

## Translation



*The following is the final 2017 budget for the PRC State Administration of Foreign Experts Affairs (SAFEA). SAFEA was responsible for recruiting foreign experts, primarily scientists, to come to the PRC to contribute to China's technological advancement. 2017 was the last full year of SAFEA's existence; in 2018, it was eliminated in a ministry reshuffle and its functions were incorporated into the PRC Ministry of Science and Technology.*

### Title

2017 Budget of the Former State Administration of Foreign Experts Affairs  
原国家外国专家局2017年度部门决算

### Author

PRC State Administration of Foreign Experts Affairs (SAFEA; 国家外国专家局)

### Source

PRC Ministry of Science and Technology (MOST; 科技部) website, July 20, 2018. The budget itself is dated July 2018.

*The Chinese source text is available online at:*

<https://web.archive.org/web/20200625205823/http://www.most.gov.cn/mostinfo/xinxifenlei/czyjs/201807/W020180720406915466743.pdf>

*US \$1 ≈ 7 Chinese Yuan Renminbi (RMB), as of August 11, 2020.*

### Translation Date

August 11, 2020

### Translator

Etcetera Language Group, Inc.

### Editor

Ben Murphy, CSET Translation Lead

## 2017 Budget of the Former<sup>1</sup> State Administration of Foreign Experts Affairs

July 2018

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<sup>1</sup> Translator's note: The State Administration of Foreign Experts Affairs (SAFEA) ceased to exist in March 2018, when its functions were absorbed into the Ministry of Science and Technology (MOST) as part of a reorganization of PRC government ministries.

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According to the *2018 Plan for Deepening the Reform of Party and Government Institutions*, in order to accelerate the construction of an innovation-oriented country (创新型国家), the government will integrate the responsibilities of the Ministry of Science and Technology (MOST) and the former State Administration of Foreign Experts Affairs (SAFEA) in a reorganization of MOST. After this reorganization, the Ministry of Science and Technology will retain the name State Administration of Foreign Experts Affairs when dealing with external parties. At present, MOST is actively implementing the required institutional reforms and doing a good job in reorganizing the functions of the institution.

These final accounts reflect the total income and expenditures of the former SAFEA, including income and expenses at the level of the department itself and of subordinate units for institutional operations and conducting activities to recruit brainpower from abroad (引进国外智力).

## **Part 1: Basic Information**

### **I. Departmental Responsibilities**

(i) Formulate plans and policies for the recruitment of brainpower from abroad, draw up drafts of relevant laws and regulations, formulate administrative measures for the recruitment of brainpower from abroad, and supervise their implementation.

(ii) Take responsibility for the examination and approval of key foreign expert recruitment plans funded by national special funding projects and organize the implementation of national key foreign expert recruitment plans.

(iii) Prepare and report out on the budget for special funding projects for the recruitment of brainpower from abroad and supervise and inspect the use of these funds. Assist in handling major events pertaining to the recruitment of brainpower from abroad.

(iv) Take responsibility for relevant international exchanges and cooperation work, establish a service system for recruiting brainpower from abroad, regulate the intermediary organizations involved in the recruitment of brainpower from abroad, and take responsibility for information management related to the recruitment of brainpower from abroad. Organize and coordinate exchanges with experts from Hong Kong, Macau, and Taiwan.

(v) Take responsibility for the management of the annual overseas training plans, take responsibility for the approval of overseas training programs funded by national special funding projects and the review of other training programs, and organize the implementation of key overseas training programs.

(vi) Undertake other matters assigned by the State Council and the Ministry of Human Resources and Social Security.

### **II. Institutional Configuration**

In order to carry out the preceding responsibilities, the former SAFEA set up five institutions: The General Office, the Department of Policies and Regulations, the Department of Economic

and Technical Experts, the Department of Education, Science, Culture, and Health Experts, and the Department of Overseas Training Management. SAFEA has five directly affiliated units: China International Talent Exchange Center (中国国际人才交流中心), China International Talent Exchange Foundation, SAFEA Foreign Talent Information Research Center (国家外国专家局国外人才信息研究中心), Training Center of SAFEA (国家外国专家局培训中心), and Internal Service Center of SAFEA (国家外国专家局机关服务中心).

## Part 2: Departmental Final Accounts Statement

### Final Accounts Income and Expenditure Table

Department: Former SAFEA

Public Table 01  
Units: Chinese Yuan Renminbi (RMB) 10,000

Income			Expenditure		
Item	Row No.	Final Account Value	Item (Functional Classification)	Row No.	Final Account Value
Column No.		1	Column No.		2
I. Fiscal appropriation income	1	77,617.11	I. General public service expenditures	10	63,564.11
II. Business income	2	589.80	II. Diplomatic expenditures	11	67.09
III. Operating income	3	26,126.20	III. Educational expenditures	12	9,556.26
IV. Other income	4	2482.78	IV. S&T expenditures	13	6,261.30
	5		V. Social security and employment expenditures	14	2,652.24
	6		VI. Housing expenditures	15	427.47
	7			16	
	8			17	
<b>Annual total income</b>	9	<b>106,815.88</b>	<b>Annual total expenditures</b>	18	<b>82,528.47</b>
Business funds (事业基金) used to make up shortfall	10	192.84	Surplus allocation	22	7,307.32
Year-start carryover and surplus	11	22,805.62	Year-end carryover and surplus	23	39,978.56
<b>Total</b>	12	<b>129,814.34</b>	<b>Total</b>	24	<b>129,814.34</b>

Note: This table reflects the department's total income and expenditures for the current year and the year-end balance carried over.

## Final Accounts Income Table

Department: Former SAFEA

Public Table 02  
Units: RMB10,000

Item		Annual total income	Fiscal appropriation income	Subsidy income from upper levels	Business income	Operating income	Income received from subordinate units	Other income
Functional Item Classification No.	Item Name							
Column No.		1	2	3	4	5	6	7
Total		106,815.88	77,617.11	0.00	589.80	26,126.20	63.35	2,419.43
201	General public services	75,035.15	46,002.69	0.00	589.80	25,989.55	63.35	2,389.76
20110	Human resource work	75,035.15	46,002.69	0.00	589.80	25,989.55	63.35	2,389.76
2011001	Administrative operations	3,609.80	3,461.13	0.00	0.00	3.27	0.00	145.40
2011002	General administrative management	381.46	381.46	0.00	0.00	0.00	0.00	0.00
2011003	Institutional services	819.88	81.32	0.00	589.80	0.00	63.35	85.42
2011008	Talent recruitment fees	40,557.35	40,557.35	0.00	0.00	0.00	0.00	0.00
2011050	Business operation	28,238.91	182.74	0.00	0.00	25,986.28	0.00	2,069.89
2011099	Other human resource work expenditures	1,427.75	1,338.69	0.00	0.00	0.00	0.00	89.06
202	Diplomatic expenditures	70.00	70.00	0.00	0.00	0.00	0.00	0.00
20299	Other diplomatic expenditures	70.00	70.00	0.00	0.00	0.00	0.00	0.00
2029901	Other diplomatic expenditures	70.00	70.00	0.00	0.00	0.00	0.00	0.00
205	Educational expenditures	12,544.75	12,544.75	0.00	0.00	0.00	0.00	0.00
20508	Education and training	12,544.75	12,544.75	0.00	0.00	0.00	0.00	0.00
2050803	Training expenditures	12,544.75	12,544.75	0.00	0.00	0.00	0.00	0.00
206	S&T expenditures	16,209.00	16,209.00	0.00	0.00	0.00	0.00	0.00
20699	Other S&T expenditures	16,209.00	16,209.00	0.00	0.00	0.00	0.00	0.00
2069999	Other S&T expenditures	16,209.00	16,209.00	0.00	0.00	0.00	0.00	0.00
208	Social security and employment expenditures	2,527.80	2,491.67	0.00	0.00	36.13	0.00	0.00
20805	Retirement and severance from administrative units (行政事业)	2,527.80	2,491.67	0.00	0.00	36.13	0.00	0.00
2080501	Retirement and severance from centrally managed administrative units (归口管理的行政单位)	2,105.98	2,105.98	0.00	0.00	0.00	0.00	0.00

2080502	Retirement and severance from business units (事业单位)	276.93	240.80	0.00	0.00	36.13	0.00	0.00
2080503	Management institution for former staff	144.89	144.89	0.00	0.00	0.00	0.00	0.00
221	Housing expenditures	429.18	299.00	0.00	0.00	100.52	0.00	29.66
22102	Housing reform expenditures	429.18	299.00	0.00	0.00	100.52	0.00	29.66
2210201	Housing provident fund	310.54	190.00	0.00	0.00	90.87	0.00	29.66
2210202	Rent subsidies	37.55	36.00	0.00	0.00	1.55	0.00	0.00
2210203	House purchase subsidy (购房补贴)	81.10	73.00	0.00	0.00	8.10	0.00	0.00

Note: This table reflects the department's income from various sources in the present year.

### Final Accounts Expenditure Table

Department: Former SAFEA

Public Table 03  
Units: RMB10,000

Item		Annual Total Expenditures	Basic expenditures	Project expenditures	Payments to upper-level units	Operating expenses	Assistance paid to subsidiary units
Functional Item Classification No.	Item Name						
Column No.		1	2	3	4	5	6
Total		82,528.47	7,304.25	55,129.47	0.00	20,094.75	0.00
201	General public services	63,564.11	4,361.19	39,244.81	0.00	19,958.10	0.00
20110	Human resource work	63,564.11	4,361.19	39,244.81	0.00	19,958.10	0.00
2011001	Administrative operations	3,454.08	3,451.20	0.00	0.00	2.88	0.00
2011002	General administrative management	337.28	0.00	337.28	0.00	0.00	0.00
2011003	Institutional services	683.73	683.73	0.00	0.00	0.00	0.00
2011008	Talent recruitment fees	37,595.68	0.00	37,595.68	0.00	0.00	0.00
2011050	Business operations	20,922.10	226.26	740.61	0.00	19,955.23	0.00
2011099	Other human resource work expenditures	571.25	0.00	571.25	0.00	0.00	0.00
202	Diplomatic expenditures	67.09	0.00	67.09	0.00	0.00	0.00
20299	Other diplomatic expenditures	67.09	0.00	67.09	0.00	0.00	0.00
2029901	Other diplomatic expenditures	67.09	0.00	67.09	0.00	0.00	0.00
205	Educational expenditures	9,556.26	0.00	9,556.26	0.00	0.00	0.00

20508	Education and training	9,556.26	0.00	9,556.26	0.00	0.00	0.00
2050803	Training expenditures	9,556.26	0.00	9,556.26	0.00	0.00	0.00
206	S&T expenditures	6,261.30	0.00	6,261.30	0.00	0.00	0.00
20699	Other S&T expenditures	6,261.30	0.00	6,261.30	0.00	0.00	0.00
2069999	Other S&T expenditures	6,261.30	0.00	6,261.30	0.00	0.00	0.00
208	Social security and employment expenditures	2,652.24	2,616.11	0.00	0.00	36.13	0.00
20805	Retirement and severance from administrative units (行政事业)	2,652.24	2,616.11	0.00	0.00	36.13	0.00
2080501	Retirement and severance from centrally managed administrative units (归口管理的行政单位)	2,261.66	2,261.66	0.00	0.00	0.00	0.00
2080502	Retirement and severance from business units (事业单位)	240.61	204.48	0.00	0.00	36.13	0.00
2080503	Management institution for former staff	149.96	149.96	0.00	0.00	0.00	0.00
221	Housing expenditures	427.47	326.95	0.00	0.00	100.52	0.00
22102	Housing reform expenditures	427.47	326.95	0.00	0.00	100.52	0.00
2210201	Housing provident fund	310.64	219.77	0.00	0.00	90.87	0.00
2210202	Rent subsidies	35.30	33.76	0.00	0.00	1.55	0.00
2210203	House purchase subsidy (购房补贴)	81.53	73.43	0.00	0.00	8.10	0.00

Note: This table reflects the department's various expenditures in the present year.



## Final Accounts Fiscal Appropriation Income and Expenditure Table

Department: Former SAFEA

Public Table 04  
Units: RMB10,000

Income			Expenditure				
Item	Row No.	Amount	Item	Row No.	Total	General public budget fiscal appropriations	Government fund budget fiscal appropriations
Column No.		1	Column No.		2	3	4
I. General public budget fiscal appropriations	1	77,617.11	I. General public service expenditures	15	41,898.54	41,898.54	
II. Government fund budget fiscal appropriations	2		II. Diplomatic expenditures	16	67.09	67.09	
	3		III. Educational expenditures	17	9,556.26	9,556.26	
	4		IV. S&T expenditures	18	6,261.30	6,261.30	
	5		V. Social security and employment expenditures	19	2,565.69	2,565.69	
	6		VI. Housing expenditures	20	297.29	297.29	
	7			21			
	8			22			
<b>Annual Total Income</b>	9	<b>77,617.11</b>	<b>Annual Total Expenditures</b>	23	<b>60,646.17</b>	<b>60,646.17</b>	
Fiscal appropriation year-start carryover and surplus	10	17,475.48	Year-end carryover and surplus	24	34,446.41	34,446.41	
General public budget fiscal appropriations	11	17,475.48		25			
Government fund budget fiscal appropriations	12			26			
	13			27			
<b>Total</b>	14	<b>95,092.59</b>	<b>Total</b>	28	<b>95,092.59</b>	<b>95,092.59</b>	

Note: This table reflects the department's total income from general public budget fiscal appropriations and government fund budget fiscal appropriations for the current year and the year-end balance carried over.

## Final Accounts General Public Budget Fiscal Appropriations Expenditure Table

Department: Former SAFEA

Public Table 05  
Units: RMB10,000

Item		Annual Total Expenditures	Basic expenditures	Project expenditures
Functional Item Classification No.	Item Name			
Column No.		1	2	3
Total		60,646.17	6,346.37	54,299.80
201	General public services	41,898.54	3,483.40	38,415.15
20110	Human resource work	41,898.54	3,483.40	38,415.15
2011001	Administrative operations	3,242.33	3,242.33	0.00
2011002	General administrative management	337.28	0.00	337.28
2011003	Institutional services	70.11	70.11	0.00
2011008	Talent recruitment fees	37,595.68	0.00	37,595.68
2011050	Business operation	170.96	170.96	0.00
2011099	Other human resource work expenditures	482.19	0.00	482.19
202	Diplomatic expenditures	67.09		67.09
20299	Other diplomatic expenditures	67.09		67.09
2029901	Other diplomatic expenditures	67.09		67.09
205	Educational expenditures	9,556.26		9,556.26
20508	Education and training	9,556.26		9,556.26
2050803	Training expenditures	9,556.26		9,556.26
206	S&T expenditures	6,261.30		6,261.30
20699	Other S&T expenditures	6,261.30		6,261.30
2069999	Other S&T expenditures	6,261.30		6,261.30
208	Social security and employment expenditures	2,565.69	2,565.69	
20805	Retirement and severance from administrative units (行政事业)	2,565.69	2,565.69	
2080501	Retirement and severance from centrally managed administrative units (归口管理的行政单位)	2,225.98	2,225.98	
2080502	Retirement and severance from business units (事业单位)	204.48	204.48	
2080503	Management institution for former staff	135.23	135.23	
221	Housing expenditures	297.29		297.29
22102	Housing reform expenditures	297.29		297.29
2210201	Housing provident fund	190.10		190.10
2210202	Rent subsidies	33.76		33.76
2210203	House purchase subsidy (购房补贴)	73.43		73.43

Note: This table reflects the department's actual expenditures of general public budget fiscal appropriations in the present year.

### Final Accounts General Public Budget Appropriations Basic Expenditure Table

Department: Former SAFEA

Public Table 06  
Units: RMB10,000

Personnel expenditures			Public expenditures					
Economic Item Classification No.	Item Name	Amount	Economic Item Classification No.	Item Name	Amount	Economic Item Classification No.	Item Name	Amount
301	Salary and benefit expenditures	2,798.71	302	Product and service expenditures	555.47	310	Other capital expenditures	57.58
30101	Basic salaries	1,474.16	30201	Office expenses	46.38	31002	Office equipment purchase and installation	48.19
30102	Subsidies and allowances	1,223.26	30202	Printing expenses	15.34	31007	Information network and software purchase, installation, and update	4.93
30103	Bonuses	61.43	30204	Processing expenses	1.63	31013	Official vehicle purchase	3.07
30104	Other social security expenditures	16.38	30205	Water fees	1.91	31099	Other capital expenditures	1.39
30108	Basic endowment insurance for agency business units (机关事业单位)	7.32	30206	Electricity fees	5.01			
30199	Other salary and benefit expenditures	16.16	30207	Postage and telecom fees	25.03			
303	Individual and family subsidies	2,934.62	30208	Heating fees	11.51			
30301	Severance (离休) expenses	316.96	30209	Property management fees	3.94			
30302	Retirement (退休) expenses	1,763.51	30211	Business travel expenses	29.88			
30304	Death/Disability benefits (抚恤金)	119.25	30213	Maintenance and repair fees	2.45			
30305	Living expense subsidies	1.18	30214	Rental expenses	4.59			
30307	Medical expenses	294.22	30215	Conference expenses	9.62			
30309	Incentives	0.15	30216	Training expenses	7.73			

30311	Housing provident fund	190.10	30226	Labor expenses	7.64			
30312	Rent subsidies	33.76	30227	Outsourcing expenses (委托业务费)	129.23			
30313	House purchase subsidy (购房补贴)	73.43	30228	Union fees	24.18			
30314	Heating subsidy	73.31	30229	Benefit expenses	1.45			
30315	Property service subsidy	67.14	30231	Operation and maintenance expenses of official vehicles	24.38			
30399	Other individual and family subsidies expenditures	1.62	30239	Other transportation expenses	145.84			
			30299	Other product and service expenditures	57.73			
Total personnel expenditures		5,733.33	Total public expenditures					613.05

Note: This table reflects the department's detailed basic expenditures of general public budget fiscal appropriations in the present year.

## Final Accounts Expenditures of General Public Budget Fiscal Appropriations on the "Three Public" Expenses<sup>2</sup>

Department: Former SAFEA

Public Table 07  
Units: RMB10,000

2017 Budgeted Amount						2017 Final Accounts Value					
Total	Official international travel expenses	Official vehicle purchase and operating expenses			Official reception expenses	Total	Official international travel expenses	Official vehicle purchase and operating expenses			Official reception expenses
		Subtotal	Official vehicle purchase expenses	Official vehicle operating expenses				Subtotal	Official vehicle purchase expenses	Official vehicle operating expenses	
1	2	3	4	5	6	7	8	9	10	11	12
555.37	315.21	61.38	0.00	61.38	178.78	471.44	297.16	59.68	3.07	56.60	114.60

Note: This table reflects the department's budgeted and final accounts for expenditures on official receptions, vehicles, and overseas trips in the present year. Here, the 2017 budgeted amounts for expenditures on official receptions, vehicles, and overseas trips is the amount budgeted at the beginning of the year. The final accounts values include the expenditures taken from the budget of general public budget fiscal appropriations and the funds carried over from the previous year.

## Final Accounts Government Fund Budget Fiscal Appropriation Income and Expenditure Table

Department: Former SAFEA

Public Table 08  
Units: RMB10,000

Item		Year-start carryover and surplus	Annual income	Annual expenditure			Year-end carryover and surplus
Functional Item Classification No.	Item Name			Subtotal	Basic expenditures	Project expenditures	
Column No.		1	2	3	4	5	6
<b>Total</b>							

Note: This department has no income from government funds.

<sup>2</sup> Translator's note: The "three public" expenses ( “三公” 经费) refer to spending on (1) foreign travel, (2) cars and chauffeurs, and (3) official receptions. Chinese auditors pay close attention to these three categories of expenditures because they are often the most visible examples of corruption and waste of public funds.

## Part 3: Detailed Descriptions of Departmental Final Accounts

### I. Description of 2017 Final Accounts Income and Expenditures

In 2017, total income was RMB 1,298,143,400 and total expenditures were RMB 1,298,143,400. This was an increase of RMB 291,371,600, or 28.9%, compared to the final accounts for 2016.

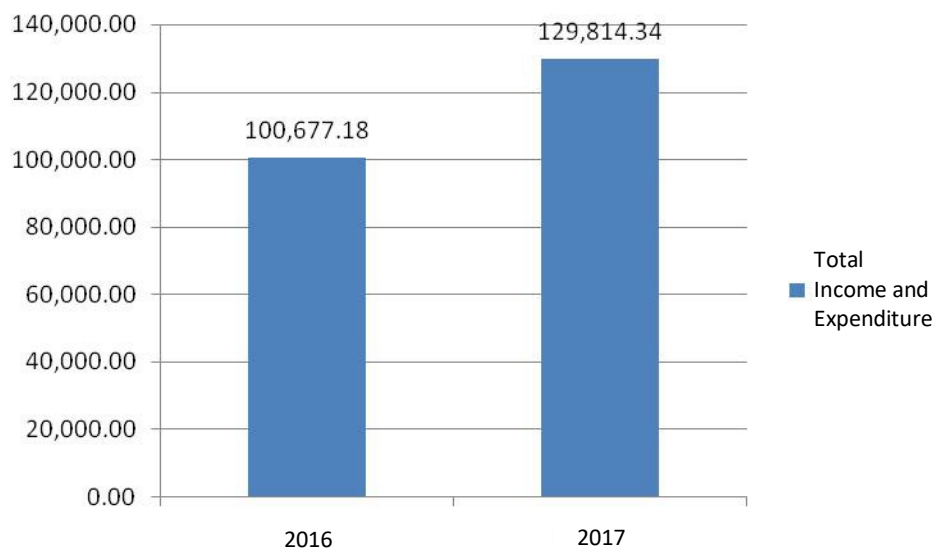


Figure 1: Change in Total Income and Expenditures (in RMB 10,000)

#### (i) Description of 2017 Final Accounts Income

**1. Fiscal appropriation income:** RMB 776,171,100 in funding obtained from central government fiscal appropriations by administrative units (including public management institutions [参公管理事业单位]) and business units. This was an increase of RMB 185,950,600, or 31.5%, compared to the final accounts for 2016. This is mainly due to the increase in fiscal appropriations to fund the scientific research project subsidies of the Thousand Foreign Experts Program (“千人计划”外专项目).

**2. Business income:** RMB 5,898,000 earned by business units through professional business activities and auxiliary activities. This was an increase of RMB 960,900, or 19.5%, compared to the final accounts for 2016. This is mainly due to the growth in revenue from professional business activities conducted by certain directly affiliated units.

**3. Operating income:** RMB 261,262,000 obtained by business units through non-independent accounting (非独立核算) business activities other than professional business activities and auxiliary activities. This was an increase of RMB 91,839,500, or 54.2%, compared to the final accounts for 2016. This is mainly due to the growth in revenue from the operation of certain directly affiliated units.

**4. Other income:** RMB 24,827,800 in income generated by administrative units (including public management institutions) and business units in addition to fiscal appropriation income, business income, and operating income. This was a decrease of RMB 3,328,000, or

11.8%, compared to the final accounts for 2016. This is mainly due to a one-time decrease in donations to certain directly affiliated units.

**5. Business funds used to make up shortfall:** Due to the failure of fiscal appropriation income, business income, business unit operating income, and other income to cover business unit expenditures for the current year, RMB 1,928,400 in business funds accumulated in the previous year were used to make up the shortfall. This was an increase of RMB 573,900, or 42.4%, compared to the final accounts for 2016. This is mainly due to an increase in the difference between income and expenditures of certain directly affiliated units, resulting in the increased use of business funds to make up the shortfall.

**6. Year-start carryover and surplus:** RMB 228,056,200, including the carried-over funds and surplus from administrative units' (including public management institutions) fiscal appropriations and other income and the carried-over funds and surplus from business unit fiscal appropriations, certain business income, operating income, and other income. This was an increase of RMB 15,374,900, or 7.2%, compared to the final accounts for 2016. This is mainly due to the growth in non-fiscal appropriation funds carried over from the previous year by certain affiliated units.

#### **(ii) Description of 2017 Final Accounts Expenditures**

**1. General public services (category) expenditures:** RMB 635,641,100, mainly used for administrative operations in human resource work, general administrative management, and expenses and business operations involved in talent recruitment. This was an increase of RMB 43,288,800, or 7.3%, compared to the final accounts for 2016. This is mainly due to the growth in business operation expenditures for general public service items by certain directly affiliated units.

**2. Diplomatic (category) expenditures:** RMB 670,900, mainly used for specially funded Asian regional cooperation projects and other diplomatic expenditures. This was a decrease of RMB 603,100, or 47.3%, compared to the final accounts for 2016. This is mainly due to decreased expenditures on specially funded Asian regional cooperation projects.

**3. Education (category) expenditures:** RMB 95,562,600, mainly used for education and training expenditures. This was a decrease of RMB 14,650,400, or 13.3%, compared to the final accounts for 2016. This is mainly due to the decrease in expenditures on overseas training.

**4. Science and technology (category) expenditures:** RMB 62,613,000, mainly used to fund scientific research subsidies. This was an increase of RMB 62,613,000 compared to the final accounts for 2016. This is mainly due to the increase in project expenditures under the S&T expenditure category in 2017.

**5. Social security and employment (category) expenditures:** RMB 265,224,000, mainly used for retirement and severance from administrative units and other such expenditures. This was an increase of RMB 7,450,000, or 39.1%, compared to the final accounts for 2016. This is mainly due to the increase in the subsidy and allowance standards for former personnel.

**6. Housing (category) expenditures:** RMB 4,274,700, mainly used for expenditures related to the housing reforms. This was an increase of RMB 394,900, or 10.2%, compared to the final accounts for 2016. This is mainly due to an increase in housing provident fund

expenditures.

**7. Surplus allocation:** RMB 73,073,200, mainly used by directly affiliated units to pay income tax and make withdrawals from employee welfare funds and business funds in accordance with relevant regulations. This was an increase of RMB 21,676,500, or 42.2%, compared to the final accounts for 2016. This was mainly due to the increase in operating surpluses of certain directly affiliated units and increases in the funds transferred to business funds and employee welfare funds.

**8. Year-end balance carried over:** RMB 399,785,600, including funds carried over and surpluses from fiscal appropriations, operating income, and other income. This generally occurs when the expenditure budget of the current year or previous year was not reached, so funds can be rolled over to the following year for use in accordance with relevant regulations. This was an increase of RMB 171,202,000, or 74.9%, compared to the final accounts for 2016. This is mainly due to the fact that the budgets for some projects were not reached, so the remaining funds had to be rolled over to the next year, increasing the carried-over balance.

## II. Description of 2017 Final Accounts Income

Total income in 2017 was RMB 1,068,158,800. This was an increase of RMB 275,422,900, or 34.7%, compared to the final accounts for 2016. Making up the total income, income from fiscal appropriations was RMB 776,171,100, accounting for 72.7%; business income was RMB 589,800, accounting for 0.6%; operating income was RMB 261,262,200, accounting for 24.5%; and other income was RMB 24,827,800, accounting for 2.3%.

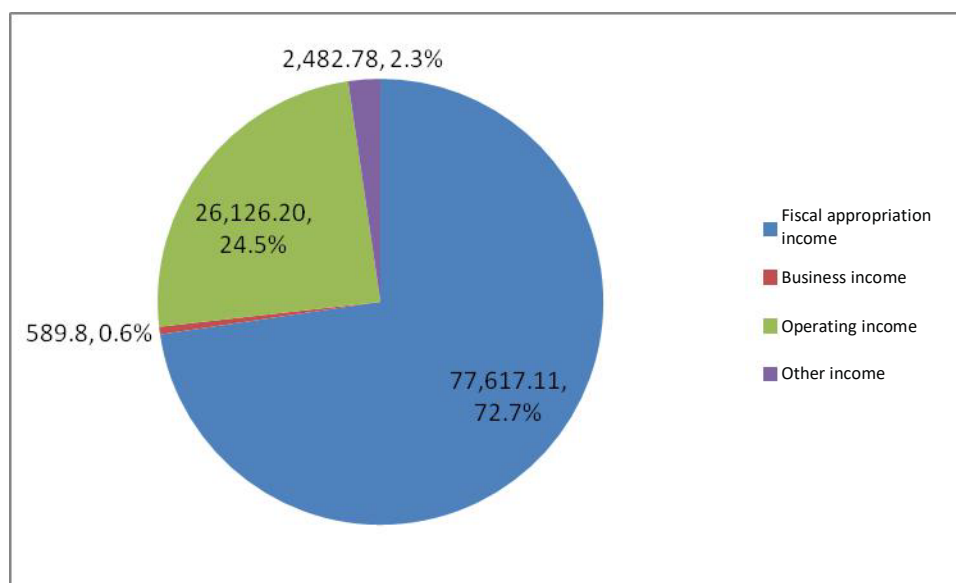


Figure 2: Income Breakdown for 2017 (Units: RMB 10,000)

## III. Description of 2017 Final Accounts Expenditures

Total expenditures in 2017 were RMB 825,284,700. This was an increase of RMB 98,493,200, or 13.6%, compared to the final accounts for 2016. Of total expenditures, basic expenditures were RMB 73,042,500, accounting for 8.9%; project expenditures were RMB 551,294,700,



accounting for 66.8%; and operating expenditures were RMB 200,947,500, accounting for 24.3%.

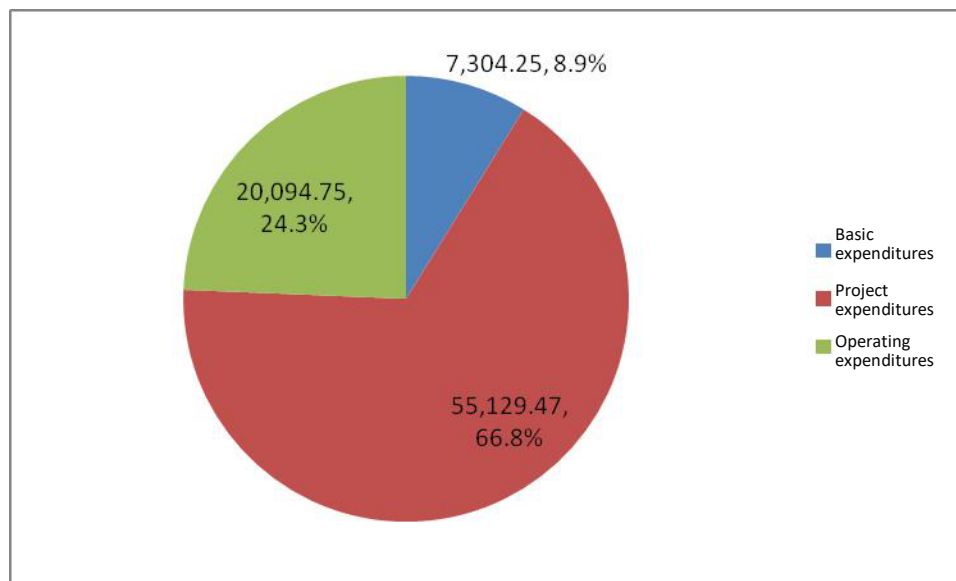


Figure 3: Expenditure Breakdown for 2017 (Units: RMB 10,000)

#### IV. Description 2017 Final Accounts General Public Budget Fiscal Appropriations Expenditure Table

The 2017 public budget fiscal appropriations expenditures were RMB 606,461,700, a decrease of RMB 249,049,900, or 29.1%, from the 2017 year-start budget.

**(i) Basic expenditures:** RMB 63,463,700, an increase of RMB 14,220,900, or 28.9%, from the 2017 year-start budget. Specifically:

##### 1. General public service expenditures (category) - Human resource work (sub-category)

**Administrative operations (item):** Fiscal appropriation expenditures totaled RMB 32,423,300, an increase of RMB 6,541,400, or 25.3%, from the 2017 year-start budget. Main causes: (1) Increase in subsidies for in-service staff of the department and public management units (参公单位.) (2) Adjustment to the basic expenditures for department mobility (机动) funding based on budget management procedures.

**Institutional services (item):** Fiscal appropriation expenditures totaled RMB 701,100, a decrease of RMB 64,400, or 8.4%, from the 2017 year-start budget. This is mainly due to expenditures by the Internal Service Center of SAFEA for the provision of logistical services such as for conferences and official car management.

**Business operations (item):** Fiscal appropriation expenditures totaled RMB 1,709,600, an increase of RMB 312,900, or 22.4%, from the 2017 year-start budget. This is mainly due to an increase in the standard for subsidies and allowances and expenses for former staff of directly affiliated business units.

## **2. Social security and employment (category) - Retirement (sub-category)**

**Retirement and severance from centrally managed administrative units (item):** Fiscal appropriation expenditures totaled RMB 22,259,800, an increase of RMB 7,765,300, or 53.6%, from the 2017 year-start budget. This is mainly due to an increase in expenses for former staff at the departmental level.

**Retirement and severance from business units (item):** Fiscal appropriation expenditures totaled RMB 2,044,800, an increase of RMB 182,800, or 9.8%, from the 2017 year-start budget. This is mainly due to an increase in expenses for former staff of directly affiliated units.

**Management institution for former staff (item):** Fiscal appropriation expenditures totaled RMB 1,352,300, a decrease of RMB 380,500, or 22%, from the 2017 year-start budget. This is mainly due to a decrease in expenditures for the public funding of the management institution for former staff.

## **3. Housing expenditures (category) - Housing reform expenditures (sub-category)**

**Housing provident fund (item):** Fiscal appropriation expenditures totaled RMB 1,901,000, equal to the 2017 year-start budget.

**Rent subsidies (item):** Fiscal appropriation expenditures totaled RMB 3,37,600, a decrease of RMB 95,900, or 22.1%, from the 2017 year-start budget.

**House purchase subsidy (item):** Fiscal appropriation expenditures totaled RMB 734,300, a decrease of RMB 40,600, or 5.2%, from the 2017 year-start budget.

**(ii) Project expenditures:** RMB 542,998,000, a decrease of RMB 263,270,800, or 32.7%, from the 2017 year-start budget. Specifically:

### **1. General public service expenditures (category) - Human resource work (sub-category)**

**General administrative management (item):** Fiscal appropriation expenditures totaled RMB 3,372,800, a decrease of RMB 2,660,900, or 44.1%, from the 2017 year-start budget. Main reasons: (1) Mobility funding listed under "general administrative management" was assigned to basic expenditures according to budget management procedures. (2) Expenses on legal system construction for recruitment of brainpower decreased.

**Talent recruitment fees (item):** Fiscal appropriation expenditures totaled RMB 375,956,800, a decrease of RMB 86,653,900, or 18.7%, from the 2017 year-start budget. This is mainly due to a decrease in expenditures on certain expert recruitment projects.

**Other human resource work expenditures (item):** Fiscal appropriation expenditures totaled RMB 4,821,900, a decrease of RMB 8,565,000, or 64%, from the 2017 year-start budget. This is mainly due to the partial maintenance and renovation project for the institutional office buildings carried out over several years.

### **2. Diplomatic expenditures (category) - Other diplomatic expenditures (sub-category) - Other diplomatic expenditures (item)**

Fiscal appropriation expenditures totaled RMB 670,900, a decrease of RMB 79,100, or

10.5%, from the 2017 year-start budget. This is mainly due to a decrease in expenditures on specially funded Asian regional cooperation projects.

**3. Educational expenditures (category) - Education and training (sub-category) - Training expenditures (item)**

Fiscal appropriation expenditures totaled RMB 95,562,600, a decrease of RMB 65,834,900, or 40.8%, from the 2017 year-start budget. This is mainly due to a decrease in expenditures on overseas training.

**4. S&T expenditures (category) - Other S&T expenditures (sub-category) - Other S&T expenditures (item)**

Fiscal appropriation expenditures totaled RMB 62,613,000, a decrease of RMB 99,477,000, or 61.4%, from the 2017 year-start budget. This is mainly due to a decrease in expenditures on scientific research subsidies for the Thousand Foreign Experts Program.

**V. Description of Expenditures of General Public Budget Fiscal Appropriations on the "Three Public" Expenses**

Fiscal appropriation expenditures on the "Three Public" expenses include expenditures of fiscal appropriations by the department and its directly affiliated units on official international travel expenses, official vehicle purchase and operating expenses, and official reception expenses. In 2017, fiscal appropriation expenditures on the "Three Public" expenses totaled RMB 4,714,400.

Official international travel expenses include international travel expenses, inter-city travel expenses once abroad, accommodation expenses, dining expenses, training expenses, and miscellaneous expenses on official business. International travel expenses are primarily used to open up high-level channels for the introduction of talents and dispatch of personnel for training; negotiate and sign talent exchange and cooperation agreements with foreign agencies; and coordinate the implementation of projects and inspection related to the recruitment of brainpower from abroad and guide the work of the department's overseas agencies. In 2017, fiscal appropriations were used to send 19 delegations overseas for a total of 51 individual official international trips throughout the year. In 2017, expenditures on official international travel expenses totaled RMB 2,971,600.

Official vehicle purchase and operating expenses include vehicle purchase expenses (including tax) and rental expenses, fuel expenses, repair expenses, tolls, insurance expenses, and safety reward expenses. As of year-end 2017, the department and its directly affiliated units maintained a fleet of 16 motor vehicles. Fiscal appropriations were used to cover operating and maintenance expenses for 14 vehicles, and these expenses were self-funded for the remaining 2 vehicles. In 2017, expenditures on official vehicle purchase and operating expenses totaled RMB 596,800. Of this sum, official vehicle operating and maintenance expenses accounted for RMB 566,000 and official vehicle purchase expenses accounted for RMB 30,700. The official vehicle purchase expenses in 2017 were due to the purchase tax incurred by the allocation of vehicles by the National Government Offices Administration due to official requirements.

Official reception expenses include the various expenditures on official receptions

(including for foreign guests) as per relevant regulations. In 2017, expenditures on official reception expenses totaled RMB 1,146,000. Specifically:

Domestic reception expenses totaled RMB 608,400. These funds were mainly used by the department and its directly affiliated units on the dining expenses, transportation expenses, accommodation expenses, gift expenses, and other reception expenses for the representatives of foreign expert organizations, scientific research institutions, universities, and government departments who visited China. In 2017, a total of 57 official receptions were held in China for a total of 669 people (including the entourages of foreign guests.)

Overseas official reception expenses totaled RMB 537,700. These funds were mainly used for the dining expenses, gift expenses, and other reception expenses incurred by Chinese institutions abroad when conducting intellect recruitment (引智) work with personnel from expert organizations, scientific research institutions, universities, and government departments in the host country or region. In 2017, a total of 445 official receptions were held overseas for a total of 1,899 people (including the entourages of guests.)

In 2017, the budget for fiscal appropriation expenditures on the "Three Public" expenses was RMB 5,553,700. The actual expenditures in the final accounts were RMB 4,714,400, RMB 839,300 under the budget. Of the total expenditures, official international travel expenses accounted for RMB 3,152,100 of the budget and RMB 2,971,600 of final accounts expenditures, RMB 180,500 under-budget; official vehicle purchase and operating expenses accounted for RMB 613,800 of the budget and RMB 596,800 of final accounts expenditures, RMB 17,000 under-budget; and official reception expenses accounted for RMB 1,787,800 of the budget and RMB 1,146,000 of final accounts expenditures, RMB 641,800 under-budget. This was mainly due to the conscientious implementation of strict controls and pressure to reduce "Three Public" expenditures in line with the spirit of economy advocated by the CPC Central Committee and the State Council and the Eight-Point Regulation on Improving Work Style and Connecting Closely with the Masses (改进作风、密切联系群众的八项规定).

Total fiscal appropriation expenditures on the "Three Public" expenses in 2017 were RMB 4,714,400. This was an increase of RMB 19,100, or 0.4%, compared to the final accounts for 2016. Specifically: Expenditures on official international travel expenses totaled RMB 2,971,600, an increase of RMB 330,800, or 12.5% compared to the final accounts for 2016. This increase was mainly due to an increase in the number of delegations sent abroad relative to 2016. Expenditures on official vehicle purchase and operating expenses totaled RMB 596,800, an increase of RMB 21,700, or 3.8%, compared to the final accounts for 2016. This increase was mainly due to an increase in purchase taxes paid for vehicles allocated by the National Government Offices Administration in response to official needs. Expenditures on official reception expenses totaled RMB 1,146,000, a decrease of RMB 333,400, or 22.5%, compared to the final accounts of 2016. This decrease was primarily due to the strict controls on official receptions imposed as part of the active and thorough implementation of the central authorities' call to strictly reduce expenses.

## **VI. Description of Other Important Matters**

### **(i) About Institutional Operations Funding Expenditures**

In 2017, expenditures on institutional operations funding totaled RMB 6,130,500 (including public management units), a decrease of RMB 531,100, or 8%, compared to 2016. This decrease is mainly due to a decrease in department-level printing fees, information network fees, and software purchases relative to 2016.

### **(ii) About Government Procurement Expenditures**

In 2017, government procurement expenditures totaled RMB 36,372,700 (all paid with fiscal funds.) Specifically, the expenditures for government procurement of goods were RMB 19,156,700, expenditures for government procurement for projects were RMB 0, and expenditures for government procurement of services were RMB 17,216,000.

### **(iii) About the Use of State-Owned Assets**

As of December 31, 2017, the department had a total of 42 vehicles (including some vehicles that have been sealed and have not yet gone through write-off procedures.) Of these vehicles, 3 are vehicles used by department-level leading cadres, 38 are vehicles for general official use, and 1 is a vehicle for other purposes. There are 10 units (sets) of general use equipment with a unit value over RMB 500,000, and 0 sets of special use equipment with a unit value over RMB 1 million.

### **(iv) SAFEA Budget Performance in 2017**

#### **1. Budget Performance Management Work**

Based on fiscal budget management requirements, SAFEA conducted a comprehensive performance self-evaluation on its general public budget project expenditures for 2017. Its budget contained 10 level-1 projects and 22 level-2 projects, involving a total budget of RMB 806,268,800, of which RMB 711,861,600 was allocated in the current year. The self-evaluation coverage was 100%.

The organization conducted performance evaluations on "demonstration and promotion," "economic and technical expert funding," "special expenses for two publications," and "operating expenses of official building ancillary facilities" projects. These projects involved a general public budget of RMB 286,175,100. For the "economic and technical expert funding" (经济技术专家经费) and "intellect recruitment achievement demonstration and promotion" (引智成果示范推广) projects, SAFEA entrusted Beijing Huasheng Zhongtian Consulting Co., Ltd. (北京华盛中天咨询有限责任公司) to perform the performance evaluation. For the "special expenses for two publications" (两刊专项经费) and "operating expenses of official building ancillary facilities" (办公楼附属设施运行费) projects, SAFEA entrusted Beijing Jinkai Weiye Consultation Co., Ltd. (北京金凯伟业咨询有限公司) to perform the performance evaluation. The evaluations showed that the relevant projects were established legally, the performance targets were reasonable, the performance metrics were relatively clear, the business management systems were relatively sound, business monitoring was relatively effective, the financial management systems were sound and well-regulated. It was possible to complete the annual targets according to the plan, and the task completion quality and timeliness were relatively good. The implementation of these projects had a good supportive and leading effect on the relevant industries and fields. They played a relatively large role in talent cultivation, innovation promotion, and other areas

and had a relatively significant positive effect on the economy and society.

## **2. Performance Self-Evaluation Results for Projects in the Departmental Final Accounts**

SAFEA's departmental final accounts for 2017 reflect the performance self-evaluation results of two level-1 projects: The "expert recruitment project" and the "demonstration and promotion project."

Expert recruitment project performance self-evaluation summary: Based on the performance targets set at the beginning of the year, the self-evaluation score for the expert recruitment project was 86.62. In 2017, a total of 7,081 economic and technical experts were recruited and the recruitment of 475 high-level foreign experts by colleges and universities was supported. Salary subsidies were provided for 35 experts and high-end experts who came to work in China under the Thousand Foreign Experts Program. Primary problems discovered and their causes: (1) Some level-2 projects had low execution rates. (2) The setting of project performance targets could be improved. Subsequent measures for improvement: (1) Coordinate with the relevant departments to prepare for project implementation in advance in order to increase project execution rates. (2) Strengthen recruitment of high-level, elite, cutting-edge, in-demand (高精尖缺) experts, do a good job in management and services for high-end experts, foster a force-multiplier effect through the coordination of multiple experts (发挥专家以点带面的作用), and better achieve the socially beneficial effects of intellect recruitment projects.

**Project Expenditure Performance Self-Evaluation Table  
(2017)**

Project Name		Expert Recruitment Project							
Competent Department and Code		SAFEA		Implementing Unit	SAFEA				
Project Funding (in RMB 10,000)			2017 Budgeted Amount	2017 Executed Amount	Possible Points	Execution Rate	Score		
		Annual Funding Total:		34624.4	28921.87	10	83.53%	8.35	
		Specifically: General public budget appropriation for the current year		31285.4					
		Other Funding		3339					
Overall Annual Targets		Set Targets			Actual Target Completion				
		<p>1. Recruit foreign economic and technical experts to come to China in order to benefit the economy and society and advance various industries. Focus on supporting the efforts of localities and departments to introduce high-end in-demand talents and innovative teams in major project construction, key basic research, key technology research, and major equipment development. Promote the construction of an innovation-oriented country, industrial transformation and upgrading, coordinated regional development, and the construction of a resource-saving and environmentally conscious society. 2. Support colleges and universities in their efforts to recruit high-end foreign cultural and educational experts, give full play to the advantages of high-end foreign experts in making breakthroughs in key technologies, developing high-tech industries, and driving emerging disciplines, promote the construction of emerging and interdisciplinary colleges and universities, and enhance the scientific research capabilities and international influence of colleges and universities. Establish "Higher Education Internationalization Demonstration Schools," "Higher Education Curricula Innovation and Improvement Program (111 Program)" bases, and "Achievement Demonstration Units for the Intellect Recruitment from Abroad" in local colleges and universities across the country to guide local colleges and universities, and especially those in the western region, to vigorously develop the work of intellect recruitment from abroad. 3. Recruit experts under the Thousand Foreign Experts Program and provide salary subsidies for experts to work in China. At the same time, do a good job in the collection of results and performance evaluation.</p>			<p>1. In 2017, the project recruited 7,081 economic and technical experts. It focused on supporting the efforts of localities and departments to introduce high-end in-demand talents and innovative teams in major project construction, key basic research, key technology research, and major equipment development. It promoted the construction of an innovation-oriented country, industrial transformation and upgrading, coordinated regional development, and the construction of a resource-saving and environmentally conscious society. 2. The project supported colleges and universities in their recruitment of 475 high-end foreign experts, giving full play to the advantages of high-end foreign experts in making breakthroughs in key technologies, developing high-tech industries, and driving emerging disciplines. The project promoted the construction of emerging and interdisciplinary colleges and universities and enhanced the scientific research capabilities and international influence of colleges and universities. 3. In 2017, the project provided salary subsidies for 35 experts and high-end experts under the Thousand Foreign Experts Program for their work in China. It collected summaries of their scientific research results in related fields.</p>				
Performance Metrics		Level-1 Metrics	Level-2 Metrics	Level-3 Metrics	Total Metric Value	Actual Value	Possible Points	Score	Reason for non-completion
		Output Metrics	Quantitative Metrics	Number of foreign economic and technical experts recruited	≥ 7000	7081	10	10	
				Number of projects that recruited foreign economic and technical experts	1000 to 2000	1063	6	6	
				High-end foreign cultural and educational experts recruited	200	475	10	10	
				Number of experts recruited for the Thousand Foreign Experts Program	31	33	6	6	
				Higher Education Curricula Innovation and Improvement Program (111 Program) bases established in Chinese colleges and universities	10	21	7	7	
		Achievement Demonstration Units for the Recruitment of Brainpower from Abroad	5	3	7	4.2	After comprehensive evaluation, abiding by the principle of paying more attention to		

		established in Chinese colleges and universities					construction effectiveness, the maturity and evaluations of units should be considered, rather than solely focusing on quantitative growth.
		Number of Thousand Foreign Experts Program experts receiving salary subsidies	131	35	10	2.67	The time spent in China and receipts of some experts did not meet the write-off requirements, so they did not receive subsidies.
	Qualitative Metrics	Quality of publications by Thousand Foreign Experts Program experts	A batch of papers are published in internationally renowned academic journals	About 90% of the papers published by experts this year were published in internationally renowned academic journals	3	2.7	Some experts have still not officially published their papers from this year
	Cost Metrics	Per-person funding for the recruitment of foreign economic and technical experts	≥ 43,000 RMB	33,800 RMB	6	4.70	Some project expenditures did not meet the relevant funding management regulations, so funding was not provided.
Performance Metrics (15 points)	Social Benefit Metrics	Helps to improve the scientific research and productivity of the project unit or promote major national projects	Steady improvement	Steady improvement	15	15	
Satisfaction Metrics (10 points)	Service Object	Satisfaction of the recruiting units with the recruited foreign experts	≥ 90%	90%	5	5	
	Satisfaction Metrics	Satisfaction of foreign experts with their work and lives in China	≥ 80%	80%	5	5	
Total					100	86.62	

Demonstration project performance self-evaluation summary: Based on the performance targets set at the beginning of the year, the self-evaluation score for the demonstration and promotion project was 92.72. In 2017, a total of 116 intellect recruitment demonstration and promotion projects were approved, and 115 were actually implemented, with an execution rate of 97.24%. During project implementation, a large batch of agriculture recruitment of brainpower achievements with major influence were demonstrated and promoted on a large scale, highlighting the capabilities of promoting national and provincial intellect recruitment achievements. Primary problems discovered and their causes: The performance targets set for the projects were not very detailed and the metric values were not clear enough. Subsequent measures for improvement: Set up independent special performance targets in the project establishment and approval phase to make project performance targets and metrics more detailed.



**Project Expenditure Performance Self-Evaluation Table  
(2017)**

Project Name		Demonstration and Promotion Project						
Competent Department and Code		SAFEA		Implementing Unit	SAFEA			
Project Funding (in RMB 10,000)			2017 Budgeted Amount	2017 Executed Amount	Possible Points	Execution Rate	Score	
		Annual Funding Total:	2399	2332.67	10	97.24%	9.72	
		Specifically: General public budget appropriation for the current year	2375					
		Other Funding	24					
Overall Annual Targets	Set Targets			Actual Target Completion				
	Enhance the promotion of excellent foreign varieties and advanced planting and breeding technologies for bulk agricultural products and important economic crops as well as the promotion of advanced foreign agricultural management and agricultural product standards technologies, ecological agricultural technologies, and in-depth processing and safety testing technologies for agricultural products; advance the promotion of intellect recruitment achievements in the industrial field; focus on the promotion of intellect recruitment achievements that accelerate the transformation of development methods, promote urbanization, serve and guarantee the people's livelihoods, and promote the medical and health service industries, and other service industries, and especially the production service industry; and cooperate with the implementation of major national strategies such as the construction of the Belt and Road <sup>3</sup> and promote related matters involved in the promotion of intellect recruitment achievements.			The 2017 demonstration and promotion projects involved food crops, animal husbandry, fisheries, vegetables, soil fertilization, medicine and health, and other fields. In 2017, relevant projects increased the demonstration and promotion of important food crops, major livestock and poultry varieties, and advanced planting and breeding technology achievements in the agricultural field. During project implementation, a large batch of agriculture intellect recruitment achievements with major influence were demonstrated and promoted on a large scale, highlighting the capabilities of promoting national and provincial intellect recruitment achievements. Through technical training, seedling promotion, and other methods, the advanced intellect recruitment achievements played an influential and leading role, actively served China's effective supply of food and agricultural products, and effectively promoted the improvement of agricultural quality and efficiency and the raising of farmers' incomes.				
Performance Metrics	Level-1 Metrics	Level-2 Metrics	Level-3 Metrics	Total Metric Value	Actual Value	Possible Points	Score	Reason for non-completion
	Output Metrics (35 points)	Quantitative Metrics	Number of major intellect recruitment achievement promotion projects supported	≥ 100	115	35	35	
Performance Metrics (40 points)	Economic Performance Metrics	Promote the industrialization of intellect recruitment achievements	Relatively significant effect	Relatively significant effect	15	12	The industrialization of intellect recruitment achievements must be further increased.	
	Social Benefit Metrics	Level and influence of promoted intellect recruitment achievements	Steady increase	Steady improvement	15	12	Higher level intellect recruitment achievements must be further promoted.	
	Sustainable Influence Metrics	Promote structural optimizations and upgrades in relevant industries	Medium and long term	An effect on industry structure optimizations and upgrades is expected in the next 5 years.	10	9	The effect of intellect recruitment achievements on industry structure optimizations must be	

<sup>3</sup> Translator's note: The "Belt and Road" (一帶一路) refers to the Silk Road Economic Belt and the 21st Century Maritime Silk Road.

								gradually exemplified.
Satisfaction Metrics (15 points)	Service Object Satisfaction Metrics	Satisfaction of units participating in the projects	≥ 90%	90%	15	15		
Total						100	92.72	

### 3. Results of Key Performance Evaluations Conducted by Central Government Departments

In 2017, SAFEA conducted a key performance evaluation on the "economic and technical expert funding" project. The performance evaluation report is attached below.

#### Part 4: Glossary

**(i) Fiscal appropriation income:** Funds allocated by the central government in the current year.

**(ii) Business income:** The income earned by business units through professional business activities and auxiliary activities.

**(iii) Operating income:** The income obtained by business units through non-independent accounting business activities other than professional business activities and auxiliary activities.

**(iv) Other income:** Income other than the above-mentioned "financial appropriation income," "business income," and "operating income."

**(v) Business funds used to make up shortfall:** When the fiscal appropriation income, business income, business unit operating income, and other income cannot cover the expenditures of a business unit for the current year, business funds accumulated in the previous year can be drawn on to make up the shortfall in the current year. Specifically, after the income and expenditures of a business unit break even for a given year, additional funds are withdrawn according to national regulations and used to make up differences between income and expenditures in subsequent years. These funds are called business funds.

**(vi) Carried over from previous year:** Budgeted expenditures not fully paid out in the previous year are carried forward to the current year or subsequent years, where they can be used as per relevant regulations.

**(vii) General public services (category) - Human resource work (sub-category):** These expenditures are the basic expenditures to ensure the normal institutional operation of the former SAFEA as well as expenditures for expert funding, training expenses, and other expenses related to the recruitment of brainpower from abroad.

**1. Administrative operations (item):** These expenditures are the basic expenditures to ensure the normal institutional operation and routine work of the department and public management units.

**2. General administrative management (item):** These are expenditures on information system maintenance, official building operations, and other specialized management work that

do not have separate expense items.

**3. Talent recruitment fees (item):** These are expenditures by the former SAFEA for the recruitment of foreign experts, subsidies provided for the recruitment of foreign experts, promotion of intellect recruitment achievements, and other such expenses.

**4. Institutional services (item):** These are expenditures by the SAFEA Service Center for the provision of logistical services, such as for conferences and official car management.

**5. Business operations (item):** These expenditures are basic expenditures to ensure the normal institutional operation and routine work of directly affiliated business units.

**6. Other human resource work expenditures (item):** These expenditures are paid by the Internal Service Center of SAFEA for the operating expenses of official building ancillary facilities.

**(viii) Education (category) - Education and training (sub-category) - Training expenditures (item):** These are the expenditures for key training projects funded by national special funding projects and organized and implemented by the former SAFEA.

**(ix) Social security and employment (category) - Retirement and severance from administrative units (sub-category):** These are the expenditures on retired personnel and for the personnel and public expenses of the former cadres office that provides management services to former personnel.

**1. Retirement and severance from centrally managed administrative units (归口管理的行政单位):** These are the expenditures on the department's former personnel under the unified management of the former cadres office.

**2. Retirement and severance from business units (事业单位):** These are the expenditures on former personnel from directly affiliated business units.

**3. Management institution for former staff:** These are the expenditures on the management services for the department's former personnel provided by the former cadres office.

**Housing expenditures (category) - Housing reform expenditures (sub-category):** These are the expenditures related to the reform to the allocation of housing to employees in accordance with national policies and regulations. Housing reform expenditures include three items: The housing provident fund, rent subsidies, and house purchase subsidies (subsidies for personnel with no housing or non-compliant housing.)

**1. Housing provident fund:** The housing provident fund is a long-term housing savings contribution paid by the unit and its employees in accordance with the provisions of the *Regulations on Management of the Housing Provident Fund*. This policy began in the mid-1990s and is generally implemented among employees in government agencies, enterprises, and institutions across the country. The minimum contribution ratio is 5% and the maximum contribution ratio is 12% of the employee's salary from the previous year. This program has been implemented for nearly 20 years. The contribution base of administrative units includes the civil service position salary, grade salary, government agency worker position salary and technical grade (job title) salary, one-time year-end bonuses, special position allowance, and

hardship and remote area allowances, as well as working allowances and living allowances issued after standardization. The contribution base of business units includes position wages, salary wages, performance-based wages, hardship and remote area allowances, and special post allowances according to unified national regulations.

**2. Rent subsidy:** The rent subsidy was approved by the State Council and subsidies for the increase in the rent standard for public housing of central units in Beijing began in 2000. Central units in Beijing determine the rent subsidy according to the number of active employees and retirees and the corresponding subsidy standard. The monthly subsidy per capita is RMB 90.

**3. House purchase subsidy:** House purchase subsidies are paid in accordance with the provisions of the *Circular of the State Council on Further Deepening the Urban Housing System Reform and Accelerating Housing Construction* ([1998] No. 23). Since the discontinuation of housing allocation in kind in the second half of 1998, subsidy funds for the monetization reform of housing distribution are disbursed to employees without housing or with non-compliant housing in areas with a housing price-to-income ratio of more than four. Central administrative units have been issuing house purchase subsidy funds since 2000, and local administrative units successively started to issue house purchase subsidy funds from 1999. Enterprises will determine the issuance of this subsidy according to the situations of their units. Central units in Beijing implement this subsidy in accordance with the standard stipulated in the *Notice of the General Office of the Central Committee of the Communist Party of China Communicating to the Ministry of Construction and other units the Several Opinions on Improving the Housing System of Central and State Organs in Beijing* ([2005] No. 8). Central units outside Beijing implement this subsidy in accordance with the policy provisions and standards of the monetization reform of housing distribution of the local people's government.

**(xi) Diplomatic expenditures (category) - Other diplomatic expenditures (sub-category) - Other diplomatic expenditures (item):** These expenditures are mainly related to the specially funded Asian regional cooperation projects implemented by the former SAFEA.

**(xii) S&T expenditures (category) - Other S&T expenditures (sub-category) - Other S&T expenditures (item):** These expenditures are mainly used by the former SAFEA to fund the subsidies provided for scientific research supported by the national Thousand Foreign Experts Program.

**(xiii) Surplus allocation:** This refers to the funds withdrawn by business units from employee welfare funds, business funds, and paid income taxes in accordance with regulations and the balance of capital construction projects that is to be returned by construction units upon completion as per regulations.

**(xiv) Year-end carryover and surplus:** These are funds in the budget of the current or a previous year that could not be used as originally planned due to changes in objective conditions. These funds must be carried over to the next year, when then can continue to be used in accordance with relevant regulations.

**(xv) Basic expenditures:** These are personnel expenditures and office expenditures incurred to ensure the normal operation of the institutions and their completion of routine work

tasks.

**(xvi) Project expenditures:** These are expenditures in addition to basic expenditures that are incurred to complete special administrative tasks and business development goals.

**(xvii) Business unit operating expenses:** the expenses incurred by business units through non-independent accounting business activities other than professional business activities and auxiliary activities.

**(xviii) "Three Public Expenses" outlays:** Funding for official receptions, vehicles, and overseas trips is managed in the central fiscal budget. This refers to the use of fiscal appropriations from central departments to cover the expenses of official international travel, official vehicle purchase and operation, and official receptions. Official international travel expenses are the international travel expenses, inter-city travel expenses once abroad, accommodation expenses, dining expenses, training expenses, and miscellaneous expenses on official business during official international travel. Official vehicle purchase and operating expenses include vehicle purchase expenses (including tax) and rental expenses, fuel expenses, repair expenses, tolls, insurance expenses, and safety reward expenses. Official reception expenses include the various expenditures on official receptions (including for foreign guests) as per relevant regulations.

**(xix) Institutional operation funding:** This refers to funds used to purchase goods and services in order to ensure the operation of administrative units (including institutions that manage civil servants [实行公务员管理的事业单位]), including office and printing fees, postage and telecommunications fees, business travel expenses, conference fees, benefit expenses, daily maintenance fees, special materials and general equipment purchase fees, office space utility fees, office space heating fees, office space property management fees, official vehicle operation and maintenance fees, and other expenses. Institutional operation funding is generally consistent with the sum of the public expenses in the basic expenditures of fiscal appropriations of the general public budget of the administrative units and business units managed with reference to the Civil Service Law (参照公务员法管理的事业单位) in the department's final accounts.

## Appendix

### Performance Evaluation Report for the Economic and Technical Experts Funding Project

In order to strengthen budget performance management and improve the effective use of budget funds, from January to March 2018, SAFEA commissioned Beijing Huasheng Zhongtian Consulting Co., Ltd. to conduct a performance evaluation on the "Economic and Technical Expert Funding" project.

#### I. Basic Project Information

**(i) Project establishment background:** Economic and technical expert funding is the funding provided by the SAFEA to implement key projects for the recruitment of technical and managerial talent from abroad. SAFEA reviews and approves the plans of key projects for the recruitment of technical and managerial talent from abroad and provides subsidies to domestic employers for hiring foreign experts. These projects are based on the national strategic development needs and implemented through major project construction, key basic research, key technology research, and major equipment development. They aim to guide Chinese enterprises and institutions in recruiting high-level foreign talents and talents in short supply for the purposes of constructing an innovation-oriented country, industrial transformation and upgrading, regional coordinated development, and building a resource-saving and environmentally friendly society.

**(ii) Project content and budget expenditures:** Based on the different characteristics of the recruited experts, these projects include: chief foreign expert projects, high-end foreign expert projects, key foreign expert projects, and foreign expert organization projects. In the 2017 budget, total special funding for economic and technical expert funding projects was RMB 251,449,500, of which fiscal appropriations for the current year accounted for RMB 237,333,900, and funds carried over from 2016 accounted for RMB 14,115,600. Actual expenditures in 2017 were RMB 231,577,200, and RMB 19,872,300 was carried over to the next year.

**(iii) Project performance targets:** The overall target of this project is to recruit about 5,000 foreign experts to come to China in order to benefit the economy and society and advance various industries. Focus on supporting the efforts of localities and departments to recruit high-end in-demand talents and innovative teams in major project construction, key basic research, key technology research, and major equipment development. Promote the construction of an innovation-oriented country, industrial transformation and upgrading, coordinated regional development, and the construction of a resource-saving and environmentally conscious society.

#### II. Performance Evaluation Work

**(i) Evaluation scope and purpose:** The scope of evaluation covers the main projects in the key project plan for the recruitment of technical and managerial talents from abroad, such as chief foreign expert projects, high-end foreign expert projects, key foreign expert projects, and expert organization projects supported by economic and technical expert funding in 2017. Through evaluation, summarizing experiences, discovering problems, and making improvements,

we aim to further strengthen project management, improve the efficacy of the use of fiscal funds, and provide an important reference for subsequent budgetary arrangements.

**(ii) System of evaluation metrics:** The system of metrics has a total of 100 points, divided among four level-1 metrics (investment, process, output, and result,) six level-2 metrics, 20 level-3 metrics, and 44 level-4 metrics. **Investment metrics** (15 points): These metrics mainly evaluate the project establishment procedure, performance target setting, and implementation of funds. **Process metrics** (20 points): These metrics mainly evaluate system construction and execution, quality control, management of the use of funds, and financial monitoring. **Output metrics** (25 points): These metrics mainly evaluate the completion rates, timeliness, quality compliance, and cost control of economic and technical expert funding projects. **Result metrics** (40 points): These metrics mainly evaluate the beneficial economic and social effects to the units implementing economic and technical expert funding projects and their industries, the ecological benefits and sustainable impacts on society as a whole, and the satisfaction of the experts and the units who carry out the projects.

**(iii) Evaluation method:** Based on the principles of science, standardization, independence, objectivity, and impartiality, the evaluation institution used cost-benefit analysis, comparison, public evaluation, and other performance evaluation methods to evaluate the performance of the SAFEA 2017 economic and technical expert funding project. Evaluation experts use a combination of centralized evaluation and independent scoring to evaluate the four aspects of investment, process, output, and result. The evaluation institution summarizes the evaluation of the experts and calculates the average score for each metric. It then uses the individual metric scores to obtain the overall evaluation score of the project. At the same time, it forms an overall evaluation conclusion.

### **III. Performance Evaluation and Evaluation Conclusion**

The expert group believes that the project has basically achieved its annual performance targets, giving it a performance evaluation score of 90.41 and an overall performance level of "Excellent."

**(i) Analysis of project investment: The project received a score of 14.23 out of 15 for this metric.** The project application and establishment procedures are standardized and comprehensively documented. The performance targets are relatively consistent with relevant national laws, regulations, and development plans and are closely related to the responsibilities of the SAFEA. However, the detail and clarity of the performance metrics set by the project need to be further strengthened. The implementation of funds is good, with satisfactory central government fiscal appropriations funding being put in place in a timely manner.

**(ii) Analysis of project process: The project received a score of 18.10 out of 20 for this metric.** The project's business management system is relatively complete, the system implementation complies with relevant laws and regulations, the project materials are complete, and the implementation conditions are satisfactory. The financial management system is relatively complete and the use of funds is relatively regulated and complies with the relevant financial accounting system regulations. However, project quality control and financial monitoring need to be strengthened.

**(iii) Analysis of project output: The project received a score of 23.44 out of 25 for this metric.** The overall project completion rate was relatively good, especially for key foreign expert projects which had relatively high completion rates and relatively prompt completion. The intellectual recruitment management departments at all levels implemented expense write-off audits during project write-off based on the expense standards formulated by SAFEA. Cost control performance was relatively good.

**(iv) Analysis of project results: The project received a score of 34.64 out of 40 for this metric.** Through project implementation, relatively significant direct or indirect benefits have been achieved in many areas, including the improvement of the scientific research and productivity of project units and promotion of the implementation of major national projects. The project has led to the introduction and cultivation of new plant varieties, produced new technologies, and promoted the optimization and adjustment of industry structures. It has promoted the commercialization of related project achievements. It has promoted industrial energy conservation and consumption reduction, the reduction of pollution emissions, and the improvement of the ecological environment. The implementation of the project has also produced many sustainable impacts including the ongoing attraction, discovery, and recruitment of foreign economic and technical experts and the encouragement and guidance given to local governments to increase investment in the recruitment of foreign economic and technical experts. In addition, the satisfaction of units that recruit experts and implement projects with the project implementation results is relatively high.

#### **IV. Problems Discovered**

**(i) The existing project management methods and special funding management methods urgently need to be revised and improved.** Most of the currently implemented project management measures and funding management measures were formulated in 2011 or earlier, and some of their content is no longer in line with current management needs and project development trends. These measures urgently need to be revised and improved.

**(ii) Performance management awareness needs to be improved.** At present, some project units are not very aware of performance management and have failed to establish a scientific performance metric system based on actual conditions. The results of performance evaluation are not used in the budget management and project management processes.

#### **V. Relevant Recommendations**

**(i) Revise and improve the existing project management methods and special funding management methods.** We recommend that different management methods be revised for different types of projects. Provide clear project acceptance and quality standards. For experts of different types and levels, distinguish the relevant funding standards and clarify the amount of funding for each type of project and the proportion of each expense item in the project funding.

**(ii) Increase performance management awareness and scientifically set performance standards based on the actual project situation.** Improve the awareness of financial expenditure performance management of project units. We recommend that, when applying for economic and technical expert funding, project implementation units establish scientific and targeted



performance targets and metrics based on the characteristics of the unit and the actual achievements to be obtained through the project (项目实际提炼成果) to make performance metrics easier to evaluate. In accordance with the requirements of the Ministry of Finance on performance budget management, a performance metric database should be established in line with the actual project conditions and should be used to carry out special budget performance evaluations for management departments at different levels and specific project implementation units. The performance evaluation results should be applied to the entire budget management process to improve the performance budget management awareness of all parties.