

Government of the People's Republic of China

United Nations Development Programme

Addressing Key Emerging Issues and Furthering Development Partnership

Brief Description: The primary purpose of this project is to serve as an umbrella focusing on supporting high profile activities and key initiatives which have not been covered by on-going or planned programmes or projects in the current programme cycle. The objectives of the project are to provide more focused support to addressing strategic challenges and to further enhance the capacity of key national institutions and strategic partners in responding to newly emerging development challenges.

These may include activities both at the central and local levels, involving government institutions, businesses, academia and civil society.

UNITED NATIONS DEVELOPMENT PROGRAMME
Project of the Government of the People's Republic of China

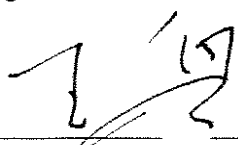

Project Budget Number: CPR/ 04/610
 Project Title: Addressing Key Emerging Issues and
 Furthering Strategic Partnership and
 National Execution Development in
 China

Project Short Title: Emerging Issues and
 Partnership
 Estimated Start Date: January 2005
 Estimated End Date: December 2007
 Executing Agency: China International Center
 for Economic and Technical
 Exchanges (CICETE)
 Implementing Agency:
 Project Site: Beijing and other locations in
 China
 LPAC Approval Date:
 Government input: RMB Yuan _____ (in kind)

Summary of UNDP & Cost Sharing			
UNDP	Current:	Previous	Change
TRAC(1&2)	\$ 1,000,000		
TRAC(3)	\$		
AOS	\$		
Cost Sharing: \$			
Government: \$			
Financial Institution \$			
Third Party \$			
TOTAL \$			
Administrative and Operation Services(where applicable)			
SOF 03	\$		
SOF 07	\$		
Other	\$		
TOTAL \$			

Classification Information:

ACC sector & sub-sector: 02General Development Issues 40 public administration and Management	Primary type of intervention: 01Capacity Building
DCAS sector & sub-sector: 02Development Administration 05 public administration and Management	Secondary type of intervention: 01Institution Building
Primary areas of focus/sub-focus: 05Other UNDP Priorities 35Development Priority	Primary target beneficiaries: 05Government
Secondary areas of focus/sub-focus: 05Other UNDP Priorities 35Development Priority	Secondary target beneficiaries: 38Governmental Organization

On behalf of	Signature	Date	Name/Title
Government		28/12. 2004	
UNDP			

Part Ia. Situation Analysis

After more than two decades' reform and opening up, China's national economy realized continuous, rapid and stable growth at the average annual growth rate of 9.5%. In 2000 when the Ninth Five-year Plan was achieved, the GNI per capita has been quadruple on the basis of level of year 1980, absolute poverty has been eliminated by and large -- over 300 million people have been lifted out of poverty and a great improvement in people's living standards. In 2002, China's GNI per capita exceeded USD1000 indicating that China has entered into the group of medium-low income countries from low income ones. China's overall GDP ranks no. 7 in year 2004¹.

Despite the rapid economic growth and social progress, major challenges remain, and there are newly emerging concerns: disparities and gaps between the urban and rural areas, between rich and the poor, between men and women. Poverty incidence remains high in the remote and poorer regions, particularly in the ethnic minorities. Further more, there is increasing poverty in the urban areas partly due to restructuring of the SOEs and rural migration. Due to the large number of poor, and the imperfect social security system, some groups in the urban areas, and rural farmers fall outside of the social safety nets. The largest challenge would be those newly emerging concerns such as the rapid spread of HIV/AIDS. The Chinese government has adopted aggressive measures to contain the spread of the epidemic. Environment degradation is among the major challenges and one of the three areas (the other is HIV/AIDS and gender equality) that the MDG progress report for China called for greater attention.

The 16th National Congress of the Chinese Communist Party proposes a balance development concept in building a well-off society in an all-round way. Specifically, China will focus its efforts on building a higher standard well-off society covering a population over one billion people by 2020. China's Eleventh Five-year Plan period (2006 – 2010) is very crucial for the country to achieve the goal for China's modernization and achieving the "Xiao Kang" society in an all-around way.

Key challenges facing the Government during the "Eleventh Five Year Plan" period include the need to:

- define and prepare to achieve the overall goal of building Xiao Kang society in all round way and the phase goals,
- maintain the continuity of economic growth,
- build open, integrated, competitive, and ordered market environment, and to promote harmonious regional development,
- strengthen government's capacity in terms of laws, regulations, organization and social norms to support sustainable development,
- carry out the strategy of coordinated development of urban and rural region, and
- realize people-centered development, to ensure fairness of reform and to enlarge benefit coverage of reform.

The development objective of building a Xiao Kang society in an all-round way matches with those of the Millennium Development Goals (MDGs) identified in the Millennium Summit in 2000 by the leaders of the world. As a member country of the United Nations, China has actively participated in the formulation and signature of MDGs, and committed itself to integrating the goal of well-off society with the MDGs. The strong linkage between the two sets of strategic goals of the Xiao Kang society and

¹ World Bank 2004 *Global Development Indicator*

the MDGs provides a unique opportunity for the Government and the UNDP to work more closely than ever to meeting the challenges.

The government is fully aware the fact that China's rapid growth and economic progress have been achieved at the heavy cost of over-consumption of resources, damage of environment, deterioration of ecology and widened social disparity. In addition, the government is paying increasing attention and adopting effective measures to addressing the newly emerging concerns such as the spread of HIV/AIDS, rural migrants, unemployment and the issues of "agriculture, rural areas, and farmers", thus providing an enabling environment to achieving a more balanced and sustainable development, i.e. the "all-round" Xiao Kang concept, which has been the focus of China's Eleventh Five-year Plan.

Since 1979, UNDP has assisted five multi-year country programmes/country cooperation frameworks, supporting over 900 programmes/projects for which US \$ 800 million was mobilized. By October 2004, the UNDP has completed its 25 years of successful cooperation with the Chinese government. The current second country cooperation framework (2001-2005) focuses on four key programme areas: deepening reforms and governance; poverty reduction; HIV/AIDS and development and sustainable environment and energy development.

In the past two years, UNDP assistance to China has been focused on supporting the government's efforts in achieving the national development strategy towards a "all-round" Xiao Kang society and the Millennium Development Goals (MDGs).

UNDP is developing towards a knowledge organization which encourages sharing of ideas and experience for development. In addition, UNDP has gained a great deal of experience through its participation in China's reform process over the past 25 years. Thus, in partnership with other international organization, the development institutions, donors and the government, UNDP would be able to make further contribution in helping China to meeting the new challenges and in addressing some of the issues mentioned above.

Due to the fact that 2005 is the last year of the previous country programme cycle, most of the programmes/projects in this cycle can not accommodate the urgent needs of the Government (line ministries) in addressing the newly emerging issues in relation to China's efforts in achieving the Xiao Kang targets and the MDGs. Therefore, it requests UNDP support in the form of small-scale funds that would be able to respond its demands in an effective and efficient way.

Part Ib. Strategy

The Chinese government attaches great importance to international development assistance including UNDP and its technical assistance. Under the guidance and supervision of the Ministry of Commerce, CICETE continues to build its capacity in coordination and execution of UNDP assisted programmes in China.

The project will focus support to government's efforts in responding to urgent needs in addressing newly emerging issues. A strong development partnership is critical to ensure a broad support to our development efforts. Therefore, building a strong partnership and development of capacity of our partners will be another focus of this project.

The project

UNDP and CICETE agrees that the new umbrella project will support the government in responding to urgent needs and requests related to the challenges and newly emerging issues and concerns mentioned above, which are not covered by the current or planned programme/project activities. Specifically, the UNDP assistance under this new umbrella project will help the government's efforts in fostering a closer development partnership with other actors, ensuring greater support from the civil society, the private sector and the donors, and to building a stronger institutional capacity of the partners involved in UNDP/China cooperation for greater results. So that, these partners will be in a better position to become a strong ally of the government and to support the government in respond to emerging development challenges.

Activities

Main types of project activities will include: policy researches, international forums, study tours and training workshops carried out by key government agencies that are responsible for coordination and implementation of relevant areas of development work, as well as key research institutions and NGOs when and where relevant.

The activities to be supported under the new umbrella project shall be of short duration, normally not exceeding 6 months. UNDP funding shall not exceed USD50,000 normally for each initiative. Taking the umbrella nature of this component, in consultation with UNDP, CICETE will work closely with central and local authorities to identify issues to be addressed. The criteria of identification and selection of sub-project include:

- ✓ Activities should be consistent with the UNDP practice areas and China's development priorities, and have not been covered by ongoing or planned programmes;
- ✓ Activities do not cover equipment, long-term training, or language training. UNDP inputs could cover international and national consultants for domestic training/workshops and seminars, overseas missions or short-term training;
- ✓ Cost-sharing shall be encouraged when appropriate.

Requests and approval

Requests for assistance from this project should be made to UNDP through CICETE in the form of a concept paper or a proposal. Upon receiving formal requests (accompanied with the required information) from CICETE, UNDP will respond to the applicant organization through CICETE after consultations with the relevant parties as soon as possible and in normal situation within 2-3 weeks. The requests/proposals should include the following information:

- a) Background and Justification for UNDP Support
- b) Relevant information on the participating institutions and beneficiaries
- c) Results to be achieved through the project
- d) Description of planned activities
- e) Source and types of funding (including cost sharing and in kind contribution) and the purpose of use
- f) A schedule work plan, with timing, costing and description of inputs /outputs
- g) Other information, i.e. TORs, special considerations for the proposals, etc.

The project duration will be 3 years covering January 2005 to December 2007.

Part Ic. Project Inputs:

Total UNDP input: USD1,000,000 covering a 3 year period (Jan. 2004- Dec. 2007). As UNDP funding is insufficient to meet all the needs for technical assistance in these areas, UNDP resources should be seen as “seed money”. Government cost sharing, and support of the private sector and other donors will be actively sought during the implementation of Component A to broaden or replicate selected individual activities.

Part II. Results Framework (separate pages)

Part III. Management Arrangement

The Ministry of Commerce is the government focal point responsible for management of international development assistance from foreign governments and UN agencies, *inter alia*.

China International Center for Economic and Technical Exchanges (CICETE) affiliated with the Ministry is the designated focal point for coordination, formulation and implementation of country cooperation programmes of UNDP. As the executing agency, CICETE will, in consultation with other relevant institutions and the UNDP country office, identify, approve, implement the proposed activities, provide support to ensure the results, and to ensure the successful completion of the sub-project and the umbrella.

Other Ministries and government institutions: Other Ministries and government institutions rather than the above-listed may be involved in this regard, because of the need of continuous restructuring and adjustment of the government system and their adaptation to the new role under socialist market economy.

Academic institutions and NGOs: National academic institutions are heavily involved in assisting the government through research on various thematic areas on market economy. NGOs are playing an increasingly important role in public issues in the on-going reform process. They are important and potential partners therefore.

Public Private Partnership is a very important in component of development partnership where private sector has a key role to play. Their participation and contribution to human development is essential to the success for all development efforts. China's private sector has made admirable contribution in recent years to nation wide efforts in poverty reduction, environment protection, education, health, water, HIV/AIDS, employment, social protection, and the rule of law and governance of the country. The project offers another unique opportunity for a stronger public-private partnership.

As usual, CICETE will appoint a NPM responsible for the overall management and results of the umbrella project and daily implementation of the project according to rules and regulations concern, Results Based Management (RMB) principles of the UNDP and the NEX manual.

Additional Elements of the Project Document

Prior obligations and pre-requisites

There are no prior obligations for the approval of this project.

Approval of sub-projects according to the criteria and process described in this project document is a pre-requisite for the approval of the project, which must be full-filled.

Schedules of monitoring, evaluation and reports

The project will be subject to periodic review in accordance with the policies and procedures established by UNDP for monitoring project and programme implementation. Working-level review can be carried out as agreed by the two parties when necessary.

Progress and final reports

Project managers in CICETE and UNDP will jointly prepare annual reports and a terminal report before the completion of the project, in accordance with UNDP policies and procedures.

I. LEGAL CONTEXT

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

The following types of revisions may be made to this project document with the signature of the UNDP resident representative only, provided he or she is assured that the other signatories of the project document have no objections to the proposed changes:

1. Revisions in, or additional of, any of the annexes of the project document;
2. Revisions which do not involve significant changes in the immediate objectives, outputs, or activities of a project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation; and
3. Mandatory annual revisions which rephrase the delivery of agreed project inputs, or reflect increased expert or other costs due to inflation, or take into account agency expenditure flexibility.

Part II. Results Framework

PROJECT RESULTS AND RESOURCES FRAMEWORK (CPR/04/610) as of 22nd December 2004

Intended Outcome as stated in the Country Results Framework:

- National policies address more effectively the social impact of economic liberalization.
- Increased use by decision-makers of sustainable human development concepts in policy formulation and implementation.
- Effective government ownership of the mobilization and management of external resources flows.

Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target.

- Explicit analyses of the impact of liberalization on society integrated in key national plans and policies.
- SHD concepts and issues reflected in government policies and statements.
- Policy Framework Papers and Public Investment Programmes prepared by the Government.

Applicable MYFF Service Line:

- 1.1. MDG country reporting and poverty monitoring
- 1.2. Pro-poor policy reform to achieve MDG targets

Partnership Strategy: UNDP's major partner in this project is the China International Center for Economic and Technical Exchanges, which is responsible for developing and executing UNDP assisted projects in China.

Additional partners in this project may include:

1. Line ministries, commissions, leading groups, research institutions, think tanks, and thematic/sectorial coordination mechanisms under the State Council, the National People's Congress and the Central Communist Party Committee.
2. Provincial Government and local research institutions.
3. Non-governmental organizations at both central and provincial levels.
4. Participants in the activities to be support through this project as described in the indicative activities from the various institutions, including the Businesses and private sector.
5. Partnership with selected related UNDP programmes/ projects.

Project title and ID:

Addressing Key Emerging Issues and Furthering Development Partnership

Intended Outputs	Output Targets for (years)	Indicative Activities	Inputs
Increased capacity of the government in carrying out development assistance activity and responding to the urgent needs for support to high profile activities and key initiatives	Policy proposals and policy research reports produced, capacity strengthened in relevant government agencies, research institutions and NGOs	Each sub-project could include some or all following types of activities: <ul style="list-style-type: none">- Policy researches- Training workshops- Study tours- International forums and seminars- Demonstration activities	total UNDP input \$ 1,000,000 for 3 years (Jan. 2005-Dec. 2007)