scholarship?

Better policy development	Better research writing skills and methods
Teaching styles – influence teaching methods	Global point of view - broader
FTA – will benefit negotiations	Forest group co-operation (env management)
Medical systems reforms	Better environmental mgt policies
Good pattern of mgt in Aust applied to social development	Introduce good patterns and approach of Australia to development

Comment – most respondents believe new skills/knowledge/approach can be used

5. OK, let’s think a bit broader now. How will your scholarship benefit China?

Strengthen friendship between Aust and China	Improve internal (in China) understanding of Aust
Global integration – china more open, has to integrate	Better understanding between nations (people and government)
Promote harmony (Chairman Hu Jintao)	We can work in our own depts to make changes and this will spread
Act local, act global - small group impact	Multiplier effect – 24 people can influence 24 more
Learn about Australia	It will take time- 5 + years

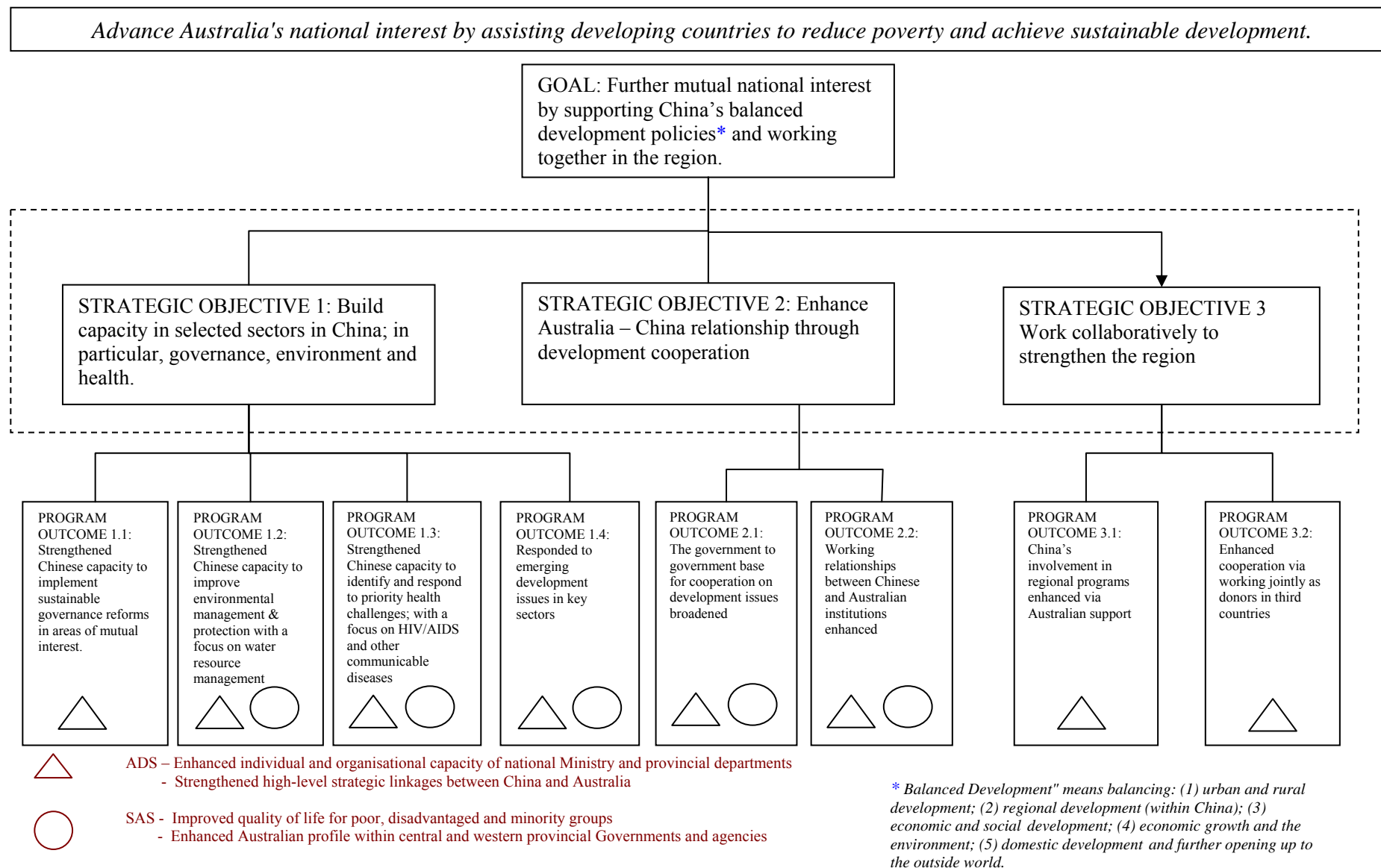
Comment – aspirational - not reflecting deep thinking, but strong feelings expressed of China needing to engage in the outside world, and also the mutual benefit to others

6. Finally, how will your scholarship benefit the people of Australia?

China is a far-away country from Australia. We can build a bridge to help understanding of China, also to teach Australians about China	Opportunity for Aust businesses to earn more money because more Chinese students in Australia. Therefore govt gets more tax and can benefit Aust (infrastructure etc)
In the long run this co-operation will help increase Australia’s influence in China. We works for senior Govt bodies to build relationships – the people-to-people ties	We are 24 seeds, we will grow up to be trees, with enduring links between Aust and China (Govt –to Gov links, and people to people links)
A chance for Aust to learn about China and its culture, history, Confucianism, promoting cultural exchange	When we come back we can know that Australians will understand (China) better
We can build relationships (be Ambassadors)	If China’s capacity is strengthened, this will benefit Australians and the whole world
Most important is cultural understanding – people learn about Australia. Like my (8 year old) son who supports both countries when playing sport	The influence is little by little
We are all global citizens. Australian can feel thankful for the intangible benefits as well as the tangible ones	

Comment – again aspirational but with genuine views that the value is primarily in the mutual cultural understanding. No specific examples of clear benefit. Only one response focused on direct commercial benefits to Australia, the others were more implicit ie the economic and strategic advantages arising from ADS scholars returning to ultimate greater decision / policy making roles.

ATTACHMENT 6: CHINA-AUSTRALIA COUNTRY PROGRAM STRATEGY OBJECTIVE TREE (INCORPORATING ADS AND SAS)



ATTACHMENT 7: COMPARISONS WITH OTHER CURRENT ADS PROGRAMS

Recent reviews of Australian scholarship programs covering most of the major country recipients of Australian scholarships have identified lessons that have bearing on future scholarship program designs. Key lessons most directly relevant to the China environment, that have influenced present ADS redesigns include:

- An in-country pre-departure training program combining ELT with some academic preparation is a significant ADS outcomes success factor where scholars have not previously been exposed to an English language, Western academic study environment.
- Student selection that combines EL testing with a rigorous assessment process and strong employing agency ownership that empowers Key Agencies to identify their HRD priorities and gives them specific roles in identifying scholars and courses of study helps to achieve positive ADS outcomes.
- Where selection is based entirely on individual merit and where no consideration is given to preferred fields of study or the priority needs of employer agencies, any alignment between ADS and program objectives will only be coincidental rather than strategic.
- Institutional targeting approaches have the potential to address the specific knowledge and skills' gaps of an agency and eventually develop a discrete and small critical mass of expertise but require, at minimum, a basic training needs analysis, while the agency must have a human resource development and management plan in accordance with its overall goals and strategic directions.
- Targeted activities that integrate scholarship training interventions with the HRD plans of organisations to increase the potential for capacity building will be most effective; conversely activities that are one-off and conceived outside of organisational plans will result in little institutional impact.
- Action and Re-entry Plans that cover the reintegration of graduates into targeted agencies will help to ensure that they can apply their new knowledge effectively and further improve scholarship outcomes.
- Effective Alumni and other post-Award strategies have the potential to contribute to successful Scholarships outcomes by supporting the enhancement of mutual understanding and contributing to linkages between individuals and institutions in Australia and Indonesia, while contributing to program promotion and sustainability.
- If scholars are chosen well, positive employment and promotion outcomes on their return can be achieved through the process of learning overseas; the acquisition of strategic and conceptual thinking and problem-solving skills; increased confidence; and a different attitude to work. These positive outcomes are likely to be greater by targeting particular levels and fields of study.
- Quality in aid delivery and outcomes cannot be assured without post-Award monitoring. Knowledge gained from post-Award monitoring should serve to influence the types of skilling/ training to be provided and optimise the benefits that graduates and their employers derive from the training received.

ATTACHMENT 8: COMPARISONS WITH OTHER SAS PROGRAMS

AusAID operates SAS programs in a number of countries, with each program offering differing funding levels; stating explicit application and selection criteria; and identifying specific sector foci. Other successful SAS models can provide aspects for consideration in assessing the effectiveness of the China SAS program. For example:

The *Africa Regional Small Activities Scheme (ARSAS)* is a flexible grants program administered directly by the AusAID office in Pretoria. Funding is available for selected activities in Kenya, Lesotho, Malawi, Mozambique, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe, to support community-based activities being implemented by non-government organisations that promote sustainable economic and social development. The Africa Program currently supports (with funding between \$8000 and \$60,000) projects focused on:

- Community health initiatives, including HIV/AIDS, water and sanitation; *
- Education and training;
- Economic and social initiatives;
- Environmental awareness and natural resource conservation; *
- Agriculture and food security;
- Promotion of women's activities; and
- Promotion of skills development and employment for youth.

In *Indonesia, ACCESS* was a continuation of the Indonesia Australia Small Activities Scheme, (SAS) which was an integral part of Australia's official bilateral assistance to Indonesia, and provided funds of up to \$100,000 for small scale activities. ACCESS, which began in 2002 and was completed in 2007, supported NGOs and CSOs, and focused on four target geographic areas, namely NTT, NTB, South Sulawesi and South East Sulawesi with 75% of funds being allocated to these areas. The remaining 25% of funds was allocated to other parts of Indonesia. During its five-year span, 180 grants were allocated to non-government organisations to support community based development activities, with a total of around 60,000 direct beneficiaries. ACCESS's overall aim was to contribute to the alleviation of poverty and the strengthened civil society (within the sectoral and geographic focus of AusAID in Indonesia) by providing grants and capacity building for NGOs and community groups.⁴⁸

The *Mongolian SAS (discontinued in 2007)* program provided assistance to NGOs to support small, development projects. Its objective was to "contribute to the reduction of poverty in Mongolia by providing funding for small projects in the areas of community development, income generation, life skills training, education, health and good governance". As part of Australia's official bilateral aid program to Mongolia the SAS program was managed by CaBSAF (Coffey). In determining the eligibility of applications from NGOs for SAS funding (of up to approx \$15,000 for each activity), AusAID Mongolia considered: (a) the extent to which the proposal is addressing the needs of the poor in Mongolian society; (b) governance implications and the way in which the proposed activity treated the organisational and management aspects of the proposal; (c) the geographic location providing a balance between urban and rural proposals; and (d) the potential for benefits through a practical and realistic project that could be easily implemented. As in PRC, Mongolia's SAS projects had to be discrete, one-off short-term (12-month) activities, while proposals that involved a significant counterpart contribution were preferred.

⁴⁸ Refer also extract from Australian Indonesia Partnership Country Strategy, 2008-2013, p. 5: "Indonesia's middle-income country status (per capita income of more than US\$910 per annum) means it can no longer access the most highly concessional lending windows of the multilateral development banks but has to borrow at higher rates. At the same time, smaller project loans are being increasingly replaced by larger sector program loans and budget support. This will potentially create a gap in the on-the-ground project level support often needed to implement larger program initiatives and ensure efficiency and effectiveness of aid activities. Indonesia is reluctant to borrow at the higher rate to fill the implementation gap preferring that project style activities be funded through grants. Providing on-the-ground help through grant funding is therefore a niche area for the AIP."

ATTACHMENT 9: SUSTAINABILITY AND CROSS-CUTTING ISSUES

NOTE: One of the significant issues raised in the ToRs was the question of whether ADS and SAS could be sustained, should they remain a “stand-alone activity”. As an outcome of the meetings, research and data analysis, it is acknowledged that embedding the ADS and SAS programs more closely within mainstream facilities activities will encourage and enhance sustainability. And although this Report clearly recommends promoting those linkages, the observations which follow do not assume an environment in which those better linkages will necessarily exist:

ADS Sustainability 49

The importance of sustainability of the ADS program reaches far beyond the role AusAID plays in identifying and supporting appropriate Chinese students in their studies in Australia. Scholarships have an impact across the complete Country Program Strategy and need to be seen as a cornerstone to achieving success in other initiatives which rely upon an informed group of people with a positive attitude towards collaborative development issues. It is for this reason that AusAID Post Program Managers and AusAID program/project Team/ Facility Leaders are important stakeholders in and contributors to, the ADS scoping, selection and reintegration processes.

The targeting of scholarships to key sectors and targeted agencies will promote sustainability by ensuring a better ‘fit’ with the comprehensive development agenda of the GoPRC. Sustainability will be addressed also through good practice, transparent selection approaches managed by AusAID and MOFCOM that foster a high level of GoPRC ownership. By not imposing external priorities – apart from the broad GoPRC and GoA foci - the sustainability of training interventions through scholarships will be enhanced.

Sustainability of ADS can be further reinforced by the maintenance of formal agreements with key PRC Agencies relating to the use of individual action plans and re-entry plans that will give graduates the opportunity and incentive to apply their knowledge and skills when they return to their employing agencies. During the cyclical scoping process, and subsequent negotiations to support agencies and organisations, formal expectations will be placed on them to effectively reintegrate ADS graduates in meaningful and appropriate positions. Further, the annual joint review process should ensure that current and emerging priorities as negotiated and identified during the process, continue to be reflected in the ADS program and in any changes to its focus.

SAS Sustainability

Promoting sustainability within the SAS program needs to be considered in terms of AusAID’s agreed approach to achieving practical activity outcomes. While it appears that the majority of China SAS programs to date have been based on solid sustainability principles and strategies, it must also be acknowledged that AusAID cannot indefinitely continue to fund small, discrete activities across China. Greater emphasis needs to be placed on disseminating the successful outcomes of SAS projects, thus encouraging other communities to implement their own social improvement activities, independently or with financial support from a range of other sources.

AusAID’s clarity in defining and clarifying expectations of sustainability carries through into describing which issues will affect how likely a project, program or reform is to be sustainable. The AusAID 2000 document *Promoting Sustainable Development* suggests that there are nine key factors which will affect whether or not an activity is likely to be sustainable. In relation to those nine key sustainable factors, it is worthwhile asking these questions of any planned China SAS activity or reform:

1. Is there a good fit between the **policies** of the partner (receiving) government and the donor organisation, in relation to the activity being supported?
2. Will the implementation and management team gain a real commitment from those being affected by ensuring their genuine **participation** in planning and in assessing outcomes?
3. How efficient are the **management systems** being put in place to administer the activity, and how flexible or responsive are they when change is needed?

⁴⁹ *Sustainability* is defined broadly in AusGUIDE (and in *Promoting Sustainable Devt*) as the continuation of benefits after major assistance from a donor has been completed where the focus is on the flow of benefits into the future rather than on sustainable programs and activities.

4. Is the activity based on a sound **financial** analysis – and will there be alternative, assured sources of resourcing once the donor support is complete (e.g. self-generated, private sector)?
5. Will the key people who will take over responsibility have the **skills** they need to succeed, or will they be **trained** - and have they been linked into a support network - local, national or international?
6. Is any **technology** appropriate to the skills of the people involved – both in terms of using it, and in maintaining it?
7. Does the design of the activity take into account the prevailing social, cultural and gender **perceptions or beliefs** operating within the area or environment being supported?
8. Has an **environmental impact** study (even a basic one) been undertaken as part of the project planning, and does such a study relate directly to reducing poverty levels?
9. What **external factors** might impact on the activity or intervention – and how would it respond to subsequent economic downturns, natural disasters or political interference?

If initial planning, project implementation, and continuing monitoring addresses not only these factors, but also promotes the application of coordinated linkages between the factors, the activity has a high potential for being sustainable.

Donor harmonisation and alignment

In line with the policy directions of the Paris Declaration, AusAID's Policy directions and the CPS, the ADS program should aim to increase the strategic positioning of scholarships in meeting the country's training needs by promoting donor harmonisation - when and where possible. The potential to create a "donor scholarships working group" in China for those countries still providing scholarships should be considered. In practice, however, donor harmonisation in the area of scholarships is especially difficult to achieve. There is often a significant degree of variation in objectives and approaches and inevitably a degree of competition between donors for the best candidates. Commercial imperatives are also involved as official (government) scholarship programs are often used as a tool to assist with individual countries' education export strategies.

Other existing scholarship programs operating in China for potential scholarship applicants are those of the Government of the Netherlands (HUFFIC/NESO), the UK Government (Chevening), the US (Fulbright and Humphrey), and the EU (*Erasmus Mundus* – (successor)), and those offered by the Japanese Government (JDS). All have offices in China and would offer appropriate starting points for discussion on scholarship cooperation. It should be noted also that Australian scholarships are not currently and/or necessarily seen as the most valuable, useful or prestigious; however, because of Australia's geographic proximity to China, there are financial, environmental, and communications advantages for Chinese applicants for ADS.

Similarly, SAS funding should ensure that any donor project overlap is intended and productive.

Social and cultural impact and gender implications

AusAID's policy documents identify a number of cross-cutting issues that need to be addressed as part of the implementation of all AusAID activities internationally, among them gender in development issues. As well as other objectives prioritised within the Governance components, the CPS commits Australia to *advocat(ing) and assist(ing) the promotion, protection and administration of human rights as well as social dialogue on gender equity in the development and implementation of laws and policies.*⁵⁰

Following the 4th World Conference on Women in 1995, the Chinese government signed the Beijing Declaration and endorsed the Platform for Action. Its commitment to gender equality is expressed in the government's "Program for the Development of Chinese Women" 1995-2000 and 2001-2010. The government created the National Working Committee on Women and Children (NWCWC) in 1992. The NWCWC has played an important role in protecting women's and children's rights and interests in China. Recent increases to its responsibilities now mean that the Committee also has shared responsibility for a wider range of social impact, disability, inclusion and environmental protection issues.

NWCWC has also succeeded in promoting the promulgations of laws and national plans for the development of women and children in China. It has acted as a "watchdog" in monitoring the implementations of the policies and laws concerning women's and children's rights and development. However, like many national mechanisms for women in development worldwide, the NWCWC has constraints concerning its location, resources, and staffing problems: "...the NWCWC is under-resourced from the central government".⁵¹

⁵⁰ Country Program Strategy, p. 5

⁵¹ Kurz, JD & J; Integrating gender into world bank financed transport programs, 2003, World Bank

Nevertheless, the NWCWC operates under the powerful State Council and now comprises Ministers from 33 ministries (an increase from 24 agencies in 2000) and commissions, and thus has increasing status within Central and Provincial Governments. Its legislated roles are:

- to coordinate and promote various government departments' work on the protection of the rights and interests of children and women;
- to coordinate and promote the establishment and implementation of children's and women's development programs;
- to coordinate and promote government departments in providing the necessary manpower, money and materials for the work on children and women;
- to guide, urge and examine the work of the working committees on children and women in various provinces, autonomous regions and municipalities directly under the Central Government.

The substantial role that the China Women's Federation has in assisting with submissions for ADS funding is a reasonable indication of the success of gender inclusion strategies in the Scheme. As noted previously, however, the overall disaggregation of successful applicants between male and female ADS scholars shows a slight positive imbalance towards females; however this is not consistent across all categories or locations (particularly in the case of public servants working in specific discipline area ministries in provincial areas). ADS gender and inclusion issues need to be monitored and reviewed regularly in light of AusAID's mainstreaming policies and cross-cutting implementation expectations.

Nevertheless, to further ensure greater practical adherence to gender and social equity in both the ADS and SAS program, the following questions should be considered:

- Do all buildings constructed with the support of AusAID funding sites have appropriate access facilities for all students including students with disabilities?
- Are women participating in SAS and ADS application and decision-making processes doing so in all levels of program management, strategic planning and monitoring and evaluation activities?
- Do participating Central agencies, MOFCOM and DOFCOMs provide gender awareness training or information for all staff in relation to both the ADS and SAS programs?
- Do all reports include gender-disaggregated data, relating to criteria such as applications, interviewees, successful candidates, and returnees?
- Are the ADS and SAS websites gender and disability inclusive?

Critical risks and risk management strategies

5.5.1 Critical Risks

Risk to the successful implementation, management and completion of the ADS and SAS initiatives can be identified in the following factors:

- (a) Partner government support
- (b) Program management
- (c) Data management
- (d) Sector targeting (ADS)
- (e) Scholarship policy and administration (ADS)
- (f) Pre-departure & EAP activities (ADS)
- (g) Scholarship outcomes (ADS)
- (h) Commitment levels of graduates (ADS)
- (i) Partner agency/organisation consistency (SAS)
- (j) Expenditure and potential for graft, corruption (SAS)

In most cases potential risks identified above are located in the low- to mid-ranges in respect to likelihood. However, the implications of the risks eventuating across some categories are very high. When a preferred option for implementation is decided, a Risk Matrix needs to be developed based on the above – and supplemented with other identified risks at the ADS and/or SAS program design stages, and reported on annually.

Disengagement Strategy

Should any of the above risks impact negatively and with widespread consequences on the ADS or SAS initiatives, AusAID will have to be in a position to withdraw its support from the program in a manner which does not cause embarrassment to GoA or GoPRC, or negative outcomes and/or perceptions for participating agencies, organisations or individuals. Proposed practical and cultural-specific exit strategies need to be

developed that will ensure that the above potential negative outcomes do not eventuate, in the event of either program being prematurely concluded.

ATTACHMENT 10: INDICATIVE BUDGETS FOR ADS & SAS OVER PERIOD 2008-09 TO 2010-11

Indicative Budget - ADS							
2008/2009							
ADS Awards: Number	Estimated ADS (Masters) Cost	* Est. Short course Cost	ADS Annual Costs	Short Course awards: Number	Short Course Costs	TOTAL AWARDS (OPTIONS)	TOTAL ESTIMATED ANNUAL COST
24	\$83,334	\$28,000	\$2,000,016	0	\$0	24	\$2,000,016
20	\$83,334	\$28,000	\$1,666,680	12	\$336,000	32	\$2,002,680
16	\$83,334	\$28,000	\$1,333,344	24	\$672,000	40	\$2,005,344
12	\$83,334	\$28,000	\$1,000,008	36	\$1,008,000	48	\$2,008,008
2009/2010							
ADS Awards: Number	Estimated ADS (Masters) Cost	* Est. Short course Cost	ADS Annual Costs	Short Course awards: Number	Short Course Costs	TOTAL AWARDS (OPTIONS)	TOTAL ESTIMATED ANNUAL COST
24	\$85,834	\$28,840	\$2,060,016	0	\$0	24	\$2,060,016
20	\$85,834	\$28,840	\$1,716,680	12	\$346,080	32	\$2,062,760
15	\$85,834	\$28,840	\$1,287,510	25	\$721,000	40	\$2,008,510
10	\$85,834	\$28,840	\$858,340	38	\$1,095,920	48	\$1,954,260
2010/2011							
ADS Awards: Number	Estimated ADS (Masters) Cost	* Est. Short course Cost	ADS Annual Costs	Short Course awards: Number	Short Course Costs	TOTAL AWARDS (OPTIONS)	TOTAL ESTIMATED ANNUAL COST
24	\$88,409	\$29,705	\$2,121,817	0	\$0	24	\$2,121,817
20	\$88,409	\$29,705	\$1,768,181	12	\$356,462	32	\$2,124,643
12	\$88,409	\$29,705	\$1,060,908	28	\$831,746	40	\$1,892,654
8	\$88,409	\$29,705	\$707,272	40	\$1,188,208	48	\$1,895,480
Indicative Budget - SAS							
2008/2009							
YEAR	SAS Projects: Number	* Est. Average SAS Cost					TOTAL ESTIMATED ANNUAL COST
2008/09	12	\$40,000					\$480,000
2009/10	12	\$42,000					\$504,000
2010/11	11	\$44,100					\$485,100
* NOTE: Estimated ADS course costs and SAS Average project costs assume a 3% CPI increase in China annually for the next three years, and an annual appreciation in the Australian dollar of 5% per year over the same period							

ROUGH ESTIMATE OF OPERATING ADS, AFTER JUNE 2010

The two tables which follow indicate estimated operating costs for ADS in China, post-CAGP, and assuming that the administrative responsibilities for ADS will not be subsumed within each of the two/three facilities. No equivalent comparisons have been undertaken for SAS, as any such administration costs are limited, relating only to meeting costs, and potentially, site visits by MOFCOM and/or AusAID staff.

A. MANAGING CONTRACTOR MODEL

The costs below do not include any in-Australia or institution-related costs, etc

Cost Assumptions Schedule & Estimates: China ADS

Code	Description	Unit	Unit Cost (\$)	Factor	Cost/ Month
	FIXED FEES				
	Part-Time Personnel	Assumes % input			
P1	Program Manager (Part Time)				
P1a	Salary	month	\$16,000	3	\$48,000
P1b	Allowances	month	\$2,000	3	\$6,000
P1c	Accommodation & Utilities	month	\$3,000	3	\$9,000
P1d	Annual Leave Airfare	annual	\$4,000	1	\$2,000
P2	Deputy Program Manager (incl HRD respons.) - Locally engaged				
	Salary	month	\$4,000	6	\$24,000
P3	Data Manager - Locally engaged				
	Salary	month	\$2,500	6	\$15,000
P4	Program Support Officer - Locally engaged				
	Salary	month	\$600	6	\$3,600
	TOTAL personnel costs per annum				\$107,600
	REIMBURSABLE COSTS				
	Procurement				
E	Equipment				
E1	Computer terminal	units	\$2,500	1	\$2,500
E2	Laptop computer	units	\$2,000	1	\$2,000
E3	Photocopier	units	\$4,000	1	\$4,000
E4	Facsimile	units	\$300	1	\$300
E5	Printers	units	\$800	1	\$800
E6	Software	licensed multi-users	\$3,000	1	\$3,000
E7	Other Office equipment	units	\$10,000	1	\$10,000
	TOTAL Procurement costs (Year 1 only)				\$22,600
	EAP & IELTS per annum				
T	English for Academic Purposes (EAP) Training				
T2	EAP course costs	course months	\$1,200	72	\$86,400
T3	EAP student living allowance, etc	course months	\$350	72	\$25,200
IE	IELTS Testing				
IE1	Test fees	test	\$300	192	\$57,600
IE2	Associated travel and accommodation costs	applicant (30%)	\$250	64	\$16,000

	TOTAL EAP & IELTS costs per annum				\$185,200
	MOFCOM & AusAID Selection, Interviewing Costs				
Jl	Joint Selection activities				
Jl1	Miscellaneous costs (travel, catering, photocopying)	member	\$1,000	4	\$4,000
	TOTAL selection costs per annum				\$4,000
	Office Costs				
O	Office Operational costs				
O1	Rent	month	\$5,000	6	\$30,000
O2	Utilities, consumables & other day-to-day costs	month	\$2,000	6	\$12,000
O3	Equipment maintenance & repairs	year	\$1,100	1	\$1,100
	TOTAL Office costs per annum				\$43,100
	Communications costs & Venue hire				
C	Communications Costs				
C1	Website development & maintenance	month	\$500	12	\$6,000
C2	Alumni activities	month	\$1,000	3	\$3,000
C3	Alumni secretariat support	month	\$500	12	\$6,000
C4	Publishing, advertising	annum	\$5,500	1	\$5,500
V	Venue hire				
V1	Venue hire for interviews	venue	\$450	2	\$900
	TOTAL Communications and Venue costs per annum				\$21,400
	Audit & Review Costs				
A	Audit & Review				
A1	Quality Assurance Systems audit / Annual review	annual	\$4,000	1	\$4,000
	TOTAL Audit & Review Costs per annum				\$4,000
	Student Travel Costs				
S	Student Travel				
S1	Airfares - single, economy (home location to Aust & return after course)	single student trip	\$1,500	24	\$36,000
	TOTAL Student travel costs per annum				\$36,000
	Insurances				
IS	Insurances				
IS1	Property - on office equipment	annual	\$1,000	1	\$1,000
IS2	Workers' compensation	annual	\$2,000	1	\$2,000
IS3	Public Liability	annual	\$2,500	1	\$2,500
IS4	Professional Indemnity	annual	\$3,000	1	\$3,000
	TOTAL Insurances costs per annum				\$8,500
	TOTAL estimate, per annum - ADS				\$432,400

B. POST-MANAGED CONTRACTOR MODEL

The costs below do not include any in-Australia or institution-related costs, etc

Cost Assumptions Schedule & Estimates: China ADS					
Code	Description	Unit	Unit Cost (\$)	Factor	Cost/Month
FIXED FEES					
Part-Time Personnel		Assumes 50% input			
P1	AusAID Program Manager (Part Time)				
P1a	Salary	month	\$8,000	3	\$24,000
P1b	Allowances	month	\$1,200	3	\$3,600
P1c	Accommodation & Utilities	month	\$2,500	3	\$7,500
P1d	Annual Leave Airfare	annual	\$4,000	1	\$2,000
P2	Deputy Program Manager (incl HRD respons.) - Locally engaged				
	Salary	month	\$4,000	6	\$24,000
P3	Data Manager - Locally engaged				
	Salary	month	\$2,500	6	\$15,000
P4	Program Support Officer - Locally engaged				
	Salary	month	\$600	6	\$3,600
TOTAL personnel costs per annum					\$79,700
REIMBURSABLE COSTS					
Procurement					
E	Equipment				
E1	Computer terminal	units	\$2,500	1	\$2,500
E2	Laptop computer	units	\$2,000	1	\$2,000
E3	Photocopier	units			
E4	Facsimile	units			
E5	Printers	units			
E6	Software	licensed multi-users			
E7	Other Office equipment	units			
TOTAL Procurement costs (Year 1 only)					\$4,500
EAP & IELTS per annum					
T	English for Academic Purposes (EAP) Training				
T2	EAP course costs	course months	\$1,200	72	\$86,400
T3	EAP student living allowance, etc	course months	\$350	72	\$25,200
IE	EILTS Testing				
IE1	Test fees	test	\$300	192	\$57,600
IE2	Associated travel and accommodation costs	applicant (30%)	\$250	64	\$16,000
TOTAL EAP & IELTS costs per annum					\$185,200
MOFCOM & AusAID Selection, Interviewing Costs					
Jl	Joint Selection activities				
Jl1	Miscellaneous costs (travel, catering, photocopying)	member	\$1,000	4	\$4,000
TOTAL selection costs per annum					\$4,000
Office Costs					

O	Office Operational costs				
O1	Rent	month			
O2	Utilities, consumables & other day-to-day costs	month	\$2,000	6	\$12,000
O3	Equipment maintenance & repairs	year	\$450	1	\$450
	TOTAL Office costs per annum				\$12,450
	Communications costs & Venue hire				
C	Communications Costs				
C1	Website development & maintenance	month	\$500	12	\$6,000
C2	Alumni activities	month	\$1,000	3	\$3,000
C3	Alumni secretariat support	month	\$500	12	\$6,000
C4	Publishing, advertising	annum	\$5,500	1	\$5,500
V	Venue hire				
V1	Venue hire for interviews	venue	\$450	2	\$900
	TOTAL Communications and Venue costs per annum				\$21,400
	Audit & Review Costs				
A	Audit & Review				
A1	Quality Assurance Systems audit / Annual review	annual	\$4,000	1	\$4,000
	TOTAL Audit & Review Costs per annum				\$4,000
	Student Travel Costs				
S	Student Travel				
S1	Airfares - single, economy (home location to Aust & return after course)	single student trip	\$1,500	24	\$36,000
	TOTAL Student travel costs per annum				\$36,000
	Insurances				
IS	Insurances				
IS1	Property - on office equipment	annual			
IS2	Workers' compensation	annual			
IS3	Public Liability	annual			
IS4	Professional Indemnity	annual			
	TOTAL Insurances costs per annum				\$0
TOTAL estimate, per annum - ADS					\$347,250

ATTACHMENT 11: ADS OPTIONS MATRIX

	A	B	C	D	Notes
Description	Creation of separate “Open” and “Public” (Government public servants only) categories, providing both standard ADS (Masters, & potentially PhDs) and Short-course programs across both sectors	Independent AusAID selection strategies and practices, exclusive of MOFCOM / DOFCOMs’ involvement; includes potential involvement of NGO nominees	Identify potential scholarship awardees through three existing AusAID China programs (not necessarily Facilities) linkages; and recommend specific consideration of those identified person to MOFCOM and DOFCOMs; probably limited number of short-courses	Similar to current scheme, but with a stronger focus on building strategic linkages at the <u>existing</u> mid- to high-level management stages, (predominantly) through optional short-course options	<p><i>Each of the Options presented at right A-D, can be further refined to suit specific discipline, geographic or learning mode requirements, for example:</i></p> <ul style="list-style-type: none"> ▪ <i>Joint scholarship programs with other donors</i> ▪ <i>Use of flexible delivery modes such as ODL, and/or sandwich courses</i> ▪ <i>Third country training</i>
Allowed applicants	<ul style="list-style-type: none"> • Public Category = GoPRC public servants and any employee of GoPRC- endorsed organisations such as research institutes, universities, and linked agencies • Open = Any Chinese national from private sector, or from NGOs • Must be endorsed by supervisor • Must be currently working within Health, Governance or Environment areas 	<ul style="list-style-type: none"> • GoPRC public servants and any employee of GoPRC- endorsed organisations such as research institutes, universities, and linked agencies • Any Chinese or international NGO (National staff only) • Must be endorsed by supervisor • Must be currently working within Health, Governance or Environment areas 	<ul style="list-style-type: none"> • GoPRC public servants and any employee of GoPRC- endorsed organisations such as research institutes, universities, and linked agencies • Must be endorsed by supervisor and by provincial DOFCOM • Currently working within Health, Governance or Environment areas 	<ul style="list-style-type: none"> • GoPRC public servants only • Must be endorsed by supervisor and by provincial DOFCOM • Currently working within Health, Governance or Environment areas • Must have worked in a GoPRC agency for a minimum of four years 	
Course duration	<ul style="list-style-type: none"> • PhDs = 18-36 months • Masters = 12-18 months • Short Courses = 1-6 mths 	<ul style="list-style-type: none"> • Masters = 12-18 months • Short Courses = 1-6 months 			
English Language requirements	<ul style="list-style-type: none"> • PhDs & Masters = Average of 6.5; none lower than 6.0 	<ul style="list-style-type: none"> • Masters = Average IELTS of 6; none lower than 5.5 • + Identify “IELTS almost there” candidates for Ministries or Provincial Governments to support through funded ELT upskilling to allow for a shortlisted group for the following year’s Masters’ applications • Short-term = No EL requirements 			
Geographic	<ul style="list-style-type: none"> • Masters/PhDs & Short 	<ul style="list-style-type: none"> • Masters = Link directly to 	<ul style="list-style-type: none"> • Masters = Link directly to 	<ul style="list-style-type: none"> • Masters = All China 	

	A	B	C	D	Notes
scope	Courses = all China, but with a focus on supporting locations of three Facilities activities	<p>current Facilities' activities locations within China</p> <ul style="list-style-type: none"> Short Courses = Focus on supporting locations of three Facilities activities 	<p>current Facilities' activities locations within China</p> <ul style="list-style-type: none"> Short Courses = All China, but with a focus on supporting locations of three Facilities activities 	<ul style="list-style-type: none"> Short Courses = All China 	
Sector scope	<ul style="list-style-type: none"> Unspecified sectors, but with Focus on Health, Environment, Governance 	<ul style="list-style-type: none"> Health, Environment, Governance 			
MOFCOM role(s)	<ul style="list-style-type: none"> Very Limited – Liaison point only with GoPRC Nominates potential whole-of-government short-term courses, (for funding competition with other potential short-courses) 	<ul style="list-style-type: none"> Assist AusAID with targeting, on an annual basis; Assist AusAID with M&E activities Assist AusAID in communicating ADS programs Coordinate re-integration strategies and programs in Ministries and Provinces 	<ul style="list-style-type: none"> Working ONLY within three program areas (therefore <u>no</u> separate MOFCOM / DOFCOM-identified candidates) With AusAID, identifying appropriate topics / studies for short courses Ensuring that each participating Ministry has undertaken a skills gap analysis and has a HRD plan in place 	<ul style="list-style-type: none"> As at present (receiving applications from DOFCOMs and from central line Ministries.) Greater responsibility for annual targeting role, in collaboration with AusAID at initial monthly meetings With AusAID, identifying appropriate topics / studies for short courses 	
AusAID role(s)	<ul style="list-style-type: none"> Promoting ADS programs in China Seeking nominations independently of MOFCOM Assessing applications and full shortlisting / interviewing responsibility Negotiations with Australian unis Visa, Health, Mobilisation roles (with / without MC) Where considered necessary, working with MOFCOM (and DOFCOMs) to ensure alignment with GoPRC priorities Promoting AusAID scholarships programs across private or/and NGO sectors 		<ul style="list-style-type: none"> Identifying, thru Facilities and three Program areas, potential scholars and recommending these to MOFCOM for nomination As at present (receiving copies of all ADS applications from DOFCOMs and line Ministries (thru MOFCOM) and joint consideration / ranking with MOFCOM.) Keeping Facilities informed of ADS activities / applications Membership of joint MOFCOM / DOFCOM program 	<ul style="list-style-type: none"> As at present (receiving copies of all ADS applications from DOFCOMs and line Ministries (thru MOFCOM) and joint consideration / ranking with MOFCOM.) Keeping Facilities informed of SAS activities / applications Membership of joint MOFCOM / DOFCOM program evaluation 	

	A	B	C	D	Notes
			evaluation		
DOFCOM role(s)	<ul style="list-style-type: none"> Nominates potential provincial focus short-term courses, (for funding competition with other potential short-courses) 	<ul style="list-style-type: none"> Coordinate re-integration strategies and programs in Provinces & Municipalities Identify areas of skilling needs for Provincial public sector staff Undertake a Provincial GoPRC skills gap analysis and HRD planning 	<ul style="list-style-type: none"> Responding to AusAID suggestions re potential Provincial ADS candidates Identifying and/or moderating potential suitable Masters' and short-course applicants 	<ul style="list-style-type: none"> Identifying and/or moderating potential suitable Masters' and short-course applicants 	
Central ministry role(s)	<ul style="list-style-type: none"> Releasing selected officers for short courses of Masters' programs, as negotiated with AusAID Managing reintegration activities within their specific agency 		<ul style="list-style-type: none"> Within the Ministries relating specifically to the three CPS focus areas, undertaking appropriate skills-gap analyses; developing HRD plans; and releasing senior officers for short-term courses Providing a pool of potential course interpreters for short-term courses in Australia (Line Ministry cost) 	<ul style="list-style-type: none"> Increased role – particularly in undertaking appropriate skills-gap analyses; developing HRD plans; and releasing senior officers for short-term courses Providing a pool of potential course interpreters for short-term courses in Australia (Line Ministry cost) 	
Facilities role(s)	<ul style="list-style-type: none"> Advising AusAID on areas of need as identified through Facilities activities Identifying suitable Masters' or short-course candidates, and where possible, selecting candidates for AusAID endorsement Responding to AusAID requests for comment on any applications from individuals that require clarification before making decision Identifying potential short-course activities and topics Identifying potential private 	<ul style="list-style-type: none"> Advising AusAID on areas of need as identified through Facilities activities Identifying suitable Masters' or short-course candidates, and where possible, selecting candidates for AusAID endorsement Responding to AusAID requests for comment on any applications from individuals that require clarification before making decision Identifying potential short-course activities and topics Identifying International and 	<ul style="list-style-type: none"> Advising AusAID on areas of need as identified through Facilities activities Identifying and nominating suitable AusAID scholarship Masters' or short-course candidates Responding to AusAID requests for comment on any applications from individuals that require clarification before making decision Identifying potential short-course activities and topics 	<ul style="list-style-type: none"> Advising AusAID on areas of need as identified through Facilities activities 	

	A	B	C	D	Notes
	sector / Facilities partnerships in skilling staffs	China NGOs to AusAID as potential ADS awards applicants			
Budget	<ul style="list-style-type: none"> • May require an increase in budget to have any impact – suggest \$3.5M • Greater allocation flexibility 	<ul style="list-style-type: none"> • Approx \$2m, but with greater flexibility in allocation 		<ul style="list-style-type: none"> • Approx \$2m 	
Application process	<ul style="list-style-type: none"> • Applications directly to AusAID (or MC) 	<ul style="list-style-type: none"> • Applications directly to AusAID (or MC) 	<ul style="list-style-type: none"> • As at present, from applicants to DOFCOMs or Line Ministries, then to AusAID & MOFCOM for final decision 		
Selection criteria	<p><i>For Masters (and/or PhDs)', as for OPTION C - excluding</i></p> <ul style="list-style-type: none"> • Age limit requirements • Any CoPRC agency endorsement • Agency nominating the applicant must have a MOFCOM endorsed HRD Plan in place <p><i>Additional criterion:</i></p> <ul style="list-style-type: none"> • Applicant should be endorsed by relevant supervisor • Applicant should be endorsed by relevant Facility director <p><i>For Short Courses</i></p> <ul style="list-style-type: none"> ▪ Selection of both Courses <u>and</u> Participants by AusAID ▪ AusAID advised by Facilities in relation to skilling needs ▪ No age limits 		<p><i>For Masters', as for OPTION D, but does not require</i></p> <ul style="list-style-type: none"> • At least 3-5 years work experience in the public sector in the selected field for study in Australia. • Should have at least 3-5 years work experience in the public sector in the selected field for study in Australia <p><i>Additional criterion for Masters' candidates:</i></p> <ul style="list-style-type: none"> • Applicant should be endorsed by relevant Facility director • Aged 25-45 • Agency nominating the applicant (after Facility identification and endorsement) must have a MOFCOM-endorsed HRD Plan in place <p><i>For Short Courses</i></p> <ul style="list-style-type: none"> ▪ Selection of both Courses <u>and</u> Participants thru collaborative AusAID / MOFCOM activity ▪ AusAID advised by Facilities 	<p><i>For Master's, and predominantly as at present:</i></p> <ul style="list-style-type: none"> • Must be a Chinese citizen and not have permanent residence in Australia or NZ • Must not be married or engaged to a person who is eligible to hold Australian or New Zealand citizenship or permanent residency. • Must not hold another scholarship during the period of the ADS award. • Must not have held an Australian Government Scholarship in the 12 months preceding the application. • Must be applying to commence a new course of study and not be seeking support through ADS for a course already commenced in Australia. • Must hold a Bachelor (but not Masters') level (or equivalent) qualification in the selected field for study in Australia. • <i>May</i> have a Chinese or 	

	A	B	C	D	Notes
			<p>in relation to skilling needs within discipline and applicants selected accordingly</p> <ul style="list-style-type: none"> ▪ No age limits 	<p>Int.Masters in a different discipline or sub-discipline to the area being sought</p> <ul style="list-style-type: none"> • Should have at least 3-5 years work experience in the public sector in the selected field for study in Australia. • Must be consistent with, and supportive of, the CPS • Aged 28-45 • Must (?) Be a GoPRC public servant <p><i>For Short Courses</i></p> <ul style="list-style-type: none"> • Selection of both Courses <u>and</u> Participants thru collaborative AusAID / MOFCOM activity • No age limits 	
Funding	<p><i>For Masters' (or PhDs)</i></p> <ul style="list-style-type: none"> • Standard ADS scholarship funding arrangements <p><i>For short courses</i></p> <ul style="list-style-type: none"> • Course costs negotiated by AusAID or MC • Participants receive (advance) monthly per diem payments; first tranche to include establishment or one-off costs 				
M&E	<ul style="list-style-type: none"> - In order to clarify understanding and more effectively focus future evaluation, the ADS objective be revised as follows: <p>Support the CPS Goal and Strategic Objectives through a program of In-Australia scholarships and short-term training that aims to:</p> <ul style="list-style-type: none"> • improve the effectiveness of organisations that are key to achievement of country program objectives • Increase the pool of Chinese able to provide good leadership and influence the country's development outcomes • develop sustainable individual and institutional linkages between China and Australia. <ul style="list-style-type: none"> • MOFCOM and AusAID (and / or Managing Contractor) regularly liaise with target Ministries / Departments to ensure that each sending agency (and their ADS scholars / trainees) understands and is able to work towards achieving the objectives of ADS and the mutual benefits arising • Joint MOFCOM / DOFCOM / AusAID impact evaluations of ADS be undertaken annually 				

	A	B	C	D	Notes
	<ul style="list-style-type: none"> • To facilitate global AusAID ADS reporting, future China ADS evaluations incorporate relevant ASG key evaluation questions • Develop high-level evaluation skills within MOFCOM/DOFCOM, and other key Ministries / Departments through specific one year ADS Master of Evaluation scholarships; and short course training in M&E for identified key staff • As a commitment to continual improvement, specific provision for capturing ADS Lessons Learned should be included in individual activity Completion Reports and as periodic program review activities 				
Alumni	<ul style="list-style-type: none"> • Establish within ACAA a sub-group or chapter which focuses on National and International Development issues – all within the proposed AusAID Global Alumni Network 				
Reporting	<ul style="list-style-type: none"> • Quarterly reports – quantitative • Quarterly reports – financial • Exception reports – six-monthly 				

ATTACHMENT 12: Process Chart ADS ⁵²

ADS – Process Overview (Masters)	
Plan	1. Meeting; AusAID and MOFCOM discuss and agree ADS/short course balance, confirm priority sectors, and general operating principles. Discussions to include the development of performance indicators for forthcoming round. (If continued management by CAGP or similar MC, MC also involved.)
HRD	2. MOFCOM (and through DOFCOMs) advises agencies that applications from Central and Provincial agencies that do not have a HRD strategy and/or skills gap analysis in place will not be eligible for consideration for AusAID award allocation.
Negotiate	3. AusAID and MOFCOM exchange letters outlining specific responsibilities for AusAID, MOFCOM (& MC) in relation to current year process; Letters specify target agencies/audiences, regions, sectors.
Establish	4. AusAID & MOFCOM/DOFCOM (& MC, if applicable) promote AusAID awards program within agencies and provide an applicant information service for potential applicants: online information sources
Facilities	5. Facilities support awards process by ensuring identified applicants within sector are assisted in submitting applications
Nominate	6. Applications completed and shortlisted applications submitted to MOFCOM and AusAID through DOFCOMs
Feedback	7. Facilities provide feedback to AusAID on applications within their sector area
IELTS	8. IELTS testing undertaken by all shortlisted applicants
Rank	9. AusAID and MOFCOM independently rank applications on basis of IELTS, experience, potential, relevance of agency HRD plan, and academic results
Interview	10. AusAID and MOFCOM interview (face-to-face, or teleconference) shortlisted applicants – with logistical support from MC
Check	11. AusAID Post staff check candidates against relevance for CPS
Confirm	12. AusAID/MOFCOM re-convene to agree on finalised list of nominees
Re-entry	13. MOFCOM seeks submission of <i>officer re-entry/reintegration plan</i> from CEO of agency nominating applicant
Apply	14. Selected nominees seek uni entry offer
Offers	15. Applicants who successfully achieve IELTS score (6.5 overall and no more than one category less than 6.0) to receive firm offer
ELT/EAP	16. All lower IELTS scorers (6.0 – 6.5 overall, and 5.5 to 6.0 in all) to undertake ELT or EAP language program – minimum of 140 hours, part-or full-time depending on applicant's situation
Mobilise	17. Students depart for Australia, immediately preceded by a comprehensive pre-departure cultural, financial, political and professional awareness program run over a one-week period in Beijing
Orient	18. Universities provide intensive orientation program – 3-5 weeks; effectiveness monitored
Studies	19. Studies begin
Return	20. Graduates return to PRC; previously negotiated and agreed organisational re-entry strategy implemented; organisational & AusAID "bond" period applies
Mentor	21. Returnees mentored by Organisation HR section and MOFCOM staff to ensure compliance with agreed re-entry strategy – six months
Reintegrate	22. Alumni reintegration activities, welcome / graduation activity; employment assistance if required; database updating
Review	23. AusAID & MOFCOM reconvene to assess performance indicators and determine overall strategy for following year.

ADS – Process Overview (Short Course)

Plan	1. Meeting; AusAID and MOFCOM discuss and agree ADS/short course balance, confirm priority sectors, and general operating principles. Discussions to include the development of performance indicators for forthcoming round. (If continued management by CAGP or similar MC, MC also involved.)
HRD	2. MOFCOM (and through DOFCOMs) advises agencies that applications from Central and Provincial agencies that do not have a HRD strategy and/or skills gap analysis in place will not be eligible for consideration for AusAID award allocation.

⁵² Note that these charts offer suggestions, presented in broad terms and will need refinement once a decision on a preferred ADS Option is made by AusAID. However, for ease of presentation, it assumes (but does not necessarily support) a relatively low level of change to the existing ADS processes; as noted in Section 5, Option 2 is recommended for future ADS management.

Negotiate	3. AusAID and MOFCOM exchange letters outlining specific responsibilities for AusAID, MOFCOM (& MC) in relation to current year process; Letters specify target agencies/audiences, regions, sectors.
Facilities	4. Facilities, in collaboration with PRC counterpart agencies, proposed appropriate short course topics within their sector
Nominate	5. DOFCOMs advised through MOFCOM/AusAID of proposed short course topics for year and nominees to participate sought
Schedule	6. AusAID (with Facilities) identify available courses and/or negotiate with universities adjustments to "off-the-shelf" courses
Apply	7. Agencies nominate potential participants, through DOFCOMs and MOFCOM
Rank	8. AusAID and MOFCOM independently rank applications on basis of experience, position within agency, potential, relevance of agency HRD plan, and academic results of nominee.
Feedback	9. Facilities provide feedback to AusAID on applicants within their sector area
Review	10. AusAID Post staff check candidates against relevance for CPS
Confirm	11. AusAID/MOFCOM convene to agree on finalised list of nominees and courses
Mobilise	12. Students depart for Australia, immediately preceded by a pre-departure cultural, financial, political and professional awareness reading list
Orient	13. Universities provide intensive short course programs; effectiveness monitored by AusAID, MOFCOM (and MC)
Return	14. Graduates return to PRC
Communicate	15. PRC agencies organise collegiate skilling sessions for returnees to share skills gained
Reintegrate	16. Alumni activities participation

ATTACHMENT 13: SAS OPTIONS MATRIX

	A	B	C	D	Notes
Description	Collaborative programs with other donors, China and International NGOs; participation in SAS activities submitted by International NGOs	Increased participation by China NGOs, as identified by AusAID (with advice and direct input from Facilities)	Increased focus on aligning SAS activities with infrastructure, training and capacity-building in three programs: health, environment, governance – (not necessarily through the Facilities).	Similar to current scheme, but with a much stronger focus on outcomes monitoring, evaluation and reporting	<p><i>Other options were considered but rejected because of either:</i></p> <p>(a) administrative demands</p> <p>(b) nature of PRC environment</p> <p>(c) perceived poor cost-benefit balances</p> <p>(d) understanding of current Australian Govt policies / priorities</p>
Allowed applicants	<ul style="list-style-type: none"> Central, provincial municipal, county govt, or communities /villages (OR potentially exclude all PRC Government agency initiated applications) All NGOS 	<ul style="list-style-type: none"> Central, provincial municipal, county government, or communities/villages Chinese NGOS (through DOFCOMS) 	<ul style="list-style-type: none"> Central, provincial municipal, county government, or communities /villages 		
Geographic scope	<ul style="list-style-type: none"> National projects such as publishing, communication, campaigns, etc Any identified area of need within China 	<ul style="list-style-type: none"> National projects such as publishing, communication, campaigns, etc As present – Western and Central only 	<ul style="list-style-type: none"> National projects such as publishing, communication, campaigns, etc As present – Western and Central only However, if fewer projects – either as a result of overall budget decrease, or higher per-activity allocation, refocus on Western PRC only 	<ul style="list-style-type: none"> As present – Western and Central only 	
Sector scope	<ul style="list-style-type: none"> Health, Environment, Governance May require some negotiation with other participating donors or NGOs, if priority areas do not align with AusAID's 	<ul style="list-style-type: none"> Health, Environment, Governance 	<ul style="list-style-type: none"> Health, Environment and Education (primary schools) Governance activities, as identified through CAGP liaison/ advice 	<ul style="list-style-type: none"> Health, Environment and Education (primary schools) No Governance 	

	A	B	C	D	Notes
					<i>component of Governance; and Disaster Relief</i>
MOFCOM role(s)	<ul style="list-style-type: none"> As at present (receiving applications and joint consideration with AusAID.) + an increased monitoring & evaluation role + Greater responsibility for communicating three program areas and ensuring adherence of applicants to those areas Actively seeking harmonised SAS activities with other donors and/or international NGOs Accepting applications for SAS funding directly from International NGOs 	<ul style="list-style-type: none"> As at present (receiving applications from DOFCOMs or directly) and joint consideration with AusAID.) + an increased monitoring & evaluation role + Greater responsibility for communicating three program areas and ensuring adherence of applicants to those areas 	<ul style="list-style-type: none"> As at present (receiving applications from DOFCOMs and joint consideration with AusAID.) + an increased monitoring & evaluation role + Greater responsibility for communicating three program areas and ensuring adherence of applicants to those areas 	<ul style="list-style-type: none"> As at present (receiving applications from DOFCOMs and joint consideration with AusAID.) + an increased monitoring & evaluation role 	<i>For ease of comparison, colour coding has been used from here down wherever identical criteria across different options have been included</i>
AusAID role(s)	<ul style="list-style-type: none"> Identifying potential International and China NGOs and seeking applications itself (from International NGOs, with support from MOFCOM) Continue to receive copies of all applications, for joint consideration with MOFCOM. Communicating emerging AusAID country program priorities to MOFCOM, and to China NGOs Using Facilities to assess roles and suitability of China and International NGOs Membership of joint MOFCOM / DOFCOM program evaluation 	<ul style="list-style-type: none"> Identifying potential China NGOs and either asking MOFCOM to encourage to apply – or seeking applications itself Continue to receive copies of all applications from DOFCOMs or elsewhere, for joint consideration with MOFCOM. Communicating emerging AusAID country program priorities to MOFCOM, and to China NGOs Using Facilities to assess roles and suitability of China NGOs Membership of joint MOFCOM / DOFCOM program 	<ul style="list-style-type: none"> As at present (receiving copies of all applications from DOFCOMs and joint consideration with MOFCOM.) Communicating emerging AusAID country program priorities (across the three areas) to MOFCOM Keeping Facilities informed of SAS activities /applications Membership of joint MOFCOM / DOFCOM program evaluation 		

	A	B	C	D	Notes
		evaluation			
DOFCOM role(s)	<ul style="list-style-type: none"> As at present, but with greater emphasis on informally skilling provincial, municipal and local applicants in submitting applications + identifying or providing other funding (PRC) sources + an increased monitoring & evaluation role + advising and accepting applications from (regionally based International NGOs) and from China NGOs 	<ul style="list-style-type: none"> As at present, but with greater emphasis on informally skilling provincial, municipal and local applicants in submitting applications + identifying or providing other funding (PRC) sources + an increased monitoring & evaluation role + advising and (one source of) accepting applications from China NGOs 	<ul style="list-style-type: none"> As at present, but with greater emphasis on skilling provincial, municipal and local applicants in submitting applications + identifying or providing other funding (PRC) sources + an increased monitoring & evaluation role 		
Central ministry role(s)	<ul style="list-style-type: none"> Committing to SAS applicant identification and prioritising that will support the development of national and sub-national HRD sustainability across the SAS activities in the three areas Informing International-level NGOs of potential to apply for SAS funding through standard DOFCOM process or directly to MOFCOM /AusAID 	<ul style="list-style-type: none"> Committing to SAS applicant identification and prioritising that will support the development of national and sub-national HRD sustainability across the SAS activities in the three areas Informing national-level China NGOs of potential to apply for SAS funding through standard DOFCOM process 	<ul style="list-style-type: none"> Committing to SAS applicant identification and prioritising that will support the development of national and sub-national HRD sustainability across the SAS activities in the three areas 	<ul style="list-style-type: none"> Limited role – possibly providing in-principle support 	
Provincial agency and municipality role(s)	<ul style="list-style-type: none"> Supporting - where considered appropriate - local applications; or submitting applications in own right Working with local branches of China NGOs on joint proposals, or referring local applicants to local NGOs for advice and support + identifying or providing supplementary funding (PRC) 	<ul style="list-style-type: none"> Supporting - where considered appropriate - local applications; or submitting applications in own right Working with local branches of China NGOs on joint proposals, or referring local applicants to local NGOs for advice and support + identifying or providing supplementary funding (PRC) 	<ul style="list-style-type: none"> Supporting - where considered appropriate - local applications; or submitting applications in own right + identifying or providing other funding (PRC) sources + an increased monitoring & evaluation role Committing to SAS provincial applicant identification and prioritising that will support the 	<ul style="list-style-type: none"> Supporting - where considered appropriate - local applications; or submitting applications in own right + identifying or providing other funding (PRC) sources + an increased monitoring & evaluation role 	

	A	B	C	D	Notes
	<p>sources – government or China NGOs</p> <ul style="list-style-type: none"> + an increased monitoring & evaluation role, especially in relation to any NGO applications that are supported at provincial and municipal levels and subsequently approved in MOFCOM/ AusAID negotiations and implemented Committing to SAS provincial applicant identification and prioritising that will support the development of sub-national HRD sustainability across the SAS activities in the three areas 	<p>sources – government or China NGOs</p> <ul style="list-style-type: none"> + an increased monitoring & evaluation role, especially in relation to any China NGO applications that are supported by provincial and municipal agencies, and are subsequently approved and implemented Committing to SAS provincial applicant identification and prioritising that will support the development of sub-national HRD sustainability across the SAS activities in the three areas 	<p>development of sub-national HRD sustainability across the SAS activities in the three areas</p>		
Facilities role(s)	<ul style="list-style-type: none"> Advising AusAID on areas of need at sub-national level – if access to such data available Identifying and/or promoting successful “pilot” SAS activities across their areas/ministries of influence Responding to AusAID requests for comment on any applications from DOFCOMS that require clarification before making decision Identifying International and China NGOs to AusAID as potential SAS applicants 	<ul style="list-style-type: none"> Advising AusAID on areas of need at sub-national level – if access to such data available Identifying and/or promoting successful “pilot” SAS activities across their areas/ministries of influence Responding to AusAID requests for comment on any applications from DOFCOMS – or elsewhere - that require clarification or investigation before making decision Identifying China NGOs to AusAID and encouraging as potential SAS applicants Assisting NGOs to submit applications for SAS funding 	<ul style="list-style-type: none"> Advising AusAID on areas of need at sub-national level – if access to such data available Identifying and/or promoting successful “pilot” SAS activities across their areas/ministries of influence Responding to AusAID requests for comment on any applications from DOFCOMS that require clarification before making decision 	<ul style="list-style-type: none"> Advising AusAID on areas of need at sub-national level – if access to such data available Identifying and/or promoting successful “pilot” SAS activities across their areas/ministries of influence 	
Funding limits	<ul style="list-style-type: none"> Greater flexibility allowing for total activity grants – 	<ul style="list-style-type: none"> Greater flexibility allowing for total activity grants – 	<ul style="list-style-type: none"> Greater flexibility allowing for total activity grants – 	<ul style="list-style-type: none"> Greater flexibility allowing for total activity grants of between 	

	A	B	C	D	Notes
	<p>depending upon activity scope and counterpart funding</p> <ul style="list-style-type: none"> Potentially <i>more activities at a range of levels because of additional resource support from other donors and NGOs</i> 	<p>depending upon activity scope and counterpart funding</p> <ul style="list-style-type: none"> Potentially <i>more activities at a lower level</i> – but still with scope for funding flexibility within agreed limits - \$25K to \$75K 	<p>depending upon activity scope and counterpart funding</p> <ul style="list-style-type: none"> Potentially <i>fewer activities at a higher level</i> – but still with scope for funding flexibility within limits - \$50K to \$100K ? 	<p>\$30,000 and \$80,000 – depending upon activity scope and counterpart funding</p>	
Nomination process	<ul style="list-style-type: none"> Directly to MOFCOM / AusAID (or to Facilities??) 	<ul style="list-style-type: none"> As at present, from applicants to DOFCOMS, to AusAID & MOFCOM Also – option for submitting directly to MOFCOM / AusAID 	<ul style="list-style-type: none"> As at present, from applicants to DOFCOMS, to AusAID & MOFCOM 	<ul style="list-style-type: none"> As at present, from applicants to DOFCOMS, to AusAID & MOFCOM 	
Selection criteria	<ul style="list-style-type: none"> Capacity of applicant to implement and complete activity Clear project objectives and outputs/outcomes have been listed Demonstrable financial accounting and reporting processes (if other Donors or NGOs) Environmental impact conducted, proposed or considered Reasonably low risk activities Activity management and monitoring clearly articulated, including evidence of commitment and capacity to evaluate Joint management and monitoring arrangements clearly articulated Planned activity is identified as a local, provincial, sector or national development priority 	<ul style="list-style-type: none"> Capacity of applicant to implement and complete activity Clear project objectives and outputs/outcomes have been listed Demonstrable financial accounting and reporting processes (if NGOs) Environmental impact conducted, proposed or considered Low risk activities Activity management and monitoring clearly articulated, including evidence of commitment and capacity to evaluate Planned activity is identified as a local, provincial, sector or national devt priority Positive relationships between China NGOs and local, sub-national or national GoPRC agencies / authorities) 	<ul style="list-style-type: none"> Capacity of applicant to implement and complete activity Clear project objectives and outputs/outcomes have been listed Environmental impact conducted, proposed or considered Low risk activities Activity management and monitoring clearly articulated, including evidence of commitment and capacity to evaluate Planned activity is identified as a local, provincial, sector or national devt priority Preference for activities in support of ethnic minorities Provide for women's development Realistic budget with matching / appropriate PRC \$ input 	<ul style="list-style-type: none"> Capacity of applicant to implement and complete activity Clear project objectives and outputs/outcomes have been listed Environmental impact conducted, proposed or considered Activity management and monitoring clearly articulated, including evidence of commitment and capacity to evaluate Must account for disability Planned activity is identified as a local devt priority Prefer activities in support of poor communities Provide for women's and children's development Realistic budget with matching / appropriate PRC \$ input Realistic timelines proposed 	<p><i>Colour coding has not been used in this category to indicate identical criteria</i></p>

	A	B	C	D	Notes
	<ul style="list-style-type: none"> for both/all donors • Positive relationships between donors and /or NGOs with local, sub-national or national GoPRC agencies / authorities) • Increased potential collaboration on disaster relief activities • Realistic budget with matching / appropriate PRC (and/or Donor / NGO) \$ input • Realistic timelines • Sustainability achievable post-intervention, through supported capacity building in other larger AusAID and China NGO in-China activities • Will result in both economic and social benefits, locally, sub-nationally or nationally • Clear evidence of community consultation and ownership • Within (broadly, depending on other \$ sources) CPS priority areas, and within specific annual targeted sub-areas 	<ul style="list-style-type: none"> • Preference for activities in support of ethnic minorities • Not necessarily provide for women's development, if argument from National NGO relates to a similarly needy target group • Realistic budget with matching / appropriate PRC (and/or China NGO) \$ input • Realistic timelines proposed • Sustainability achievable post-intervention, through supported capacity building in other larger AusAID and China NGO in-China activities • Will result in both economic and social benefits, locally, sub-nationally or nationally • Clear evidence of community consultation and ownership • Within CPS priority areas; aligns with one or more of CPS strategic objectives; and within specific annual targeted sub-areas 	<ul style="list-style-type: none"> • Realistic timelines proposed • Sustainability achievable post-intervention, through supported capacity building in other larger AusAID in-China activities • Will result in both economic and social benefits, locally, sub-nationally or nationally • Clear evidence of community consultation and ownership • Within CPS priority areas, and within specific annual targeted sub-areas 	<ul style="list-style-type: none"> • Sustainability desired post-intervention • Will result in both economic and social benefits for the local area • Clear evidence of community consultation and ownership • Within CPS priority areas 	
Funding	<ul style="list-style-type: none"> • Formal contracts / MOUs with other funding donors or NGOs • Signed agreement before first tranche • Up to 90% or AusAID commitment funding initially (% depending on nature of activity) • Final % dependent upon appropriate quarterly and completion reports 	<ul style="list-style-type: none"> • Signed agreement before first tranche • Up to 90% funding initially (% depending on nature of activity) • Final 10+% dependent upon appropriate quarterly and completion reports • Should? be appropriate level of counterpart (GoPRC or China NGO) funding – Yuan 	<ul style="list-style-type: none"> • Signed agreement before first tranche • 90% funding initially (% depending on nature of activity) • Final 10% dependent upon appropriate quarterly and completion reports • Should? be appropriate level of counterpart (PRC) funding – Yuan and/ or in-kind 	<ul style="list-style-type: none"> • Signed agreement before first tranche • 75%-90% funding initially (% depending on nature of activity) • Final 10% to 25% dependent upon appropriate quarterly and completion reports • Must be appropriate(equal or above) level of counterpart (PRC) funding – Yuan and/ or 	

	A	B	C	D	Notes
	<ul style="list-style-type: none"> Should be appropriate level of other donor resourcing 	and/ or in-kind		in-kind	
M&E	<ul style="list-style-type: none"> To help focus future SAS evaluation, the objective of SAS should be restated as: "Poverty reduction through improving the quality of life for poor, disadvantaged and minority groups in China"; <i>To ensure that stakeholders and implementing partners can contribute to the formulation of overall outcomes, indicators and key evaluation questions, annual evaluability assessment workshops (one day's duration) should be held at least once during the funding cycle</i> Project Completion Reports be revised to include provision for implementers to assess and report on agreed immediate and emerging outcomes (impact) Joint MOFCOM / DOFCOM / AusAID impact evaluations of representative (cluster) SAS activities be undertaken annually Future performance information of SAS structured and timed to align with both the timelines and specific content required in the key reporting documents of AusAID and MOFCOM (e.g. PAF and APPR) Improve the individual capacity of MOFCOM/ DOFCOM staff to develop, implement and report on SAS activities, through bi-annual (every 2 years) SAS management training workshops Enhance the organisational capacity of over-siting and implementing partner agencies to assess and report the impact of SAS activities through annual short-term training (2-3 days) in evaluation and reporting techniques Develop high-level evaluation skills within MOFCOM/DOFCOM, and other key Ministries / Departments through specific one year ADS Master of Evaluation scholarships; and short course training in M&E for identified key staff To help continual improvement, conduct annual SAS Lessons Learned activities / workshops 				
Reporting	<ul style="list-style-type: none"> Quarterly reports – progress Quarterly reports – financial Annual report(s) – financial (if other donor involved) Completion report Donor joint budgeting 	<ul style="list-style-type: none"> Quarterly reports – progress Quarterly reports - financial Completion report 			

ATTACHMENT 14: PROCESS CHART SAS

SAS – Process Overview ⁵³	
Plan	1. Meeting; AusAID and MOFCOM discuss and confirm priority sectors for following year, and general operating principles. Discussions to include the development of performance indicators for forthcoming SAS round.
Negotiate	2. AusAID and MOFCOM exchange letters outlining specific responsibilities for AusAID, MOFCOM (& MC) in relation to current year process; Letters specify target agencies/audiences, regions, sectors.
Establish	3. MOFCOM/DOFCOM promote AusAID SAS program within agencies and provide an information service for potential applicants: online information sources
Facilities	4. Facilities support awards process by ensuring identified organisations within sector are assisted in submitting applications
Widen	5. AusAID and Facilities promote SAS potential support with appropriate sector NGOs
Check	6. AusAID confirms that there is no overlap with proposed DAP funding
Nominate	7. Applications completed and shortlisted applications submitted to MOFCOM and AusAID through DOFCOMs
Feedback	8. Facilities provide feedback to AusAID on applications within their sector area
Rank	9. AusAID and MOFCOM independently rank applications on basis of strategies proposed to share ideas and activity outcomes widely; potential for higher-level capacity building; policy engagement potential with Facilities, local and provincial agencies; cost-effectiveness of proposal; and counterpart contribution.
Confirm	10. AusAID/MOFCOM agree on finalised list of preferred SAS projects
Contract	11. Successful applicants advised, contracts developed and signed
Fund	12. First tranche provided to applicant
M&E	13. On-going M&E responsibilities (MOFCOM, DOFCOM, AusAID, organisation) as outlined in Section 6 of Review report
Re-entry	14. MOFCOM seeks submission of <i>officer re-entry/reintegration plan</i> from CEO of agency nominating applicant
Report	15. Quarterly Reports submitted
Completion	16. Completion report submitted
Fund	17. Final payment (10% to 25%) provided.
Communicate	18. Where possible, pictorial record and anecdotal comments used as basis for communicating activity success both in PRC and in Australia

⁵³ Note that these charts offer suggestions, presented in broad terms and will need refinement once a decision on a preferred SAS Option is made by AusAID. However, for ease of presentation, it assumes (but does not necessarily support) a relatively low level of change to the existing SAS processes; as noted in Section 5, Option 2 is recommended for future SAS management

A. Water Supply Project in Hushan Village, Lianhua Township, Gongcheng County, Guangxi Region

Date of visit: 25 November 2008

Persons met: Mr Tang, Deputy County Governor of Gongcheng County
Ms Tan, Director of Women's Federation of Congcheng County
Ms Chen, Deputy Director of Women's Federation of Congcheng County
Mr Tan, Head of Hushan Village

This project was funded to build a water supply system in Hushan village to provide clean drinking water for 1080 Yao ethnic people and 2,200 livestock. This will help release women from the heavy water-carrying work from far away places into other income-generating activities and improve the village sanitation to reduce incidences of infectious diseases and improve farmers' health conditions, particularly for women and children. The total SAS fund is RMB402,224.

The project was started in July 2005 and completed in January 2006. A new water supply facility including a well, pumping house, water tank, and water pipes to the households was built in the village. Every households installed water tap and water meter.

The impact of project has significant on the improving the quality of life for villagers. The team was told by the village head that the environment and health condition in the village have been improved. Infectious diseases caused by unclean water are now greatly reduced.

The women's time is now freed up to dedicate to their income generation activities, such as planting fruit trees. The annual income has been increased RMB2400 since the project completed. 25 new houses/buildings and a new village primary school were built in the village.

The facility has been well maintained. A small water fee has been collected from each family to cover the costs of electricity and maintenance.

B. Biogas Demonstration Project, Sichui Township, Longsheng County, Guangxi Region

Date of visit: 26 November 2008

Person met: Ms Huo, Deputy Director of County People's Congress
Ms Pan, Director of Women's Federation of Longsheng County
Mr Wang, Governor of Sichui Township, Longsheng County
Mr Huo, Head of Batan Village

The project objective is to improve local farmers' living environment and to reduce use of firewood through introduction of biogas facilities for individual households. Funding used for the construction of biogas facilities for 300 households in Lipai village. The county government views this project as a pilot and plans to promote the activities to the other villages in the county.

The biogas facilities are still working and benefit to the farmers after the project completed 8 years ago. The facilities are well maintained and using for daily cooking and lighting. The project has directly benefited 300 families whose livelihoods, health and environmental conditions have improved. The farmers did not have as great a need for firewood since the biogas facility was installed. There is no infectious diseases are reported in 8 years.

Since the biogas installed, the villagers are planting the fruits using the fertilizer from biogas, raising animals and other income generation activities. The farmers' income is increasing every year. Their quality of life has been improved greatly, such as all women delivery their babies in the hospital, all children are enrolled in the schools.

The project awarded by the provincial government as the pilot project in 2005. Its' experiences are extended to the other villages in the Region.

C. Water Supply Project in Dalukou Village, Baishi Township, Xing'an County, Guangxi Region

Date of visit: 27 November 2008

People met: Mr Ding, Deputy Governor of Xinan County
Ms Liao, Director of Women's Federation of Xinan County
Mr Lu, Governor of Baishi Township, Xinan County
Mr Ouyang, Head of Dalukou Village

The project was funded to build a water supply system to provide clean water for more than 800 villagers in Dalukou village.

Due to limited time, the Team has a meeting with the officials from county government, county Women's Federation and Township Governor and people from the project village.

Ms Liao, Director of County Women's Federation has briefed the project implementation and impact achieved after project completed. The water supply system includes one water intake tank, one water decompression tank at the hill and one 40-square-metre water storage tank to distribute water by gravity from the hill to individual household. Water tap and water meter were installed in each household.

After the project was completed, about 300 women in the village have been released from heavy work to fetching water from 4.5 kms away from the village. Time saved from carrying water by the village women is now used to for income generation activities, such as raising animals, planting grain and fruit trees. The village head has indicated that the incomes for villagers have been increased, the health and environment conditions are greatly improved after the water supply system built. Water fee is assigned to cover the costs of maintenance.

The project implementation has been supported by the local county and township governments, the County Women's Federation and related technical bureaus. They all contributed to the project implementation, include allocation of Chinese matching funds and provide technical support.

D. Xifangjie Primary School Project in Sanguangmiao Township, Lantian County, Shaanxi Province

Date of visit: 28 November 2008

Person met: Mr Li, Deputy Governor of Liantian County
Mr Nan, Deputy Director of Commerce Bureau of Xian Municipality
Mr Sun, Director of Education Bureau, Liantian County
Mr Wang, Dean of Xifangjie Primary School
Mr Liu, Head of Xinfang Village

The project funded to build a village primary school building to accommodate about 300 students. A three story school building was completed in August 2007 and started to receive students in September 2007. 9 classes with 286 students are now all accommodated into the new building. A student told the Team that biggest change for the school is that the classrooms are more bright and comfortable than before.

The total SAS budget is RMB350,000 and the input from the Lantian county government is RMB508,000. As the school at the centre of the township, the local government developed the school as the central primary school in the township. It is planned to increase the enrolment to 400 students in 5 years.

The Team was told by the villagers that they like to send their children to the new school as the conditions are better than before and quality of education has been improved.

E. Pozhao Village Primary School Project in Xinchu Township, Heyang County, Shaanxi Province

Date of visit: 1 December 2008

People met: Mr Yang, Deputy Governor of Heyang County
Mr Wang, Director of Commerce Bureau of Weinan Municipality
Mr Ning, Dean of Pozhao Village Primary School
Mr Lei, Head of Batan Village

The project funded to build a school building with 10 classrooms and one library room, one computer room, one meeting room and one lab for around 400 primary students.

The project has completed in March 2006 and all the students from 10 classes were moved into the new building. The school building is well maintained.

The school has awarded as the model school in the county and the top quality of education. The parents from this village and other villages are willing to send their children to this school. The number of students is increasing recent years.

F. Construction Water Supply Project in Nanchousang Village, Guangzhuang Town, Yaozhou District, Tongchuan City, Shaanxi Province

Date of visit: 2 December 2008

People met: Ms Chen, Vice Mayor of Tongchuan Municipality, Shaanxi Province
Mr Wang, Director of Department of Commerce, Tongchuan Municipality
Mr Liang, Deputy Governor of Yaozhou District
Mr Wei, Deputy Governor of Guangzhuang Town
Mr Zhang, Director of Water Resource Bureau of Tongchuan Municipality
Mr Zhao, Head of Nanchousang Village

The project funded to build a water supply system in Nanchousang Village. The project was completed in October 2006. The system includes a deep well, a water storage tank, a pump and water pipes to supply tap-water to 156 households of 700 people in the village.

The total SAS fund is RMB380,000 and the Chinese matching fund is RMB420,000. The Water Resource Bureau of Tongchuan Municipality provided technical support for the system design, construction supervision, and system maintenance.

Since the project completed, the villagers are access to the clean water which improve their health conditions. Infectious diseases caused by unclean water are now greatly reduced. The villagers' time for carrying water from far away are now freed up to find jobs in the urban areas. Their incomes have increased in recent years.

The village environment has been improved. The households that the Team visited are all clean and with the tap water and toilet facility.

ATTACHMENT 16: MEETINGS UNDERTAKEN AND MAJOR ISSUES DISCUSSED

Date/time	Organisation	Key participants & Issues discussed
Monday 17 Nov.		
9:30-12:30	Briefing at AusAID Beijing office	<p>Carol Chen, Ma Zhigang</p> <ul style="list-style-type: none"> • Lack of process transparency & competitiveness • Overall role of MOFCOM & DOFCOM • SAS focus on CPS topics • Focus on 11 provinces • Eastern PRC vs Central & Western PRC • Funding reductions • SAS Model projects/villages • SAS highly valued • ADS English challenges • Links to trade and diplomacy • Changed conceptual approach to work on return • Post-return integration/alumni • Open VS Govt awards • Short courses • Limited access to high-level officials • Targeting & Selection criteria? • Objectives clarity? • Benefits for Australia • Overstay not a major issue recently • 24 = 12E + 6H + 6G (& Prov / Central split) • Some countries exiting PRC support • Crucial public diplomacy aspects of ADS & SAS • Facilities coming to end? • Effective M&E processes needed
2:00-4:30	Briefing at MOFCOM, including meeting with MOFCOM returned ADS scholars.	<p>Chen Ning</p> <ul style="list-style-type: none"> • Focus on ADS • Recent PRC economic progress • But poor west & central PRC • Potential for ADS twinning • Social impact of returnees • Seeks Mayor training in Australia • Keen to double ADS program • Need to revisit ADS objectives • Most graduates promoted after return • Role(s) of MOFCOM & DOFCOM
Tuesday 18 Nov.		
9:30-11:30	Ministry of Agriculture and their returned ADS scholars	<p>Zhu Baoying</p> <ul style="list-style-type: none"> • Eight MoA people on ADS since 2000 • Limited opportunities to practice learning son return to PRC • Challenges with EL • PRC top-down syndrome • Changed HRD approach and learnings on return • Learn Practice vs Theory in Aust • Masters pref to PhD • Limited value in Post Grad Diploma in PRC • Entry level at DoA = (PRC) Masters • Reluctance by Dept heads to release good people • Seek greater awards flexibility • Management training in Australia?
2:00-4:00	Ministry of Environment Protection and their returned ADS scholars	<p>Mu Zhaojing</p> <ul style="list-style-type: none"> • Value if study in agency work

		<ul style="list-style-type: none"> • Capacity building v. important • Language a challenge • Short-term courses potential • Internal selection processes are transparent • Long-term impact needs measure • Higher skilling needs for local and provincial staffs
Wednesday 19 Nov.		
9:00-10:00	Meeting with ACEDP	<p>Gunther Mau, Ivy Wang</p> <ul style="list-style-type: none"> • Creating lasting partnerships • Advantages from both sides • Focus on IWRM • Social and pollution issues important • Keen to move from practical to policy devt • Multiple GoPRC counterpart agencies • V Good support from MOFCOM • No counterpart \$ yet from Aust orgs • M&E a major challenge – PRC lacks skills • Selection – reintegration linkages needed • More forethought on study choice • How to harmonise facilities with ADS • Needs analyses needed • Short courses would work
10:00-11:30	Meeting with CAGP and ADS Administrator	<p>Michael Young, Tracy Cui</p> <ul style="list-style-type: none"> • How to manage ADS, post-CAGP • Lack of selection methodology ? • Roles of COD and CPS (central party school) • Strong partnerships exist • CAGP ceases mid-2010 • Balanced development a focus • Ageing population • Building relationships important • Focus on CB + high-level strat linkages • Many returnees eventually move into private sector • PRC needs a stronger Governance focus • BHP & Uni of Beijing links • Current CAGP M&E – outputs – not outcomes • Need a long-term view – 2003 not 2010
2:00-3:00	State Forestry Administration and their returned ADS scholars	<p>Xia Jun</p> <ul style="list-style-type: none"> • Agency reports directly to State Council • ADS – systematic learning! • Exposed to a wide range of academic views in ADS • Capacity building on return • Always good relations with MOFCOM • DoA prefers long-term training (to ST) • Network of returnees needed • Prefer people at strategic level to be ADS • Sandwich programs possible
3:30-4:30	Ministry of Health and their returned ADS scholars	<p>Jih Bo, Liu Fang, Lu Hongtao</p> <ul style="list-style-type: none"> • 11 ADS since 2000 – mainly in HR • Language ability restricts applicants • South-South support • ADS identifies gaps in skills • PRC needs more of a global health perspective • Importance of personal linkages thru ADS • Build on ADS for more Int linkages • High chance of promotion on return • If PRC can't control disease – could spread to Aust. • Potential for commercial linkages in health

Thursday 20 Nov.		
9:00-11:30	AusAID Health Facility CAH-HIV/AIDS	<p>Victor Dong</p> <ul style="list-style-type: none"> • Objectives = Capacity Building & Relationship Building • HIV:EID:System strength. = 2:3:3 • Program began late 2007, completes in 2012 • Some links with State Govts in Aust • Lack of commitment from Aust agencies/ instituts • All Facility activities have “experience exchanges” • Support management/leadership ST training • Large, unmet HRD needs in PRC health agencies (e.g. CDC programs) • Case studies provide output evidence, but outcomes evidence more difficult
2:00-4:00	Ministry of Water Resources and their returned ADS scholars	<p>Luo Li</p> <ul style="list-style-type: none"> • 8-10 ADS so far • Water and environment foci • Backgrounds of ADS – civil engineering, economics, languages • Some promotions post-ADS (not many?) • Linkages with Aust e.g.NWC, Qld Water Bureau • Yangtse River Comm sends 10 people to Aust each year for Masters studies • Similar challenges builds bridges • EL a continuing challenge • HRD plan exists – but where? • 10 international scholarships annually (to DoWR) • Senior level ST training needs ministerial approval
Friday 21 Nov.		
9:30-11:30	Ministry of Finance and their returned ADS scholars	<p>Liu Yingzhi, Wang Wei</p> <ul style="list-style-type: none"> • ADS provides advanced leadership skills • Theoretical and practical ADS benefits • Improves operational confidence • Must have prior ELT training (in PRC?) • Increases awareness of coal and environmental responsibilities • Assists in MoF policy devt • Increased research and team work skills • ST courses for DGs would be difficult to arrange but valuable • Potential for multi-nation ST courses in discipline area in Aust? • Since 2005, five ADS grads in MoF • MOFCOM doesn’t explain why some applicants miss out • Process not transparent • Cannot apply for other scholarships when applicable in for ADS • So – shorten selection period? • Agency culture can change with ADS returnees • Bachelors program possible?
11.30-2.00	Pre-departure briefing, Alumni presentation, and Focus group	<i>See Focus Group Report</i>
2:00-4:00	National Development and Reform Commission and their returned ADS scholars	<p>Wu Hongliang, Wui Qha</p> <ul style="list-style-type: none"> • Similar profile/role to Treasury • Established by the SPC in 1952 • Responsibility for investment, trade, macro-economic policy, infrastructure

		<ul style="list-style-type: none"> • Focus on boosting PRC economic demand • Responsible for five-year devt plan (PRC) • Reduce energy consumption • Some opposition from Directors to release good candidates • Language a key deterrent (though improving in A.) • Good links with Australian industry (mining?) • Suggest ST courses in: macro-economic modelling; project management; energy conservation. • Masters minimum to join NDRC • Also uses IMF & IDC short courses
4.30-5.30	Interim report to AusAID	<p>Carol Chan, Carolyn Bull</p> <ul style="list-style-type: none"> • China unique in relation to AD S • Relative small size of program • Flexibility essential • CPS focus areas • Poverty alleviation ?? • Roles of three facilities in future • Targeting process • Transparency in selection • ADS objectives in PRC? • Short courses = strong support
Saturday 22 Nov.	Reading and report writing	
Monday 24 Nov.		
9:00-11:30	Meeting with Guangxi DOFCOM regarding ADS nomination and SAS Management; Meeting with returned ADS students from Guangxi Regional departments	<p>M. Zhang Jianying, Xin Ma, (+2 ADS graduates: Yanli Kong, Lillian Wu)</p> <ul style="list-style-type: none"> • SAS = effective use of limited funds • Joint funding crucial for commitment • Since 1992 – 14 SAS in Province • Six ADS students to date- mainly in MOFCOM (!) • ADS grads promoted (one in Sri Lanka for GoPRC) • ASD focus on training of village women • EL skills a challenge in rural areas • Proposed lowering EILTS level • High-level officers (DGs, DDGs) cannot take time off for 1-2 years – so ST viable • Guangxi important tole in ASEAN • Thorough an dtransparent processes used for both ADS & SAS • Capacity building important in SAS • Very thorough Prov level assessment of SAS applix
Tuesday 25 Nov.		
8:30-18:00	Visit Hushan Village Water Supply Project in Gongcheng Country (45/04) and return to Guilin.	<i>Note that reports on each of the site visits will be included in the drat report when submitted</i>
Wednesday 26 Nov.		
9:00-18:00	Visit Lipai Village Sanitation Project in Longsheng County (34/03)	<i>Note that reports on each of the site visits will be included in the drat report when submitted</i>
Thursday 27 Nov.		
8:00-12:00	Discuss Dalukou Village Water Supply Project in Xing'an County (67/04) at Provincial Govt Office	<i>Note that reports on each of the site visits will be included in the drat report when submitted</i>
Friday 28 Nov.		
8:30-11:30	Meeting with Shaanxi DOFCOM regarding ADS nomination and SAS Management; Meeting with returned	<p>Mr Huang Xulin, (+ 2 ADS graduates)</p> <ul style="list-style-type: none"> • Low living standard in Shannxi province • Limited development in most parts of province

	ADS students from Shaanxi departments	<ul style="list-style-type: none"> • Unequal balance across province • Shaanxi has needed 170 Devt projects with 30 countries & 6 NGOs since 1985 • 16 of these with GoA • Peripheral benefit of improved local HRD skilling • Seeking more projects • Keen to develop alumni or ADS grads • Potential for Australian \$ investment in Shaanxi • Shaanxi current investment in Adelaide • Would value internships • IELTS = most difficult barrier • Support short courses (Director Level +) • Support “above line” evaluation
13:00-18:30	Visit Xinfangjie Village Primary School project at Lantian County (67/11) and return to Xi’an	<i>Note that reports on each of the site visits will be included in the drat report when submitted</i>
Saturday 29 Nov.	Document reading and report writing	
Sunday 30 Nov.	Document reading and report writing	
Monday 1 Dec.		
8:00-12:30	Travel to Heyang County	
1:00-7:00	Visit Pozhao Village Primary School project (45/18)	<i>Note that reports on each of the site visits will be included in the drat report when submitted</i>
Tuesday 2 Dec.		
8:30-11:00	Visit Nanchousang Village Water Supply Project at Yaonzhou District (56/13)	<i>Note that reports on each of the site visits will be included in the drat report when submitted</i>
Wednesday 3 Dec.		
9:30-11:00	New Zealand Embassy SAS & Environment Facility Workshop (See below)	<p>Michelle Lu, NZAID Officer</p> <ul style="list-style-type: none"> • Two small scale activity funds <ul style="list-style-type: none"> o Head of Mission Discretionary Aid Fund (HOMDAF) RMB 60,000 - 10 projects p.a o Development Project Fund (DPF) - like SAS * RMB 500,000 - up to 6 projects p.a • DPF applications received through MOFCOM and International NGOs (50:50) • Areas are community development, capacity building, gender (empowering women), and advocacy for disadvantaged communities • Focus is on the 8 Western provinces • Local contribution expected • No M&E system beyond initial site visit, and occasional monitoring • visit linked to other visits in the region. For activities beyond 1 year, • mid term report is requested. Final completion report is requested but not mandatory. Evaluation limited to annual audit. • PDF expected to cease in 2011 (not definite)
2:30-4:00	ACEDP workshop	<p>TL participated in selected sessions of ACEDP Workshop.</p> <ul style="list-style-type: none"> • Forestry focus • Positive dialogue • Input of Australian experts and PRC project managers productive • Substantial PRC budget allocation to Env issues • DAF modelling program (requires 1-2 day learning)

- Access to ADS by NGOs (PRC citizens)?
- Qinghai project particularly good model
- Interviews with M. Zhang Li (Director, FPM); and M.Zhang Lei (CNFE&DRC). Both will make excellent Focus profiles
- To follow through with Focus editor & cc Carol C.

Thursday 4 Dec.	Report writing
Friday 5 Dec.	
10:00-12.00	Presentation of Aide-memoire at AusAID
1:00-3:00	Presentation of Aide-memoire at MOFCOM

Session One – East Asia Regional Branch (Gaynor Shaw, Matt Plaistowe, Anne Rigby)

- Relationship with China is based less on activities and more on high-level policy and strategic engagement.
- Current program is A\$25 million p.a. with a reduction of \$5 million each year. Although program is winding down, by no means definite that it will cease. No timeline has been given.
- The key focus areas are Governance, Health, Environment, and Regional / other. SAS/ADS fall into the “other” category.
- ADS and SAS are relatively high cost components of the China program and therefore demand scrutiny. They also have a high political profile both for China and Australia. It is therefore very unlikely that that they will cease. The review therefore is about identifying means of improvement.
- MOFCOM is very protective of SAS/ADS – it is the only component of the AusAID program they have some control over.

Issues

1. ADS

Never been reviewed. AusAID wants Review Team to look at :

- The selection process (currently lack transparency)
- Outcomes on the ground (how effective is ADS)
- Gender issues - most ADS China scholars are female (why?)
- What is stopping ADS from being effective?
- What is working well (and why?)
- What isn't working well (why not?)

The Team needs to come up with findings backed with vigorous, credible evidence that will help AusAID in their discussions and negotiations with MOFCOM.

The Team needs to identify an end point (where should ADS go, when should it get there, and what are the interim steps to go through along the way?)

There are two internal AusAID “agendas” – the China Program (East Asia Branch), and the AusAID Scholarships Group (ASG). Each has objectives which need to be aligned.

2. SAS

- The SAS was reviewed in 2004. Focus of the current Review is on how far we have come since 2004.
- Issues include which of the 2004 recommendations have been implemented and which ones have not (why not?).

3. MEF

- Neither SAS or ADS have MEFs. The review should develop these. The MEF need to be simple and workable (yet comprehensive). Many MEFs are either too complex or too simple. We need a middle ground.

Session Two – Scholarships Group (ASG) – Lisa Spender, Colin Reynolds

- ASG are trying to have a “flagship scholarship program with a common MEF approach on ADS throughout the agency. The aim is to have a generic framework (with indicators and guidelines) that individual country program areas can adapt according to country priorities.

- So far ASG have developed 7 key evaluation questions (from an initial list of 12). This will form the basis of the new ADS MEF.
- Two recent reviews of ADS have taken place (MEF, and Re-integration of students). The main finding of the ADS Reviews was that the MEFs were too process orientated. They need to do more than look at process (activities and outputs) and instead concentrate as well as on outcomes/impact.
- The China ADS has no outcome objectives. This is a major failing (what is the China ADS Program trying to achieve?)
- Once objectives of China ADS have been developed, the MEF should focus on identifying the impact. It can do this by breaking things down into:
 - Likely impact – high or low? – positive or negative? Attribution – high or low?
- By “scoring” against this criterion, the results can form the basis for the analysis and qualitative narrative in reporting. This becomes the core of the evaluation.
- ADG stresses the need for flexible modes of delivery. It does not have to be just on in-Australia scholarships. It could be short term training, sandwich courses, distance education delivery etc.

Session Three – Gender - Nandhini Nagaratnam, Program Manager Capacity Development

Each intervention has social implications. What are these implications? What social changes are taking place? Is anyone / group be impacted negatively? What sustainable outcomes are occurring? Are stereotypes being reinforced or challenged?

Biggest problem in the gender area they are facing is how to measure progress? How to establish baselines?

For the ADS Review, areas might include:

- Sex disaggregated data
- What are they studying? (Why are they studying these subjects?)
- What is the drop-out rate? (Why?)
- Reintegration – what is happening?
- In what way are students contributing after their return?
- How does the study impact on families?

Session Four – Graham Rady - Asia Program Quality Adviser

The finding of the Annual Performance Reviews of ADS China was that it was sub-standard, and for SAS, also inadequate in terms of performance reporting. .

1. ADS

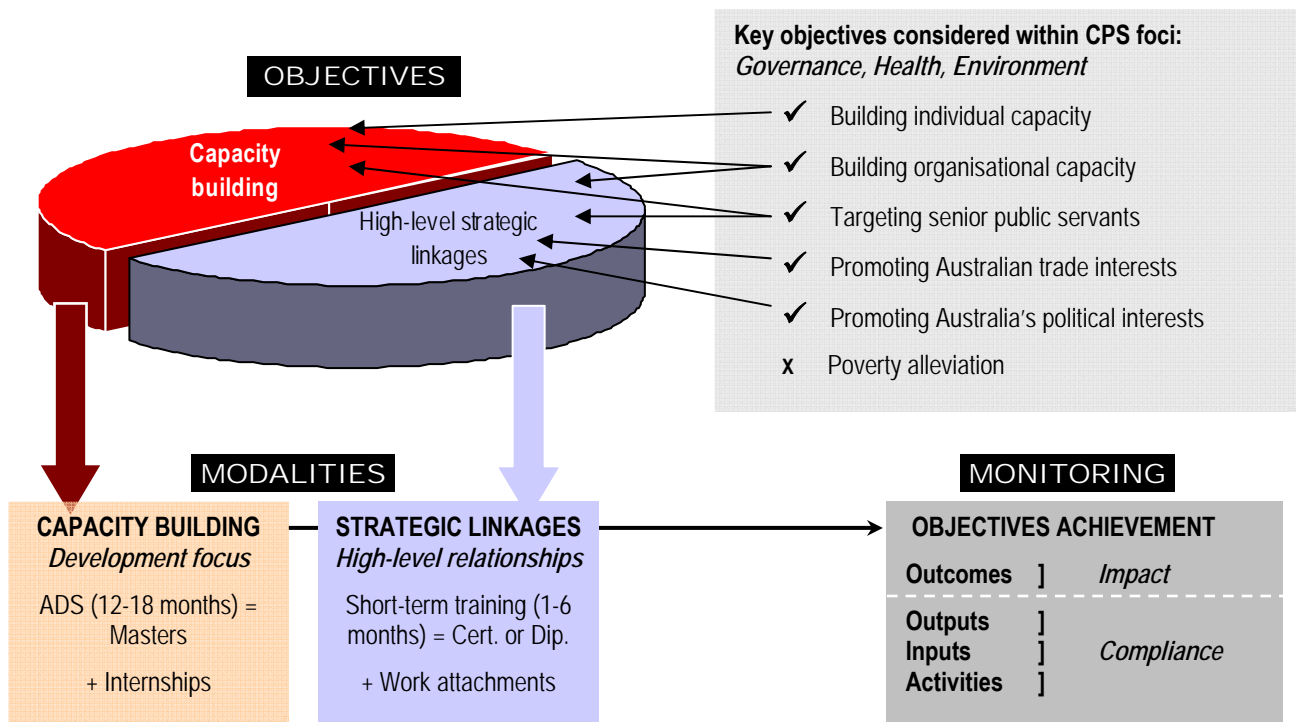
- ADS did not have an MEF at the time of design and this has impacted negatively on any attempts to adequately measure performance.
- Carol Chan, with her strong Scholarships background, recognises this weakness.
- Need to get the objectives at the right level. (e.g. drawing from the ASG framework).

- ADS China selection is NOT transparent. Other in-China scholarship programs are transparent. But for AusAID, ADS is not. Why not? We need to get a handle on why our scholarship program differs from other programs.
- Scholarships operate in a competitive market. Why are (possibly) non-competitive vis a vis other scholarship projects. What is our post-return (reintegration) strategy? Is an Alumni Database of any value or a waste of time and effort? From a developmental point of view, if we pick the best graduates are we in fact favouring an existing elite?
- If Australia is to have a HRD scheme, there needs to be a plan! (It's more than scholarships) e.g. could be 20 short-term trainees rather than one, three-year post graduate award.
- Develop strategic linkages with people / organisation in China who know where to access good applicants.
- If we are serious about promoting the value of ADS, we need innovative strategies. Push the envelope on what might be achievable.

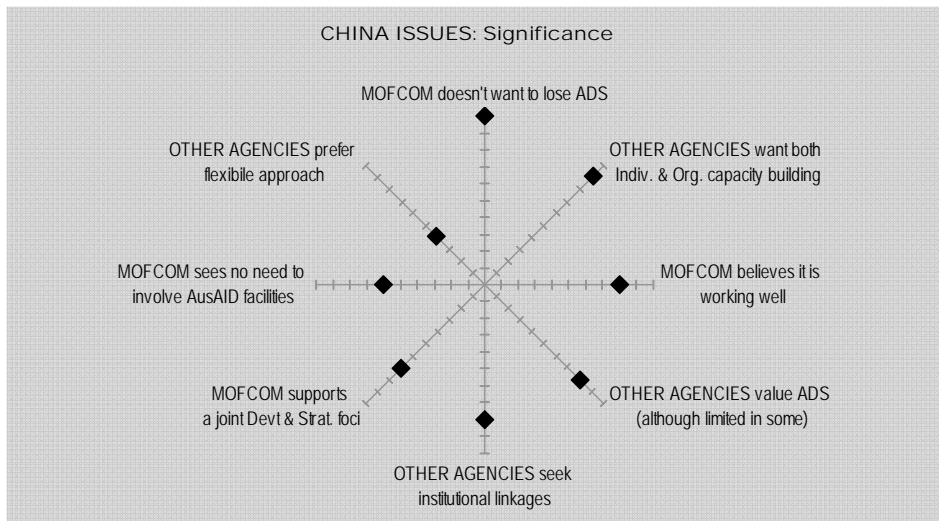
2. SAS

- The impact is questionable. Are we solving long-term, deep-seated development problems, or just giving it a light touch – a bit of public relations? What alternate strategies are out there?
- Seems to be an inadequate resourcing of SAS secretariats in the Ministries. Should we be helping with capacity building of these Secretariats?
- The SAS M&E is generally “disastrous”. How can SAS (and ADS) demonstrate, with evidence, whether or not they are making an impact.
- The Post needs a basis for discussions so make recommendations.

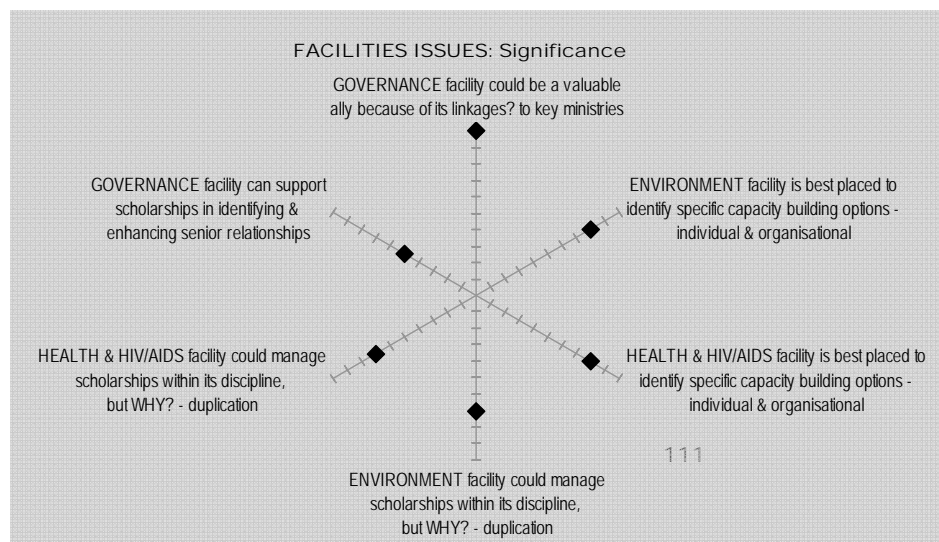
ATTACHMENT 18: PRELIMINARY APPROACH (PRESENTED AT MID-MISSION MEETING WITH POST)

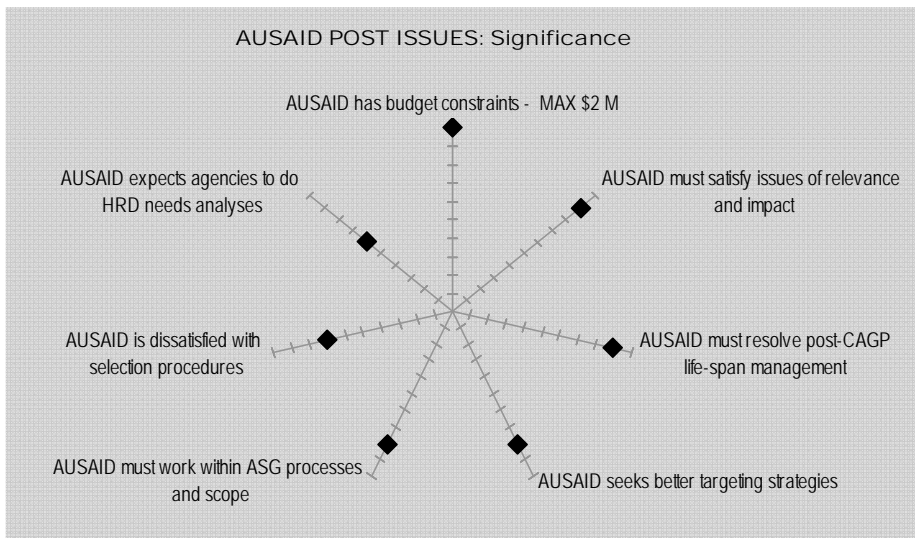


ISSUES



Degree / level of significance is indicated by proximity to diagram circumference.





COST OPTIONS / ESTIMATES

ADS Awards	ADS Annual Costs	SHORT COURSE Awards	SHORT COURSE Annual Costs	TOTAL AWARDS	TOTAL COST
24	\$2,000,016	0	\$0	24	\$2,000,016
20	\$1,666,680	12	\$336,000	32	\$2,002,680
16	\$1,333,344	24	\$672,000	40	\$2,005,344
12	\$1,000,008	36	\$1,008,000	48	\$2,008,008

BROAD PROCESSES OVERVIEW

	ADS	SHORT COURSES
Preparation	<ol style="list-style-type: none"> 1. Negotiate foci 2. Agency HRD analysis 3. Targeting strategy 4. Informing / communicating 5. Nominating 6. IELTS Testing 7. Re-entry planning 	<ol style="list-style-type: none"> 1. Negotiate foci 2. Targeting strategy
Implementation	<ol style="list-style-type: none"> 8. Selecting 9. Advising 10. Visa / Health issues 11. Pre-departure briefing 	<ol style="list-style-type: none"> 3. Selecting 4. Advising 5. Visa / Health issues 6. Pre-departure briefing
Skilling	<ol style="list-style-type: none"> 12. Mobilisation 13. ELT/EAP 14. Studies undertaken 	<ol style="list-style-type: none"> 7. Mobilisation 8. Studies undertaken
Post-Award	<ol style="list-style-type: none"> 15. Ongoing assessment 16. Return 17. Agency debriefing 18. Agency reintegration 19. Alumni participation 20. Tracking 	<ol style="list-style-type: none"> 9. Return 10. Agency debriefing 11. Agency reintegration 12. Alumni participation 13. Tracking

DRAFT
Terms of Reference
China Australian Development Scholarship (ADS)
& Small Activities Scheme (SAS)
Program Review
November-December 2008

1. BACKGROUND

The overarching goal of Australia's aid program to China, as identified in the China Program Strategy (CPS) for 2006-2010, is to "further mutual national interest by supporting China's balanced development policies and working together in the region". One of its strategic objectives is to "build capacity in selected sectors in China, in particular governance, environment and health". This strategy represents a shift in the way the aid program has been implemented in China in the past, from one-way technical transfer and stand alone activities to two-way partnerships in developing good governance, health and environment policies for the mutual benefit of both countries. At the same time, the launch of the CPS was the start of a gradual phase down of the China program. From \$30m in 2007/08, the total bilateral funds for China in 2008/09 are \$25m with a further decline of up to \$5m anticipated for 2009/2010.

China ADS and SAS programs have been implemented as typical AusAID long term and traditional aid modalities addressing capacity building and poverty alleviation issues in China since 1980's. Whether they are meeting current directions and priorities of AusAID and China Program Strategy has never been questioned before.

However, with increasing focus on development effectiveness of aid programs within AusAID and donor communities in response to the Paris Declaration, China ADS and SAS are under scrutiny. Further, a recent DAC Peer Review of Australia recommended AusAID "review and evaluate the impact of the various approaches to capacity development". It gave the example that the "scholarships program does not seem to be embedded in country programs" and did not see "evidence of how it was contributing in a systematic way to the overall objective of capacity building". The review determined that AusAID should assess the impact of the scholarships program and document its contribution to capacity building.

In the Monitoring and Evaluation Section of the Annual Program Performance Report (2007-08) for China, China ADS was rated "poor" and SAS rated "very poor" quality. The report also pointed out that "Older activities, such as Australian Development Scholarships (ADS) and Small Activities Scheme (SAS), which have not demonstrated outcomes, should be independently assessed to determine effectiveness, relevance and scope for improvement" (P3).

As the two programs have the same Chinese cooperating partner, ie. the Ministry of Commerce (MOFCOM) and nomination of ADS candidates and submission of SAS proposals are all done through MOFCOM, it is decided that a combined review will help identify common issues and lessons learned. A joint review is also for time-saving and cost effectiveness.

Given the important role of MOFCOM in the programs, their relevance to the CPS and future bilateral relationship, it will be ideal to involve MOFCOM as much as possible in the review

process for them to understand better AusAID's new requirement on program M&E and development effectiveness.

1.1 China ADS program

The current objective of Australian Development Scholarships (ADS) is to:

“promote human resource development in China through a program of in-Australia scholarships for public category Chinese students to undertake postgraduate studies at Australian universities at the Masters level”.

This objective was set a long time ago based on the needs of human resources development of Chinese government at that time. There will be a need through this review to revise the strategic objectives of the China ADS in accordance with the AusAID agency wide monitoring and evaluation review of Australian Scholarships.

Traditionally, the areas of study for the awards must be consistent with the themes of the China Program Strategy, i.e. with more focus on supporting policy reform. Currently these are governance (mainly economic and public sector reform), health (mainly public health, HIV/AIDS, and other communicable diseases), and environment (mainly water resource management, climate change and clean energy). This review should determine whether the broad principle of supporting themes is appropriate and effective in meeting the objectives of the CPS.

The ADS program has been with China since 1987 and the average annual number of scholarships has been around 40. This number dropped down to 20 for 2003 intake due to an over-programming issue of the China country program. Then in 2005, as negotiated and agreed with MOFCOM, the number was increased to 24 per annum using the savings from shortening the formal study period from 24 months to 18 months; reducing the length of PCE from 6 to 3 months and cancelling the family entry component of the program. This review will need to consider the appropriate balance and number of scholarships or alternative training options in light of increasing costs of scholarships and the current phase down of the China country program. Currently, the ADS program is valued at around \$2m per year including contract management of the program in China and in-Australia scholarship costs.

In 2000 AusAID outsourced the in-China ADS administration functions. A four year contract with IDP concluded in 2004 and from mid-2004 ADS has been incorporated as a component of the China Australia Governance Program (CAGP). The program continues to manage 24 awards each year. There will be a potential problem here with regard to ADS management as CAGP is due for completion in two years time. This review will need to address the viability of continuing the current process of outsourcing scholarships administration in light of their findings and making recommendations for its management beyond CAGP.

The current approach to distribution of China ADS is: half are offered to candidates wishing to undertake governance-related courses (as a component of the China Australia Governance Program supporting capacity building); half are shared between the two other priority sectors of environment and health as specified in CPS; awards are distributed equally between central and provincial government agencies; and half of the scholarships are awarded to women. We are aware that this is no longer an acceptable response to gender issues and we will need the review team to give some thought to this.

Each year, AusAID and China's Ministry of Commerce (MOFCOM) will meet and agree on a sectoral distribution of scholarships, and identify which central and provincial government authorities will be asked to submit ADS nominations. MOFCOM will then write to eligible central ministries and provincial Departments of Commerce (DOFCOM) inviting nominations from all eligible public sector employees. (For eligibility criteria please see Attachment 1). Provincial

DOFCOMs will coordinate the nominations from their related provincial departments. All the applications and nominations for awards are submitted to MOFCOM who will then pass on the nominations to China ADS Administrative Officer for booking IELTS places with the British Council China Office (for detailed process and timelines please see Attachment 2). There is a fundamental issue with seeking nominations for awards which are not based on a needs or skills gap analysis or rigorous selection criteria.

1.2 Some known issues with current China ADS delivery

1.2.1 ADS scholarships are not targeted

There are only up to 24 public category scholarships annually for China but there are more than 12 central ministries and 16 middle and western provinces involved in nominating candidates for the scholarships. According to MOFCOM's principle of balancing the spread of awards, those ministries or provinces who have nominated qualified candidates should all get at least one scholarship so in the end the 24 scholarships are spread somewhat evenly among these institutions. While there is some merit in a fair process for distribution of scholarships, this approach raises concerns about what are the desired outcomes of the scholarships. It is impossible to evaluate the impact of one scholarship on an institution or on building critical mass within one sector or one institution.

1.2.2 M&E is not incorporated into the selection process

China ADS program has been ongoing for many years without any proper review, so its objectives are not clearly defined to meet the main themes of current *China-Australia Country Program Strategy*, let alone conforming to the requirement of development effectiveness and related M& E. So the selection of ADS candidates, the most important process in scholarship delivery, has lost its directions and is done in the same way every year through consulting MOFCOM based on very limited information, and there is no way to compare students with country needs.

Realistically, China ADS cannot directly support the country program strategic directions in isolation. This is consistent across all countries and has been recognised by AusAID as a major impediment to current M&E of scholarships. Scholarships are a mechanism for supporting activities and therefore their true impact can only be measured as a contribution towards meeting the objectives of the activities they support. Selection of candidates should also therefore be linked to specific objectives of activities.

1.2.3 English language

Unlike other non-English-speaking countries, there has been no English language provision built into ADS delivery process in China since the start of the program. During the decades of scholarship program implementation there are less and less people with sufficient English language skills and more and more universities demanding higher language skills. Proficiency in English language has therefore become a key selection criterion and officials who work in departments and divisions of international cooperation in central ministries and provincial departments and university English teachers have become the main recipients of ADS scholarships. Selection based solely on who has the best English language skills has no specific purpose related to the country strategy objectives. The problem is, however, finding enough suitable candidates, particularly within provincial departments, who also have sufficient language skills. Is there another way to address this problem, bearing in mind the budget constraints of the program.

1.2.4 Scholarships vs. Fellowships

Given the fact that most Chinese public servants, especially those in middle management positions, are not able to leave their current posts for lengthy periods to undertake scholarship study, there has been a growing interest in incorporating fellowships or short term training into the scholarships program. The ALA Fellowships program is very popular among national and

provincial government bodies and research institutions according to findings from a recent Australian Scholarship promotional workshop. The feasibility of changing the program to focus some of the scholarships on short term training is a question for this review.

1.3 China SAS Program

The Small Activities Scheme (SAS) is a fund administered by the Beijing Post in consultation with China's Ministry of Commerce (MOFCOM). The scheme is intended to contribute to poverty reduction through small-scale interventions using quick disbursement and simplified administrative mechanisms at community level of poorer, remote and minority group areas, especially in nationally recognised poverty-stricken counties. It is a practical and flexible mechanism for making quick and effective developmental impact in rural, poorer areas of China. Traditionally, SAS projects focus on poverty reduction through funding rural community development activities such as primary school building, water supply systems, village clinics and township hospitals in middle and western provinces in China.

The number of projects supported under the scheme each financial year is subject to SAS annual funding allocation agreed between AusAID and MOFCOM. Since 2004-05 financial year, the annual budget for SAS remained at \$1 million, but in the current 2008-09 financial year it was decreased to \$500,000. The reduction correlates directly with the scaling down of the overall China program and the move away from stand-alone technical assistance or infrastructure projects to a partnership program based on policy dialogue on issues of mutual interest.

On average, around 20 projects were funded in each financial year. The maximum funding provided for each SAS project is up to A\$100,000, but at MOFCOM's advice, it decreased to between A\$50,000 to A\$60,000 in the past few years. SAS proposals are submitted to both AusAID and MOFCOM by a Chinese agency via the local Department of Commerce (DOFCOM). When all the proposals are received, AusAID and MOFCOM assess them and do a short list separately according to the quality of the proposals (which include geographic spread, poverty level, number of beneficiaries, gender and sustainability of the activity etc.). Then a joint selection meeting will be convened and both sides will compare the two shortlists and decide on those ones on both lists and negotiate those different ones based on more information provided by MOFCOM.

SAS has been operating in China under the bilateral program since 1981. An independent review was done in 2004 to evaluate the efficiency and effectiveness of the scheme and to assess whether the scheme needs to be reoriented to fit in better with the directions of the then *China-Australia Country Program Strategy*. Most of the review recommendations have been implemented but some have not due to MOFCOM's strong opposition and Post resources (eg. Recommendation 7 regarding the 11 core provinces).

2. OBJECTIVES

2.1 China ADS

To identify and review the fundamental weaknesses of the current China ADS program including

- Current China ADS objectives :
- Candidates nomination and selection process;
- Relationship between student nomination and institutional human resources planning (linked to M&E)

- Focus of program (targeting of students, provincial spread, sectoral spread, etc)
- Program partners (for efficiency, transparency and accountability)
- Reintegration of students (for program ownership, sustainability and influence)
- Alumni (for impact and ongoing linkages between Australia and China).

To produce recommendations relating to:

- strengthened impact of China ADS on the country program objectives; if necessary, re-orient the objectives of the program taking into consideration the scaling down of the overall China development program and resources available; or suggest alternative approaches to scholarships)
- better linkages between institutional human resource needs and student selection (the extent to which students can be targeted for specific roles after graduation);
- improvement and modification of cost-effective ADS program delivery in China (if necessary, revise the scope of ADS – number, target, ELT, course choice, length of scholarships, etc); and
- options for continued management of ADS beyond CAGP as mentioned in paragraph 8 above.

2.2 China SAS

To assess the effectiveness of the scheme in relation to its intended goals and objectives, including factors that contribute to activity success, the extent to which activities are replicated and sustained;

To assess the appropriateness of the scheme in light of the goal and objectives of CPS as outlined in paragraph 1 above.:

- Use SAS as a test case to see whether the shift of directions of China County Strategy from provincial poverty alleviation projects to current central ministry partnership facilities are appropriate;

To provide recommendations on how to monitor and evaluate the outcomes and impact of the scheme, including:

- options for revising its scope, activities and reporting arrangements; and
- better integration of SAS with current facilities in governance (cf. HRTC SAS), environment and health in order to meet the current *China-Australia Country Program Strategy* objectives and program quality, aid effectiveness and relevant M&E requirements.

3. SCOPE OF SERVICES

The proposed China ADS/SAS Review will cover the past five intakes of students from 2003 and SAS activities funded after the SAS Review 2004. The consultants will attend briefings by colleagues at the Australian Scholarship Group (ASG), the Office for Development Effectiveness (ODE) and East Asia Regional (EAR) in Canberra and conduct meetings with AusAID Beijing Post, MOFCOM, MC and selected central ministries and provinces. Specifically speaking, the consultants will:

- participate in a pre-departure briefings with colleagues in ODE, ASG and EAR in Canberra to get to know AusAID's requirement on program M&E and development effectiveness;
- review relevant background materials in relation to ADS/SAS, including the most recent reviews, and key documents such as the China Country Strategy and briefing/data collected from the post;

- consult with AusAID staff in Canberra and Beijing, the relevant Chinese officials, other donors who have similar activities;
- consult with other AusAID country programs who have conducted similar reviews recently;
- analyse data collected from recent questionnaires;
- conduct field visit to consult with ADS/SAS recipients (post 2004) and other stakeholders as appropriate;
- assess the strengths, weaknesses and achievements of ADS/SAS relative to its objectives including program guidelines, selection processes and implementation and recommend ways to make it more effective and efficient to achieve aid effectiveness requirement;
- comment on the effectiveness and efficiency of a small grants scheme and ADS in achieving or supporting broader development outcomes of China facilities in governance, environment and health areas and, if appropriate, recommend ways to improve such schemes;
- comment on the appropriateness of ADS/SAS in light of the directions of the current China Country Strategy including:
 - continuing with the existing scholarships program or finding alternative forms of capacity building (such as fellowships or short-term training programs) to support the objectives of the CPS; and
 - the poverty focus of SAS, their geographic coverage, model of implementation, area of focus, type of activities funded, level of funding and reporting requirements . If appropriate, this should be developed into revised scheme guidelines and administrative processes.
- prepare an Aide Memoire to AusAID Beijing and MOFCOM about the key findings and recommendations; and.
- prepare and submit review report including recommendations for the future operations of ADS and SAS in China.

The team will take into consideration those aspects of the programs that cannot be changed, such as the funding restrictions, pressure on resources as the China bilateral program phases down, etc, in preparing their recommendations.

4. TEAM COMPOSITION

The team will include two international experts who are the Team Leader (TL) and M&E Specialist (M&ES) and a Chinese National Specialist (NS) who will be focusing on SAS review.

The collective skills of the team will include the following:

- capacity building and community development expertise with substantial experience in conducting project reviews;
- capacity to review and improve administrative processes for funding mechanisms such as ADS and SAS
- familiarity with AusAID review requirements and Project Quality Standards, development effectiveness and related M&E requirements; experience in implementation, monitoring and/or evaluation of projects in a developing country context;
- experience in designing M&E system for scholarship programs and small community development projects like SAS;
- demonstrated understanding of and experience in capacity building, rural community development, gender, poverty reduction as well as other cross-cutting issues
- development experience in China;
- capacity to make strategy and policy recommendations;
- capacity to write analytical, informative and succinct reports; and

- proficiency in the use of word processing systems, and access to email.

Responsibilities within the team are to be negotiated between the team leader and the team members. However, the following terms of reference provide an indicative guide to individual team member inputs/outputs. The team leader should confirm primary responsibilities of individual team members with team members and AusAID prior to the field mission.

4.1 Team Leader (TL): Mr Geoffrey Lacey

The Team Leader will have primary responsibility for directing team inputs and responsibilities, logistics and coordinating the field program, and coordination of report preparation. The team leader will take primary responsibility for considering both ADS and SAS program strategy, purpose, process, outcomes and impact with a focus on ADS, including its management options after CAGP finishes. The Team Leader will have overall responsibility for considering policy and sustainable aspects of the two projects, M&E arrangement and other areas as considered appropriate in negotiation with other members.

4.2 Monitoring & Evaluation Specialist (M&ES): Mr Jeffrey Bost

The M&E Specialist will, at the direction of the Team Leader, have primary responsibility for putting necessary process into place to formulate a practical M&E Framework for both China ADS and SAS according to AusAID's current M&E and aid effectiveness requirements. The specialist will also provide input to the final report as discussed and agreed with the Team Leader.

4.3 National Specialist (NS): Ms Liu Lili

The National Specialist will, at the direction of the Team Leader, work together with the team on issues in ADS and SAS program delivery in China based on her good understanding of China context, but with primary responsibility on assessing the appropriateness of current SAS activities in terms of poverty focus, geographic coverage, model of implementation, area of focus, type of activities funded, level of funding and reporting requirements and identifying other types of activities to be funded under SAS which are more aligned with CPS and current needs of China. The SAS guidelines and application form should be revised to reflect these changes. The specialist will also provide input to the final report as discussed and agreed with the Team Leader.

4.4 **AusAID Officers: Relevant AusAID officers will accompany the review for consultation as necessary.**

4.5 *A MOFCOM staff member may assist in the review.*

5. **REPORTING**

The Review team will be required to provide the following reports

- A Method Note covering the approach to be undertaken and standard questions and specific questions they need to ask of the different people the team will meet 1 week prior to in country mission.
- Draft Aide Memoire prior to debriefing at AusAID Beijing.
- Draft review report within two weeks of returning to Australia.

- Four hard copies of the final review report within 10 working days of receipt of AusAID comments on the draft review report. Company's logo should not appear on the covers of any report.
- AusAID also requires the review team to attend a briefing/debriefing in Beijing before and after the mission.

6. INDICATIVE TIMETABLE

The review will commence in early November and will be completed by mid-December 2008 in time for possible program modification to be set in order.

Tasks	Duration	Date
Desk review of documents prior to in-country monitoring visit (5 days)	1 week	Early November 08
Canberra briefings by ASG, ODE and EAR (TL, M&ES)	2 days	Early November 08
Travel to Beijing (TL, M&ES)	2 days	Early November 08
In-country Mission including briefing AusAID Post and MOFCOM, meetings with related ministries and ADS returned students and field mission to SAS activities in provinces (Team)	3 weeks	Mid-Late November 08
Debriefing in Beijing (Team)	1 day	Late November 08
Draft Report submitted to AusAID	2 weeks	Early December 08
Finalised Report submitted	10 days	Mid-December 08

7. BACKGROUND MATERIALS

The Review Team will be provided with the following materials for desk review:

- China Country Program Strategy (2006-10);
- ASG's M&E documentation for Australian Scholarships;
- SAS Review Report 2004;
- SAS Guidelines 2007;
- SAS activity list (2005-2008)
- QAI reports for ADS and SAS (2007-08);
- Copies of completed questionnaires by former ADS students and recipient institutions;
- Recent reviews of other ADS and SAS programs; and
- Any other documents deemed relevant by AusAID

ATTACHMENT 20: CHECKLIST – TERMS OF REFERENCE

SCOPE OF SERVICES	
Term of Reference	Refer to Report, sections:
The proposed China ADS/SAS Review will cover the past five intakes of students from 2003 and SAS activities funded after the SAS Review 2004. The consultants will attend briefings by colleagues at the Australian Scholarship Group (ASG), the Office for Development Effectiveness (ODE) and East Asia Regional (EAR) in Canberra and conduct meetings with AusAID Beijing Post, MOFCOM, MC and selected central ministries and provinces. Specifically speaking, the consultants will:	
<ul style="list-style-type: none"> participate in a pre-departure briefings with colleagues in ODE, ASG and EAR in Canberra to get to know AusAID's requirement on program M&E and development effectiveness; 	Section 2.3 Attachment 17
<ul style="list-style-type: none"> review relevant background materials in relation to ADS/SAS, including the most recent reviews, and key documents such as the China Country Strategy and briefing/data collected from the post; 	Sections 1.1, 1.2 Attachments 3, 6, 17, 18, 19
<ul style="list-style-type: none"> consult with AusAID staff in Canberra and Beijing, the relevant Chinese officials, other donors who have similar activities; 	Sections 1.1, 1.2, 2.3 Attachments 3, 6, 17, 18, 19
<ul style="list-style-type: none"> consult with other AusAID country programs who have conducted similar reviews recently; 	Sections 3.2, 3.3 Attachments 7, 8
<ul style="list-style-type: none"> analyse data collected from recent questionnaires; 	Sections 5.1, 5.2, 5.3 Attachment 5
<ul style="list-style-type: none"> conduct field visit to consult with ADS/SAS recipients (post 2004) and other stakeholders as appropriate; 	Sections 1.2, 2.4 Attachments 15, 16
<ul style="list-style-type: none"> assess the strengths, weaknesses and achievements of ADS/SAS relative to its objectives including program guidelines, selection processes and implementation and recommend ways to make it more effective and efficient to achieve aid effectiveness requirement; 	Sections 3.2, 3.3, 4.1, 4.2, 5.1 Attachments 1, 11, 12, 13, 14
<ul style="list-style-type: none"> comment on the effectiveness and efficiency of a small grants scheme and ADS in achieving or supporting broader development outcomes of China facilities in governance, environment and health areas and, if appropriate, recommend ways to improve such schemes; 	Sections 1.1, 3.2, 3.3, 2.1, 4.1, 4.2 Attachments 1, 6, 9
<ul style="list-style-type: none"> comment on the appropriateness of ADS/SAS in light of the directions of the current China Country Strategy including: <ul style="list-style-type: none"> continuing with the existing scholarships program or finding alternative forms of capacity building (such as fellowships or short-term training programs) to support the objectives of the CPS; and the poverty focus of SAS, their geographic coverage, model of implementation, area of focus, type of activities funded, level of funding and reporting requirements . If appropriate, this should be developed into revised scheme guidelines and administrative processes. 	Sections 3.2, 4.1, 5.3 Attachments 7, 11, 10
<ul style="list-style-type: none"> prepare an Aide Memoire to AusAID Beijing and MOFCOM about the key findings and recommendations; and. 	Sections 1.1, 1.2, 2.2, 2.4 Attachment 18
<ul style="list-style-type: none"> prepare and submit review report including recommendations for the future operations of ADS and SAS in China. 	<i>This document</i>
The team will take into consideration those aspects of the programs that cannot be changed, such as the funding restrictions, pressure on resources as the China bilateral program phases down, etc, in preparing their recommendations.	<i>Taken into consideration</i>