The World Bank

Implementation Status & Results Report

Hunan Subnational Governance and Rural Public Service Delivery Program for Results (P172325)

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EAST ASIA AND PACIFIC | China | Governance Global Practice | Requesting Unit: EACCF | Responsible Unit: EEAG1
IBRD/IDA | Program-for-Results Financing | FY 2021 | Team Leader(s): Min Zhao, Kevin C. Chua

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Program Development Objectives

Program Development Objective (from Program Appraisal Document)

To enhance financing mechanisms for more equitable and efficient public service delivery of rural roads maintenance and compulsory education in the pilot counties and scale up selected practices across Hunan Province.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Satisfactory	Satisfactory
Overall Implementation Progress (IP)	Satisfactory	Satisfactory

Implementation Status and Key Decisions

Following the successful accomplishment of the objective in the first phase, Hunan has continued to make notable progress:

- An enhanced subnational debt management system has been developed and used by all prefecture cities and 122 counties; 8 pilot counties have drafted debt report and strategy.
- Significant improvements have been made in the predictability of high-level government transfers and budget transparency.
- A policy framework for rural roads asset management has been established.
- Result-based transfers for compulsory education have been adopted and implemented across all counties in Hunan.
- Transfer funds were allocated to counties based on their performance in compulsory education and rural roads maintenance in 2023, in accordance with the established financing mechanisms.
- Learning outcome assessments have been carried out in all counties in Hunan.
- Additionally, all eight pilot counties have been implementing public financial management (PFM) reforms according to their three-year fiscal reform action plan. Some counties made comprehensive progress in improving PFM performance, even in challenging areas that require political commitment, strong leadership and cross-departmental coordination.

Moving forward, Hunan PMO will allocate sufficient budget and intensify efforts to enhance capacity building and system development; and document good practices and lessons learned that can be shared widely. It is agreed that Hunan PMO will submit the progress report for the first-half year of 2023, the annual capacity building plan for 2023, and the mid-term review report to the Bank by June 2023.
The sixth implementation support mission is tentatively scheduled for November 2023.

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed	
P172325	IBRD-92000	Effective	USD	200.00	200.00	0.00	66.65	128.10		34%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P172325	IBRD-92000	Effective	23-Feb-2021	08-Mar-2021	04-Jun-2021	31-May-2026	31-May-2026

DLI Disbursement

DLI ID	DLI Type	Description	Coc	DLI Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for DLI
Loan: IBRD92000-001							
1.1.1	Regular	IT module for record,monitor&analyz bond	EUR	1,335,200.00	Fully Achieved	1,335,200.00	100 %
1.1.2	Regular	Regulation govern issuance&manage bond	EUR	1,001,400.00	Fully Achieved	1,001,400.00	100 %
1.1.3	Regular	early warning system&dashboard	EUR	1,001,400.00	Not Achieved	0.00	
1.2	Regular	#Counties with subnation debt manage sys	EUR	13,352,000.00	Partially Achieved	3,338,000.00	25 %
2	Regular	#Counties with Predictab of govern trans	EUR	16,690,000.00	Not Achieved	0.00	
3.1	Regular	Regulation Bg transpar,open Bg proto&FB	EUR	3,338,000.00	Partially Achieved	1,335,200.00	40 %
3.2	Regular	#Counties with increas Bg transpar&engag	EUR	13,352,000.00	Partially Achieved	3,338,000.00	25 %
4	Regular	#Counties adopt road asset manage system	EUR	25,035,000.00	Partially Achieved	6,258,750.00	25 %
5	Regular	Result-based Bg trans for roads mainten	EUR	33,380,000.00	Partially Achieved	834,500.00	2.5 %
6	Regular	Result-based Bg trans for compul edu	EUR	33,380,000.00	Partially Achieved	834,500.00	2.5 %
7	Regular	comprehens evalua sys for compul edu	EUR	25,035,000.00	Not Achieved	0.00	

Program Action Plan

Action Description	Hunan Province shall provide guidance and ensure that the 8 pilot counties develop and implement a PFM reform plan based on the findings from PEFA assessments conducted in 2020.				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Technical		Hunan DOF and 8 pilot counties	Due Date	30-Jun-2021	Completed
Completion Measurement	8 pilot counties submit their reform action plans to the Provincial DOF. The progress and findings of the reform action plan implementation shall be included in the semi-annual program report.				
Comments	Each pilot counties has developed a three-year PFM reform plan and 2022 annual reform measures. The province DOF has closely monitored the implementation of the PFM reform and provide trainings and organize knowledge exchange among them.				

Action Description	Hunan Province shall carry out a PEFA Assessment for the 8 pilot counties in 2024.				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Technical		Hunan DOF and 8 pilot counties	Due Date	30-Jun-2024	Not Yet Due
Completion Measurement	PEFA assessment reports are produced and received the PEFA check endorsement of PEFA Secretariat.				
Comments	Not due.				

Action Description	Hunan Province shall track the annual performance of HLG transfer predictability of 8 pilot counties and shall organize a training/peer learning event related to HLG transfer predictability once a year.				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Technical		Hunan DOF	Other	Annually, starting in 2021	In Progress
Completion Measurement	PDOF prepares a report summarizing the predictability of HLG transfer in 8 counties and at least one event is organized.				
Comments	On track. Hunan PDOF is tracking the performance of HLG transfer predictability of 8 pilot counties. Training and guidance was also provided. The results are used in deciding the allocation of IBRD loan proceeds among pilot counties.				

Action Description	Pilot counties shall carry out at least one communication/public outreach activity to increase citizens' awareness and engage with them around the budget information published (e.g. dissemination of the citizens' budget).				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Technical		8 pilot counties	Other	Annually, starting in 2021	In Progress
Completion Measurement	At least one event is organized in each of 8 pilot counties.				
Comments	On track. Evidence was provided to the Bank team that 8 pilot counties have completed activities for 2021.				

Action Description	Pilot counties shall compile an annual comprehensive financial report of rural roads expenditures.				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Fiduciary Systems		8 pilot counties	Other	Annually, starting in 2021	In Progress
Completion Measurement	Reports are produced in a template agreed with the Bank.				

Comments	On track. Project accounting and financial reporting guidance was issued, and the 2021 annual financial report was compiled and submitted to the Bank in October 2022.

Action Description	Hunan Province shall produce an annual capacity building plan and biannual progress report monitoring its implementation.				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Other		Hunan PMO	Other	Capacity building plan shall be produced by January in each year starting in 2021; Biannual progress report shall be produced twice a year by August and February	Delayed
Completion Measurement	Annual plans and progress reports are submitted to the Bank.				
Comments	The capacity building plan for 2023 was delayed. The biannual progress report for the first half of 2023 was submitted to the Bank in August 2023.				

Action Description	Hunan Province shall document and evaluate pilot practices and recommend options for scaling up and submits to the Program steering committee for endorsement.				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Technical		Hunan PMO	Due Date	30-Jun-2023	Not Yet Due
Completion Measurement	A mid-term program evaluation report on pilot practices and recommendations for scaling up is submitted to the Bank.				
Comments	Not due.				

Action Description	Hunan Province issue an official instruction that no contract will be awarded to a firm or individual in the debarred list or under temporary suspension. and inform the Bank of any credible and material allegations of fraud and corruption issues.				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Fiduciary Systems		Hunan PMO	Other	no later than the loan effectiveness	In Progress
Completion Measurement	Provincial Notification is issued and provided to the Bank				
Comments	On track. The instruction was issued in June 2021. The program progress reports confirm that there are no contracts awarded to ineligible bidders / individuals. Further, it is assured that there are no confirmed fraud & corruption cases in the report				

Action Description	Hunan Province shall develop a Community Engagement Manual (to be integrated into the Program Implementation Manual) and ensure that the 8 pilot counties implement this manual in rural road and compulsory education sectors.

Source	DLI#	Responsibility	Timing	Timing Value	Status
Environmental and Social Systems		Hunan PMO and 8 pilot counties	Other	A manual is issued no later than the loan effectiveness. Formal Training will be provided to 8 pilot counties twice in the first year and once a year in subsequent years.	In Progress
Completion Measurement	A manual (including a training and implementation plan) to the satisfaction of the Bank is integrated into the PIM and submitted to the Bank; The progress and findings of the manual implementation shall be included in the semi-annual program report.				
Comments	On track. CEU was adopted. Trainings were delivered.				

Action Description	Hunan Province shall establish and maintain an environmental and social internal supervision and reporting mechanism.				
Source	**DLI#**	**Responsibility**	**Timing**	**Timing Value**	**Status**
Environmental and Social Systems		Hunan PMO	Other	Hunan PMO appoints a full-time qualified and experienced E&S expert upon program effectiveness; Each county PMOs appoint at least one E&S focal-point within three months of effectiveness;	In Progress
Completion Measurement	Provincial E&S export appointed; County E&S focal-point appointed; Supervision and reporting mechanism is documented in the PIM; Program's E&S performance is included in the semi-annual program report.				
Comments	On track. The provincial E&S expert has been appointed. Each county also appointed an E&S focal point.				

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐Moderate	☐Moderate	☐Moderate
Macroeconomic	☐Moderate	☐Moderate	☐Moderate
Sector Strategies and Policies	☐Moderate	☐Moderate	☐Moderate

Technical Design of Project or Program	☐Moderate	☐Moderate	☐Moderate
Institutional Capacity for Implementation and Sustainability	☐Substantial	☐Substantial	☐Substantial
Fiduciary	☐Moderate	☐Moderate	☐Moderate
Environment and Social	☐Moderate	☐Moderate	☐Moderate
Stakeholders	☐Moderate	☐Moderate	☐Moderate
Other	--	--	--
Overall	☐Moderate	☐Moderate	☐Moderate

Comments
no changes in rating.

Results

PDO Indicators by Objectives / Outcomes

Strengthened fiscal management system

►Sum of three PEFA indicator scores in pilot counties 1) Debt Management (PI-13); 2) predictability of HLG transfers (HLG-1); 3) Public Access to Fiscal Information (PI-9) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.63	4.63	7.06	7.00
Date	31-Dec-2019	30-Nov-2022	31-May-2023	30-Jun-2024
Comments	This indicator focuses on tracking the PFM performance in 8 pilot counties in three areas including debt management, predictability of HLG transfer and fiscal transparency. It is measured by the sum of the three PEFA indicator scores – PI-13 on debt management, HLG-1 on predictability of transfer from HLG, and PI-9 on public access to fiscal information.			

Improved delivery of rural services

►Percentage of rural roads in or above fair condition: a) county roads (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	63.50	69.99	93.83	73.50
Date	31-Dec-2019	30-Nov-2022	31-May-2023	01-Dec-2023
Comments	This indicator tracks the performance of roads maintenance in the pilot counties, as being measured by a) the percentage of county roads in or above fair condition in all the county roads reported in the rural road assets inventory			

►b) township roads (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.47	35.56	92.77	40.50

Date	31-Dec-2019	30-Nov-2022	31-May-2023	01-Dec-2023
Comments	the percentage of township roads in or above fair condition in all the township roads reported in the rural road assets inventory			

►Number of pilot counties with within-county disparity in learning conditions among schools above national thresholds (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	3.00	3.00	0.00
Date	31-Dec-2019	30-Nov-2022	31-May-2023	30-Jun-2024
Comments	This indicator tracks the performance of pilot counties in reducing within-county disparity in learning conditions among schools for compulsory education. The disparity is measured by a composite index that is the weighted average of variance coefficients of seven key indicators including area of teaching space per student, area of sporting space per student, possession of teaching equipment per student (by value), number of qualified teachers per 100 students, number of classrooms with remote learning facilities per 100 students, number of music and art teachers per 100 students, number of core teachers per 100 students.			

Scaled impact

►Number of DLI practices scaled to the whole Hunan province (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	3.00	4.00
Date	31-Dec-2019	30-Nov-2022	31-May-2023	01-Dec-2023
Comments	This indicator focuses on tracking the wider impact of this Operation. It tracks the number of DLI practices that are scaled to the whole Hunan province out of total 7 DLIs.			

Intermediate Results Indicators by Results Areas

Strengthened institutions for intergovernmental fiscal management, transparency and accountability.

►Development of a more comprehensive provincial debt management system and number of pilot counties with enhanced subnational debt management system (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	8.00	8.00
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	31-Dec-2024
Comments	This indicator tracks the development of a comprehensive debt management system by Hunan province and its rollout in 8 pilot counties for debt recording and accounting. It also tracks the number of pilot counties that have enhanced debt management system.			

►Improved score of PEFA indicator PI-13 on debt management (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.50	2.50	3.00	3.00
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments	This indicator focuses on tracking the improvement in debt management in 8 pilot counties. It is assessed by the average numerical score of PEFA indicator PI-13 debt management in 8 pilot counties.			

►Number of pilot counties that have achieved more predictability of HLG transfers (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	5.00	4.00
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments		This indicator tracks the number of pilot counties that have achieved high predictability of HLG transfer by 2024. The index of predictability of HLG transfer is measured by the actual received HLG transfer reported in the budget execution report as a percentage of the HLG transfer projected in the year-beginning budget plan. A county is recognized as having achieved high predictability of HLG transfer if this index result falls between 94 and 130 percent in 2 out of 3 years in 2021-2023.		

►Adoption of provincial regulation on budget transparency, Open Budget Protocols and citizens' feedback mechanism and number of pilot counties have increased budget transparency and citizen engagement (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	8.00	8.00
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments		This indicator tracks the issuance of the provincial regulations on budget transparency, open budget protocols and citizens' feedback mechanism and the number of pilot counties that have increased budget transparency and citizen engagement.		

►Number of pilot counties conducting annual citizen consultation at the time of producing citizen budget per year (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	8.00	8.00
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	31-Dec-2024
Comments		This indicator tracks the number of pilot counties that have conducted annual consultation of citizen budget at the time preparing citizen's budget		

►Number of people visiting the eight pilot counties' open budget data portal (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	292,130.00	358,000.00	411,391.00	409,000.00
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments		This indicator tracks the improvement in citizen engagement as measured by the number of people visiting 8 pilot counties' open budget data portal and accessing budget information released.		

Performance–Based Financing and Quality Rural Services.

►Number of the pilot counties adopting a road asset management system which integrates climate resilience and road safety (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	8.00	8.00
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024

Comments	This indicator tracks the establishment and implementation of road asset management system with integration of climate resilience and road safety assessment and monitoring for rural roads in the pilot counties. Progressive DLIs are defined for each year from 2021 to 2024.

►Adoption of result-based budget transfers for rural roads maintenance (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	yes	yes	yes
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments	This indicator tracks the establishment and implementation of result-based budget transfers to the pilot counties for rural roads maintenance work by Hunan provincial government.			

►Monitoring the climate resilience and safety performance of the rural roads network (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	yes	yes	yes
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments	This indicator measures the establishment of assessment system and the monitoring of climate resilience and safety performance of the rural roads network in the pilot counties			

►Adoption of a result-based budget transfer for compulsory education (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	yes	yes	yes
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments	This indicator tracks the adoption of result-based budget transfers for compulsory education by Hunan provincial government.			

►Adoption of a comprehensive evaluation system for compulsory education (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	yes	yes	yes
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments	This indicator tracks key milestones in adopting comprehensive evaluation for compulsory education as measured by progressive DLRs for each year of 2021-2024.			

►Monitoring sex-disaggregated students learning outcome for compulsory education (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	yes	yes	yes
Date	30-Jun-2021	30-Nov-2022	30-Jun-2023	31-Dec-2024
Comments	This indicator tracks the adoption of sex-disaggregated data collection system to monitor the learning outcome by gender in 8 pilot counties.			

►Number of pilot counties with core teachers per one hundred students below national threshold (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	5.00	4.00	0.00
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments	This indicator tracks key milestones in improving better teaching and school management as measured by progressive qualification and deployment of teachers for each year of 2021-2024.			

►Mid-Term program evaluation report to document and evaluate pilot practices and recommend options for scaling up (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	none	yes	yes
Date	31-Dec-2019	30-Nov-2022	30-Jun-2023	30-Jun-2024
Comments	This indicator tracks the delivery of an evaluation report to the Provincial leadership that documents the evaluation results of the pilot practices supported under this operation and recommends options for scaling up to the rest of Hunan.			

Disbursement Linked Indicators

►DLI 1 Development of a provincial comprehensive debt management system and number of pilot counties with enhanced subnational debt management system (Intermediate Outcome, 20,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	Lack of a comprehensive debt management system for debt recording, monitoring and management	The PDOF has designed and set up a comprehensive debt management system and rolled out the debt management system in 14 prefecture cities covering more than 100 counties. The broad functional requirements of the system appear to be in line with the requirements of the DLI#1. Hunan DOF made further progress in developing the early warning module and dashboard of vulnerability indicators, which seem adequate, and consistent with international best practices.	The PDOF has designed and set up a comprehensive debt management system and rolled out the debt management system in 14 prefecture cities covering more than 100 counties. The system collects detailed information on debt-financed projects, including loan terms. There are concrete plans to integrate the full lifecycle management of debt-financed projects into the debt management system. Although the statistical analysis and early warning module are currently under development, there has been a slight delay in their implementation. Despite this, the direction of actions and measures taken towards the debt management system is highly encouraging, though there is still room for further improvement.	combination of DLI 1.1 and 1.2
Date	--	30-Nov-2022	31-May-2023	--

Comments	Results of DLI#1 for year 2021 have been achieved. Verification report is under preparation.

☐DLI 1.1 Development of a provincial comprehensive debt management system (Intermediate Outcome, 4,000,000.00, 0%)

Unit of Measure: Text

Indicator Type:

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	Current debt management system does not cover commercial liabilities related to leveraged project bonds	The PDOF has designed and set up a comprehensive debt management system, and made further progress in developing the early warning module and dashboard of vulnerability indicators.	The PDOF has designed and set up a comprehensive debt management system, which collects detailed information on debt-financed projects, including loan terms. There are concrete plans to integrate the full lifecycle management of debt-financed projects into the debt management system. Although the statistical analysis and early warning module are currently under development, there has been a slight delay in their implementation. Despite this, the direction of actions and measures taken towards the debt management system is highly encouraging, though there is still room for further improvement.	no result
Date	--	30-Nov-2022	31-May-2023	--

Comments	Results of DLI#1.1 have been achieved. Verification report is under preparation.

☐DLI 1.2 Number of pilot counties with enhanced subnational debt management system (Intermediate Outcome, 16,000,000.00, 0%)

Unit of Measure: Text

Indicator Type:

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	none	The debt management system has been rolled out to all prefectural cities and 122 counties in Hunan. The PDOF shared a draft debt report/strategy with the Bank team. The report prepared by Liuyang country provides a detailed summary of	The debt management system has been rolled out to all prefectural cities and 122 counties in Hunan. The eight project counties have prepared a draft debt report/strategy using the template provided by the Bank team. To further enhance the effectiveness of the	8 pilot counties have prepared an annual debt performance report and a rolling medium-term debt management strategy

		recent economic activities in the county, summarizes the overall debt situation, breaks down debt by type, maturity and interest and provides repayment schedules distinguishing between short-term, medium-term and long-term repayments. The report also includes a baseline scenario, based on a set of macroeconomic projections for the next five years about local GDP, fiscal revenues and expenditures and analyzes the debt amortization profile under these assumptions.	system, the PDOF is currently in the process of recruiting consultants who will provide support to the counties in conducting a debt sustainability analysis (DSA) to identify debt vulnerabilities.	
Date	--	30-Nov-2022	31-May-2023	--
Comments	Results of DLI#1.2 for year 2021 have been achieved. Verification report is under preparation.			

► DLI 2 Number of pilot counties have achieved high predictability of HLG transfers (Intermediate Outcome, 20,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	0.00	0.00	5.00	4.00
Date	--	30-Nov-2022	31-May-2023	--
Comments	Implementation of DLI#2 is on track. Result has been achieved one year ahead of schedule.			

► DLI 3 Adoption of provincial regulation on budget transparency, Open Budget Protocols and citizen's feedback mechanism and number of pilot counties have increased budget transparency and citizen engagement (Intermediate Outcome, 20,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	lack of provincial regulation on budget transparency and open budget protocols and budget transparency at county level is low	Hunan DOF prepared the citizens' budget for 2021 and released it on their homepage in an easy-to-find manner, together with the websites of budget information disclosure of the eight pilot counties. The PDOF and eight pilot counties also created a feedback column on the budget information disclosure webpage, and have been closely monitoring the	The provincial government and the eight pilot counties have successfully published the citizen budget for 2023, making it available through various channels such as the government's official website, newspapers, and popular media platforms like WeChat. The positive practices that were piloted in this PforR initiative have been institutionalized and expanded to encompass	combination of DLI 3.1 and 3.2

		number of visits and responded to inquiries.	the entire province. However, despite the efforts made to enhance citizen awareness of the government budget and improve accessibility to the citizen budget, the number of comments and feedback received from citizens remains limited.	
Date	--	30-Nov-2022	31-May-2023	--
Comments	Results of DLI#3 for year 2022 have been achieved and verified.			

DLI 3.1 Adoption of provincial regulation on budget transparency, Open Budget Protocols and citizens' feedback mechanism and publication of provincial citizens' budget (Intermediate Outcome, 4,000,000.00, 0%)
Unit of Measure: Text
Indicator Type:

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	lack of provincial regulation on budget transparency and open budget protocols; Hunan Province has established a functional citizens' feedback mechanism, but the citizen budget was not published at the provincial public centralized budget portal	Hunan Province has adopted the regulation on budget transparency and Open Budget Protocols. Hunan DOF prepared the citizens' budget for 2021 and released it on their homepage in an easy-to-find manner, together with the websites of budget information disclosure of the eight pilot counties. The PDOF also created a feedback column on the budget information disclosure webpage.	Hunan Province has adopted the regulation on budget transparency and Open Budget Protocols. Hunan DOF prepared the citizens' budget for 2023 and released it on their homepage in an easy-to-find manner, together with the websites of budget information disclosure of the eight pilot counties. The PDOF also created a feedback column on the budget information disclosure webpage.	Hunan Province has published the annual citizens' budget at the provincial government official website
Date	--	30-Nov-2022	31-May-2023	--
Comments				

DLI 3.2 Number of pilot counties with increased budget transparency and citizen engagement (Intermediate Outcome, 16,000,000.00, 0%)
Unit of Measure: Text
Indicator Type:

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	Budget transparency at county level is low and lack of functional citizens' feedback mechanism	All eight pilot counties have published their budget according to the budget protocol developed by the PDOF and issued 2021 citizen budget.	All eight pilot counties have published their budget according to the budget protocol developed by the PDOF and issued 2023 citizen budget.	8 pilot counties have a) published annual budget information on the provincial public centralized budget portal in accordance with the

				regulations on budget transparency and Open Budget Protocols; b) published online the annual citizens' budget; and c) maintained a functional citizens' feedback mechanism.
Date	--	30-Nov-2022	31-May-2023	--
Comments				

►DLI 4 Number of the pilot counties adopting a road asset management system integrating climate resilience and road safety (Output, 30,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	no county has comprehensive information on rural road assets or has adopted a road asset management system	The PDOT has issued a work plan for 2022 that includes the planned activities of: a) having adopted technical standards for maintenance of subgrade, pavement, bridges, tunnels, traffic facilities, and greening works; b) having completed a digital inventory of bridges and tunnels of the rural roads network; c) having monitored the climate resilience and road safety performance of the rural roads network; d) having developed an annual rural roads maintenance plan for CY 2022; and e) having competed at least 70 percent of the annual rural roads maintenance plan for CY 2022.	The PDOT has issued a work plan for 2023 that outlines annual tasks, targets, implementation schedule, and responsible leaders, agencies, and staff. All project counties have developed their respective annual maintenance works plans accordingly which were submitted to the PDOT. By the first quarter of 2023, all counties have monitored the risks of climate and safety of rural roads .	8 pilot counties have a) prepared a report on the annual level of service for rural roads, b) updated the digital inventory of rural road assets; c) monitored the climate resilience and road safety performance of rural roads network; d) developed an annual rural roads maintenance plan for CY 2024; and e) delivered at least 80 percent of the annual rural roads maintenance plan for CY 2024.
Date	--	30-Nov-2022	31-May-2023	--
Comments	Results of DLI#4 for year 2022 have been achieved and verified.			

►DLI 5 Adoption of result-based budget transfers for rural roads maintenance work (Output, 40,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	Current budget transfer for rural roads maintenance work is based on length and classification of roads	The PDOT and the PDOF have jointly issued the result-based budget transfer policy. The	The PDOT and the PDOF have jointly issued the result-based budget transfer policy, which has	Hunan Province has made available to each of the Pilot Counties the annual

	Baseline	Actual (Previous)	Actual (Current)	2024
		transfers for rural roads maintenance will be changed from project based to performance based. The performance will be measured from 7 aspects, namely, rural roads asset performance, effort of maintenance, institution development including monitoring climate resilience and road safety, financing, client services and self-initiated innovation. In 2023, PDOT will evaluate the performance of the counties and transfer maintenance funds based on the evaluation results of 2022.	changed the allocation of the transfers for rural roads maintenance from project based to performance based. The PDOT and the PDOF have evaluated the results achieved by the counties in 2022 and transferred the first batch of funds based on the evaluation results in compliance with the result-based transfer policy. Overall, the counties have reported positive feedbacks on the policy, and there have been no major issues with its implementation.	allocation for rural road maintenance works through result-based budget transfers.
Date	--	30-Nov-2022	31-May-2023	--
Comments	Results of DLI#5 for year 2022 have been achieved and verified.			

►DLI 6 Adoption of result-based budget transfers for compulsory education (Output, 40,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	The current transfer for compulsory education is one based on inputs.	The PDOF and PDOE have disbursed an amount of CYN 1.54 billion of the Lagging School Funds to all counties per the new result-based budget transfer document which was issued in November 2021. After the first verification, the first batch of loan fund was allocated to the 8 counties per the results from internal performance evaluation.	The PDOF and PDOE have continued to allocate 1.386 billion CYN of the central transfer fund for lagging schools to all counties, following the new result-based mechanism. The result will undergo verification in the second half of this year.	Hunan has made available the annual Lagging School Funds to each of the Pilot Counties through Results-based Budget Transfers
Date	--	30-Nov-2022	31-May-2023	--
Comments	Results of DLI#6 for year 2022 have been achieved and verified.			

►DLI 7 Adoption of a comprehensive evaluation system for compulsory education (Output, 30,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	2024
Value	lack of comprehensive system for monitoring and evaluating county's performance in delivery of compulsory education	Implementation of DLI#7 has progressed well. The PDOE completed the procurement of consulting service on	The implementation of DLI#7 has made progress, though behind the schedule. The PDOE has developed the	Hunan Province has completed an annual comprehensive evaluation of

		comprehensive evaluation system and IT-based system and signed the contract on July 27, 2022. The planned outputs of comprehensive evaluation system and IT-based system were drafted and will be piloted in the two project counties during end November to early December 2022. The PDOE facilitated the eight counties joining the provincial-wide students learning assessment program on this May. The assessment reports will be produced by next year. Per the requirement from the PDOF, the PDOE completed the performance evaluation for the 8 counties, which facilitated the allocation of loan fund.	comprehensive evaluation system and IT based monitoring system, conducted trainings for eight counties to use the IT-based monitoring system for data collection, and completed pilot evaluation reports for two project counties. The PDOE will take the following steps: (1) revise the pilot reports and finalize the evaluation system and IT-based system by June 2023; (2) conduct comprehensive evaluation for the eight counties and produce comprehensive evaluation reports; and (3) acquire the 2022 students' performance assessment reports by October 2023.	compulsory education.
Date	--	30-Nov-2022	31-May-2023	--

Comments