

Government of the People's Republic of China
United Nations Development Programme

Capacity Building of the China-Africa Business Council for
Promotion of South-South Cooperation

May 2009

Country: People's Republic of China

UNDAF Outcome(s)/Indicator(s):	<u>Outcome 5: Within the framework of international norms, conventions, and their mechanisms, and of the Global Compact, China's role in the international arena is enhanced, including through providing increased levels of South-South Cooperation</u>
Expected Outcome(s)/Indicator (s):	<u>Country Programme Outcome: 10.1. China's role and contribution to international cooperation enhanced.</u>
Expected Output(s)/Annual Targets:	<u>Country Programme Output: 10.1 China-Africa Business Council effectively promoting trade and investment.</u>
Implementing Partner:	<u>China International Centre for Economic and Technical Exchange (CICETE)</u>
Other Partners:	<u>China Society for Promotion of the Guangcai Programme (Guangcai)</u>

Programme Period: **2006 - 2010**
Programme Component: **Public-private partnerships promoted for South-South Cooperation**
Project Title: **Capacity Building of the China- Africa Business Council for Promotion of South-South Cooperation**
Project ID: **00069921**
Project Duration: **3 years (2009 – 2011)**
Management Arrangement: **National Execution**

Total Budget	USD 1,250,000
Allocated resources:	
• UNDP	USD 500,000
• Guangcai	USD 500,000
• DFID	USD 250,000

Narrative

The ongoing process of globalization has been witnessing ever intensive cross-border flows of commodity, capital, natural resources, human resources, technology and knowledge, which has been leading to change in division of labour among north-north, north-south and south-south countries. As a result of the successful implementation of its reform and opening up policies during the past decades, China is playing an increasingly important role in global and regional affairs. China has long regarded South-South Co-operation (SSC) as a corner stone of its foreign policy and it supports a variety of programmes that are concerned mainly with policy guidance, trade, investment, science and technology. As more Chinese private businesses expand their operations globally, UNDP has joined hands with Chinese government and other international partners in supporting intensive two-way flows of commodity, capital and knowledge between China and African countries, embedding Global Compact and Corporate Social Responsibility into normal business operations.

Though the first phase of CABC has achieved significant progress in strategic partnership, promotion of Chinese-African bilateral economic cooperation, investment facilitation for Chinese private companies in Africa, training programs organized for entrepreneurs and its self capacity building, some key challenges still exist, i.e. intensified capacity building of CABC secretariat, sustainability in mobilizing financial resources, and expanding its network to selected African countries to help further development of CABC. In light of the great potential of CABC and the challenges to its further development, UNDP, Guangcai and the Ministry of Commerce (through CICETE) are committed to support a new phase of CABC. The new project will support CABC to build its institutional capacity to be the leading organisation on doing business between China and Africa through the expansion of its network in Africa. More importantly the project will continue to assist the CABC to build its capacity to instil good business practices among the business community.

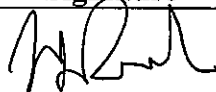
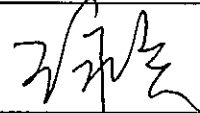
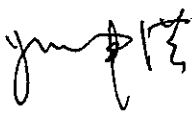
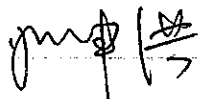
Agreed by	Signature	Date	Name and Title	Organisation
UNDP		16/6/2009	Subinao Nandy Country Director	UNDP China
Cooperating Agency		16/6		Guangcai
Government Coordination Agency		16 June 2009	YAO Shenlong Director General	MOFCOM
Implementing Partner		16 June 2009	YAO Shenlong Director General	CICETE

Table of Contents

<u>Acronyms</u>	iv
Part 1: Situation Analysis	1
Part 2: Strategy.....	2
Part 3: Partnership Strategy	13
Part 4: Results and Resources Framework	15
Part 5: Work Plan and Budget Summary	20
Part 6: Management Arrangements	26
Part 7: Monitoring and Evaluation.....	27
Part 8: Legal Context.....	27
Annex 1: Institutional Mission, Functions and Services of CABC	28
Annex 2: Proposed Functional Restructuring of CABC Secretariat.....	32
Annex 3: Optional Approaches for CABC African Network.....	32

List of Tables

Table 1: Risk Log	11
Table 2: Results and Resources Framework.....	15
Table 3: Work Plan (Tentative)	22
Table 4: Annual Work Plan Budget Sheet.....	22

List of Figures

Figure 1: Proposed Distribution of CABCI Project Budget.....	20
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Acronyms

APR	Annual Progress Report
AWP	Annual Work Plan
BUSA	Business Unity South Africa
CABC	China-Africa Business Council
CABF	China-Africa Business Forum
CICETE	China International Centre for Economic & Technical Exchanges
CSR	Corporate Social Responsibility
DFID	Department for International Development
DRC	Democratic Republic of Congo
EAC	East African Community
ECOWAS	Economic Community of West African States
FAQ	Frequently Asked Questions
FOCAC	Forum on China Africa Cooperation
GMS	General Management Service
MDG	Millennium Development Goals
MYFF	Multi Year Funding Framework
NEPAD	New Economic Partnership of Africa Development
NGO	Non Governmental Organisation
PMO	Project Management Office
SADC	Southern African Development Community
SBAA	Standard Basic Assistance Agreement
SSC	South-South Cooperation
TNA	Training Needs Analysis
TOT	Training of Trainers
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

Part 1: Situation Analysis

With all developed and developing countries involved either more consciously or less consciously, the ongoing process of globalization has been witnessing ever intensive cross-border flows of commodity, capital, natural resources, human resources, technology and knowledge, which has been leading to change in division of labour among north-north, north-south and south-south countries.

Over the past two decades, China has been one of the fastest growing economies in the world. The country's long term commitment to reform and development has been a key feature in the transformation of China. As part of its national priority of balancing domestic and opening-up development, China has regarded South-South Cooperation (SSC) as a corner stone of its foreign policy and it supports a variety of programmes ranging from policy guidance to economic trade and science and technology. The UNDAF (2006-2010) as agreed by the Government of China and the United Nations system are committed to working together to enhance China's role in the international arena including through providing increased levels of SSC especially in the areas of trade and development assistance.

As China expands its share of the world trade, the role of economic forces in South-South cooperation has become significant in the past few years. In fact, economic concerns are increasingly influencing the orientation of China's SSC policy as it creates opportunities for 'win-win' relationships with its trading partners. In the past, a variety of ministries were mandated with SSC but it is increasingly realised that greater institutional co-ordination would help to increase impact and that Public-Private Partnership (PPP) should also be further developed. The private sector involvement in SSC does not only contribute to the local economy but can also lead to increase in environmental awareness, localisation in human resource recruitment, sharing of technology and manufacturing expertise with local stakeholders thus enhancing Corporate Social Responsibility (CSR).

According to Chinese official statistics, the value of bilateral trade between China and Africa increased from US\$ 40 billion in 2005, to 56 billion in 2006 and further to 73 billion in 2007. In the meantime, Chinese outwards direct investment in Africa rose from US\$ 317 million in 2004, to 392 million in 2005 and further to 519 million in 2006. As declared in November 2006 by Chinese President Hu Jintao in his speech at the opening ceremony of the Beijing Summit of the Forum on China-Africa Cooperation, China promised to double its 2006 assistance to Africa by 2009; to provide US\$ 3 billion of preferential loans and US\$ 2 billion of preferential buyer's credits to Africa in the period of 2007-2009; and to set up a China-Africa Development Fund which will reach US\$ 5 billion to encourage Chinese companies to invest in Africa.

In 2005, under the Programme to Support the China-Africa Business Council (CABC), UNDP China and China Society for Promotion of the Guangcai Programme (Guangcai) established the CABC as a joint initiative with the Chinese Ministry of Commerce, through the China International Center for Economic & Technical Exchanges (CICETE) to create a network of linkages across the China-Africa business spectrum. This 3-year programme (CABC Phase I)

was designed to create a dynamic two-way flow of information to enhance the ability of Chinese and African private companies to succeed in each other's markets, while assisting the public sector to be responsive to their needs. The CABC modality is the first PPP initiative between China and Africa under the SSC framework. It was designed as the economic platform to support China's strong political commitment towards Africa as underlined by the Forum on China Africa Cooperation (FOCAC). The CABC Phase I has also opened up an avenue for China to share its experiences and achievements of the Guangcai with African countries.

UNDP views the efforts of the CABC in promoting good governance among Chinese investors and embedding CSR into normal business activities as well as raising awareness about environmental issues will all contribute towards fostering sustainable human development in African countries thus contributing towards meeting the challenges of the Millennium Development Goals (MDGs).

Though the first phase of CABC has achieved significant progress in strategic partnership, promotion of Chinese-African bilateral economic cooperation, investment facilitation for Chinese private companies in Africa, training programs organized for entrepreneurs and its self capacity building, some key challenges still exist, i.e. intensified capacity building of CABC secretariat, sustainability in mobilizing financial resources, and expanding its network to selected African countries to help further development of CABC.

In light of the great potential of CABC and the challenges to its further development, UNDP, Guangcai and the Ministry of Commerce (through CICETE) are committed to support a new phase of CABC. The new project will support CABC to build its institutional capacity to be the leading organisation on doing business between China and Africa, through the expansion of its network in Africa. More importantly the project will continue to assist the CABC to build its capacity to instil good business practices among the business community.

Part 2: Strategy

Since its establishment in March 2005, CABC has contributed towards creating an enabling environment for China-Africa economic and technical cooperation through support to the establishment of the China-Africa Business Council (CABC) in China and in six 'core' African countries. It has also sought to enable the deepening of economic relations between China and Africa particularly with regard to investment. While the CABC has been private sector driven effort, it has received strong public sector support. The CABC has worked alongside government ministries and has been a practical business tool to assist Chinese and African companies achieve their objectives.

The CABC has struck up strategic partnerships with a variety of players both nationally and internationally to create a network of linkages across the China-Africa business spectrum. While facilitating a dynamic two-way flow of information to enhance the China-African economic cooperation through business operations, CABC has assisted the public sector to be responsive to the needs of the private sector.

The CABC Secretariat, which was set up in Beijing in August 2005, has conducted trade missions, sector studies, workshops and seminars, while providing diversified services on specific issues. A bilingual website (Chinese/English), www.cabc.org.cn, and a database have been established. To oversee overall management and provide guidance, a Board of Directors, supported by an Advisory Board, is in place. As part of the regional and local network building, CABC has established six regional 'cells' in China – Hunan, Chongqing, Hengshui, Wuhan, Hong Kong and Macao. The Secretariat has been working with various agencies in Africa and has also identified local partners for future expansion of its network in six 'core' countries (Cameroon, Ghana, Kenya, Mozambique, Nigeria and Tanzania) and beyond. During its first phase, CABC has been working towards self-financing and sustainability and has explored different funding mechanisms including cooperation with donor organisations, business partnerships, membership fees, diversified services and training fees.

In the past three years, it helped to create a momentum in China-Africa economic and technical cooperation. The key achievements during the first phase include:

- Increased interest of Chinese firms in doing investments in Africa
- Closer linkages to local Chinese communities in Africa
- Increased interest of Chinese firms in the training courses on Africa
- More investments by CABC member companies in Africa
- Establishment of a wide network of strategic relations within China and Africa
- Enhanced awareness of CSR issues among Chinese investors in Africa
- Establishment of a Youth club to further cooperation and understanding

While there have been achievements made under CABC Phase I¹, several challenges still exist and these need to be addressed in terms of institutional capacity building, financial sustainability, network building in Africa.

Realistically, the initial timeline set for CABC to become financially sustainable has turned out to be too short. Funds generated by annual membership fees, financial contributions by members of the Board of Directors and incomes from diversified services and training courses are minimal and cannot sustain the project. During the first phase, the operational expenses of the CABC depended largely upon the donation and support from its membership and the Guangcai. Moreover, considerable efforts are still required to convince Chinese enterprises to invest in Africa. There is a need to build the institutional capacity of CABC in order to expand its membership base and to enhance its acceptance.

In the first phase, CABC has been in operation in China, with its secretariat in Beijing and several branches in other cities. However, due to financial constraints², the African formal chapters have not yet materialised despite support and political willingness from the African countries³ to the concept. These African formal chapters are essential for data collection, contact

¹ See Draft Assessment of CABC Phase 1 (September 2008).

² The funding from UNDP Offices in six "core" countries, which amount to US\$ 350,000, was not realised.

³ In addition to the original six "core" countries, another 14 countries in Africa have expressed their desire to join the project.

facilitation and logistic support. A well-developed network both in China and Africa in its second phase would greatly promote business links between companies on both sides.

The CABC can also play an important role to assist African countries increase their diversified exports to China. This is in line with the commitment of Chinese government to further open up its market to Africa. China has provided bilateral preferential trade arrangement for the least developing countries in Africa, but Africa business presence and commodity export, other than resources and mineral products, are still quite limited. More efforts are needed to translate this preferential policy into results. CABC is best positioned and can contribute to such a process through facilitating business operations. Initial findings by CABC indicate that lack of information, poor quality of products and lack of marketing skills are the top priorities to be improved for African companies. CABC can thus play a role to promote selected African products in the Chinese market as well as to disseminate information and help capacity building through its future network of African formal chapters and institutional partnerships.

To enable CABC to tackle these challenges, the capacity building of the institution is still needed. CABC is still in its early stages of development. Continued support from UNDP and the Chinese government as well as from other organisations is necessary to nurture it into a sustainable organisation that takes the lead in promoting the economic and technical cooperation between China and Africa. In order to sustain the momentum in China-Africa economic and technical cooperation, an extension of the project for another three years has been mooted.

The **Project Goal** for Phase II of the CABC project is to continue to promote an enabling environment for China-Africa economic and technical cooperation through support in capacity building of the CABC in China as well as to assist the CABC to impart good business practices among the business community. While this goal will be fulfilled largely through private sector driven initiatives with strong public sector support, support from partner agencies, nationally and internationally will help to ensure that China-Africa business activities will contribute towards poverty reduction and human development in Africa.

In order to meet the project goal, the **Project Strategy** for CABC Phase II will adopt following thrusts:

- Thrust 1: Capacity building of CABC in institutional developing, organizational streamlining, function broadening, service diversification and partnership building etc.
- Thrust 2: Function performing and provision of diversified services to meet the demand of companies and generate regular financial income as well
- Thrust 3: Establishing the CABC network in Africa to further promote economic cooperation

With its secured funding, Phase II of the CABC project will be primarily implemented in China. The project will also extend its outreach to the six “core” countries and beyond in Africa on the

basis of sufficient funding and firm commitments from local UNDP country offices in Africa that are interested in building partnerships with the CABC.

The immediate beneficiaries of the CABC Phase II will be the CABC itself through its staff and members who participate in capacity-building initiatives. Steps will need to be taken to include women as the direct beneficiaries of the project. The project will also encourage greater business activities between China and Africa through better understanding of doing business in each other's countries, and better appreciation of the social and cultural differences.

In the longer term, the CABC Phase II will contribute towards increased trade and investment between China and Africa. This in turn will promote growth, create employment opportunities and thereby reduce poverty. In the spirit of SSC, the CABC modality is thus seen as a contribution to the achievement of the MDGs. As indicated in the Arusha Declaration⁴, the CABC partnership is committed to the values of CSR and UNDP thus has a strong interest in supporting this commitment and will endeavour to assist the CABC in its efforts to foster the values of CSR among their members and the business community doing business and investing in Africa. UNDP will draw upon its global resources to share lessons learned on good business practices and CSR to contribute towards the capacity building of CABC staff. One practical tool in CSR promotion is to encourage more CABC member companies to join the Global Compact.

In order to achieve the intended project goal, three major outputs will be achieved:

Output 1: Strengthened capacity of CABC in institutional developing, organizational streamlining, function broadening, service diversification and partnership building etc.

Indicators:

- Clearly-defined institutional mission, functions and services.
- Strategic partnerships strengthened with important players in both public and private sectors.
- Training needs analysis of members to be carried out at the start of the project and again at the end of the three-year period to assess the needs and interests of potential investors in Africa. Based on that, annual training plans are developed to deliver training workshops to members.
- Minimum of at least 25% of the participants of the workshops will do business in or with African countries.

To cater for the rapidly growing demand for quality services from Chinese and African businesses, CABC need to improve its current capacity both qualitatively and quantitatively. Under Phase II of the CABC project, emphasis will be placed on:

⁴ Arusha Declaration: China-Africa Business Forum, 28-29 April 2008.

- a) Building institutional capacity, streamlining organizational operations and broadening functions of CABC Secretariat.
- b) **Professionalising of CABC staff:** CABC will put in place a programme to train the CABC staff and management to enable them to carry out their roles and responsibilities to promote and coordinate China-Africa business development.
- c) **Developing strategic partnerships:** CABC will establish strategic partnerships with peer organizations, donor agencies, diplomatic missions, financial agencies and professional institutions.
- d) **Service Diversification:** CABC shall introduce new services including public relations, market research and analysis, advocacy, etc.
- e) **Creating awareness of CSR in doing business:** CABC training programmes will share lessons on CSR in China-Africa business development.

Activities:

- Activity 1.1: Institutional development, Organizational streamlining, function broadening of the CABC Secretariat with clearly-defined mission, functions⁵, roles and responsibilities. The mission of CABC is to create an enabling environment for the promotion of China-Africa economic and technical cooperation, which fundamentally contributes to fulfillment of Millennium Development Goals in both China and Africa. As an independent non-government organization with its registered legal identity, CABC is dedicated to become the leading business council on doing business between China and Africa, through provision of diversified services, resources mobilization and organizational development in both China and Africa. With strong support from the public sector, the private sector driven business council has been trying to install good business practices among the business community, i.e. Corporate Social Responsibility (CSR), Global Compact etc, during which public-private partnerships (PPP) and South-South Cooperation have been playing important roles. In organizational structure, the CABC Secretariat is divided into four divisions: general office (finance and membership development), training (training courses and workshops), project (responsible for project implementation) and liaison (dealing with other agencies), all reporting to the Deputy Secretary-General/Director of Secretariat. The so-called improvement will make the CABC Secretariat more effective in both internal functioning and external communication.
- Activity 1.2: Organizing Human Resource Development training for CABC staff. To enable CABC to strengthen its capacity to cater for the needs of its members and the business community, the CABC will need to put in place a programme to train the staff. The training programme will focus on enhancing the management and coordinating skills of the staff.

⁵ See Annex 1 for institutional mission, functions and services of CABC

- Activity 1.3: Establish strategic partnerships with professional institutions and business organisations as well as with research institutions. This will assist CABC to raise the level of professionalism as well as to avail themselves to the resources of these institutions and organisations. CABC will identify strategic partners in various sectors. A workshop will be organised with strategic partners to discuss how to address issues and challenges on enhancing capacity to support CABC members' activities.
- Activity 1.4: Organizing China-Africa Business Forum (CABF). This forum will be held annually, alternately in China and in Africa, and will include a trade exhibition and business-matching opportunities. The Forum will bring together business persons from Africa with their counterparts from China for the purpose of stimulating enterprise to enterprise deals and exchanges, mainly through the creation of joint ventures and other inter-corporate linkages. The result, if successful, would ultimately be increased flows of trade and investment between China and Africa. CABC will play a key role in the organisation of this forum. Strategic partners will be included in the organisation of this forum.
- Activity 1.5: Organizing of the annual meetings of the Board of Directors.
- Activity 1.6: Preparing Progress Reports of CABC. CABC will need to produce periodic reports for the key stakeholders. The reports should also be disseminated to members.
- Activity 1.7: Facilitating communication, partnerships and resource mobilization. CABC will intensify its efforts in public communication, partnerships building (with African businessmen, African diplomats, local government agencies in Africa), and resource mobilization (with international and local donor agencies) through staffing UN volunteers funded by DFID.

Output 2: CABC Secretariat is able to perform in full scale its functions and diversified services, through which generating regular income to support its operations.

Indicators:

- Well-performed functions and efficient provision of diversified services.
- Road-maps released and updated on doing business in African countries and in China.
- Efficient membership service and management. .
- Value-added events organized in China and Africa.
- Diversified services and tailor-made services provided.
- A minimum of one-third of the operating expenses of CABC is financed by its own sources of income.

Currently, the CABC has developed four income generating schemes to work towards self-funding and sustainability. These include cooperation with donor organisations (e.g. with DFID), business partnerships, membership fees, consulting and training fees. Although initial results are encouraging, the income levels cannot yet sustain the system. Under Phase II of the project, CABC will need to improve the mechanisms and build on the established network to develop other sources of revenue and make the system generate more funds.

Activities:

- Activity 2.1: Building the CABC website into an information and service platform. The internet is an effective approach to reach out to CABC members and the business community. However in order to provide information to the members and other users, the website needs to be up-to-date and multilingual (Chinese, English and French). The CABC website will need to be linked with websites of strategic partners (multilateral agencies as well as national agencies/partners). Other information to be included in the website include: online database on doing business in Africa and in China including a FAQ page; regular newsletters to keep in touch with members (monthly). The website will also put in place a mechanism to ensure that there will be response to enquiries within a specific period. The website will also be used as an avenue to impart CSR values to the members and lessons on good business practices will be made available through this platform. The CABC will utilise the electronic media for communication, research and dissemination of information.
- Activity 2.2: Developing road-maps on doing business in African countries and in China. Doing business in one African country is quite different from doing business in China. The different historical background and the different stages of development have posed challenges to many Chinese entrepreneurs interested in doing business in these countries. CABC Resource Centre will work with strategic partners e.g. the various African embassies to draw up road-maps on doing business in different sectors that will be useful for its members and the business community. Likewise, African business community need to be guided on doing business in China. Compilations of information on rules and regulations for different sectors will be carried out. The road-maps on doing business will also incorporate expectations on CSR to guide entrepreneurs on international expectations and on environmental and health standards.
- Activity 2.3: Providing web-based information service on data and membership directory. Paying members can access detailed resources, database and other information that will be posted on the website, whereas non-paying users can only access summaries/abstracts. The CABC website will also be used to earn income through an on-line membership directory which enables them to advertise their products and services on CABC website with links to their own sites for more information.
- Activity 2.4: Conducting membership survey for service provision and policy advocacy. The CABC will conduct periodic surveys among its members to determine the services required and expected of them as well as to get feedback on their performance/services rendered. The survey will also help to determine their willingness to pay for CABC services. CABC will

start to charge registration fees for participation in its workshops and training programmes as well as for organising events for members. This kind of survey could also help CABC play its intermediary role between the policy making agencies and private companies.

- Activity 2.5: Organizing training Courses and business events: CABC will continue to develop and organize training programmes and business events for members and non-member companies. Training subjects will cover CSR, Clean Development Mechanism, sustainable tourism, gender, youth, HIV/AIDS, poverty and herbal medicine issues etc.
- Activity 2.6 Tailor-made services: CABC will also provide tailor-made service to dedicated research requested by the business community. The research can be carried out in conjunction with specialised institutions or research institutes..

Output 3: Proactive support given to CABC for its network building in Africa, which contributes to information collection as well as contact facilitation for Sino-African business development.

Indicators:

- CABC network established and expanded in Africa, including formal chapters established in Tanzania, Cameroon etc.
- Increase in CABC activities in Africa

Even though the CABC project has been successfully implemented in China, with its secretariat fully operational in Beijing, as well as regional offices in several locations in China, the CABC formal chapters in Africa are not yet functional. The establishment of these African formal chapters is essential to facilitate data collection, contact facilitation and logistic support for businessmen seeking opportunities in Africa and to act as the focal point for African private sector seeking opportunities in China. Even before establishing the first CABC formal chapter in the six “core” countries in Africa, many other African countries have expressed the desire to join the project. While it is gratifying to know that there are so many African countries keen to do business with China, the capacity for CABC to set up formal chapters in all these countries will put a strain on the resources of the CABC secretariat. Rather than spreading its resources thinly, it is recommended that various modalities to expand the CABC network be adopted and work towards maximising African ownership of the CABC network. It is understood that establishment of formal CABC formal chapters relies heavily on sufficient financial resources and firm commitment of local UNDP country offices in Africa.

Activities:

- Activity 3.1: Supporting the establishment of CABC formal chapters and its network expansion in Africa: Although interests have been shown in many countries in Africa, it is recommended that the CABC adopts an incremental approach on the setting up of the

African formal chapters. An assessment to determine the strategic partners in each of the interested countries will assist CABC to prioritise the countries where the African network can be established. The assessment should combine desk review and an African field visit. The field visit could be organized either separately or as a part of other business travels. With the findings of the assessment report, on the basis of sufficient financial resources and firm commitment of local UNDP country offices in Africa, CABC new phase will proactively support the establishment of CABC formal chapters in Africa, for examples, in Tanzania, Cameroon and other countries. As the African countries are at various stages of development, different approaches may have to be adopted to realise this strategy of putting in place a CABC network in Africa: be it through a representative office in existing chambers of commerce; regional approach; country level⁶

- Activity 3.2: Meeting with visiting African business delegations to further expand CABC strategic networks. CABC will continue to act as a leading interface between Chinese and African private sectors, through receiving visiting African business delegations in the Secretariat, its branches and member companies.
- Activity 3.3: Organizing business visits to Africa by Chinese private entrepreneurs to promote sustainable trade and investment activities. Such visits should be planned and organized on the basis of the demand of Chinese investors, the prioritization of CABC from its own survey and the requests from African partners.
- Activity 3.4: Facilitating ten business deals of key impacts. CABC will establish and update its project database and identify the priority business sectors in Africa. The objective of ten key business deals should be realized under the facilitation by CABC Secretariat, which will contribute to both its membership base in China and its strategic partnerships in Africa.
- Activity 3.5: Conducting a needs analysis/study to ascertain the challenges encountered by Africa business community on doing business in China and on the causes why the comparative advantage of Africa countries have not been realised. Based upon the findings, CABC could put forward some policy advocacy for Chinese government to facilitate the trade and investment inflows from Africa.

⁶ See Annex 2 for Optional Approaches.

Table 1: Risk Log

ID	Description	Category	Impact & Probability	Countermeasures / Management response	Owner	Author	Date Identified	Last Update	Status
01	Change in foreign policy away from SSC	Political	Although CABC modality is a new PPP initiative it has generated interest and support locally and internationally. Probability (P) = 1	Project will need to keep attuned to political changes and ensure appropriate measures taken as policy changes would mean that UNDP will have to take on larger responsibilities	UNDP	UNDP	29 Oct 2008	29 Oct 2008	No change
02	Negative Social-economic and environment al impact	Socio-economic and environment	Although the CABC modality is seen as a contribution to the achievement of the MDG, special attention on the social-economic and environmental impacts of the business and investments in Africa should be given. The gender dimension should be also emphasised in accordance with UN standard. P = 3	The project will continually need to emphasise on CSR issues to ensure that China investments in and with Africa are conducted in accordance with internationally accepted standards and approaches. The UNDP will need to continually stress this issue.	UNDP, CICETE	UNDP	29 Oct 2008	29 Oct 2008	No change
03	Difficulty to mobilise financial resources from members	Financial & Operational	Mobilization of financial resources from members for the various activities will need to be stepped up to ensure that the activities are self-sustaining. P = 3	The Guangcai may need to make up for financial shortfalls of the activities	CICETE, Guangcai	CICETE	29 Oct 2008	29 Oct 2008	No change
04	Difficulty to establish African	Financial & Operational	Despite political willing and interest of many African countries to set	To establish these formal chapters incrementally. To work with existing	CICETE, CABC Secretariat	CABC Secretariat	29 Oct 2008	29 Oct 2008	No change

ID	Description	Category	Impact & Probability	Countermeasures / Management response	Owner	Author	Date Identified	Last Update	Status
	formal Chapters		up African formal chapters of CABC, financial support has been wanting. P = 3	and effective Chambers of Commerce and Industry in various African countries.					
05	Limited African presence in China	Trade and investment	Although China has provided bilateral preferential trade arrangements for the LDCs in Africa, Africa business presence in China and exports to China other than resources and mineral products are still quite limited. P = 5	Need to determine the obstacles and for CABC to play an advocacy role to facilitate the trade and investment inflow from Africa.	Guangcai, CICETE, CABC Secretariat	CICETE	29 Oct 2008	29 Oct 2008	No change

Part 3: Partnership Strategy

During the first phase of the project (CABC Phase I), the CABC has established strategic partnerships with other UN bodies and international organizations, variety of associations, financial institutions, and embassies as well as with business individuals and private companies, public and private trade and investment promotion organizations.

China Society for Promotion of the Guangcai Programme (Guangcai), as the Cooperating Agency will continue to provide financial support for the project and guidance for private sectors to conduct commercial activities. With Guangcai's broad network of members nationwide, CABC could enhance its capacity through trade and investment promotion activities and strengthen its linkage with the private sector in China. The CABC and Guangcai will be engaging in the various activities of the project.

To implement Phase II of the CABC project, the UNDP China office will continue to work with the Ministry of Commerce (MOFCOM), the Government Coordination Agency, through the China International Centre for Economic and Technical Exchanges (CICETE), the Implementing Partner.

The CABC has also set up a financial cooperation platform with the IFC, China Development Bank, China-Africa Development Fund (CADF), the Export-Import Bank of China, and some other domestic and international financial institutes to provide necessary financial assistance and reduce the financial risk for companies that have invested in African countries and in China.

Special Unit for South-South Cooperation (SU/SSC) of the United Nations General Assembly provides not only financial support but also invaluable advice and information for CABC during Phase I. It will continue to coordinate and support South-South cooperation at global level and share experience with UNDP.

The United Nations Conference on Trade and Development (UNCTAD) promotes the development-friendly integration of developing countries into the world economy, whose work aims to help shape current policy debates and thinking on development, with a particular focus on ensuring that domestic policies and international action are mutually supportive in bringing about sustainable development. CABC has been in collaboration with UNCTAD in policy dialogue and technical assistance.

One of the 'Theme Groups' in the United Nations in China, the Task Force on China's engagement in the international arena is also engaged in this project through its efforts to the South-South cooperation at regional and international level. It offers a platform for UNDP, other agencies and international partners in regard to international cooperation, advocating for international norms and standards on these issues; and promotes key activities on South-South Cooperation.

CABC Phase I is jointly sponsored by DFID who has also confirmed interest to continue its support for Phase II of the CABC project.

During the CABC phase I, CABC started collaboration on research programs with the Institute of World Economics and Politics of Chinese Academy of Social Sciences (CASS) and the Centre for the Future State of Institute of Development Studies. CABC will continue to collaborate with those institutes to strengthen the research capacity and expand research areas related sustainable trade and investment development between China and Africa.

Under the framework of South-South Cooperation, the South-South Global Assets and Technology Exchange (SS-GATE) in Shanghai and International Poverty Reduction Center in China (IPRCC) are also strategic partners by sharing resources and experience. SS-GATE provides a virtual and physical marketplace for asset, technology, and resource exchange, supported by advisory services, among developing countries. The goal of SS-GATE is to help accelerate economic development and poverty reduction at the global, regional, and national level. The IPRCC acts as an information and experience sharing platform between China and other developing countries as well as international development institutions.

Chinese Embassies in some African countries and African Embassies in China have been partners of CABC and these governmental partners have helped reduced political risks that might encountered by investors. These embassies render their full cooperation in helping CABC acquire information and guidance in the enhancement of trade and investment and fostering cooperation between China and African countries. More recently, the CABC also established a strategic partnership with *Africa Investor*, a bi-monthly magazine (published in English, French, Portuguese and Chinese) that focuses on doing business in Africa.

Other agencies/organisations are also interested in this new modality and can be tapped to strengthen the partnership network. All these strategic partnerships have enabled CABC to play its role in SSC between China and Africa through trade and investment and to extend its function to areas that can directly contribute towards achieving the MDGs.

Part 4: Results and Resources Framework

Table 2: Results and Resources Framework

Intended Outcomes as stated in the UNDAF:	
Within the framework of international norms, conventions, and standards and of the Global Compact, China's role in the international arena is enhanced, including through providing increased levels of South-South Cooperation.	
10.1 China/Africa Business Council effectively promoting trade and investment.	
Outcome indicators:	
10.1 Public private partnership (PPP) enhanced in SSC initiatives	
Applicable MYFF Service Line:	
SL 1.4, Globalisation benefitting the poor and SL 1.5, Private sector development	
Project title and ID (ATLAS Award ID):	
Capacity Building of the China-Africa Business Council (CABC II)	

Intended Outputs	Output Targets (years)	Indicative Activities	Inputs
1. Strengthened capacity of CABC in institutional developing, organizational streamlining.	1.1 Organizational improvement to the CABC Secretariat (2009-2011)	1.1.1 Internal functional readjustment	2009: US\$ 122,000 2010: US\$ 122,000 2011: US\$ 122,000
		1.1.2 National consultant support to institutional development.	
		1.1.3 Expanding internship programme to support research and operational activities.	

Intended Outputs	Output Targets (years)	Indicative Activities	Inputs
function broadening, service diversification and partnership building etc.	1.2 Organizing Human Resource Development training for CABC staff (2009-2011)	<p>1.2.1 Training consultant contracted to conduct training needs of CABC staff and to draw up training programme.</p> <p>1.2.2 Training of CABC staff.</p> <p>1.2.3 One or two familiarisation missions to selected African countries for CABC key staff as part of capacity building (2010 – 2011).</p>	<p>2009: US\$ 10,000</p> <p>2010: US\$ 10,000</p> <p>2011: US\$ 10,000</p>
	1.3 Establish strategic partnerships with professional institutions and business organisations as well as with research institutions. (2009 - 2011)	<p>1.3.1 Identifying potential strategic partners for mutual cooperation.</p> <p>1.3.2 Semi-annual meetings with strategic partners to discuss issues and to develop annual plans</p>	<p>2009: US\$ 5,000</p> <p>2010: US\$ 5,000</p> <p>2011: US\$ 5,000</p>
	1.4 Organizing China-Africa Business Forum (CABF) (2009 - 2011)	1.4.1 Participation in the annual CABF.	<p>2009: US\$ 50,000</p> <p>2010: US\$ 50,000</p> <p>2011: US\$ 50,000</p>
	1.5 Organizing of the annual meetings of the Board of Directors. (2009-2011)	<p>1.5.1 Annual meetings of the Board of Directors</p> <p>1.5.2 Council Member meetings</p>	<p>2009: US\$ 30,000</p> <p>2010: US\$ 40,000</p> <p>2011: US\$ 35,000</p>
	1.6 Preparing Progress Reports of CABC (2009 – 2011)	<p>1.6.1 Progress reports to be prepared periodically as per monitoring and evaluation programme. The highlights of the progress reports to be included in CABC newsletters.</p> <p>1.6.2 CABC Secretariat to produce annual reports one month after each calendar. The Secretariat will also conduct a mid-term assessment of the project in mid 2010.</p> <p>1.6.3 The annual reports will be distributed to members as well as stakeholders. The annual reports will also be posted on-line.</p>	<p><included in Inputs for Output Targets 1.1 and 2.3></p>

Intended Outputs	Output Targets (years)	Indicative Activities	Inputs
	1.7 Facilitating communication, partnerships and resource mobilization (2009-2011)	1.7.1 CABC will intensify its efforts in public communication, partnerships building (with African businessmen, African diplomats, local government agencies in Africa), and resource mobilization (with international and local donor agencies) through staffing UN volunteers funded by DFID.	2009: US\$ 90,000 2010: US\$ 75,000 2011: US\$ 85,000
2. CABC Secretariat is able to perform in full scale its functions and diversified services, through which generating regular income to support its operations.	2.1 Building the CABC website into an information and service platform. (2009 - 2011)	2.1.1 Engaging consultant to enhance CABC website as a source for income generation (cross-reference with Activity 1.3.1) (2009). 2.1.2 Implementing "paying concept" for access to detailed resources, database and other information from CABC website (2010-2011).	<included in Inputs for Output Target 2.3>
	2.2 Developing road-maps on doing business in African countries and in China. (2009 – 2011)	2.2.1 Resource persons contracted to prepare and compile information for roadmaps. 2.2.2 Regular updating of information in roadmaps.	2009: US\$ 2,000 2010: US\$ 2,000 2011: US\$ 2,000
	2.3 Providing web-based information service on data and membership directory. (2009-2011)	2.3.1 Revamp the CABC website. Engage consultant to redesign website to make it into an information and service platform. To design the website as a mechanism to earn/raise revenue for CABC. To maintain the website. 2.3.2 Regular updating of the CABC website, both Chinese as well as English pages. 2.3.3 Include and maintain French pages in CABC website (2010 – 2011).	2009: US\$ 18,000 2010: US\$ 6,000 2011: US\$ 6,000
			2009: US\$ 15,000 2010: US\$ 15,000 2011: US\$ 15,000
			2010: US\$ 6,000 2011: US\$ 6,000

Intended Outputs	Output Targets (years)	Indicative Activities	Inputs
	2.4 Conducting membership survey for service provision and policy advocacy.	2.4.1 Engage external consultant to conduct two surveys among its members to determine the services required and expected of them as well as to get feedback on their performance/services rendered. The survey will also help to determine their willingness to pay for CABC services. The first survey will be conducted in 2009, while the second one in 2011.	2009: US\$ 10,000 2011: US\$ 10,000
	2.5 Organizing training courses and business events (2009-2011)	2.5.1 Annual training programme for members: training programmes to include training on CSR and good business practices 2.5.2 Training of trainers: CABC to arrange for training of trainers (TOT) on CSR and good business practices 2.5.3 Developing and Sharing training programme modules with members in African formal chapters	2009: US\$ 25,000 2010: US\$ 25,000 2011: US\$ 25,000
	2.6 Tailor-made services (2009-2011)	2.6.1 Engaging consultant to enhance CABC professional services 2.6.2 Charging service fees for dedicated research	2009: US\$ 5,000 2010: US\$ 5,000 2011: US\$ 5,000
3. CABC network established in Africa to facilitate information collection as well as contact facilitation for Sino-African business	3.1 Supporting the establishment of CABC formal chapters in Africa (2009-2011)	3.1.1 Conduct an assessment to determine the strategic partners in the interested African countries. 3.1.2 Prioritise countries where the African network of CABC can be set up.	2009: US\$ 5,000

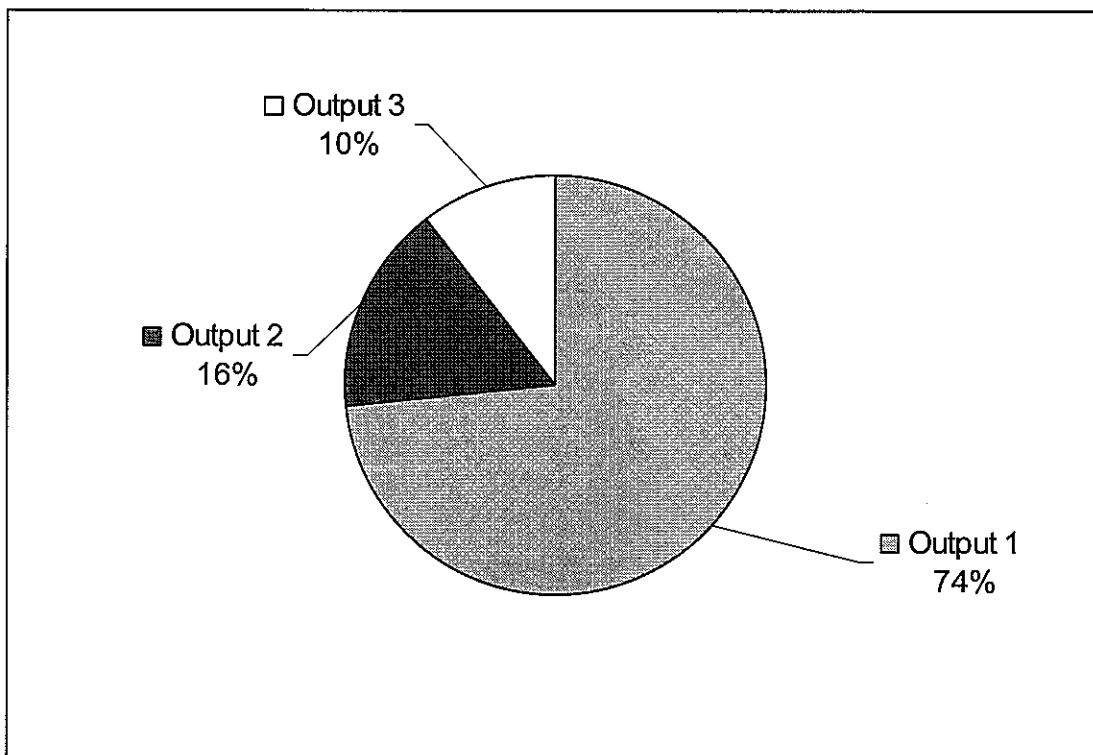
Intended Outputs	Output Targets (years)	Indicative Activities	Inputs
development.		3.1.3 Meetings with strategic partners (in Africa) to lead towards setting up of African networks. The meetings can be programmed to coincide with other CABC activities in Africa e.g. the CABF and other mission trips.	2009: US\$ 10,000 2010: US\$ 10,000 2011: US\$ 10,000
	3.2 Meeting with visiting African business delegations to further expand CABC strategic networks. (2009 – 2011)	3.2.1 Arrange the business activities for the African delegations, such as investment promotion conference, one to one business meeting, visiting Chinese companies or organizations.	2009: US\$ 10,000 2010: US\$ 10,000 2011: US\$ 10,000
	3.3 Organizing business visits to Africa by Chinese private entrepreneurs to promote sustainable trade and investment activities. (2009-2011)	3.3.1 Organize Chinese entrepreneurs to visit Africa 3.3.2 Promote investment cooperation	2009: US\$ 10,000 2010: US\$ 10,000 2011: US\$ 10,000
	3.4 Facilitating ten business deals of key impacts(2009-2011)	3.4.1 Facilitate ten key business deals on investing in African countries	2009: US\$ 2,000 2010: US\$ 2,000 2011: US\$ 2,000
	3.5 Conducting a needs analysis/study(2009-2011)	3.5.1 Analyze the challenges encountered by Africa business community on doing business in China 3.5.2 Conduct policy advocacy for Chinese government to facilitate the trade and investment inflow from Africa	2009: US\$ 10,000 2010: US\$ 10,000 2011: US\$ 10,000

Part 5: Work Plan and Budget Summary

The first year of CABC Phase II will concentrate on enhancing the professionalism and service quality of CABC, establishing strategic partnerships with professional and business organisations and to identify and establish partnerships with organisations and institutions in Africa so as to set up the CABC network in Africa. This will entail refocusing the roles of CABC secretariat to reflect the focus of the CABC project in Phase II. During the first year of Phase II, steps will need to be taken to reorganise the CABC website to turn it into a platform for providing services to its members in particular and to the business community at large. Activities of CABC will also need to be self-funding, i.e. participants will be expected to pay for training and participation at workshops. The second and third years of Phase II will focus on extending the CABC modality to the other countries in Africa on an incremental basis.

The largest slice of the project budget is proposed to support activities related to Output 1 (strengthened capacity of CABC). This will account for 74% of the total project budget. The activities related to Output 2 (perform full scale functions and diversified services) will account for approximately 16% of the total budget, while the balance 10% is being allocated to activities that support the development of the African network (Output 3).

Figure 1: Proposed Distribution of CABCII Project Budget



The tentative Work Plan for Year 1 is shown in Table 3 while the Annual Work Plan Budget Sheet for Year 1 is in Table 4. The breakdown of the budget by year is as follows:

Outputs	2009	2010	2011	Total
1.1 Organizational improvement to the CABC Secretariat	122,000	122,000	122,000	366,000
1.2 Organizing Human Resource Development training for CABC staff.	10,000	10,000	10,000	30,000
1.3 Establish strategic partnerships with professional institutions and business organisations as well as with research institutions	5,000	5,000	5,000	15,000
1.4 Organizing China-Africa Business Forum (CABF).	50,000	50,000	50,000	150,000
1.5 Organizing of the annual meetings of the Board of Directors	30,000	40,000	35,000	105,000
1.6 Preparing Progress Reports of CABC	-	-	-	-
1.7 Facilitating communication, partnerships and resource mobilization	90,000	75,000	85,000	250,000
<i>Subtotal for Output 1</i>	307,000	302,000	307,000	916,000
2.1 Building the CABC website into an information and service platform	-	-	-	-
2.2 Developing road-maps on doing business in African countries and in China	2,000	2,000	2,000	6,000
2.3 Providing web-based information service on data and membership directory	33,000	27,000	27,000	87,000
2.4 Conducting membership survey for service provision and policy advocacy.	10,000	-	10,000	20,000
2.5 Organizing training Courses and business events	25,000	25,000	25,000	75,000
2.6 Tailor-made services	5,000	5,000	5,000	15,000
<i>Subtotal for Output 2</i>	75,000	59,000	69,000	203,000
3.1 Supporting the establishment of CABC formal chapters in Africa	15,000	10,000	10,000	35,000
3.2 Meeting with visiting African business delegations to further expand CABC strategic networks.	10,000	10,000	10,000	30,000
3.3 Organizing Chinese entrepreneurs to visit African countries and promote investment cooperation	10,000	10,000	10,000	30,000
3.4 Facilitating ten business deals of key impacts	2,000	2,000	2,000	6,000
3.5 Conducting a needs analysis/study	10,000	10,000	10,000	30,000
<i>Subtotal for Output 3</i>	47,000	42,000	42,000	131,000
Total*	429,000	403,000	418,000	1,250,000

* including the GMS for the project

Table 3: Work Plan (Tentative)

Activities	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y2	Y3
1.1.1 Internal functional readjustment														
1.1.2 National consultant support to institutional development.														
1.1.3 Expanding internship programme														
1.2.1: Contracting training consultant to conduct TNA														
1.2.2: Training of CABC staff														
1.2.3: Familiarisation missions to Africa														
1.3.1: Identifying potential strategic partners														
1.3.2: Semi-annual meetings														
1.4.1: Participation in the annual CABF														
1.5.1 Annual meetings of the Board of Directors														
1.5.2 Council Member meetings														
1.6.1 Preparation of progress reports														
1.6.2 Preparation of Annual Reports														
1.6.3 Dissemination of Annual Reports														
1.7.1 UN volunteers funded by DFID														
2.1.1: Engaging consultant to enhance/revamp CABC website														
2.1.2: Implementing "paying concept"														
2.2.1: Contracting consultant to prepare information for roadmaps														
2.2.2: Updating of information in roadmaps														
2.3.1: Revamp the CABC website														
2.3.2 Regular updating of the CABC website (Chinese & English)														
2.3.3 Including French pages in CABC website														
2.4.1 Engaging consultant to conduct surveys														
2.5.1 Annual training programme for members														
2.5.2 Training of trainers														
2.5.3 Developing and sharing programme modules														
2.6.1 Engaging consultant to enhance CABC professional services														
2.6.2 Charging service fees for dedicated research														
3.1.1: Rapid assessment to determine the African strategic partners														
3.1.2: Prioritise countries for African network														
3.1.3: Meetings with African strategic partners														
3.2.1 Arrange business activities for African delegations														
3.3.1 Organize Chinese entrepreneurs visit Africa														
3.3.2: Promote investment cooperation														
3.4.1 Facilitate ten key business deals on investing in Africa														
3.5.1 Challenge analysis of Africa business community														
3.5.2: Policy advocacy for Chinese government														

Table 4: Annual Work Plan Budget Sheet

The first year (2009)

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description Amount US\$	
<p>1. Strengthened capacity of CABC in institutional developing, organizational streamlining, function broadening, service diversification and partnership building etc.</p> <p>Indicator 1.1: Clearly-defined institutional mission functions and services.</p> <p>Indicator 1.2: Strategic partnerships strengthened with important players in both public and private sectors.</p> <p>Indicator 1.3: Training needs analysis of members to be carried out at the start of the project and again at the end of the three-year period to assess the needs and interests of potential investors in Africa. Based on that, annual training plans are developed to deliver training workshops to members.</p> <p>Indicator 1.4: Minimum of at least 25% of the participants of the workshops will do business in or with African countries.</p>	1.1.1: Internal functional readjustment	xxx				CABC	UNDP & Guangcai	122,000	
	1.1.2: National consultant support to institutional development	xxx	xxx	xxx	xxx				
	1.1.3: Expanding internship programme	xxx	xxx	xxx	xxx				
	1.2.1: Contracting training consultant to conduct TNA		xxx				CABC	UNDP & Guangcai	10,000
	1.2.2: Training of CABC staff		xxx	xxx	xxx				
	1.3.1: Identifying potential strategic partners	xxx	xxx	xxx	xxx		CABC	UNDP & Guangcai	5,000
	1.3.2: Semi-annual meetings		xxx						
	1.4.1: Participation in the annual CABC.				xxx		CABC	UNDP & Guangcai	50,000
	1.5.1: Annual meetings of the Board of Directors				xxx		CABC	UNDP & Guangcai	30,000
	1.5.2: Council Member meetings				xxx				
	1.6.1: Preparation of progress reports	xxx	xxx	xxx	xxx		CABC	UNDP & Guangcai	included in 1.1 and 2.3
	1.6.2: Preparation of Annual Reports	xxx			xxx				
	1.6.3: Dissemination of Annual Reports	xxx							
1.7.1: UN volunteers funded by DFID	xxx	xxx	xxx	xxx			DFID	90,000	

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description Amount US\$
2. CABC Secretariat is able to perform in full scale its functions and diversified services, through which generating regular income to support its operations.	2.1.1: Engage consultant to enhance/revamp CABC website		xxx	xxx		CABC	UNDP & Guangcai	included in 2.3
	2.1.2: Implementing "paying concept"			xxx	xxx			
Indicator 2.1: Well-performed functions and efficient provision of diversified services.	2.2.1: Contracting consultant to prepare information for roadmaps			xxx	xxx	CABC	UNDP & Guangcai	2,000
	2.3.1: Revamp the CABC website		xxx			CABC	UNDP & Guangcai	33,000
Indicator 2.2: Road-maps released and updated on doing business in African countries and in China.	2.3.2 Regular updating of the CABC website (Chinese & English)	xxx	xxx	xxx	xxx			
	2.4.1 Engaging consultant to conduct surveys			xxx		CABC	UNDP & Guangcai	10,000
Indicator 2.3: Efficient membership service and management.	2.5.1 Annual training programme for members	xxx	xxx	xxx	xxx	CABC	UNDP & Guangcai	25,000
	2.5.2 Training of trainers			xxx				
Indicator 2.4: Value-added events organized in China and Africa.	2.6.1 Engaging consultant to enhance CABC professional services	xxx	xxx	xxx	xxx	CABC	UNDP & Guangcai	5000
	Indicator 2.5: Diversified services and tailor-made services provided.							
Indicator 2.6: A minimum of one-third of the operating expenses of CABC is financed by its own sources of income.	3.1.1: An assessment to determine the African strategic partners		xxx			CABC	UNDP & Guangcai	15,000
	3.1.2: Prioritise countries for African network		xxx					
3. CABC network established in Africa to facilitate information collection as well as contact facilitation for Sino-African business development.	Indicator 3.1: CABC network							

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated GP outputs</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description Amount US\$
established in Africa. Indicator 3.2: Increase in CABC activities in Africa	3.1.3: Meetings with African strategic partners			xxx				
	3.2.1 Arrange the business activities for the African delegations			xxx	xxx	CABC	UNDP & Guangcai	10,000
	3.3.1 Organize Chinese Entrepreneurs visit Africa			xxx	xxx	CABC	UNDP & Guangcai	10,000
	3.3.2 Promote investment cooperation			xxx	xxx	CABC	UNDP & Guangcai	2,000
	3.4.1 Facilitate ten key business deals on investing in Africa			xxx	xxx	CABC	UNDP & Guangcai	10,000
	3.5.1 Challenge analysis of Africa business community			xxx				
	3.5.2 Policy advocacy for Chinese government				xxx			
	TOTAL*							

* including the GMS for the project

Part 6: Management Arrangements

United Nations Development Programme (UNDP) will play project assurance role and is responsible for the overall achievements of project outcomes through enhancing effectiveness of project management, monitoring the project intended results, and coordinating the monitoring and evaluation. UNDP is responsible for providing its share of funds available under the approved budget. This project will be carried out in close collaboration between UNDP China office and CICETE. A mechanism for the regular exchange of information and experiences will be set up. UNDP will assist CABC in building linkages and networks with relevant private and public sector players and will help to build and monitor stakeholder interest in China and Africa. UNDP will draw on its network and global resources to support the capacity building of CABC especially with respect to good business practices and CSR.

China Society for Promotion of the Guangcai Programme (Guangcai), as the Government Cooperating Agency, in addition to providing its share of the funds available for the project, is responsible for the government's participation in the project. In consultation with the Implementing Agency, it will designate its representative for the project, who would typically perform the role and functions of Executive in the Project Board. According to its designed roles in fostering and guiding the development of the private sector in China, Guangcai is expected to provide overall guidance on the business activities of Chinese private companies in Africa and make policy suggestions on Sino-African trade and investment driven by the private sector.

The **China International Centre for Economic and Technical Exchanges (CICETE)**, on behalf of the Ministry of Commerce, executes the programme. As the Implementing Partner, CICETE will be the entity responsible and accountable for ensuring that both the project management is in compliance with UNDP rules and regulations and that Guangcai fulfils its financial commitments. Additionally, it is responsible for submitting the Annual Work Plan (AWP) and the Annual Progress Report (APR) on annual basis. The AWP describes the specific results to be achieved and will form the basic agreement between UNDP and the Implementing Partner on the use of resources while the APRs form the basis for annual review of the overall project results each year. CICETE is also responsible, jointly with UNDP, for policy guidance, appraisal, monitoring and evaluation of the project during the course of implementation. It is responsible for effective use of project resource and achieving the project delivery and outputs as laid out in the project document and AWP.

CABC Secretariat assumes the roles of Project Management Office (PMO) for the project. It is accountable to both UNDP and CICETE for implementing the project to the best of its ability. CABC is responsible for making appropriate management arrangements, preparing and updating project work plans as required, drawing up specifications for project inputs (personnel, training, equipment, subcontracts) and ensuring their timely application; reporting on project implementation to UNDP and CICETE as well as providing the resources as specified in the project document.

The institutional operations of project management will be in accordance with the CABC Charter. The Board of Directors of the CABC will be the oversight organ of the CABC. The Advisory

Board of the CABC will be made up of China, Africa and international experts, as spelt out in the CABC Charter and will work alongside the CABC to provide advice as and when necessary. The day-to-day operations of the CABC are vested with the Deputy Secretary-General/Director of Secretariat, assisted by the staff.

Part 7: Monitoring and Evaluation

The project will follow standard UNDP procedures for review, reporting, monitoring and evaluation. These will be guided by the annual work plans, the results and resources framework, as well as UNDAF and Country Program results matrix.

The project shall be covered by the regular monitoring field visits by UNDP programme staff to ensure the role of project assurance, which needs to be matched with relevant budget in AWP.

Annual Review

Annual review for progress monitoring and planning will be completed at the end of each year to assess actual achievement of results against those projected, including technical and financial review. The annual review will discuss the progress, or unforeseen impediments to project implementation. These can then assist in the preparation of detailed work plan for the following year. The annual reports, prepared by the Implementing Partner, will form the basis for annual review of overall project results. The annual reports will be presented to the CABC Board and will be reviewed at a Tripartite Review Meeting.

Evaluation

To improve performance continually, constant internal evaluation and oversight should be conducted so as to assess progress on outputs/outcomes and identify areas for strategic, budgetary, or programmatic adjustment if necessary.

Part 8: Legal Context

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of the People's Republic of China and the United Nations Development Program, signed by the parties on 29 June 1979. The reference to "Implementing Partner" shall mean "Executing Agency" as used in the SBAA.

Annex 1 Institutional Mission, Functions and Services of CABC

Mission Statement

China-Africa Business Council (CABC) is a joint initiative among UNDP, MOFCOM (through CICETE) and Guangcai, with the aim of creating an enabling environment for the promotion of China-Africa economic and technical cooperation, which fundamentally contributes to fulfillment of Millennium Development Goals in both China and Africa.

As an independent non-government organization with its registered legal identity, CABC is dedicated to become the leading business council on doing business between China and Africa, through provision of diversified services, resources mobilization and organizational development in both China and Africa.

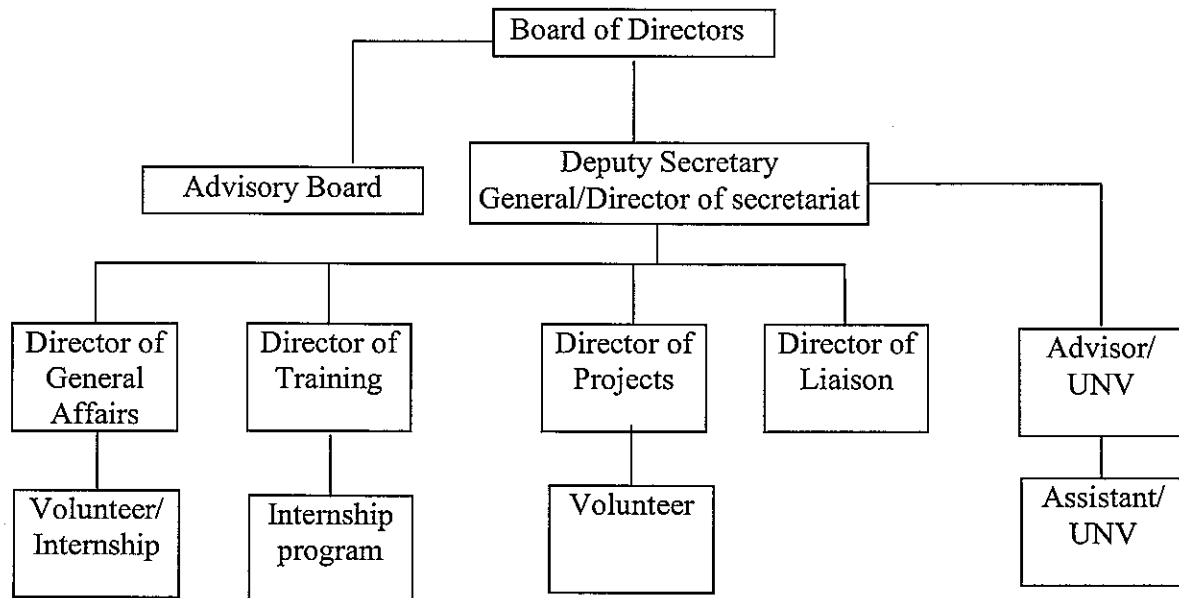
With strong support from the public sector, the private sector driven business council has been trying to install good business practices among the business community, i.e. Corporate Social Responsibility (CSR), Global Compact etc, during which public-private partnerships (PPP) and South-South Cooperation have been playing important roles.

Functions & Services

- Policy dialogue and advocacy
 - Coordinate among public sectors to be more responsive to the requests of private sectors
 - Organize high level forum between public sectors and private sectors
 - Newsletters of CABC
- Events organization
 - Chinese technology and products exhibition in some African countries to promote trade and investment cooperation
 - Trade fair in China to promote African exports to Chinese market
 - Business missions and meetings in African countries for our members
 - Business cooperation activities for visiting African delegations
 - Activities such as seminar, workshop and forum to provide opportunities for members of CABC to share experience and learn from each other, and strengthen their capacity to address challenges
- Partnership building
 - Expand network in Africa through the facilitation of UN system
 - Collaborate with local business organizations in China
 - Collaborate with local chamber of commerce in Africa to promote business activities
 - Collaborate with African embassies to China and also the Chinese embassies to Africa
 - Link CABC website with partners to share information and strengthen cooperation
- Information
 - Provide information services for enterprises from both China and Africa by use of our network and database
 - Establish information center database on investment policies of African countries
 - Release news from different African countries

- Release news on important events between China and Africa
- Publication
 - Guidance book of Chinese policy review to African business communities on how to do business in China
 - Roadmap on doing business in Africa
 - Research on Africa investment climate
- Services
 - Facilitate the publicity of companies both from China and Africa to attract potential partners and expand international market access
 - Organize training courses on international business human resources development, which also can be customized by members' requirement
 - Conduct trade and investment research and issue investment guidance on some selected African countries to members
 - Provide all-around services for projects cooperation such as feasibility study, field visit and survey, facilitation of implementation and follow-up
 - Facilitate financing for investment projects in Africa
 - Facilitate the rational legal rights protection of CABC members
 - Facilitate invitation and visa application for delegations both from China and Africa
- Membership
 - Membership categories and member directory
 - Invite more companies both from china and Africa to join us
 - Membership Referral

Annex 2: Proposed Functional Restructuring of CABC Secretariat



- General Affairs Division will be responsible for finance and administration matters. It will also be responsible for website re-designing & maintenance, membership development, and publishing newsletters and other literature on CABC and its activities (both in printed form as well as electronically).
- Training Division will be responsible for the training activities of CABC to meet the needs of the member companies and the business community. This division will need to identify strategic partners first, and then to assist them in providing relevant training services. It will conduct training needs analysis (TNA) among the members and business community to determine the type of training required to support the members and business community to do business in Africa. All participants of CABC training courses will be required to complete an evaluation/feedback form to facilitate CABC to improve on the courses. Based on the survey, this division will conduct specific research program related to sustainable trade and investment.
- Projects Division will be responsible for information collection on potential projects, database finalization, follow-up activities and facilitation on project implementation. It will also conduct case studies to prepare related project report, so as to facilitate financing for investors.

- Liaison Division will be responsible for liaison with different Chinese government departments for coordination and support. It will also responsible for management and operation of promoting the activities of CABC and the China-Africa Youth Club.

Annex 3: Optional Approaches for CABC African Network

Option 1: In countries where there is a strong and effective Chambers of Commerce representing the business community, it is proposed that CABC negotiates with them to act as the CABC African formal chapter in that country. For instance in South Africa, CABC could explore the option of establishing the CABC formal chapter in South Africa with the Business Unity South Africa (BUSA), which is one of the leading industrial associations in South Africa.

Option 2: As many countries in Africa are members of various regional groupings e.g. Economic Community of West African States (ECOWAS), EAC and Southern African Development Community (SADC), another option is for CABC to set up regional focal points in Africa instead of country offices.

Option 3: In countries where there exists a strong China – Africa business community or where there is strong support, interest and funding from the (African) government or related stakeholders mobilized by UNDP country office, the CABC will then work towards establishing country offices.

Option 4: In some countries in Africa, the Chinese Diasporas can start off as the key contact person for CABC and operate as the first focal point in that country. A case in point is in DRC where interests have been shown to set up a CABC DRC focal point.