## Project Document
### [China]

**Project Title:** China SDGs Localization Umbrella Project

**Project ID:** project ID 00123845, output ID 00118988

**Implementing organization:** China International Center for Economic and Technical Exchanges (CICETE)

**Partner organization:** United Nations Development Programme in China (UNDP China)

**Start Date:** December 2019

**End Date:** November 2022

**PAC Meeting Date:** December 3, 2019

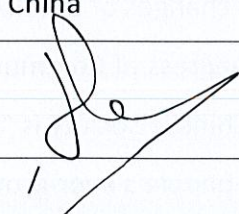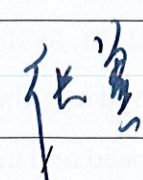| Brief Description |
| --- |
| At the United Nations Sustainable Development Summit in September 2015, world leaders adopted the 2030 Agenda for Sustainable Development, including 17 Sustainable Development Goals (SDGs) with 169 targets, which is a new milestone following the Millennium Development Goals (MDGs). During the formulation of SDGs, the integration among social progress, economic development and environmental protection was prioritized to address the sustainability issue and emerging development challenges. The SDGs emphasize inclusive growth and coordinated economic, social and environmental progress, bringing fundamental changes to the conventional approach to development that only pursues economic growth. SDGs will guide the development and use of funds of countries up until 2030 in their actions in critical areas to all humanity and the planet, to end poverty, protect our planet, and ensure prosperity for all. For over three years, United Nations Development Programme (UNDP) has been working closely with countries in aligning the global strategy of the 2030 Agenda with local needs and promoting the localization of SDGs. |
| As the world's largest developing country, China is faced with both great opportunities and emerging challenges in implementing the 2030 Agenda. China has gained enormous success and invaluable experience in achieving MDGs. Meanwhile, it also encounters new challenges in terms of poverty alleviation, rural revitalization, and unbalanced development between different regions and between urban and rural areas due to changes of the economic development pattern. As the Report of the 19th National Congress of Communism Party of China (CPC) pointed out, the principal contradiction facing Chinese society is "the contradiction between unbalanced and inadequate development and the people's ever-growing needs for a |

better life."

In recent years, China has shifted the gear to a lower-speed of economic growth and meanwhile high-quality development and ecological civilization have become China's top agenda. In this context, UNDP will work with partners to support China to address above-mentioned challenges and help implement the 2030 Agenda in the local level. SDGs Localization generally refers to the different ways that sub-national governments and other local stakeholders approach designing and implementing systems, policies, and programmes that support the principles of the 2030 Agenda and progress towards the SDGs. China SDGs Localization Umbrella Project is a multi-pronged platform project which contains several sets of technical assistance. It will research on the methodologies and provide technical guidance for SDGs localization, and identify systematic solutions to the bottlenecks of local sustainable development. It will also support policy development, capacity building and key demonstration project. as well as facilitate governments at different levels in adopting SDGs framework for their development plans and public budgets. The project will promote international exchange of best practices and lessons learned for SDGs Localization. **By leveraging UNDP's global platform, network, brand, and expertise, the project aims to support China's implementation of 2030 Sustainable Development Agenda through multi-stakeholder groups engagement, high-quality research and SDG planning, capacity building, and demonstration projects.** The project will contribute to all the 17 SDGs and all the three outputs in the UNDP's China Country Programme Document 2016-2020.

| Total budget | USD 3,000,000 (tbc) |
|---|---|
| • **UNDP** | USD 50,000 (core resources) |
| • **Funds to be raised** | USD 2,950,000 |

**Project partners (for signing)**

| United Nations Development Programme in China | China International Center for Economic and Technical Exchanges |
|---|---|
| Representative: | Representative: |
| Signing Date: 2019/      / | Signing Date: 2019/ |

# I.  BACKGROUND

Over two centuries of industrialization has brought modernization to developed countries with less than one billion population at great expense of resources and the ecological environment. It proves that the modernization of developing countries must not follow the traditional economic growth pattern or the conventional development model. As a new milestone action following the Millennium Development Goals (MDGs), the 2030 Agenda for Sustainable Development has gained wide support from the international community. Countries are actively taking measures to advance the Sustainable Development Goals (SDGs).

Effective planning, budgeting and monitoring systems and processes are essential for building the path of sustainable development that is in line with the principles in the 2030 Agenda. Since September 2015, many countries have been vigorously aligning their national strategies and planning with the 2030 Agenda. Developing countries have started integrating SDGs into their national development plans and monitoring and evaluation systems. More and more countries are placing SDGs at the heart of their national development plans[1]. According to Secretary-General António Guterres at the General Assembly on January 16, 2019, 102 states had presented Voluntary National Reviews (VNRs) so far to assess national-level implementation of the 2030 Agenda for Sustainable Development and 51 countries would complete their VNRs by the end of this year. At the United Nations Sustainable Development Summit in 2015, the Chinese leadership made the following pledge: "We, the people of China, make this solemn pledge: to maintain our commitment to implementation of the Post-2015 Development Agenda as our bounden duty, to work together with the world as one, and to strive for continued progress in global development."

The everchanging climate conditions, conflicts, inequality, persisting poverty and hunger, and fast urbanization pose challenges to achieving SDGs[2]. It is estimated that only half of SDGs can be achieved by 2030 on the current trajectory; funding for developing countries to implement development agenda are in severe shortage; climate change is evolving faster than the mitigation measures, threatening the survival of all countries on our planet[3]. Therefore, governments and stakeholders should work closely with a sense of urgency, to take immediate actions to accelerate the implementation of the 2030 Agenda, increase investment in sustainable development, effectively alleviate poverty and address inequality, pursue robust and inclusive economic growth, and protect ecological environment.

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[1] Synthesis of Voluntary National Reviews 2017
[2] The Sustainable Development Goals Report 2018
[3] Keynote speech delivered by Secretary-General António Guterres at the opening ceremony of the 2nd Belt and Road Forum for International Cooperation

Effective implementation of SDGs largely depends on local actions. Therefore, SDGs localization-related methodologies should be developed to align the 2030 Agenda with local contexts and needs, and to support local governments in adopting the SDGs framework for their development agenda. The localization of SDGs should engage multiple stakeholder groups including government, private sector, academics, NOGs and the general public. Partnerships for development should be facilitated to make public and private funding mutually complementary. Participation in sustainable development from all walks of life should be encouraged to achieve SDGs.

China has been taking actions to implement the 2030 Agenda. In April 2016, China released its *Position Paper on the Implementation of the 2030 Agenda for Sustainable Development* and participated in the UN's first round of voluntary national review in July. As the G20 Presidency at the summit in September 2016, China called for the G20 to formulate the *G20 Action Plan for the Implementation of the 2030 Agenda for Sustainable Development*, which set out the high-level principles on the implementation of the 2030 Agenda. China released its *National Plan on Implementation of the 2030 Agenda for Sustainable Development* later the same month. At the end of the year, China released the *Development Scheme of Innovation Demonstration Zones for Implementation of the 2030 Agenda for Sustainable Development*, proposing China's tasks in implementing the 2030 Agenda and the specific requirements for innovation demonstration zones.

## II.    DEVELOPMENT CHALLENGES

As the world's largest developing county, China is facing with both great opportunities and emerging challenges in implementing the 2030 Agenda. The overall strength of developing countries, especially emerging economies such as China, are constantly increasing with greater influence on international affairs and new opportunities to participate in global governance and international development cooperation. China's overall score of the SDG index in 2018 was 70.1, 9.4% above the regional average, ranking the 54th globally, which was a leap from where it had been the previous year (scoring 67.1, ranking the 71st), thus making China among the countries with the greatest improvement[4]. China is actively engaging itself in international development through South-South Cooperation and Belt and Road Initiative (BRI), which have a great potential to contribute to the global sustainable development if in compliance with the principle of 2030 Agenda.    China's Ministry of Foreign Affairs released *China's Progress Report on Implementation*

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[4]  SDG Index and Dashboards Report 2018, Sustainable Development Solutions Network (SDSN).

*of the 2030 Agenda for Sustainable Development*[5] in August 2017, summarising China's action for sustainable development in recent years and analysing its contribution, progress and gaps in terms of 17 SDGs and 169 targets. In the report, the local implementation of SDGs was highlighted for further collective efforts.

"The principal challenge facing Chinese society is the contradiction between unbalanced and inadequate development and the people's ever-growing needs for a better life". China is faced with many new challenges in poverty alleviation, livelihood improvement, balancing the development between regions and between urban and rural areas, and environmental management. At the end of 2018, 16.6 million rural population in China lived in poverty (under CNY 2,300/year, adjusted to 2010)[6]; the figure amounted to the total population of Cambodia. In terms of social progress, wide gaps of development exist between the eastern, north-eastern, central, and western regions in terms economic size, per capita output, and income. By the end of 2017, population aged 60 and above in China has reached 241 million. The figure is expected to reach the peak of 487 million (34.9% of the total population) by 2050[7]. Aging population and ecological degradation resulted from rapid growth of industries will lead to occurrence of non-communicable diseases which currently account for 85% of all deaths in China[8]. Although pollution control measures have improved the ecological environment in China over the recent years, the victory is far from secured; any slacking off might result in relapse.

Blazing the trail for local models of sustainable development, six national innovation demonstration zones for sustainable development were approved and established in Shenzhen, Taiyuan, Guilin, Chenzhou, Lincang, and Chengde in February 2018 and May 2019. It is expected that experience can be drawn from the practice in these zones for future scale-up. In addition, a number of demonstration zones for sustainable development in specific areas have been established by government departments such as Ministry of Ecology and Environment, National Development and Reform Commission, Ministry of Housing and Urban-rural Development, and Ministry of Agriculture and Rural Affairs, forming a top-down mechanism for sustainable development.

Despite the efforts by Chinese government, there are many challenges which need to be addressed in order for effective implementation of SDGs in the local level. First, local government is the main driving force for SDGs Localization and there is in lack of a multi-stakeholder platform where government, businesses, academics and civil society organizations can work together. The

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[5] China's Progress Report on Implementation of the 2030 Agenda for Sustainable Development
[6] National Bureau of Statistics of China, http://www.stats.gov.cn
[7] China National Working Commission on Ageing, http:/finance.China.com/news/11173316/20180228/32142367.html
[8] WHO: China-WHO Country Cooperation Strategy 2016-2020; China SDGs Indicators and Progress Assessment Report 2018

implementation of SDGs needs the input and contribution from everyone. Second, the existing indicators and measures tend to focus on specific areas or key issues in China's sustainable development and sometimes are not aligned with the SDGs set out in the 2030 Agenda. Therefore, it is urgently needed to develop sustainable development indicators and evaluation system for China in line with SDGs, so that local SDG progress could be timely assessed and reported, gaps be identified and local SDG plan be developed to address the gaps. Third, the overall local capacity is weak. This has become the key reason for the gaps between China's central government policy and/planning and actual implementation. In the meantime, the awareness and knowledge about SDGs among government officials, private sector and the general public are quite low. They have limited understanding about how SDGs are related to local development priorities. Lastly China has very few successful pilot SDG projects which are designed and implemented in accordance with principles and standards of the 2030 Agenda. Pilot projects can showcase how SDG standards can be incorporated into local policy making, budgeting, and decision-making. Thus successful cases and best practices generated from the pilot projects can be widely disseminated and contribute to domestic and global SDG advancement.

## III.    STRATEGIES

To rise to the challenges in SDGs localization and facilitate consensus among stakeholders on sustainable development with coordinated support, UNDP and CICETE join efforts in initiating the SDGs Localization Umbrella Project. **By leveraging UNDP's global platform, network, brand, and expertise, the project aims to support China's implementation of 2030 Sustainable Development Agenda through multi-stakeholder groups engagement, high-quality research and SDG planning, capacity building, and demonstration and pilot projects.**

The project will focus on the core needs for local sustainable development and design targeted localization activities in line with different regional development vision. National, provincial, municipal, and district or country levels of SDGs localization scheme and implementation plans will be designed, taking full account of local contexts such as development level, government priorities, key development barriers, advantages and disadvantages and so on. . Leveraging UNDP's platform, expertise, network and resources and drawing upon international best practices, the project will focus on conducting local needs assessment and capacity building, providing advisory services, supporting SDGs localization demonstration projects, and facilitating exchanges of experience for sustainable development. Diagnostic and result-oriented approach will be adopted in designing the development models, technical solutions and supporting systems

for SDGs. The project will also channel private capital and policy advice to explore approaches and models for implementing SDGs in counties, districts and municipalities in China.

## IV. OUTCOMES AND PARTNERSHIPS

### Expected Outcomes

The SDGs Localization Umbrella Project is expected to deliver outcomes in the following four areas:

**Outcome I: Establishment of multi-stakeholder platforms to support the design and use of sustainable development approaches**

Output 1: Establishment of SDGs Localization Advisory Committee to advise on UNDP's SDGs Localization work in a strategic level.

Output 2: Establishment of SDGs Business Cooperation Committee

Output 3: Creation of an effective mechanism/platform for multi-stakeholders to work together on SDGs in the local level.

Output 4: Creation of local platforms for international cooperation and exchanges on sustainable development, aligned with China's Belt and Road Initiative (BRI)

**Outcome II: High-quality research products which will support local SDG progress evaluation, diagnosis and planning.**

Output 5: Development of evaluation methodology and technical guidance for SDGs localization

Output 6: Development of diagnostic tools/methods for local sustainable development

Output 7:   Support to local governments in SDG aligned planning, budgeting and decision-making

Output 8 Policy recommendations to central government to support China's strategic planning for sustainable development

Output 9: Development of case studies for sustainable development

**Outcome III: Improved local capacity for sustainable development**

Output 10: Development of training material and modules for SDGs

Output 11:   Organization of multi-level, comprehensive and customized training activities on sustainable development, including training on sustainable development concepts and vocational, sectorial, and high-level training

> Output 12: Delivery of consultancy services and sharing best practices.
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> **Outcome IV: Implementation of SDGs localization demonstration projects, including typical flagship projects**
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> Output 13: development of Innovative investment and financing instruments to finance PPP projects and SDG projects.
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> Output 14: Formulation and implementation of key flagship demonstration projects
>
> Output 15: Support to the Innovation Demonstration Zones in China
>
> Output 16: Support for developing SDGs data platform in the local level and compiling the SDG progress report based on the SDG data.

**Outcome I: Establishment of multi-stakeholder platforms to support the design and use of sustainable development approaches** Outcome I aims to establish a multi-stakeholder platform to engage government, think tanks, civil society, businesses, and international organizations through SDGs Localization Advisory Committee and SDGs Business Cooperation Committee. This will help build consensus on SDGs localization, mobilize resources from various stakeholders at home and abroad, enhance multi-stakeholder participation, provide support for project implementation, and ensure a greater impact through dissemination, promotion and scale-up of project results.

**Output 1: Establishment of SDGs Localization Advisory Committee to advise on UNDP's SDGs Localization work in a strategic level**

The SDGs Localization Advisory Committee is a high-level advisory body to provide guidance and input regarding strategic direction of the project. The committee will consist of experts from think tanks and academia, government officials, representatives from international organizations, and NGO leaders from various areas of sustainable development. Its responsibilities include:

- Providing guidance on strategic direction and national policy,
- Providing technical advice on SDGs localization,
- Mobilizing political, technical, and financial resources for SDGs localization projects,
- Addressing local needs for sustainable development and supporting pilots and demonstration projects,
- Supporting policy research and dissemination, promotion, and scale-up of project results, and

- Participating in project activities directly to support knowledge products development, local capacity building and demonstration projects.

**Output 2: Establishment of SDGs Business Cooperation Committee**

Output 2 aims at establishing SDGs Business Cooperation Committee to garner interest in and support for SDGs from businesses and encourage businesses to play their roles in addressing local sustainability. Focusing on business needs for sustainable development, the committee will provide guidance for businesses to invest in SDGs localization activities and projects as follows:

- Enhancing business development strategies through SDGs by incorporating SDGs into business indicator systems and taking SDGs, especially those relevant to certain business operations, as a part of the performance report of the business;

- Aligning internal corporate policy and practice with SDGs;

- Channelling business investment to accelerate SDGs localization; and

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Leveraging resources and expertise of the businesses and other social actors to create models for sustainable development and to develop technology bank and solution library.

**Output 3: Creation of an effective mechanism/platform for multi-stakeholders to work together on SDGs in the local level**

One of the bottlenecks for SDGs Localization is the lack of coordinated efforts among different government departments and among different stakeholder groups. Output 3 aims to assist local governments in establishing effective cooperation mechanisms between government departments, think tanks, NGOs, businesses, and international organizations. Leveraging UNDP's platform, activities of different departments and various resources from different parties will be consolidated to support Accelerator Facilities or Joint Centers for SDGs localization jointly built by local governments and the UNDP where conditions allow.

**Output 4: Creation of local platforms for international cooperation and exchanges on sustainable development, aligned with China's Belt and Road Initiative (BRI)**

Leveraging    UNDP's international networks, the project will establish platforms to facilitate international cooperation and exchanges to share experience and lessons learned for sustainable development at home and abroad. Output 4 include:

- Supporting international visits and study tours on sustainable development,

- Facilitate international cooperation on concrete SDG projects,

- Organizing international events on sustainable development,
- Organizing peer-learning sessions on SDGs in the UN events to share best practices and lessons learned on SDGs localization,
- Using the platform for exchange and cooperation to facilitate China in providing technical support and capacity building for other developing countries, and
- Applying international social and environmental safeguards and standards to guide Chinese businesses' investment abroad and supporting the sustainable development of other countries

**Outcome II: High-quality research products which will support local SDG progress evaluation, diagnosis and planning**

The project will build an expert pool to provide strong technical support to SDG progress evaluation, diagnosis and planning. The project will conduct research on evaluation methodology for sustainable development, produce technical guide I and build a technical support system. Bottlenecks and needs in local sustainable development will be identified through specific diagnostic tools/methods. Accordingly, local action plans and schemes for sustainable development will be formulated, and policy recommendations will be made. Meanwhile the project will take the chance to give input to local level 14th Five-Year Plan, so that SDG targets and indicators can be integrated. By doing so, the project will assist governments in tackling SDG challenges by using policy tools.

**Output 5: Development of evaluation methodology and technical guidance for SDGs localization**

The project will develop evaluation methodology and technical guidance for SDGs localization to support solid monitoring and evaluation, and to support planning and decision-making of governments. Progress of SDGs implementation will be objectively assessed with full consideration of local contexts and the requirements of SDGs. Specifically, UNDP will work with partners to develop a standardized methodology and SDG Cities Index based on the 17 goals categorized by the 5 Ps: people, planet, prosperity, peace, partnership.

**Output 6: Development of diagnostic tools/methods for local sustainable development**

The project will investigate the practice of sustainable development in different regions and the latest international experience and successful models of SDGs localization to develop diagnostic tools/methods and compile diagnostic manual for local sustainable development. In

doing so, the project will provide technical support for diagnosing bottlenecks and needs in local sustainable development.

### Output 7: Support to local governments in SDG aligned planning, budgeting and decision-making

Based on the baseline survey of local socioeconomic and ecological development, the evaluation of local implementation of 13<sup>th</sup> Five-Year Plan and discussions with local stakeholders, the project will help local government develop sustainable development plan with SDGs framework. The plan will take in account of local contexts, needs and vision. The project will support the evaluation of the local 13th Five-Year Plan by using the SDGs framework, and provide policy advice for incorporating the SDGs into local 14th Five-Year Plan. Particularly, the project will:

- Encourage local governments to actively use SDG framework for planning and budgeting. UNDP will provide technical assistance in the process.
- Support local government to engage a wide range of stakeholders for decision-making and planning, in order to make sure marginalized groups are covered and no one is left behind.

### Output 8: Policy recommendations to central government to support China's strategic planning for sustainable development

The project will conduct policy research based on international experience of SDGs localization and the sustainable development practice in China to provide the Chinese government with policy advice for sustainable development strategies. The project will also work with think tanks and academic institutes to incorporate sustainable development into the National 14th Five-year Plan.

### Output 9: Development of case studies for sustainable development

The project will summarize China's experience in SDGs localization in case studies and disseminate, promote, and scale-up project results.

## Outcome III: Improved local capacity for sustainable development

Focusing on the bottlenecks and on-the-ground needs in China's local sustainable development, activities for this outcome include conducting local needs assessment, building standardized training programs, trainers team and training modules, and organizing multi-level,

comprehensive, and systematic training to effectively strengthen local capacity building for sustainable development.

### Output 10:  Development of training material and modules for SDGs

Based on domestic and international practice and local needs, the project will develop training material and modules containing SDG conceptions and principles, technologies and actions for sustainable development training.

### Output 11: Organization of multi-level, comprehensive and customized training activities on sustainable development, including training on sustainable development concepts and vocational, sectorial, and high-level training

Based on diagnosed bottlenecks and local needs, the project will deliver trainings to government officials, business representatives, the general public and other stakeholders. The project will organize multi-level and comprehensive training activities on sustainable development, including training on sustainable development fundamental knowledge and vocational, professional, and high-level training.

### Output 12: Delivery of consultancy services and sharing best practices

Based on local context of economic, social and environmental status quo and the SDG-related data, the project will deliver consultancy services to local governments to identify sustainable development bottlenecks, help set development priorities, share best practices of other places and give advices on concrete action plans.

### Outcome IV: Implementation of SDGs localization demonstration projects, including typical flagship projects

This outcome seeks to create an enabling environment where businesses and civil society join force in supporting SDGs localization in China, by innovating investment and financing mechanisms. Innovation Demonstration Zones for Sustainable Development and other local pilot zones will be supported. The project will also launch SDGs localization flagship projects which will constitute a case study library for sustainable development with Chinese characteristics, providing wholistic solutions for local sustainable development.

**Output 13: Development of Innovative investment and financing instruments to finance SDG projects.**

Through PPP model and SDG impact financing instruments, the project will engage private sector in SDG projects by taking advantage of their strength in finance, technology and business operation. UNDP will facilitate for government, private sector, civil society and academia to work together on pilot projects, thus create successful cases of multi-stakeholder participation in SDGs Localization.

**Output 14: Formulation and implementation of key flagship demonstration projects**

With full consideration of China's national strategy of ecological civilization, existent initiatives in different places regarding sustainable development, and the willingness of local government to work with UNDP, the project will select a number of precincts for demonstration. The demonstration projects will have different focus in consistence with local needs and priorities, such as rural revitalization, innovation, tourism and healthcare, ecologically friendly agriculture, new energy, south-south cooperation, and impact financing for SDGs, etc.

**Output 15: Support to the Innovation Demonstration Zones in China**

The project will work closely with National Innovation Demonstration Zones for Sustainable Development to identify typical cities in the first (Taiyuan, Guilin, and Shenzhen), the second (Chenzhou, Lincang, and Chengde) and the upcoming third groups of demonstration zones and from other areas with potentials and willingness for SDGs localization. UNDP will conduct need assessment, provide technical assistance to the selected cities and areas, and support with demonstration projects as well.

**Output 16: Support for developing SDGs data platform in the local level and compiling the SDG progress report based on the SDG data.**

Based on the actual development of pilots and demonstration zones, the project will formulate local SDGs indicators system and support the development of local SDGs data platforms. Solid evaluation on local sustainable development will also be conducted, on the foundation of which local SDGs progress reports will be developed and released.

**Required resources for expected outcomes**

Main inputs for expected outcomes include:

**Funding input:**

The budget of the project amounts to USD 3,000,000 (tentative), among which USD 50,000 will come from UNDP's core funding as the seed fund while other funds are to be raised through cost-sharing from local governments, businesses and other organizations.

The SDGs Localization Umbrella Project will establish a multi-stakeholder platform, through which all stakeholders will contribute their resources, including funds, technologies, and social connections, to achieving the SDGs.

**Human resource input:**

As the project will be a flagship one for UNDP and CICETE, both parties are expected to provide their best human resource for project implementation. In addition, the project will work with relevant technical supporting organizations to build an expert team to provide robust knowledge support.

**Partnerships**

The project will leverage strengths of organizations and individuals from different sectors and mobilize their resource and technical capacity to support the project.

**United Nations Development Programme in China (UNDP China)**

With our offices in over 170 countries and territories, United Nations Development Programme (UNDP) boasts of extensive international networks and expertise. Since UNDP started its country office in China in 1979, over 900 projects have been implemented to promote sustainable development of China. At the same time, UNDP has carried out wide international cooperation under south-south framework and thus gained invaluable experience. UNDP China will conduct overall monitoring of pilot projects for quality assurance and provide international resources and technical support for pilot projects to explore BRI cooperation for sustainable development.

The project team will work closely with UNDP Headquarters, Regional Bureau of Asia and the Pacific and relevant country offices to take their advices about project design and implementation and seek out their technical support in relevant areas.

**China International Center for Economic and Technical Exchanges (CICETE)**

China International Center for Economic and Technical Exchanges (CICETE) is delegated by the Ministry of Commerce as the project management agency for UNDP projects in China. CICETE has over three decades' experience in managing UNDP projects with more than 900 projects

successfully carried out in various areas. CICETE is responsible for signing the project document on behalf of the Chinese government, co-monitoring pilot projects with UNDP China for overall quality assurance, and providing related support to the sustainable development of the BRI countries.

### Government agencies

In terms of central government, the project will keep in close communications with government departments and agencies, such as Ministry of Foreign Affairs, Ministry of Commerce, Ministry of Science and Technology, National Development and Reform Commission, Ministry of Agriculture and Rural Affairs, Ministry of Ecology and Environment, and China International Development Cooperation Agency, for their support and guidance.

In the local level, the main partners of the project are local governments. Depending on the design of sub-projects, UNDP will cooperate with local government in various levels to promote local sustainable development.

### Businesses

Businesses and other private sector entities are encouraged to contribute to sustainable development by improving their business practice to meet the criteria of sustainable development and by integrating their business operation with local sustainable development needs. The project will channel funds, technology, and solutions from businesses into local sustainable development to deliver results that benefit all partners.

### Academic institutes and think tanks

Academic institutes and think tanks will provide robust knowledge support for the project. Currently, the project is working with Tsinghua University, Chinese Academy of Sciences, Chinese Academy of Social Sciences, Development Research Center of the State Council, China Center for Urban Development, State Information Center and other institutes, and experts from these institutes provide intellectual support for local planning, demonstration projects, policy research, training and advisory services, etc.

### Other international organizations

Most international organizations working in China, especially the UN agencies, have prioritized supporting China's sustainable development. Each international organization has its

specialized expertise. By working closely with them, the project will garner the synergy from the partnership to support China's sustainable development.

**Risks and hypotheses**

Risks in project implementation are expected in the following areas:

**Risk 1: Difficulties in incorporating SDGs into the current performance evaluation and review and statistic specification of local governments**

**Risk management measures:** When establishing SDGs localization methodology and technical guidance, UNDP will organize visits and meetings with local statistical departments. Data will be collected through field visits and roundtables with government officials, local business leaders, and representatives of the general public, etc. Local governments will provide information briefing on cities' situation, existing planning, and indicators for government performance evaluation and review. The project team will develop pre-evaluation reports which will identify and analyse the issues,    bring forward preliminary solutions, and propose the local SDG indicators system.. In addition, UNDP can contribute to the design, implementation, and promotion of the project with its extensive networks of domestic and international expertise.

**Risk 2: Difficulties in coordinating multi-stakeholder cooperation and exchanges between governments, think tanks, and businesses**

**Risk management measures:**    At the central level, an Advisory Committee will be created to support the Umbrella Project as a whole. As one of the important outputs of the project, the Advisory Committee is designed to include representatives from different sectors. In the local level, UNDP will advise local government to establish taskforces for SDGs Localization. The taskforce will be constituted by representatives from different government departments, business leaders, experts from academics and think tanks, CSO representatives, and so on.

**Risk 3: Scarcity of resources: the project will entail massive data collection and investigation, which requires much funding support.**

**Risk management measures:** The project will depend much on government cost-sharing and funding contribution from private sector. The central government is responsible for national priority setting and budget allocation while local governments are responsible for project design and implementation for sustainable development in various areas. At the same time, by optimization during project design, UNDP will incorporate PPP, impact investment in SDGs and

other financing mechanisms into the project to encourage participation of businesses and civil society.

**Risk 4: Some of the project results will take effect in a longer term, which might affect the development of SDG planning and implementation by the local government.**

**Risk management measures:** The project design takes account of both long-term goals of SDGs localization and the current need to address bottlenecks in local sustainable development. The project will first ensure full alignment of SDGs with the national and local development strategies to help incorporating SDGs into local long-term development plan. For demonstration projects which can take effects in a short term, UNDP will prioritize to work with places on flagship projects where government has a stronger commitment and related sustainable development plans have already been in place. In terms of building the expert team, the project tends to select experts that are experienced in both theory and practice of sustainable development and able to produce quality policy advice efficiently and to promote policy adoption and scale-up.

**Sustainability and scale-up**

The project will be led by local governments with participation of businesses and other entities and with guidance and technical support from UNDP and CICETE. The project will emphasize on local capacity building to ensure its sustainability.

The implementing organization of the project will draw upon project experience to form policy advice for the 14th Five-year Plan, and to conduct case study and organize exchanges at home and abroad to disseminate, promote and scale-up project results to achieve a greater impact.

# V. RESULTS FRAMEWORK⁹

**Project title and ATLAS project ID: SDGs Localization Umbrella Project**

| Intended output | Output indicators | Data source | Baseline Amount | Baseline Year | Output targets (at data collection frequency) 2019 | 2020 | 2021 | 2022 | Final | Methods and risks of data collection |
|---|---|---|---|---|---|---|---|---|---|---|
| **Outcome I: Establishment of multi-stakeholder platforms to support the design and use of sustainable development approaches** | | | | | | | | | | |
| **Output 1** Establishment of SDGs Localization Advisory Committee to advise on UNDP's SDGs Localization work in a strategic level. | 1.1 Number of committee meetings convened every year | Monitoring report & evaluation report | 0 | 2019 | | 1 | 1 | 1 | 3 | Progress report |
| | 1.2 Quality of advices given by the committee | Monitoring report & evaluation report | 0 | 2019 | | | | | | Progress report |
| **Output 2** Establishment of SDGs Business Cooperation Committee | 2.1 Number of committee meetings convened every year | Monitoring report & evaluation report | 0 | 2019 | | 1 | 2 | 3 | 6 | Progress report |
| | 2.2 Number of companies which change to align their operations with SDG standards | Monitoring report & evaluation report | 0 | 2019 | | 2 | 3 | 5 | 10 | Progress report |

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⁹ UNDP publishes its project information (indicators, baselines, targets, and results) in line with the criteria of the International Aid Transparency Initiative (IATI). Please ensure that indicators are specific, measurable, accessible, relevant, and time-based. Please provide accurate baseline and targets based on reliable evidence and data. Please avoid using initials to ensure that the external reader can understand project results clearly.

| Output 3 | Indicator | Means of verification | Baseline | Year | Baseline value | Target | Target | Target | Target | Data source |
|---|---|---|---|---|---|---|---|---|---|---|
| Creation of an effective mechanism/platform for multi-stakeholders to work together on SDGs in the local level. | 3.1 Platform for multi-stakeholder engagement is created, such as taskforces, cross-department work teams, SDG acceleration facilities. | Monitoring report & evaluation report | Less | 2019 |  | Moderate | Majority | Majority | Majority | Progress report |
| **Output 4** Creation of local platforms for international cooperation and exchanges on sustainable development, aligned with China's Belt and Road Initiative (BRI) | 4.1 Number of international visits and study tours | Monitoring report & evaluation report | Less | 2019 | 0 | 2 | 2 | 3 | 7 | Progress report |
|  | 4.2 Number of international cooperative SDG projects | Monitoring report & evaluation report | 0 | 2019 | 0 | 1 | 2 | 2 | 5 | Progress report |
|  | 4.3 Number of international SDG forums organized | Monitoring report & evaluation report | Less | 2019 | 0 | 1 | 2 | 2 | 5 | Progress report |

**Outcome II: High-quality research products which will support local SDG progress evaluation, diagnosis and planning.**

| Output 5 | Indicator | Means of verification | Baseline | Year | Baseline value | Target | Target | Target | Target | Data source |
|---|---|---|---|---|---|---|---|---|---|---|
| Development of evaluation methodology and technical guidance for | 5.1 Developed evaluation methodology for SDGs localization | Monitoring report & evaluation report | Less | 2019 | 1 | 0 | 0 | 0 | 1 | Progress report |

| Output / Indicator | Means of verification | Baseline | Year | | | | | Data source |
|---|---|---|---|---|---|---|---|---|
| SDGs localization — 5.2 Developed technical guidance in line with the evaluation methodology for SDGs localization | Monitoring report & evaluation report | Less | 2019 | 1 | 0 | 0 | 1 | Progress report |
| **Output 6** Development of diagnostic tools/methods for local sustainable development — 6.1 Developed diagnostic tools/methods for local sustainable development | Monitoring report & evaluation report | Less | 2019 | 1 | 0 | 0 | 1 | Progress report |
| **Output 7** Support to local governments in SDG aligned planning, budgeting and decision-making — 7.1 Conducted Number of local governments which incorporate SDG principles into local Five-Year Plans | Monitoring report & evaluation report | Less | 2019 | 3 | 0 | 0 | 3 | Progress report |
| 7.2 Number of local governments which develop budgets based on SDG principles | Monitoring report & evaluation report | Less | 2019 | 1 | 2 | 2 | 5 | Progress report |
| **Output 8:** Policy recommendations to central government to support China's strategic planning for sustainable development — 8.1 Conducted policy research | Monitoring report & evaluation report | Less | 2019 | 0 | 1 | 0 | 1 | Progress report |
| 8.2 policy recommendations disseminated and submitted to central government | Monitoring report & evaluation report | Less | 2019 | 0 | 0 | 1 | 1 | Progress report |
| **Output 9** Development of case studies for sustainable development — 9.1 Number of case studies | Monitoring report & evaluation report | Less | 2019 | 1 | 2 | 2 | 5 | Progress report |

| Output | Indicator | Means of verification | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 9.2 Number of local governments influenced by the case studies | Monitoring report & evaluation report | Less | 2019 | 0 | 0 | 2 | 3 | 5 | Progress report |
| **Outcome III: Improved local capacity for sustainable development** | | | | | | | | | | |
| **Output 10**<br>Development of training material and modules for SDGs | 10.1 Compiled standardized material and Massive Open Online Courses (MOOC) | Monitoring report & evaluation report | Less | 2019 | 1 | 0 | 0 | 0 | 1 | Progress report |
| | 10.2 number of training modules based on local needs | Monitoring report & evaluation report | Less | 2019 | 0 | 1 | 2 | 2 | 5 | Progress report |
| **Output 11**<br>Organization of multi-level, comprehensive and customized training activities on sustainable development, including training on sustainable development concepts and vocational, sectorial, and high-level training | 11.1 Number of trainings delivered | Monitoring report & evaluation report | Less | 2019 | 0 | 3 | 3 | 3 | 9 | Progress report |
| **Output 12**<br>Delivery of consultancy services and sharing best practices. | 12.1 Number of advisory services provided | Monitoring report & evaluation report | Less | 2019 | 0 | 3 | 3 | 3 | 9 | Progress report |

**Outcome IV: Implementation of SDGs localization demonstration projects, including typical flagship projects [10]**

| Output | Indicator | Means of verification | Baseline | Year | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Output 13** development of Innovative investment and financing instruments to finance PPP projects and SDG projects. | 13.1 Number of SDG projects invested through PPP and impact financing model | Monitoring report & evaluation report | Less | 2019 | 0 | 1 | 2 | 2 | 5 | Progress report |
| **Output 14** Formulation and implementation of key flagship demonstration projects | 14.1 Number of demonstration projects | Monitoring report & evaluation report | Less | 2019 | 0 | 2 | 2 | 2 | 6 | Progress report |
| **Output 15** Support to the Innovation Demonstration Zones in China | 15.1 Policy recommendations, advisory services, capacity building and technical assistance for pilot projects at the National Innovation Demonstration Zones | Monitoring report & evaluation report | Less | 2019 | Mod erate | Majority | Majority | Majority | Majority | Progress report |
| **Output 16** Support for developing SDGs data platform in the local level and compiling the SDG progress report based on the SDG data. | 16.1 Number of Developed SDG data platforms and SDG progress reports for local governments | Monitoring report & evaluation report | Less | 2019 | 0 | 1 | 2 | 2 | 5 | Progress report |

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[10] Specific activities vary between different demonstration and flagship projects.

## VI. MONITORING AND EVALUATION

## Monitoring plan

| Monitoring activities | Targets | Frequency | Intended activities | Partners (if any) | Cost (if any) |
|---|---|---|---|---|---|
| Tracking progress of outcomes | Collecting and analysing progress data of indicators to evaluate the progress of intended output | In line with the frequency of each indicator | Project management team will address any delay in progress. | | |
| Monitoring and managing risks | Identifying specific risks that threatening the intended outcomes; identifying and monitoring risk management activities through risk log, including monitoring measures and plans required by the Social and Environmental Standards of UNDP; conducting audits in line with UNDP's Audit policy to manage financial risks | Quarterly | Project management team will identify and manage risks. Risk log will be diligently maintained to track identified risks and measures in place. | | |
| Learning | Summarizing knowledge gained, best practice and lessons learned, and actively learning from other projects and partners of the knowledge of resources, best practice and lessons learned and incorporating them into the project | At least annually | Project team will draw upon experience and lessons learned to impact management decision-making. | | |
| Annual quality assurance of project | Evaluating project quality in line with the UNDP Quality Assurance Policy to identify its strengths and weaknesses and finally impacting management decision-making to improve the project | Annually | Strengths and weaknesses of the project will be reviewed and evaluated by project management team to impact decision-making and boost project performance | | |
| Review & adjustment | Conducting internal review of all data and evidence of monitoring activities to impact decision-making | At least annually | Performance data, risks, lessons learned, and project quality will be discussed by the steering committee for project adjustment. | | |
| Project report | Presenting the steering committee and key stakeholders with a progress report which includes progress data to reflect achieved annual targets, annual review of project quality rating, and latest risk management measures, and with evaluation or review reports (if any) during the | At the end of the project (project closure report) | | | |

| project |
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## Evaluation plan[11]

| Evaluation | Partner (if any) | Output in strategic plan | Outcome or output in United Nations Development Assistance Framework (UNDAF)/ Country Programme Document (CPD) | Expected completion date | Key stakeholders in evaluation | Cost and funding |
| --- | --- | --- | --- | --- | --- | --- |
| Final evaluation | CICETE & UNDP | Final evaluation | Contributing to the three output of Country Programme Document for China 2016-2020 | 2022 | CICETE & UNDP | USD 3,000,000 million, among which USD 50,000 will come from the UNDP's core resources as initial fund while other funds are to be raised through cost sharing between local governments and businesses (tbd) |

[11] Optional

24

# VII.   MULTI-YEAR WORK PLAN[12][13]

The project is expected to last three years, i.e. starting from December 2019 and ending in November 2022 with a total budget of USD 3 million. The project will be carried out by phases. In the first year, the project will focus on establishing credibility and gain the trust from target cities for SDGs localization. Resources use and allocation will be determined flexibly in line with increasing need for services. The first phase of the project will be funded with USD 50,000 contributed by UNDP as initial fund for project management office setup, including pre-launch arrangements, meetings and business travels, and expert fee. Depended on specific activities of the project, the final budget shall be the mutually agreed annual work plan during project implementation.

Multi-year work plan and budget of the project will be implemented in line with the following table:

| Expected outputs | Planned activities | Planned budget (USD) | | | | Responsible party | Budget arrangements (USD) | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | 2022 | | Funding Source | Budget description | Amount (USD) |
| **Output 1** | | | | | | | | | |
| Establishment of SDGs Localization Advisory Committee to advise on UNDP's SDGs Localization work in a strategic level. | 1.1 Establishing SDGs Localization Advisory Committee | 3,000 | | | | Project Management Office (PMO) | TRAC | | 3,000 |
| | 1.2 Convening committee meeting every year | 3,000 | 3,000 | 3,000 | 3,000 | PMO | TRAC | | 12,000 |

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[12]  Document DP/2010/32 of the Executive Board of the United Nations Development Programme provides the definition and categorization of costs, and development effectiveness costs charged for projects.
[13]  Revision of scope of impact (output), completion date or expected total cost in budget require formal budget revision where the revision must be approved by the project steering committee. For other revision of budget, the approval of the project manager at UNDP is required with consent of other signing parties. For instance, the latter procedure is applicable to budget revision of yearly activities adjustment.

| Output | Activity | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Output 1 subtotal | 6,000 | 3,000 | 3,000 | 3,000 | | | 15,000 |
| **Output 2** Establishment of SDGs Business Cooperation Committee | 2.1 Establishing SDGs business partnership committee | 3,000 | | | | PMO | TRAC | 3,000 |
| | 2.2 Convening committee meeting every year | 3,000 | 3,000 | 3,000 | 3,000 | PMO | TRAC | 12,000 |
| | Output 2 subtotal | 6,000 | 3,000 | 3,000 | 3,000 | | | 15,000 |
| **Output 3** Creation of an effective mechanism/platform for multi-stakeholders to work together on SDGs in the local level. | 3.1 Assisting governments in building effective cooperation and sharing mechanisms between government departments, think tanks, non-governmental organizations, businesses, and international organizations | | 10,000 | 10,000 | 10,000 | PMO | Cost sharing | 30,000 |
| | 3.2 Supporting Accelerator Facilities or Joint Centers for SDGs localization jointly built by local governments and the UNDP where conditions allow. | | 200,000 | 100,000 | | PMO | Cost sharing | 300,000 |
| | Output 3 subtotal | | 210,000 | 110,000 | 10,000 | PMO | | 330,000 |
| **Output 4** Creation of local platforms for international cooperation and exchanges on sustainable development, aligned with China's Belt and Road Initiative (BRI) | 4.1 Supporting international visits and study tours on sustainable development | | 100,000 | 100,000 | 50,000 | PMO | Cost sharing | 250,000 |
| | 4.2 Facilitate the implementation of specific international cooperation projects | | 12,000 | 12,000 | 50,000 | PMO | Cost sharing | 74,000 |
| | 4.3 Organizing international events on sustainable development | | 100,000 | 100,000 | | PMO | Cost sharing | 200,000 |
| | 4.4 Organizing peer-learning | | 12,000 | 13,000 | 13,000 | PMO | Cost sharing | 38,000 |

| | Amount | | | Party | Funding Source | Total |
|---|---|---|---|---|---|---|
| sessions on SDGs in the UN events to share best practices and lessons learned on SDGs localization | | | | | | 38,000 |
| 4.5 Using the platform for exchange and cooperation to facilitate China in providing technical support and capacity building for other developing countries | | 12,000 | 13,000 | PMO | Cost sharing | 38,000 |
| 4.6 Applying international social and environmental safeguards and standards to guide Chinese businesses' investment abroad and supporting the sustainable development of other countries | | 12,000 | 13,000 | PMO | Cost sharing | 38,000 |
| Output 4 subtotal | 248,000 | 251,000 | 139,000 | | | 638,000 |
| **Output 5** Development of evaluation methodology and technical guidance for SDGs localization | | | | | | |
| 5.1 Developing evaluation methodology for SDGs localization | | 100,000 | | PMO | Cost sharing | 100,000 |
| 5.2 Developing technical guidance in line with the evaluation methodology for SDGs localization | | 100,000 | | PMO | Cost sharing | 100,000 |
| Output 5 subtotal | | 200,000 | | | | 200,000 |
| **Output 6** Development of | | | | | | |
| 6.1 Developing diagnostic tools/methods for local | | 56,000 | 56,000 | PMO | Cost sharing | 112,000 |

| Output | Activity | | | | Responsible Party | Funding Source | Total |
|---|---|---|---|---|---|---|---|
| sustainable development | | | | | | | |
| diagnostic tools/methods for local sustainable development | | | | | | | |
| | Output 6 subtotal | 56,000 | 56,000 | | | | 112,000 |
| **Output 7** Support to local governments in SDG aligned planning, budgeting and decision-making | 7.1 Conducting economic, social, and environmental baseline surveys and evaluation under SDGs framework combined with evaluation of the local implementation of 13th Five-year Plan | 75,000 | 75,000 | | PMO | Cost sharing | 150,000 |
| | 7.2 Developing local plans and budgets by incorporating SDG framework and principles and linked with local 14th Five-Year Plan | 100,000 | 50,000 | | PMO | Cost sharing | 150,000 |
| | Output 7 subtotal | 175,000 | 125,000 | | | | 300,000 |
| **Output 8** Policy recommendations to central government to support China's strategic planning for sustainable development | 8.1 Conducting policy research | | 100,000 | | PMO | Cost sharing | 100,000 |
| | 8.2 Releasing research reports and organizing seminars to provide policy advice for relevant authorities | | 50,000 | | PMO | Cost sharing | 50,000 |
| | Output 8 subtotal | | 150,000 | | | | 150,000 |
| **Output 9** Development of case studies for sustainable development | 9.1 Conducting case studies of national/local sustainable development | | | 100,000 | PMO | Cost sharing | 100,000 |
| | 9.2 Disseminating success stories through international forum and | | | 50,000 | PMO | Cost sharing | 50,000 |

| Output | Activity | | | | Responsible | Source | Total |
|---|---|---|---|---|---|---|---|
| | seminars | | | | | | |
| **Output 9 subtotal** | | | | | | | 150,000 |
| **Output 10**<br>Development of training material and modules for SDGs | 10.1 Compiling standardized material and developing Massive Open Online Courses (MOOC) | 50,000 | 50,000 | | PMO | Cost sharing | 100,000 |
| | 10.2 Developing targeted training modules based on local needs | 100,000 | 100,000 | | PMO | Cost sharing | 200,000 |
| **Output 10 subtotal** | | 150,000 | 150,000 | | | | 300,000 |
| **Output 11**<br>Organization of multi-level, comprehensive and customized training activities on sustainable development, including training on sustainable development concepts and vocational, sectorial, and high-level training | 11.1 Conducting training | 70,000 | 80,000 | 70,000 | PMO | Cost sharing | 220,000 |
| **Output 11 subtotal** | | 70,000 | 80,000 | 70,000 | | | 220,000 |
| **Output 12**<br>Delivery of consultancy services and sharing best practices. | 12.1 Providing advisory services | 60,000 | 60,000 | 50,000 | PMO | Cost sharing | 170,000 |
| **Output 12 subtotal** | | 60,000 | 60,000 | 50,000 | | | 170,000 |
| **Output 13**<br>development of Innovative investment and financing | 13.1 facilitating PPP and impact investment in local SDGs projects | | | | PMO | Cost sharing | |

| | | | | | |
|---|---|---|---|---|---|
| instruments to finance PPP projects and SDG projects[14] | | | | | |
| Output 13 subtotal | | | | | |
| **Output 14**<br>Formulation and implementation of key flagship demonstration projects | 14.1 Demonstration projects | PMO | Cost sharing | | |
| Output 14 subtotal | | | | | |
| **Output 15**<br>Support to the Innovation Demonstration Zones in China | 15.1 Providing support for building innovation demonstration zones in China | PMO | Cost sharing | | |
| Output 15 subtotal | | | | | |
| **Output 16**<br>Support for developing SDGs data platform in the local level and compiling the SDG progress report based on the SDG data. | 16.1 Supporting demonstration zones in building SDGs data platforms and develop and release local SDGs progress reports based on SDG data | PMO | Cost sharing | | |
| Output 16 subtotal | | | | | |
| Total | | UNDP & CICETE | | 20,000 | 2,600,000 |
| Project launch | PMO setup and pre-launch arrangements, meetings and | | TRAC | 20,000 | |

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[14] The activities and budgets for Outputs from 14 to 17 will depend on the arrangements of specific sub-projects. They can't be specified at this point of time.

| | business travels, and expert fee | | |
|---|---|---|---|
| Final evaluation | 20,000 | | 20,000 | PMO |
| UNDP General Management Support (GMS) (3%) | 90,000 | | | UNDP |
| CICETE Management Support (3%) | 90,000 | | | CICETE |
| Direct project costs (DPC) of UNDP (3%) | 90,000 | | | UNDP |
| Direct project costs (DPC) of CICETE (3%) | 90,000 | | | CICETE |
| TOTAL | 3,000,000 | | | |

| Available funds | |
|---|---|
| UNDP core resources | 50,000 |
| Cost sharing (to be raised) | 2,950,000 |
| TOTAL | 3,000,000 |

## VIII. PROJECT MANAGEMENT

SDGs Localization Umbrella Project involves close cooperation between various stakeholders, including government departments, academic institutes (scientific research institutes included), NGOs, private sector, local communities, businesses, and the public. The project design takes full account of UNDP policies regarding the 17 SDGs, including supporting mechanisms for stakeholders' participation. As the implementing organization, CICETE will be responsible for project coordination and management and the establishment of the Project Steering Committee. The project will adopt UNDP's National Implementation Modality. For project implementation, the following bodies will be established in the project: SDGs Localization Advisory Committee and SDGs Business Partnership Committee, both responsible for strategic decision-making; Project Management Office responsible for coordination with the expert team; and SDGs Impact Finance Office, responsible for carrying out specific project activities to deliver outputs and outcomes.

Organizational Structure

| Project Steering Committee | | |
|---|---|---|
| UNDP | CICETE | other partners |

| SDGs Localization Advisory Committee | SDGs Business Partnership Committee |
|---|---|

| Expert support team | Project Management Office | SDGs Impact Finance Office |
|---|---|---|
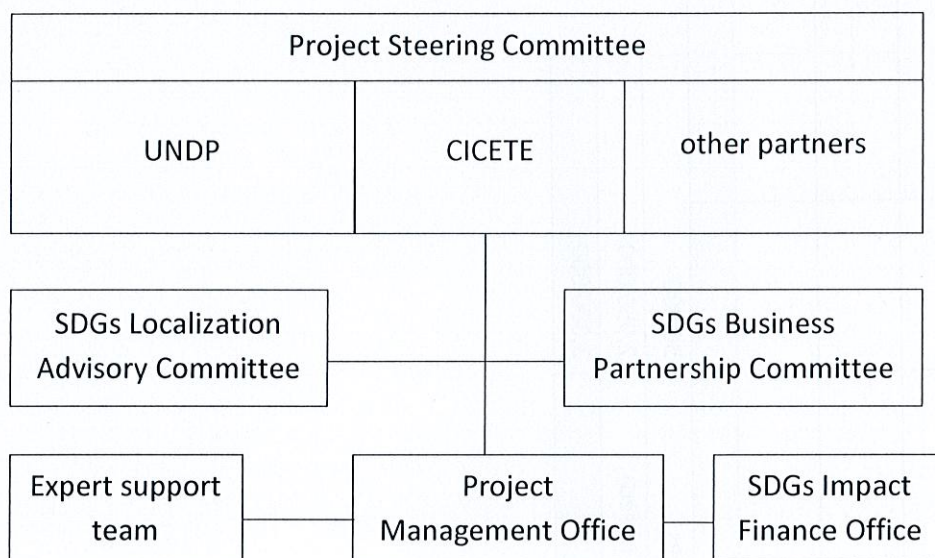
## IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of China and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by China International Center for Economical and Technical Exchanges ("Implementing Partner") in accordance with its financial regulations, rules, practices, and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure the best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## X.   RISK MANAGEMENT

1. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

   ➢ Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

   ➢ Assume all risks and liabilities related to the Implementing Partner's security and the full implementation of the security plan.

2. UNDP reserves the right to verify whether such a plan is in place and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with

33

such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

6.  All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

7.  The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds.   The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

8.  The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

9.  In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

    Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall

provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

**Note:** The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.