

Government of the People's Republic of China

**United Nations Development Programme (UNDP)
Joint Programme**

Programme Document

Supporting the 'all round' Xiao Kang Society

The programme will support the Government's long-term national process of reform towards realising the 'all-round' Xiao Kang society by 2020. It will assist in alleviating development imbalances through promoting, and supporting the use of human development concepts, methodologies and indicators, in line with MDGs. The programme will aim to build a broad consensus among policy makers and society concerning the future direction and goals of the Xiao Kang vision. It will support the definition of suitable Xiao Kang indicators, aligned with MDGs, and the capacity development necessary for improved collection, monitoring, analysis and assessment of data to lead to a clearer understanding of human development issues in China. The programme will promote the use of reliable assessment results as a basis upon which to build, or adjust, policies to meet needs, monitor progress and evaluate performance. The programme will advocate for a wide sense of ownership and active participation in the process of reform among society as a whole.

People's Republic of China

UNDAF Outcome:

Social and economic policies are developed and improved to be more scientifically-based, human centred and sustainable.

Country Programme Outcome/Indicators:

MDG concepts and indicators integrated into national development policies and plans

Country Programme Output/Indicators: Service Line 1.1: MDG country reporting and poverty monitoring

Executing Agency: China International Center for Economic and Technical Exchanges (CICETE)

Implementing Agencies: National Development and Reform Commission (NDRC)
National Bureau of Statistics (NBS)

Programme Period: 2005-2009
Programme Component:
Project title: Supporting the 'all round'
Xiao Kang Society
Project ID: CPR/04/603
Project duration: 5 Years
Management Arrangements: NEX
(CICETE)

Budget (US\$)	10,000,000
General Management	
Support Fee	
Allocated Resources	
• Government	5,000,000
• Regular	5,000,000
• Other	
(more fund to be mobilized)	

Agreed by:

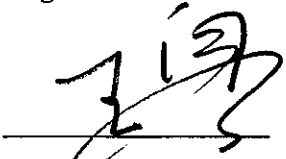
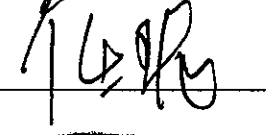
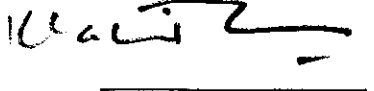
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LIST OF ACRONYMS

CCA	Common Country Assessment
CCCPC	Central Committee of the Communist Party of China
CICETE	China International Center for Economic and Technical Exchanges
CIDA	Canadian International Development Agency
CPC	Communist Party of China
CSOs	Civil Society Organizations
DG	Director General
GDP	Gross Domestic Product
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IMF	International Monetary Fund
IMR	Infant mortality rate
MDGR	Millennium Development Goals Report
MDGs	Millennium Development Goals
M & E	Monitoring and Evaluation
MOFCOM	Ministry of Commerce
NBS	National Bureau of Statistics
NDRC	National Development and Reform Commission
UN	United Nations
UNICEF	United Nations Children's Fund
UNCT	UN Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

Part 1. SITUATION ANALYSIS

The quality of life for the Chinese population has improved dramatically since the introduction of strategic reforms in 1979. From 1979-2002, real GDP grew at an average rate of 9.4% annually and was accompanied by significant structural reforms including increased levels of productivity and resource use efficiency, and a reallocation of labour from agriculture to industry. Using the government's benchmark for poverty of 869rmb/year, the numbers of rural poor living below the poverty line is estimated to have fallen from 250 million in 1978 to 28 million in 2002. Huge progress has also been made across a range of other socio-development indicators such as life expectancy, child mortality and illiteracy. In 1999 China was classified as a lower middle income country by the World Bank.

Despite these substantial achievements, economic reforms have brought new challenges, which demand new approaches. Imbalances have been created such as between: rural and urban, coastal and interior areas; in promoting health and education; in ensuring gender equality; protection against HIV/AIDS; the rights of the child; and in protecting and nurturing the environment. Overcoming inequity, and relieving entrenched or new forms of poverty, characterise China's future national development.

Since the 1980's, China has followed a path of reform known as Xiao Kang, or 'well-off' society. In 2002, the 16th National Congress of the CPC redefined the concept to encompass a broader approach to national development. The 'all-round' Xiao Kang society by 2020 has been defined as: the quadrupling of per capita incomes; balanced, human-centred development; care of the environment; support of individual empowerment; and commitment to the improvement of governance and accountability. It reflects the strong political commitment of the Chinese government to shift the focus of development beyond that of economic and material well-being, to broader concepts of development and the achievement of sustainable human development outcomes.

The 3rd Plenary Session of the 16th Party CPC of 2003 gave further clarity to the vision through advocating for the 'Scientific Concept of Development' focussing on achieving 'five balances' between: urban and rural; across regions; economic and social; between man and nature; and domestic development vs. opening up.

Balanced human development is a top government priority. It forms a major part of the planning process embodied in the 11th Five Year Plan 2005-2010, and constitutes China's long term strategic development vision.

The 'all-round' Xiao Kang vision closely mirrors commitments made by China in the UN's Millennium Declaration which was adopted by Heads of State and Governments from 189 member countries in 2000. The Millennium Development Goals (MDGs) outline clear goals, targets and indicators for ending human poverty and accelerating human development. The MDGs support and underpin China's Xiao Kang vision and offer an historic opportunity for enrichment through integration. Enhancing China's national reform process contributes directly to the global reduction of poverty and improved human development outcomes worldwide.

China has already met many of its MDG targets. However, achieving the ambitious aim of an 'all-round' Xiao Kang society by 2020 entails annual average growth rates of GDP of

7.2% for the next two decades and gives rise to crucial questions: how to sustain balanced development without sacrificing the marginalised, the environment, women or the disadvantaged; what will be the pitfalls; and how can progress be charted in order to match policies with needs?

1.1 Development Imbalances

1.1.1. Rural and urban

800 million people, or 60% of the population of China, live in the countryside. Rapid economic growth has helped to dramatically reduce the numbers of rural poor and to feed 22% of the world's population on less than 10% of the world's arable land. However there are pronounced rural-urban disparities, pockets of deeply entrenched poverty, and new forms of urban poverty that threaten to upset the reform process. In the coming decade, the focus on rural development and agriculture is seen as an integral part of achieving an 'all-round' Xiao Kang society and in balancing rural-urban and regional divides. Direct interventions and policies that respond to people's needs are necessary in the fight against poverty.

Rural areas are disadvantaged in all dimensions of human development. 30-40 million people (3% of the population) are food insecure, mostly those living in environmentally degraded regions of the country. The farm-related net income of rural people continued to decline since 1995, which spurred rural-urban migration in the 1990's. Rural household incomes grew at 3.6% annually from 1997-2002 compared to urban household incomes which rose by 7.2% (NBS). Children in rural areas attend school on average for 2-3 years less than urban children and many rural children, particularly girls, do not complete their education. There are signs that in health and education, the gap between urban and rural residents is widening.

Government financing of social services in rural areas is inadequate. Fees for health or education services make up a disproportionately large part of rural incomes. The rural population is more prone to suffer ill health, with increased exposure to TB or iodine deficiency disorder, and may also lack adequate nutrition. The under-five mortality rate in rural areas is 4.6% against 1.2% in urban areas. The maternal mortality rate is 70 deaths per 100 000 births as against 29 in urban areas. In areas of rapid economic growth, it is common to find deeply entrenched pockets of poor living in remote, resource-deficient upland areas where low productivity of land and limited employment possibilities restrict opportunity.

Agriculture accounts for 15% of China's GDP and yet the decline in the total grain output is a source of major concern which has stimulated a new policy for food security and agriculture production.

While the government recognises the need to facilitate labour mobility, this will need to be planned and managed in a humane way that provides social protection for migrants, and is responsive to the environmental consequences. Stimulation of growth in the countryside, alongside increased access to microfinance, is essential to reduce incentives for urban migration, to speed up further poverty reduction efforts, and to narrow the human development gap between rural and urban areas.

1.1.2. Regional:

Much of the rapid reduction in poverty in China has occurred in coastal and central regions and there are wide economic and social development gaps between east and west. There is an uneven rate of growth between eastern provinces, and central and western provinces which lag in terms of human development. While no province has a UN Human Development Index (HDI) in the 'low-development' category, they vary widely across provinces and reflect in such indicators as school enrolment, drop-out rates, life expectancy, infant and maternal mortality rates, etc. The proportion of poor in central and western regions among all increased from 77% in 1992 to 85% in 1999. In the 1980's the average GDP per capita in the western and central regions amounted to 56% and 69% of the GDP per capita of the eastern region. In 2000, the ratio was 41% and 47% respectively.

Financing of education is highly decentralised and government funding of education and health is skewed in favour of wealthier provinces. Disparities in terms of access and quality of education services are growing between regions. While schools and teachers increase in urban areas along with enrolment, 10 provinces and autonomous regions remain below the national average, with Tibet having the lowest Net Enrolment Rate at 85.8% in 2000. At the urban secondary level, urban rates outstrip rural areas. Two thirds of health financing is allocated to one third of the population in urban areas.

To readjust regional imbalances the government has launched an ambitious Western Development Plan which aims to create conditions for increased economic activity in 12 western provinces through investment opportunities. However, it gives little attention to human development aspects such as social development, local governance, or participation, which are key to sustainable development.

1.1.3. Economic and social

Integrating economic and social policy is seen as integral to building the Xiao Kang society and bridging inequalities. Poverty declined dramatically in the first decade after economic reforms began mainly because of the creation of new jobs in manufacturing. However, high real wage growth in manufacturing has done little to reduce income inequality. Rapid economic growth has brought growing inequalities of all kinds and the rate of poverty reduction has declined.

Growing unemployment has brought employment generation to the top of the agenda. It is vital to find ways to increase the absorption of China's working age population, which grew by 150 million from 1990-1999. Employment in agriculture is stagnant. Predictions of job losses in agriculture range from 11-20 million by 2010, and the surplus population in rural areas already poses serious downward pressure on the growth of real incomes for the unskilled off-farm sector.

The new private sector and informal sector offer opportunities, but social protection needs to respond fast in order to keep pace with changing circumstances. New forms of poverty that have emerged include: migrants who are not yet employed; laid-off workers; women; children; the elderly; and the disabled, many of whom fall outside existing social safety nets. Due to the mobility of the migrant population for instance, migrant children statistics are incomplete leading to inherent difficulties in targeting support.

There are an estimated 110 million people on the move as a result of rural poverty and lack of employment opportunities. Predictions are that 300 million rural residents may move to cities by 2020. While opportunities are greater in urban areas, reforms in the wage structure, the dismantling of state subsidies and the welfare system, and the restructuring of the state sector have put massive strain on the fragile system. The dramatic increase in migration has huge implications for access to social security, education and health.

There has been much reform in the social security system but major problems persist. 30% of the, mainly urban, population are covered by formal social security mechanisms. The challenge is to extend this to the remaining 70%, and in particular, to rural areas. Large proportions of the urban population, as well as migrants and the floating populations are not covered by basic medical insurance.

There are major weaknesses in the funding of delivery of public services, particularly in the poorest regions and rural areas. Resources allocated to health and education, remain at a low level in proportion to government budget and GDP and spending on social services is not regarded as a high priority at the central and local level. Targets set by central authorities to assess and evaluate performance of local governments, which are primarily responsible for delivery, place little weight on social services delivery and outcome achievements.

Approximately 840,000 people are living with HIV/AIDS. The rapid increase in infections has led to concern that this number could reach 10 million by 2010 if left unchecked. It is an issue of special concern for the future of national development. Political commitment towards HIV/AIDS has greatly increased at the national level but it is uncertain in many towns and provinces. Issues needing to be addressed include: the non-discriminatory care and treatment of sufferers, scaling up of effective care and support, sex education and impacting groups who are less easy to reach.

Improving fiscal policy is central to the integration of social and economic policies. There has been excessive decentralisation of the delivery and financing of public services and major deficiencies in the system of intergovernmental transfers. The decentralisation of fiscal relations from 1980-1993 had the effect of skewing the provisions of public services between east and west. Disparities were reinforced by large fiscal imbalances which were created by decentralisation of responsibility, without the back-up of adequate resources. Regressive fiscal policies have led to fewer and lower quality services in rural areas. The liberalisation of the health system has caused a sharp decline in public expenditure and a rise in personal health spending. About 90% of farmers in rural areas have to pay for medical services out of pocket.

1.1.4. People and Nature:

China is the world's most populous nation and its per capita availability of physical resources is low. In the past 40 years, China has increased its resource use, from 0.8 to two times its annual bio capacity to meet its resource demand. China is importing resources, and is also borrowing from future generations. The continuous growth in industrialisation and urbanisation, enhanced mobility and private consumption can only increase pressure on the demand for natural resources. In search of high yields and profits, the environment often takes second place. Environmental sustainability is a major concern in China and is itself exacerbated by poverty.

China environmental challenges include: land desertification; water shortage; solid waste; air quality and inefficient use of energy. It is in desperate need of finding ways to balance the demands of man and the environment if the goal of 'all round' Xiao Kang is to be achieved.

Land: Irrigation methods that have accounted for the feeding of 20% of the world's population on as little as 7% of its land has led to land degradation, often in the form of desertification. Most poor people in China live in areas of severe land degradation which can be seen as both a result, and a cause, of poverty. Poor land gives marginal income, and poor farmers are unable to gear up to more sustainable livelihoods.

Solid Waste and Chemicals: Domestic and industrial waste is putting increasing pressure on the capacity for treatment and disposal. China is the world leader in the use of pesticides and fertilisers which are having a detrimental effect on human health and the environment and also endangers human health.

Water: Per capita fresh water resources in China are one only quarter of the world average and it is not available in areas where it is most required. 70% of cities have water shortages, 10% of those severe. 60% of all water is accounted for by agriculture (30% by industry and 10% by householders) and there is a serious mismatch between availability and consumption needs. Pollution affects 60% of rivers and 90% of urban underground water. Industry uses seven times as much water as compared to that of the average for more sustainable economies. A major water problem is the coexistence of shortage, and wastage.

Air Quality and Energy Consumption: Air pollution, caused by the increased combustion of fossil fuels for power generation and emissions from vehicles and industries, is one of China's most pressing problems. Rapidly increasing urbanisation is exacerbating the problem. Acid rain affects around 30% of China's territory causing massive losses to crops, forests and harm to public health.

China's energy consumption has more than doubled since 1980 and now ranks second highest in the world. It is the second largest emitter of green house gasses after the US, and the largest emitter of SO₂. China is heavily dependent on coal (66%). It faces two stark problems in terms of energy consumption: the contribution of renewable energy sources is negligible; and its current import need of crude oil is equivalent to two thirds of the world's largest producer's annual production. Imports will only increase in the future as growth, opening up of the economy and reduction of disparities among regions call for extra energy.

Environmental governance is an enormous challenge for the government. The complexity of geographical and ecological conditions; the inter-relatedness of agriculture, industry, urban development and poverty alleviation; the large and varied territory and the complex machinery of government require careful cross-sector coordination, planning and effective monitoring, by area and by sector, for policy support to be effective. Broad research-based partnerships and the involvement of the private sector would further enhance understanding and help to realise aims.

1.1.5. Domestic Development vs. Opening up

The challenges outlined above are further heightened by the fact that future issues need to be addressed in a society that is committed to a continuing process of opening up to influences from the outside world. China joined WTO in 2001 and, while WTO membership will accelerate the shift to a market economy, it will also put pressure on China to bring labour conditions, and other issues, into line with international standards.

1.1.6. Gender: In addition to the imbalances outlined above, there are signs that gender issues deserve more focussed attention. Policy biases continue in part through lack of economic and social data to show the impact of policies upon women, especially in rural areas. There are gaps in data related to gender issues that need to be addressed.

The current policy of nine year compulsory education applies to both boys and girls, but gender differences in rural school enrolment tends to be greater than in urban areas. The rising costs of education mean that female children drop out earlier than boys and there is a disproportionate persistence of illiteracy among women, especially in rural areas and among ethnic and religious minority women.

Since the 1980's there has been an increasing 'feminisation of agriculture' and in many parts of the country the majority of full-time farmers are women. The impact that WTO may have on agriculture, indicate that this sector may become even more feminized leading to increased vulnerability to unemployment in that sector. The status of women in rural areas may further deteriorate¹. SOE reform exacerbates the wage gap between men and women, who find it increasingly difficult to compete in the new labour market.

Women can benefit from WTO accession, but that is dependant on focussed improvements in education, health, and the fiscal situation that ensure gender equality in access to productive resources, and decision-making. While the government has adopted a number of strategies, inequalities persist in terms of equal access to education, employment opportunities, income and political participation. Rural women find it difficult to exercise rights over land and the lack of clear policy support may leave them vulnerable to abuse.

1.2 Priority Needs

The vision of an 'all-round' Xiao Kang society by 2020 needs clarity of direction and clear indicators of achievement if it is to achieve its aim. Future goals need to be mapped out in order to plan well in setting priorities; indicators and statistics need to be readjusted in line with the new development paradigm of 'all-round' human development; capacities need to be enhanced for monitoring and assessing progress; and policy makers need to be able to respond to reliable information with relevant and targeted measures. Finally, society as a whole must participate in, and be behind, the reform process if it is to be truly one of building an 'all-round' Xiao Kang society.

- Ministries and government agencies put forward their own vision of Xiao Kang, and set their own agendas, with little consensus on national goals and indicators to mark the progress of reform. The current coordinating mechanism lacks capacity and functions are limited to consultation regarding registration for statistics, and providing technical support.

¹ Study for UNDP, UNIFEM, Japan, NDRRC, CICETE 2003

- It is recognised that GDP figures should not be used as the only yardstick to measure and evaluate development performance. However, physical inputs, rather than qualitative and outcome-oriented indicators, tend to be emphasised. Indicators that reflect broad concepts of human development need to be developed and redefined.
- The capacity for planning, design, implementation and monitoring of development in line with Xiao Kang and MDGs is not sufficient. Capacity needs cover a wide range of areas: statistical, administrative, managerial, technical and analytical. Different levels of functionaries play an important role in operationalising human development outcomes so that policies can be well-designed and responsive to needs, properly implemented, monitored and reviewed.
- The capacity of statistical institutions in collection of disaggregated data, such as those concerning gender or children, in line with standardised human development methodologies for measuring and monitoring poverty, as well as analysis into the cost-effectiveness of specific interventions, needs to be improved. China is rich in data but key indicators are lacking. In particular, gaps remain in health care, education, environment, energy, employment, poverty, and gender statistics. Incentives to collect, monitor and report reliable and accurate information are lacking. A potential problem is the manipulation of data to show that an area or sector is lagging behind to secure more resources from the government.
- The NBS has overall coordination of statistical activity while other agencies collect on specific sectors at the national and sub-national level. An integrated monitoring and assessment mechanism centred on Xiao Kang human development targets for data collection, analysis and dissemination is not established. Statistical systems are not standardised or integrated, there are inconsistencies between agencies' data, problems of quality, and gaps
- Systems for collection, verification and reporting of data are stronger at the national than the sub-national level. There are no professional statisticians engaged in social statistics in government offices under the provincial level, leading to inherent problems with monitoring. Databanks at the national and provincial level are inadequate. Systems in rural areas are particularly weak, with few statisticians and poor access to equipment.
- The priority needs of end-users need to be taken into account to give a more true reflection of reality. The introduction of a more participatory process and the inclusion of a broad base of society and local stakeholders to debate and discuss key issues would give depth and meaning to assessment and policy issues.
- Problems of measuring the impact of public policy interventions or resource transfers constrain the government's ability to target policies and resources to remedy a particular problem.
- Each province, or region, has its own set of weaknesses in terms of human development. Local governments need to find ways to monitor and assess progress and respond with suitable policies. Central government needs true indicators of reality in order to respond with targeted, evidence-based policies, and to balance priorities.

1.3 Relation to UNDAF/CCA

The UN Development Assistance Framework (UNDAF) harmonises the development assistance of all UN agencies in China. It has three main goals: to promote sustainable development; to support favourable conditions for the national reform and development process; and to assist China's efforts in meeting global challenges and promote international cooperation.

The updated Common Country Assessment (CCA) of 2004 focuses on the following issues:

- Growth, inequality and poverty reduction
- Balancing economic growth and social development
- Balancing people and nature
- Social protection
- Education and human resource development
- Addressing health needs
- Facing the challenge of HIV/AIDS

The goals and objectives of the UNDAF and the CCA are consistent with the project's aim of supporting the Government of China's Xiao Kang vision of reform through integration with human development methodologies.

UNDP will build on its lead coordinating role within the UN system to mobilise support for the Xiao Kang programme and broad human development issues. It will consistently aim to seek the support and expertise of specialist UN agencies with the intention of contributing to, and drawing from, the broad base of knowledge and experience in related areas. UNDP will actively seek partnerships with international donors to enhance experiences, or increase resources.

The creation of strong cross-sectoral partnerships with national counterparts, participation by civil society and support of international players will be a key part of programme arrangements.

UNDP's main strengths will focus on: consensus building to reach agreement on the direction of the reform process towards Xiao Kang 2020 in line with concepts of human development; support to the development of Xiao Kang goals and indicators enriched by MDGs; capacity building at the national and local level towards improved human development methodologies and systems of monitoring and assessment; support to policy development that is responsive to identified needs; advocacy for Xiao Kang, MDGs and human development objectives among a broad base of society.

Part 2. STRATEGY

The programme will seek to promote the usage of human development concepts and methodologies, inherent within the MDGs, to support China on its path of reform and development towards achieving the 'all-round' Xiao Kang society by 2020.

It will advocate for a broad understanding of human development that goes beyond economic measures, and will encourage the active participation of society in the process of nationwide reform.

The programme will assist in arriving at a clear understanding of the 'all-round' Xiao Kang society, and the means to get there, through helping to define and develop suitable goals and indicators, supported by MDGs. The programme will support planning and budgeting for reform at central and provincial levels. It will provide capacity building to the statistical system, including support to the development and application of human development approaches and methodologies, to strengthen implementation for improved analysis, monitoring, and assessment. Assessment results will be disseminated in National and Provincial Xiao Kang Reports, which will be used to inform and guide policy makers in the development of long-term, targeted, policies that are evidence-based, and responsive to identified needs.

An integral part of programme activities that supports the whole, will be to assist senior leaders in China enhance their understanding of concepts and goals of the new paradigm of development, and their capacity for leading, managing, and implementing policy and operational measures in line with building the 'all-round' Xiao Kang society (separate project document).

To enhance and extend aims and activities, programme partners will seek to develop the potential for further partnerships, sources of expertise and funding. In order to strengthen future synergies, a review of donor activities, at the central and provincial level, in programme areas of interest, will be carried out. Efforts will be pooled for inter-agency coordination and resource mobilization.

In recognition of the changing nature of the development situation, and to ensure that programme design and content remain relevant and responsive to needs, the programme will be flexible in its approach. Annual Reviews, evaluations and regular management discussions will gauge the need for adjustment and application of activities, and experiences will be collated and reviewed.

The Programme will have nationwide coverage. It will be led by central Ministries and agencies in Beijing under the overall coordination of the National Development and Reform Commission (NDRC). The programme will work directly with five target provinces to operationalise approaches. The provinces, which have been selected according to geographical location and different social and economic development levels are: Qinghai, Sichuan, Hunan, Jilin and Jiangsu. Representatives from the provinces will be engaged in programme activities from the outset.

The Programme is divided into three sub-programmes:

- **Sub-Programme One: Xiao Kang Definition, Monitoring and Policy Development**
 - ***Component 1: Definition*** will aim to reach consensus on human development oriented Xiao Kang goals and indicators, supported by MDGs.
 - ***Component 2: Assessment*** will focus on the operationalisation of adapted Xiao Kang indicators at the provincial level, towards their use in assessing and monitoring progress towards Xiao Kang goals to inform:
 - ***Component 3: Policy Development*** at central and provincial levels.

- **Sub-Programme Two: The Advanced Leadership Development Project on the Xiao Kang Society (CPR/04/609)** - (separate project document attached as annex) will support and underpin all programme activities
- **Sub-Programme Three: Xiao Kang/MDG Advocacy** over-arches each sub-programme to advocate for human development concepts, progress towards Xiao Kang/MDGs, dissemination of programme outputs, and open participation from society.

2.1 Sub-Programme One Xiao Kang Definition, Monitoring and Policy Development

2.1.1 Component I: Definition will aim to give clarity and definition to the ‘all round’ Xiao Kang society by 2020 in terms of goals and indicators in line with human development concepts supported by the MDGs.

Focussing on how to achieve the narrowing of deficits from a human development perspective, Component I will carry out a thorough and broad-based analysis of China’s current development position and a projection of future goals to 2020. It will conduct a comparative analysis of current Xiao Kang goals and indicators, against MDG goals and indicators, and an identification of gaps. Recommendations on how to close gaps will inform a broad-based process of debate leading to consensus on a revised set of Xiao Kang goals and indicators that are clear, measurable, supported by MDGs and which embody broad concepts of human development.

Goals will be limited in number to ease monitoring and support advocacy, and indicators will be chosen that give real and sensitive measures of progress consistent with, and reflecting, each goal. Indicators will be selected on the basis of their ability to reflect human development outcomes and for their potential in having meaningful implications for policy adjustments.

Representatives from target provinces, drawn from local government, academia, the business community and civil society, will be closely involved in the development of Xiao Kang goals and indicators in order to give real and meaningful reflections of local perspectives and needs. Studies into the special challenges and obstacles to long-term reform and development at provincial level, such as labour mobility, financial capacity or environmental issues, will be carried out in each target province along with an identification of key local stakeholders. A comparative analysis of gaps between the current set of indicators used in each province, against Xiao Kang human development indicators will be carried out. Ways to close gaps will be drawn up, province by province, in line with Xiao Kang indicators, and local conditions.

Component I will review the status of the budgetary and policy framework for the reform process such as that regarding poverty reduction, the environment etc. It will support the development of national and provincial pro-poor fiscal and legislative plans for long-term reform. UNDP’s Joint Programme ‘Capacity Building to Support Pro-Poor Fiscal Reform in China’ may provide valuable inputs to overall Programme aims, for instance regarding pro-poor fiscal policy design at the local level, improved mechanisms for budget formulation and management, and reviews into performance-based budgeting. The

Programme will find ways to maximise and enhance synergies. Component I will give support to the capacity building of stakeholders in development planning, policy formulation and implementation.

A broad-based partnership from central and provincial levels will work towards achieving technical and political consensus on the future path towards the all-round Xiao Kang society including: revised Xiao Kang goals and indicators; outcomes from the review of the planning process; the recommended framework for budgeting and legislation. Results will form the backbone of a Xiao Kang 2020 Strategic Plan which will be presented for endorsement at the highest level.

Component I will aim to strengthen the coordinating mechanism between NDRC, National Bureau of Statistics (NBS) and other relevant Ministries to advance cross-sectoral monitoring, planning and assessment. The Xiao Kang Programme Steering Committee will provide a solid platform for dialogue and decision-making regarding the 'all-round' Xiao Kang 2020 vision. It will be led by the NDRC and will focus on the examination of key Xiao Kang human development issues and priority areas, debate on goals, methodologies and indicators, consensus building, and support to policy development.

2.1.2 Component 2: Assessment This component will help to 'operationalise' Xiao Kang goals and indicators for improved analysis and assessment of development progress at the provincial level. Through capacity building activities and training, it will support the improvement of systems, methodologies and capacities, of collection, analysis, monitoring and reporting of defined Xiao Kang human development indicators for their use in provincial level assessments.

It will include: adapting the provincial level indicator system to reflect revised Xiao Kang goals and indicators; the development and application of methodologies in line with the human development paradigm; capacity building for improved analysis of data as part of a concerted effort to set up a comprehensive and effective monitoring system that can be used to give reliable measures of progress. Transparency of approaches, and involvement of stakeholders, will be encouraged through ongoing participation and dissemination.

The National Bureau of Statistics (NBS) will play a key role. It will work closely with NDRC and other programme partners at central and local levels to provide more coherent technical level support to the implementation stage of the adapted Xiao Kang indicator and statistics system.

Sub-component I: Methodologies

Each target province will plot its own provincial Xiao Kang path based on revised goals, human development methodologies and indicators, and local circumstances. Workshops focussing on ways to address challenges and enhance stakeholder interest and capacities will be held alongside dissemination of the Xiao Kang statistical monitoring system and human development objectives.

Studies into methodologies for collection will be carried out alongside workshops and study groups to disseminate findings. Data for the agreed set of indicators at the national and local levels will be collated with information on the methodology used for each

indicator and quality checks. This will be undertaken in coordination with line ministries and will involve the setting up of sector-wise task groups.

A draft plan will be prepared by NDRC, NBS and line ministries to agree a list of data sources, ways of filling gaps, methodologies, and quality control. Proposals for the adapted system will be widely disseminated and reviewed, with recommendations incorporated into a draft Xiao Kang Statistical Action Plan, to be endorsed. On the basis of this, a Sourcebook of the Xiao Kang Statistical System and essential data collection methodology for each indicator will be compiled, and metadata for Xiao Kang indicators produced.

Sub-component II: Training

Dissemination of the Sourcebook, and training for statistical staff and functionaries in target provinces will enhance capacities for data collection, analysis and reporting. It will include short-term training courses on survey techniques at the grass-roots level. Particular attention will be paid to improving the capacity for analysis of collected data in order to gain a clear and sensitive picture of human development issues. Feedback mechanisms will be introduced to support local level functionaries in assessing improvements in terms of human development as well as provincial research task groups to analyse and assess progress. The local Development and Reform Commission (DRC) will play a key part in the process.

Much work has been done by specialized agencies in the field of indicators of human development. The objectives of such programmes are highly relevant to Xiao Kang goals. To the greatest extent possible, information, data and analysis generated through parallel programmes, will be shared.

Sub-component III: Provincial Xiao Kang Reports

Analysis of Xiao Kang data and statistics will be used in the preparation of human development oriented Provincial Xiao Kang Reports. Provincial Xiao Kang Reports will include: results from analyses and studies such as special challenges facing each province; the Provincial Xiao Kang path based on human development goals/indicators and local circumstances; identification of local stakeholders; in depth review of, and detailed recommendations for, the budgetary planning process and legislative or policy adjustments towards achievement of provincial aims; baseline data of Xiao Kang indicators which will have been fully collected and analysed for assessment of progress.

Provincial level Reports will be prepared using methodologies consistent with human development objectives. Reporting Teams will promote an open, participatory reporting and assessment method which will include a variety of local stakeholders, and will aim to strengthen the capacity of local government and other stakeholders for monitoring, assessment and analysis of development. The reporting process will involve the active participation of civil society organisations, national and international NGOs, grass-roots organisations, and the general public through workshops and debate.

The Programme Steering Committee will assign Reporting Teams who will be sub-contracted for each Provincial Xiao Kang Report. Reporting Teams may include: national and international experts and consultants; independent researchers; academics; analysts etc.

A work plan for each target province will be prepared by the National Programme Management Office and Provincial Programme Offices. It will set out a timetable so that Reports are produced to coincide with high level government meetings for endorsement. The work plan will include details of local challenges and priorities, stakeholders and local partners, and summaries of studies.

Draft Provincial Xiao Kang Reports will be presented via the Programme Steering Committee for high level endorsement. Provincial Xiao Kang Reports will be made widely available to form the focus of informed debate and to be used as a tool for assessment and comparison between provinces and regions. NDRC will be responsible for disseminating Reports at the central policy-making level.

2.1.3 Component 3: Policy Development

Sub-component I: Long-term Policy Support: Regular meetings will be held with programme partners to collate and revise recommendations from Component I, such as those regarding Xiao Kang goals and indicators, to support the formulation process of China's 11th Five Year Plan (2006-2010). The NDRC and the Central Fiscal and Economy Leading Group of the CCCPC will play a lead role.

Results from Component 1 will also form the backbone of China's long-term human development vision, embodied within the **Xiao Kang 2020 Strategic Plan**, which will be endorsed in mid-2006.

The Programme will provide major inputs into the development and formulation of China's 12th Year Plan (2011-2015). To this end, the Programme Steering Committee will, during the second half of the programme and in consultation with partners, prepare a detailed schedule of special meetings to lay the way forward.

Sub-component II: Sector Groups: Xiao Kang sector groups will be set up among policy makers at national and local levels to focus on addressing human development imbalances and promoting the usage of assessment results as a basis for formulating pro-development policies to reduce imbalances in particular between regions, between man and the environment and between economic and social forces.

Workshops will be held on planning and budgeting for long-term pro-poor reform with linkage to the UNDP Joint Programme 'Capacity Building for Pro-Poor Fiscal Reform'.

Study tours for local officials and stakeholders between target provinces will help to inform and disseminate results and processes. Areas in which local departments can better coordinate and monitor their work will be assessed. Studies into the legal and policy environment for CSOs will provide recommendations on policy making towards creating an environment that is more conducive to their participation at the national and local levels.

Sub-component III: Annual Review of Development Plan: Provincial Xiao Kang Reports will feed into National Xiao Kang Reports which will be used to inform and guide policy-making with linkage to regional development strategies such as: the Western Development Strategy, Revitalisation of Old Industrial Areas in the North East Part of China etc.

National Xiao Kang Reports will be prepared by the National Reporting Group set up by the Programme Steering Committee. Reports will be based on quality, reliable data and analysis to recommend and guide policy adjustments in line with Xiao Kang human development aims and objectives. The National Reporting Group may include: individual experts and specialists; academics from research institutes; national and international advisers.

An Annual Review of research results will be held by sector groups and policy makers to assist in, for instance: the identification of priority areas for policy making; the impact of past policies on special challenges; key or new areas of weakness; evaluation of experiences. With indicators in place to mark the impact of certain policies, ways of readjusting them at the central and local level will be explored. Analysis of policy gaps and in depth studies into each policy review recommended will be carried out.

Results from Sub Programme One will be transmitted to senior leaders involved in the implementation of the Xiao Kang vision via the creation of a strategic link with Sub-Programme Two. The Programme will organise an Annual Conference that will give participants in the Advanced Leadership Development Project the opportunity to debate and discuss results and processes from Sub Programmes One and Three for application at the highest level.

Based on the results of the Sub Programme One, project stakeholders will be given capacity building opportunities to improve future work performance.

2.2 Sub-Programme Two: The Advanced Leadership Development Project on the Xiao Kang Society (CPR/04/609) launched in July 2004 plays an integral role in the overall Programme. A three year programme, it focuses on enhancing the professional capacities of senior leaders in managing and implementing objectives within the framework of the new development paradigm. The Advanced Leadership Project is providing overseas training opportunities for 300 senior leaders, and domestic training for a further 600 leaders to support and contribute to the acceleration of China's progress towards establishing a Xiao Kang Society and achieving the MDGs. Sub-Programme Two, which is part of a separate project document, underpins and supports all activities of the overall programme.

2.3 Sub-Programme Three: Xiao Kang/MDG Advocacy will promote and advocate human development concepts and MDGs in line with the Xiao Kang 2020 vision. It will aim to mobilise a wide basis of support throughout society. It will increase awareness of the objectives of the 'all-round' Xiao Kang society and MDGs and will elicit the active participation of society in the reform process. Advocacy will be carried out alongside all programme activities by all partners, especially NDRC, UN agencies and government partners at national and provincial levels.

The sub-programme will seek to: raise awareness through informed public discussion; increase transparency of data collection and use; take into account end-users needs for data through encouraging and campaigning for a participatory approach involving CSOs and other organisations; report on progress towards Xiao Kang and the MDGs; support and encourage civil society to advocate for Xiao Kang and the MDGs; build partnerships between public/private sectors, the media and civil society organisations and encourage them to actively participate in the reform process.

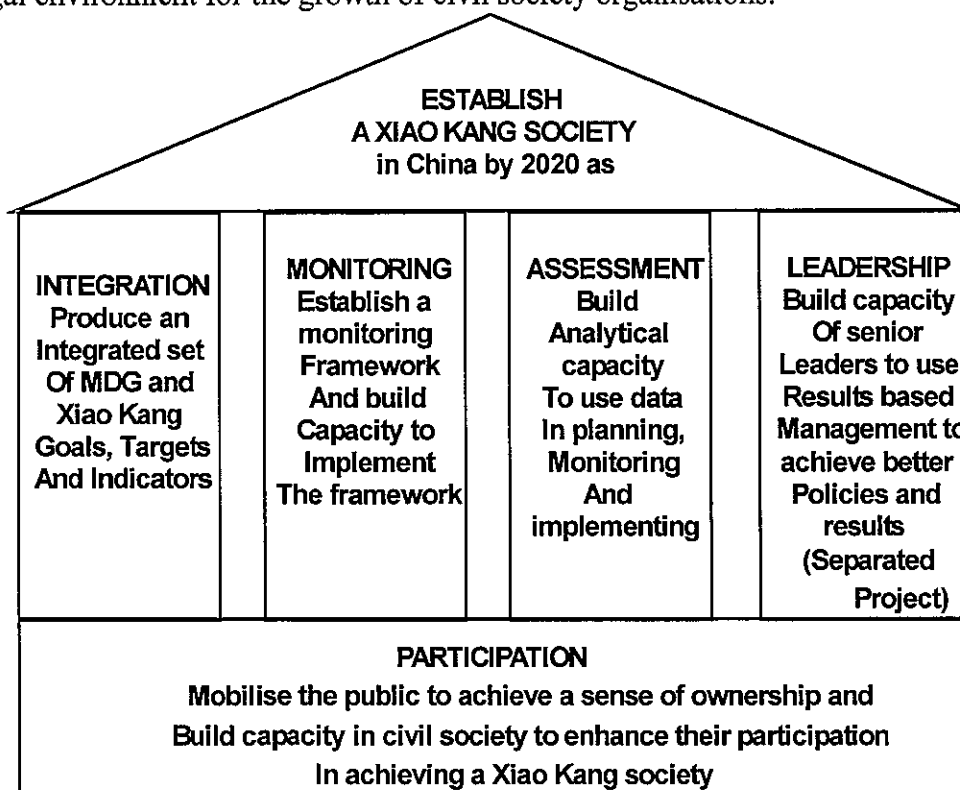
Advocacy will commence at the outset of project activities and will make use of project outputs as tools to highlight progress towards the all-round Xiao Kang vision and human development concepts. It will use key outputs from programme activities to focus attention on issues and invite broad participation, such as:

- defined goals and indicators of Xiao Kang, supported by MDGs
- Xiao Kang 2020 Strategic Plan
- adapted sets of Xiao Kang human development methodologies, indicators and statistics at the national and local level
- Xiao Kang Statistical Plan and Sourcebook
- the Provincial Xiao Kang Reports
- the National Xiao Kang Report

An Action Plan for Advocacy for Xiao Kang and the MDGs will be drawn up by the government and key programme partners at the outset of the programme. Advocacy will work through many different channels and partners in order to maximise awareness of issues and progress.

A wide variety of players will take part in Advocacy, such as civil society, the private sector, the media, and the State Council Information Office, who will figure prominently in the Action Plan as key ‘messengers’ to the broader public. Regular public forums and workshops will be held to increase knowledge of issues and concepts and encourage participation. Surveys to test public awareness will be initiated and annual progress reports compiled.

Many national CSOs are well-recognised such as China Youth Development Foundation, Friends of Nature, and China Charity Foundation etc. Advocacy will seek to involve sub-national bodies at all stages and will support the development of an enabling policy and legal environment for the growth of civil society organisations.



2.4 Partnership Strategy

As the key implementing agency, the Programme will be coordinated by the National Development and Reform Commission (NDRC) under the State Council, who is responsible for national economic and social development as well as formulating strategies and Five Year Plans. NDRC plays a crucial role in formulating national planning and strategy to narrow development gaps and promoting construction of all-round Xiao Kang society.

Other key Programme partners from the government will be: the National Bureau of Statistics (NBS) for coordinating and implementing statistical work; the Office of the Central Fiscal and Economy Leading Group of the Central Committee of the Communist Party of China, responsible for macro-level policies and the Department of Organization (CCCPC) that assesses performance of senior Civil Servants and is responsible for promotion; and other related line ministries such as the Ministry's of Education and Health.

Local representatives from the five selected provinces will play a vital role in project activities. These may include: local government, academia, the business sector (public and private), media, civil society, NGO's and local specialists. The programme will encourage the active participation of specialist research institutes, civil society organizations (CSOs), academia, the media and the private sector to form a coalition for action and change. Ongoing advocacy will disseminate programme aims and outputs among national CSOs such as: China Youth Development Foundation, Friends of nature and China Charity Foundation etc, as well as sub-national and grass-roots organisations.

The private sector plays a key role in poverty reduction through employment generation. It is an increasingly active partner in supporting national social development. Ways to involve the private sector in environmental and other areas of special interest, such as women and children, will be actively explored throughout the programme. The programme will seek to promote concepts of corporate social responsibility and the harnessing of the private sector to support programme objectives.

Given China's size and complexity, the programme has considerable significance for the global community offering many pointers on equitable development. In terms of achieving progress on the MDGs and human development goals, China's success will make a significant contribution to global progress, while progress towards the broader Xiao Kang goals could provide lessons for other developing countries.

The programme is designed to be seen as a framework alongside which development partners may carry out their own projects, or provide joint funding with UNDP. The programme will seek the support and involvement of international and bilateral partners. It will endeavour to form linkages with the work of other donors and agencies active at the central and provincial level in order to mutually enhance activities towards improved human development outcomes. UNDP and programme partners will make every effort to secure further sources of funding with particular regard to supporting programme activities in target provinces.

Potential partners with substantial experience in the field of statistical work in China include: **CIDA** - The Sino-Canadian Statistical Information Management Project (SIMP) was implemented from 1996-2004 to support the establishment, at national level, of a

modern, efficient, statistical system responsive to the needs of the process of economic reform. Activities included: applying international standards and practices to statistical work; enhancing NBS capacity; strengthening internal collaboration among China's statistical systems. It contributed to conceptual changes in statistical work in China and provided NBS with experience in statistical management, professional development and training. Furthermore, CIDA is considering supporting programme activities related to environmental statistics, poverty measurement and private sector survey in China

The programme aims to be a joint effort of the **UN system** in China, contributing to, and building upon, the expertise, experience, or resources of specialized UN agencies, for example:

UNICEF has been working with National Working Committee for Children and Women on the monitoring of the national Plan of Action for Children. UNICEF will be a key partner in helping to define Xiao Kang/MDG goals and indicators related to children, and in supporting the operationalisation of related programme activities. UNICEF has provided considerable assistance to NBS in the area of data monitoring of maternal/child health care, the situation of women and basic education. It has helped to set up a statistical monitoring system providing basic information within NBS; a cooperative statistical and monitoring system at different government levels; training of statistical monitoring staff at provincial level. UNICEF's work on the UN initiative DevInfo has laid a good foundation for statistics capacity building.

World Health Organisation (WHO) Public health promotion will be a significant aspect of the all-round Xiao Kang society. As a specialized agency, WHO will be an important resource partner in providing technical support and can participate in the process of identifying the content and indicators of the Xiao Kang 2020 Strategic Plan. In particular, WHO may assist with the selection of health-related indicators. The WHO/DFID Health Policy Support Project, which aims to build capacity in the Government for evidence-based, integrated, pro-poor health policy making through: improved health and health-related evidence base; increased availability and quality of national and international support; increased policy dialogue; capacity development for senior government officials, will inform and support programme activities. The National Health Assessment will be a strong reference for the Xiao Kang programme.

UNFPA has given support, since 1979, to a nationwide census. Nine technical cooperation projects with NBS have been completed including: assessment on population statistical data, data processing and analysis focusing on: collection and analysis of gender disaggregated data.

UNIFEM gave support to a project (1993-1996) led by the State Statistical Bureau (SSB) and the All-China Women's Federation aimed at improving the system of gender statistics. A Coordinating Commission was set up to link ministries with research institutes, training on gender awareness was carried out, a booklet on gender statistics, the first of its kind in China, was published.

UNIDO will contribute to the programme through providing technical and research work and in sharing the industrial models developed with NDRC under their joint projects. It will provide necessary support in assessing the energy consumption areas.

2.5 Programme Beneficiaries

Direct beneficiaries will be the NDRC, NBS and other sector ministries involved in helping to operationalise national reform through Xiao Kang 2020. In pilot provinces direct beneficiaries will include line ministries who will receive training to develop capacity and analytical skills. Civil society organizations, national development bodies, and the media will benefit through becoming active players in the participatory process of national reform.

Indirect beneficiaries will be Chinese society as a whole, in particular those in poor, disadvantaged regions, counties and population segments, especially women and children. The project will benefit women through focusing on gender discrimination, limiting the spread of HIV/AIDS, and enhancing protection of the environment.

Part 3. RESULTS AND RESOURCES FRAMEWORK

The programme will support the definition of Xiao Kang goals and indicators in line with concepts of human development and the MDGs. It will strengthen capacity at the central and local levels for implementing Xiao Kang goals and indicators, and seek to improve monitoring and assessment of progress, using human development methodologies, through support to the statistical system. The programme will use assessment results to inform and support policy development to meet needs. It will aim to build a wide sense of ownership among the Chinese population through ongoing advocacy for Xiao Kang human development concepts and aims and the MDGs, and through encouragement for a broad-based participation in the reform process.

Programme Intended Outcome:

1. Sub-Programme One: Xiao Kang Definition, Monitoring and Policy Development

1.1 Component 1: Definition

Output 1: Xiao Kang 2020 goals and indicators defined and integrated with MDGs to support planning process

- Detailed analysis of China's current status of development and future 2020 targets
- Comparative analysis of Xiaokang/MDG goals and indicators, areas for integration.
- Baseline analysis of five provinces' gaps and needs in terms of human development
- Revision of Xiao Kang goals/indicators in line with MDGs and human development approaches
- support to 11th Five Year Plan

Output 2: Xiao Kang 2020 Strategic Plan endorsed at high level

- Recommended framework for budgeting and policy development
- Xiao Kang 2020 Strategic Plan endorsed by mid 2006

1.2 Component 2: Assessment :

Output 3: Xiao Kang Statistical Coordinating Mechanism set up and indicator system adapted

- Xiao Kang Statistical Coordinating Mechanism set up

- Xiao Kang Statistical Sourcebook to outline new indicator system and methodologies including: data sources, ways of filling gaps, improving quality, standardising methodologies i.e data entry systems, quality control etc
- Capacity building at provincial level for improved collection and analysis of data
- Output 4: Provincial Xiao Kang Reports in five target provinces**
- Xiao Kang indicators analysed at provincial level using human development methodologies
- Provincial Xiao Kang Reports by end 2006

1.3 Component 3: Policy Development

Output 5: National Xiao Kang Report used to inform long-term policy making process at national and local level

- Central level policy-making responds to Provincial Xiao Kang Reports
- National Xiao Kang Report
- Setting up of sector groups and capacity of government and other stakeholders strengthened for monitoring assessment and analysis of development
- Local development and reform commissions play a key role to support policy making
- Support to establishment of legal and policy environment for civil society development and its inclusion in Xiao Kang/MDG activities
- Linkage with Sub Programme Two through Annual Conferences
- Support to 12th Five Year Plan (2011-2016)

2. (Sub-Programme Two: Advanced Leadership Development Project for the Xiao Kang Society – separate project document)

3. Sub-Programme Three: Xiao Kang/MDG Advocacy

Output 6: A sense of ownership and commitment to Xiao Kang and the MDGs amongst Chinese population

- Informed public discussion and debate, consensus building about the defined Xiao Kang human development reform process and MDGs
- Progress reports and outputs disseminated and debated
- Close partnerships between public and private sectors through campaign of advocacy

Part 3: Results and Resources Framework

Part 1. Programme results and resources framework

<p>Intended Outcome as stated in the Country Results Framework: MDG Concepts and indicators integrated into national development policies and plans.</p> <p>Outcome Indicator as stated in the Country Programme Results and resources Framework, including baseline and target:</p> <p>Applicable MYFF Service Line: Service Line 1.1: MDG country reporting and poverty monitoring</p> <p>Partnership Strategy: NDRC; NBS; line Ministries; CCCPC; Provincial partners; private sector; CSO's; media; UNCT; donors; civil society</p> <p>Project Title and ID: <i>Supporting the 'all round' Xiao Kang Society</i></p>			
Intended outputs	Output Targets 2005 – 2009	Indicative Activities	Inputs US\$ UNDP
<p>Sub-Programme One: Xiao Kang Definition, Monitoring and Policy Development</p> <p>Component 1: Definition</p> <p>Output 1: Xiao Kang 2020 human development goals and indicators defined and integrated with MDGs to support planning process</p>	<p>2005-2006</p> <p>Detailed analysis of China's current status of development and future 2020 targets</p> <p>Comparative analysis of Xiao Kang/MDG goals and indicators and areas for integration</p>	<p>1.1 Steering Committee Meetings</p> <p>1.2 Set up Xiao Kang Programme Management Office and recruit International Strategic Adviser</p> <p>1.3 Teams to research/analyse China's current development position re. imbalances and future goals</p> <p>1.4 Set up provincial Programme Offices</p> <p>1.5 Identification in 5 provinces of special challenges and obstacles to achieving Xiao Kang, MDG and human development objectives, identification of major stakeholders</p> <p>1.6 research/analysis into Xiao Kang/MDG goals and indicators and ways to close gaps</p> <p>1.7 Review of relationship with, and areas of</p>	<p>120,000</p> <p>800,000</p> <p>200,000</p> <p>500,000</p> <p>100,000</p>

<p>Output 2: Xiao Kang 2020 Strategic Plan endorsed at high level.</p>	<p>Revision of Xiao Kang goals/indicators in line with MDGs and support to 11th Five Year Plan (mid 2005)</p> <p>Recommended framework for budgeting and legislation</p> <p><u>2006</u> Xiao Kang 2020 Strategic Plan by mid 2006</p>	<p>support to, 11th Five Year Plan</p> <p>1.8 Workshops/seminars to disseminate findings</p> <p>1.9 Preparation of report on revised set of goals and indicators for Xiao Kang supported by MDGs</p> <p>1.10 Dissemination and review</p> <p>1.11 Consensus building: international/national seminars/ workshops, govt roundtables, Advisory Group</p> <p>1.12 Report on Xiao Kang goals and indicators to support 11th Five Year Plan process</p> <p>1.13. review the status of Xiao Kang budget and legislation at national/local levels alongside revised goals/indicators</p> <p>1.14 recommended framework for budget, legislation to support Xiao Kang 2020</p> <p>2.0 Consensus on draft Xiao Kang/MDGs Strategic Plan through working groups/ seminars/Advisory Group</p> <p>2.1 Strategic Plan endorsed</p> <p>2.2 monitoring and evaluation</p> <p>2.3 capacity building at national and local levels</p> <p>2.4 contingencies</p>	<p>50,000</p> <p>90,000</p> <p>50,000</p> <p>100,000</p> <p>140,000</p> <p>20,000</p> <p>120,000</p> <p>100,000</p> <p>200,000</p> <p>50,000</p> <p>30,000</p> <p>185,000</p> <p>70,000</p>
<p>Component 2: Assessment</p> <p>Output 3: Xiao Kang Statistical Coordinating Mechanism set up and indicator system adapted to reflect Xiao Kang goals and</p>	<p><u>2006</u> Xiao Kang Statistical Coordination mechanism set</p>	<p>Sub-component 2.1: Methodologies</p> <p>3.1 Xiao Kang Statistical Coordinating Mechanism set up at central/local levels.</p> <p>3.2 comparative study into current indicator system and revised set including analysis of gaps and recommendations for aligning system</p>	<p>100,000</p>

<p>indicators.</p>	<p>2007 Xiao Kang Statistical Plan on agreed data sources, ways of filling gaps and improving quality, standardizing methodologies i.e data entry systems, quality control etc. Sourcebook of Xiao Kang Statistical System outlining indicator system and methodology</p> <p>2006-2007 Capacity building at provincial level to collect/analyze/compile data in line with new indicator system</p>	<p>3.3 Local experts in five target provinces to plot provincial reform path 3.4 study into methodologies for collection of performance indicators through workshops, study groups at national/local level 3.5 Design of adapted system and presentation of findings at seminars 3.6 Xiao Kang Statistical Plan drafted, disseminated, endorsed 3.7 produce metadata for indicators of Xiao Kang society 3.8 Sourcebook of Xiao Kang Statistical System, essential data collection methodology compiled 3.9 dissemination of new systems and methodologies at provincial level workshops 3.10 Feedback mechanisms instituted so that local level functionaries can assess improvements Sub-component 2.2: Training 3.11 training in five pilot provinces in data collection, analysis and development monitoring 3.12 workshops/ training targeting special areas and stakeholders 3.13 capacity building of local organizations in data collection and management 3.14 provincial research task groups (academic, media, local govt) set up to assess/analyse progress 3.15 training programmes for local experts and institutions in systems/methodologies of data</p>	<p>500,000 200,000 100,000 50,000 100,000 80,000 50,000 80,000 150,000 100,000 150,000 100,000 100,000</p>
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<p>Output 4: Provincial Xiao Kang Reports in five target provinces (2006/2007)</p>	<p>Baseline data compiled at provincial level</p> <p>Provincial Xiao Kang Reports by end 2006</p>	<p>collection</p> <p>3.16 study tours to other provinces for experts to share ideas and experiences</p> <p>Sub-component 2.3: Provincial Xiao Kang Reports</p> <p>4.0 Work plan presented to Steering Committee by Provincial Programme Management Offices</p> <p>4.1 Reporting Teams selected and recruited</p> <p>4.2 Xiao Kang baseline data collected and analysed in provinces</p> <p>4.3 recommendations for local budget, legislation</p> <p>4.4 preparation of draft reports for translation, dissemination, review</p> <p>4.5 Advisory Group Meeting alongside Steering Committee special meeting</p> <p>4.6 Provincial endorsement of Xiao Kang Reports</p> <p>4.7 Comparative review of Xiao Kang Provincial Reports</p> <p>4.8 Reports endorsed at central level and disseminated (media campaign etc) -</p> <p>4.9 Monitoring and Evaluation</p>	<p>50,000</p> <p>50,000</p> <p>30,000</p> <p>235,000</p> <p>50,000</p> <p>50,000</p> <p>20,000</p> <p>30,000</p> <p>50,000</p>
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<p>Component 3: Policy Development</p> <p>Output 5: National Xiao Kang Report used to inform/influence long-term policy making process at national and local level</p>	<p>2007 - 2008 Central level policy-making responds to Xiao Kang Reports National Xiao Kang Report Capacity of local government and other stakeholders strengthened for monitoring, assessment and analysis of development Support to establishment of legal and policy environment for civil society development and its inclusion in Xiao Kang 2020 Annual Reviews of Development Plans Synergies with Leadership Development Programme 2008-2009 Support to 12th Year Plan (2011-2016)</p>	<p>Sub-component 3.1: Long-term policy support 5.0 Results to support/inform formulation of 11th and 12th Five Year Plans and Xiao Kang 2020 Strategic Plan through special meetings, advisory groups, synergies with Leadership Development Programme etc Sub-component 3.2: Sector Groups 5.1 Set up sector groups at national/local level to focus on addressing imbalances 5.2 Review of existing policy, legislations + recommend framework 5.3 Recommendations reviewed, analysis of detailed priority areas (e.g. social and environment issues), related policies and legislations. 5.4 workshops on planning, budgeting and implementing pro-development policies to address identified needs 5.5 Study tours between target provinces 5.6 Studies into legal and policy environment for CSOs to encourage participation Sub-component 3.3: Annual Review of Devt Plan 5.7 Review of Provincial and National Xiao Kang Reports (Annual Review etc) 5.8 analysis of needs highlighted by reports, ways of closing gaps, and follow-up 5.9 Support to capacity building on policy making and implementation 5.10 Annual Conference to link with Sub Prog. Two 5.11.Monitoring/evaluation</p>	<p>200,000 200,000 150,000 300,000 500,000 200,000 100,000 100,000 100,000 225,000 100,000 50,000</p>
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<p><u>SUB-PROGRAMME Three:</u> <u>Xiao Kang/MDG Advocacy</u></p> <p>Output 6: A sense of ownership and commitment to Xiao Kang human development vision and MDGs amongst Chinese society</p>	<p>2005 - 2009 Informed public discussion and debate, consensus building about the defined Xiao Kang 2020 vision</p> <p>Progress reports disseminated through media channels</p> <p>Close partnerships between public and private sectors through advocacy</p>	<p>6.0 Action Plan for Advocacy drawn up by government at central and local levels through broad-based debate, key partners identified</p> <p>6.1 intensive public discussion via media outlets on ongoing Xiao Kang/MDG progress and outputs.</p> <p>6.2 local public forums on Xiao Kang/MDGs through workshops/seminars</p> <p>6.3 regular surveys to test public awareness of issues particularly focussing on human development and imbalances</p> <p>6.4 international and national experts, officials and CSOs to review and edit annual progress reports</p> <p>6.5 dissemination of annual progress reports and evaluation of effectiveness</p> <p>6.6 encouragement of private sector corporate citizenship such as donations, volunteering etc</p> <p>6.7 encourage media in design and participation of advocacy for Xiao Kang/MDGs, national competitions</p> <p>6.8 Monitoring and evaluation</p>	<p>150,000</p> <p>300,000</p> <p>250,000</p> <p>250,000</p> <p>350,000</p> <p>300,000</p> <p>150,000</p> <p>100,000</p> <p>75,000</p>
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Part 4. MANAGEMENT ARRANGEMENTS

The **NDRC (National Development and Reform Commission)** is the coordinating agency for the implementation of the Programme. NDRC will nominate the National Programme Director (NPD) at DG level.

A **Xiao Kang Programme Steering Committee** will be established, chaired by the Vice Chairman of the National Development and Reform Commission. It will be made up of the NDRC, the NBS (National Bureau of Statistics), Central Fiscal and Economy Leading Group, the Organization Department of the Central Committee of the Communist Party of China, Government Ministries, representatives of five provinces, main donors, CICETE (the China International Centre for Economical and Technical Exchanges) under the Ministry of Commerce (MOFCOM), and UNDP (United Nations Development Programme). The Steering Committee will meet annually to review and discuss programme issues and progress. The Steering Committee will seek to promote synergies between itself and the Advanced Leadership Development Programme through encouraging regular meetings regarding programme activities and outcomes.

Steering Committee members will nominate DG level candidates to serve on the **Xiao Kang Programme Senior Management Team**. The Senior Management Team will meet on a regular basis to guide and determine programme activities. It will determine the make-up of National and Provincial Reporting Teams and will ensure that programme outputs are ready for consideration by the Steering Committee.

A **Xiao Kang Programme Management Office** will be established within NDRC to include representation from NBS, government ministries, research institutes and technical advisors. An internal committee will be established within NDRC to ensure the smooth operation of the Office. NDRC is responsible for coordinating the activities of line ministries and agencies. The National Bureau of Statistics will work closely with the NDRC and line ministries and will focus on monitoring the improvement of data collection systems and methodologies and analysis at national and local levels.

Provincial Xiao Kang Programme Offices will be set up in each target province to coordinate and assess programme implementation and report to the Xiao Kang Programme Management Office. Provincial offices will be located in the provincial Development and Reform Commission (DRC). They will seek the active participation of local agencies, such as the local statistical bureau, in carrying out activities and will seek to broaden expertise through the organization of local consulting groups, which may contribute to drafting reports on project progress.

An **Advisory Group** mechanism for bringing together national and international expertise and experience will be established. The mechanism will convene eminent groups of academics, development practitioners and specialists to provide a forum for regular expert dialogue on key programme issues as well as to bring broad national and global perspectives. NDRC will provide linkage with specialist Xiao Kang research teams and regional or national development advisory groups. The Advisory Group will meet at key stages throughout the programme cycle.

International Technical Assistance

To help to ensure consistency and maintenance of linkages among components and the smooth provision of technical assistance from diverse sources, an International Strategic Advisor with strong integrating skills across activities and components, will act as overall coordinator of national and international technical assistance.

The Senior Management Team will approve the use of national consultants who will work alongside international consultants to support the developmental work and capacity building in the following areas:

- analysis of concepts, goals, targets and indicators
- design of a framework of important recommendations for long-term development planning, such as the 11th and 12th Five Year Plans, and the Xiao Kang 202 Strategic Plan.
- support with analysis and design of components
- capacity analysis of statistical systems at national and sub-national levels, strengthening rural and urban statistical systems, and preparation of implementation plans.
- Support to preparation of the 2nd MDG report, and Provincial Xiao Kang Reports
- training and seminars for capacity building at national and sub-national levels in each of the priority areas for Government agencies and officials, as well as key stakeholders outside government, including in-country study tours and training
- seminars and training on effective dissemination and campaign practices
- design and installation of Monitoring and Evaluation systems for programme progress

Part 5. MONITORING AND EVALUATION

An Annual Programme Appraisal will be held between major programme partners. This will follow an in depth annual **Programme Review** that will have measured progress towards results, ways in which the Programme could better respond to identified issues, possible new sources of funding, or allocation of resources, and recommendations for Programme planning and budgetary arrangements for the following year.

Annual work plans and budget plans will be prepared by the Senior Management Team for Steering Committee approval, providing detailed components or modifications. Major modifications that involve significant changes will have the prior approval of the Steering Committee. Revisions or additions to the Annexes of the project document, rearrangements of inputs already agreed to or annual revisions that reschedule delivery of agreed inputs and take into account cost inflation and agency expenditure flexibility may be made by signature of the UNDP Resident Representative provided that the other signatories to the programme document have no objections.

A system of monitoring and evaluation (M&E) of programme activities will be set up to measure progress of the programme and conduct counter measures if problems

occur. Regular substantial monitoring visits will be undertaken to assess progress towards results, the production of outputs, partnerships as well as key challenges and proposed actions.

Part 6. LEGAL CONTEXT

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Agreement between the Government of the People's Republic of China and the United Nations Development Programme, signed by the parties on 29 June 1979. The host country executing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government cooperating agency described in that Agreement.

The project will be subject to audit according to UNDP rules.

Part 7. TOTAL WORKPLAN AND BUDGET

Budget

The total budget for the Programme is USD 10 million, including US\$ 5 million from UNDP TRAC funding and US\$ 5 million as government cost sharing. The Programme will seek further sources of funding on an on-going basis to extend programme activities.

The duration of the Programme is 5 years.

Items

	Costs (USD)
Sub-Programme One: Xiao Kang Definition, Monitoring and Policy Development:	
Component 1. Definition	2,925,000
Component 2. Assessment	2,425,000
Component 3. Policy Development	2,225,000
Sub-Programme Three:	
Xiao Kang/MDG Advocacy	1,925,000
Project Monitoring and Evaluation	150,000
Miscellaneous	50,000
AOS	300,000
TOTAL	10,000,000

(see also **Sub-programme Two: Advanced Leadership Development Project on the Xiao Kang Society – US\$ 4 000 000**)

Annex 1.

Target Provinces

- ***Qinghai Province***, in western China, is covered by the national Western Development Strategy. It is one of the poorest provinces in the country (with HDI indicators) It is the source of the two largest rivers, the Yangtze and Yellow River, and Poverty elimination and eco-system protection are top provincial priorities.
- ***Sichuan Province*** in the south has one of the largest populations and agricultural output in the country. It is also one of the epidemic provinces with HIV/AIDS. HIV control, poverty and compulsory education are focuses of the local development strategy.
- ***Hunan Province*** in central China shares similar characters with other provinces in the region. Its pilot work can therefore provide valuable experience to the other areas. Western Hunan is one of the nineteen poorest areas in the country, where poverty elimination and rural education should be put on the agenda.
- ***Jilin Province*** is one of the old industrial bases in northern China. Unemployment and laid-off workers are major priorities for the region with job creation for laid off workers at the top of the agenda. Female laid-off workers account for a large part of the unemployment population.
- ***Jiangsu Province*** is one of the more developed areas of eastern China. Its rapid economic growth has brought environmental pollution to the top of the agenda. Ways in dealing with environmental protection and maintaining the rapid growth will provide a useful model for national sustainable development. The gap between the northern and southern part of Jiangsu is widening, narrowing the gap will benefit the national strategy

Annex 2

Organizational Structure Chart

