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**Draft country programme document for the People's Republic of China  
(2011-2015)**

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## I. Situation analysis

1. Since 1979, with the introduction of reforms, the gross domestic product (GDP) of China has grown at an average of 9.8 per cent per annum, per capita income has increased fiftyfold and some 500 million people have been lifted out of poverty. As highlighted by the 2008 Millennium Development Goal (MDG) progress report, many targets have been achieved seven years in advance of 2015, including those relating to the eradication of poverty and hunger, achieving universal primary education and reducing under-five mortality rates. China is also on track to reduce maternal mortality and control HIV/AIDS and tuberculosis, with good hopes of achieving these MDG targets by 2015. The Human Development Index (HDI) of China has improved twice as fast as other countries at the same level of development in 1980, increasing from 0.553 to 0.763 in 2007. Since 1980, the per capita GDP (purchasing power parity value) has increased tenfold from \$312 to \$3,266. Yet, as pointed out by the United Nations common country assessment (CCA) for China, and as detailed in the MDG progress report, there remain a number of significant national development challenges that need to be addressed for China to meet its MDG targets and retain and equitably distribute the benefits of the remarkable gains achieved in recent years. In recent meetings between the senior leadership of UNDP and China, both parties reiterated their commitments to work closely in fully achieving the MDGs in China and promoting China's sharing its experiences and lessons learned with other developing countries on the achievement of the MDGs.

2. Rural-urban income and gender disparities have grown sharply in recent years. About 100 million people remain in poverty based on the global \$1 a day standard, with over 10 million people still living in absolute poverty – most of them are located in ethnic minority areas. The Gini Coefficient stood at 0.16 before reform: it is now at 0.47. As the 2007/08 China Human Development Report points out, a core reason for this is the unequal and limited access to social services. Some 80 per cent of the rural population and 50 per cent of the urban population are entirely uninsured for medical costs. Migrant workers remain outside the system of social protection. Tens of millions of Chinese reaching old age over the next half century will have no pension or health-care coverage at all. Because of migration, the rural population is increasingly dominated by the elderly, female and vulnerable. Indeed, China's ability to expand the coverage of quality social services – education, health care, and the provision of a greater level of social protection – cannot be viewed as a purely domestic concern. Achievements in these areas are not only prerequisites for further development in China, they are also crucial if Chinese domestic consumption is to increase and the necessary rebalancing of the world economy is to occur in the wake of the global financial crisis.

3. Rapid growth has come at a serious environmental cost and has raised concerns about sustainability in the face of urbanization and climate change. With its size and role in the global economy, China is critical for any progress on bringing global CO<sub>2</sub> emissions and ozone depleting substances under control. With an additional 350 million people moving into urban centres over the next 20 years, pressure on social services, energy, housing infrastructure, and ultimately the environment will increase. Pollution from factories and power plants is rising by 9 per cent a year. Water quality is already declining, water levels are dropping and water supplies are becoming more erratic and unpredictable. Almost 40 per cent of the population lives in regions facing water scarcity. China's globally significant biodiversity and diversity of ecosystems is under severe threat from the economic growth. Increasing degradation has made China's ecosystems more vulnerable to the impacts of climate change and less able to buffer its impacts. China is among the most vulnerable countries in the world to climate change, and it appears that climate change is being felt by the poor and vulnerable first: some 95 per cent of the estimated 10 million people living in absolute poverty in China reside in ecologically fragile zones and are already the most adversely affected by climate change and its consequences. Extreme weather events, including typhoons, floods and droughts, have caused great economic loss and adverse consequences, particularly for the poor and vulnerable.

4. China's ability to successfully confront these development challenges over the next five years will be critical for China to meet its remaining MDG targets by 2015 and deliver on its own Xiaokang vision of an all-around well-adjusted society by 2020. In its 12<sup>th</sup> Five-Year Plan (2011-2015), the Government of China recognizes the need to prioritize the sustainable development of population, resources and the environment if the Xiaokang vision is to be realized. To this end, the Government has set targets for the expansion of social security as integral to the rebalancing of the economy towards greater domestic consumption. This will include investments in housing, job generation, pension, and the public health system, among others. Urbanization is to be pursued in combination with targets for establishing the new socialist countryside. In line with the commitment to reduce carbon intensity by 40-45 per cent by 2020, the 12<sup>th</sup> Five-Year Plan has also set resource and environmental targets, which will be achieved by investments in new and renewable energy, energy efficiency, and protecting the eco-environment.

5. Considering the population, the size and the complexity of China, and the regional differences in development conditions and capacities across China, there is a need to deepen the implementation of those policies, laws and regulations according to the local contexts. Increasingly burdened by unfunded mandates, the weakened capacity and legitimacy of local governments are seen as hindering balanced development. Addressing these development challenges also requires a level of coordination across different bureaucracies and authorities. There is also a need to reorganize administrative structures to raise efficiency and effectiveness, and enhance transparency and participation.

6. In recent years, China has undertaken quite a number of initiatives in terms of South-South and regional cooperation and more are being planned. Moreover, over the next five years, there are unprecedented development opportunities that UNDP can build on given the unique role of China in the world, and a new emerging contribution of civil society. In the light of recent discussions on a China-UNDP strategic partnership at the level of senior Chinese and UNDP leadership, there is an opportunity for China to substantially enhance South-South cooperation through trilateral partnerships (i.e., United Nations-China and other developing countries), including China-Africa cooperation. More can be done to share China's experience in reducing poverty, facilitating and managing the consequences of rapid economic growth and adapting to the existing impacts of climate change. There is also an opportunity to strengthen regional and cross-border and development partnerships.

7. Civil society empowerment will be critical, as the potential of civil society and other partners to contribute to China's development is being recognized by the Government. An estimated 300,000 to 500,000 non-governmental organizations (NGOs) are operating in China. Citizens contributed some \$11 billion in response to the Sichuan earthquake, which occurred in May 2008. More than a million volunteers participated in the relief and rehabilitation efforts. Another 100,000 volunteers were trained and mobilized to assist in the Beijing Olympics. From these experiences, there is an opportunity to explore the role of civil society and volunteers-for-development in empowering communities and addressing the conditions of the vulnerable groups, i.e., the elderly, disabled persons, persons living with HIV/AIDS, and migrant workers, as well as addressing climate change and promoting disaster risk reduction.

## II. Past cooperation and lessons learned

8. The UNDP country programme for China (2006-2010) focused on three main programme areas. Programme activities have contributed to enhancing the capacities of the Government in planning and managing development in a more sustainable way and to sharing knowledge and experiences regionally and globally. The UNDP country programme (2006-2010) has also contributed to broadening and deepening the participation of partners in the development process of China, including civil society, the private sector, the media, among others.

9. To better understand the achievements of the UNDP country programme for China (2006-2010), the UNDP Evaluation Office conducted, during late 2009-early 2010, an Assessment of

Development Results (ADR) for UNDP in China. That was the second ADR for UNDP in China, which covered a wide range of issues concerning the country programme for China. The ADR noted that the country programme is well in line with the United Nations Development Assistance Framework (UNDAF) and the national policies and priority needs of China. Generally, the country programme had achieved or was achieving its objectives in the five practice areas in China, and the programmes/projects had played a catalytic role and had been scaled-up. The ADR also recognized the flexibility that UNDP had shown in responding to the Sichuan earthquake and the 2008 Beijing Olympic Games.

10. Compared with the previous programme cycle, the ADR noted that UNDP was shifting to the upstream strategy, major intervention measures of UNDP were what are called “soft interventions”, namely, advocacy, policy dialogue and advice, forums, capacity-building, and pilot experiments. While such interventions should continue, the ADR concluded that the next UNDP country programme for China (2011-2015) was an opportunity for UNDP to strengthen its role as a pioneer of new and emerging development issues such as a low-carbon economy, urbanization, and an ageing population. This would involve close collaboration with subnational entities, i.e., provinces and cities, as well as the central ministries. The ADR also recognized the potential role that UNDP could have in furthering South-South cooperation, e.g., helping China share its experiences and lessons learned with other developing countries in terms of poverty reduction and socio-economic development.

### **III. Proposed programme**

11. For the UNDP country programme for China (2011-2015), supporting China in achieving the MDGs and the Xiaokang vision will continue to be the overall goal of UNDP support to China. The priorities and strategies of the country programme are fully in line with the UNDAF for China (2011-2015).

12. The UNDAF for China (2011-2015) identifies three key development outcomes: (a) government and other stakeholders ensure environmental sustainability, address climate change, and promote a green, low-carbon economy; (b) the poorest and most vulnerable increasingly participate in and benefit more equitably from China’s social and economic development; and (c) China’s enhanced participation in the global community brings wider mutual benefits. As part of the United Nations system in China, UNDP is committed to work towards the achievement of those development results.

13. Based on the MDGs, the Xiaokang vision and the current stage of China’s development, UNDP work in China will be anchored to the provision of value-added policy advice, support to pilot and demonstration projects, capacity-building for the scaling-up policy and institutional innovations at the subnational level, and serving as a platform for the exchange of development solutions and for knowledge and technology – within China and with other countries in meeting the MDGs. Policy advice will support, and be supported by, reform initiatives and demonstration projects for China’s growth and development. Capacity-building will focus on strengthening the ability of subnational authorities (e.g., provinces, cities, and others) to implement government development priorities and strategies, with best practices and lessons learned feedback for policy advisory work. Building on the comparative advantage of the United Nations and respective agency capacities and mandates, UNDP will pursue joint common development results and outcomes. As a solutions-exchange provider, UNDP will act as a gateway to China’s knowledge, technology and expertise in reducing poverty, and sustainable development, thus mainstreaming China’s contribution to global development.

14. Increasing the participation of the poorest and the most vulnerable in China’s social and economic development, UNDP will provide policy and capacity-building support to deepen the reforms that address disparities, promote equitable distribution of public resources, and foster equal access to social services and livelihood support. UNDP will focus efforts on strengthening the implementation mechanisms for equitable resource distribution and equal access to social

services by poor communities and vulnerable groups (e.g., the elderly, the disabled and migrant workers) are strengthened, from the provincial to the township levels. It will also support the piloting and scaling-up of integrated approaches that provide poor rural communities with access to land, technology, financial services, and markets, which will ultimately enable them to adapt to climate change. With the rest of the United Nations system, UNDP will also support efforts for promotion of culture-based development strategies for ethnic minorities.

15. Given the growing importance of civil society to participate in shaping China's cultural and socio-economic development, working with the Government and civil society organizations, at different levels, UNDP will support efforts to broaden the scope for civil society participation in policy dialogues, in the empowerment of communities, and ensuring that the vulnerable groups (e.g., the elderly, disabled persons, persons with HIV-AIDS, and migrant workers) have equal access to social services. UNDP will likewise support ongoing reform efforts that promote the rule of law, equal access to justice, and public accountability. In line with the United Nations Convention on the Elimination of All Forms of Discrimination against Women and the right of women to social and political participation and to live lives free from discrimination and violence, UNDP will aid initiatives for the effective participation of women in political decision-making at the subnational level. UNDP will also work with partners for strengthening the implementation of the current policies, laws and regulations that address sex ratio at birth and violence against women. To the extent possible, UNDP will also ensure that other forms of gender-based disparities are addressed in the design and implementation of all its programmes/projects.

16. Realizing environmental sustainability, addressing climate change, and promoting a green, low-carbon economy, given China's national commitments to low-carbon growth and development and to other multilateral environmental agreements, UNDP will support the removal of policy and capacity barriers for the sustained and widespread adoption of low-carbon and other environmentally sustainable strategies and technologies, including those for the control/reduction of ozone depleting substances and persistent organic pollutants. At the subnational level, UNDP will build the capacity of city and provincial governments to implement action plans for mitigation and adaptation, and sustainable development, in line with the low-carbon development targets established by China.

17. UNDP will also work with partners for reducing the vulnerability of poor communities and ecosystems to climate change. On one level, this will call for the strengthening and enforcement of policies, the legal, institutional framework for the sustainable use of land and water, the conservation of biodiversity, and other natural resources in fragile ecosystems. On another level, UNDP will support initiatives that integrate vulnerability assessments, disaster risk reduction and adaptation to climate change into local development planning and service delivery in support of poor and vulnerable communities.

18. Enhancing China's participation in the global community -- the rapid adoption of international norms and standards in a wide range of areas ranging from climate change mitigation to human rights to health service reform -- will underpin China's success in addressing its national development challenges. In addition, as the world's largest developing country and one of the champions of the MDGs in the world, China has a wealth of development experiences to share with other developing countries on how to effectively reduce poverty, stimulate sustained economic growth while dealing with rapid urbanization and industrialization. In this connection, the top leadership of UNDP and China has agreed to forge a stronger partnership. UNDP is committed to support China in further enhancing its national capacity to promote South-South cooperation and global partnerships, as a contribution to addressing poverty and the MDGs. UNDP will continue to support strengthening China's role and participation in regional and cross-border development initiatives.

#### **IV. Programme management, monitoring and evaluation**

19. With regard to the overall direction of the country programme, the Ministry of Commerce serves as the main counterpart of the United Nations Resident Coordinator and UNDP in China. The China International Centre for Economic and Technical Exchanges of the Ministry will coordinate implementation of the country programme. In implementing the country programme, in line with provision of value-added policy advice, support to pilot and demonstration projects, capacity-building for the scaling-up policy and institutional innovations at the subnational level, and serving as a platform for the exchange of development solutions, efforts to move away from individual projects to integrated programmes that focus on achieving strategic development results will continue.

20. A Country Programme Action Plan will serve as the management instrument for the coordination, implementation and monitoring of the country programme. Results-based management will be integrated across all UNDP-supported programmes and projects. Participatory approaches for monitoring and evaluation will be developed and applied to ensure that outcome evaluation and monitoring systems are consistent with the newly developed corporate monitoring and evaluation policy. Cross-cutting issues, such as gender equality, across all programmes/projects will be monitored so that they are in place and aligned with the results framework. Joint monitoring and evaluation of UNDP and other United Nations agency-funded interventions will be encouraged, based on the monitoring and evaluation framework outlined in the UNDAF.

21. As a solutions-exchange provider, UNDP will not only act as a gateway to China's knowledge, technology and expertise but will also mobilize expertise from the UNDP global development knowledge network, and that of the United Nations. In line with the UNDAF, UNDP China will continue to undertake joint programming activities with the United Nations agencies in China, through the United Nations Theme Groups and joint programmes.

22. The Government and UNDP will work closely with other development partners, including the private sector, to mobilize additional non-core resources. Needed resources from the country programme will be allocated to support critical activities relating to its review and evaluation as well as the learning of lessons from programme/project management modalities, and the improvement of management capacities of partners and UNDP. In close consultation with the Government, a percentage of the regular resources will be reserved to support initiatives to address emerging and urgent national needs and priorities.

## Annex. Results and resources framework for China (2011-2015)

National priority or goal (Millennium Development Goals and/or other International Conference commitments)					
UNDAF outcome: The poorest and most vulnerable increasingly participate in and benefit more equitably from China's social and economic development.					
Programme component	Country programme outcome	Country programme outcome: baseline, indicator(s) and targets	Country programme output	Role of partners	Indicative resources (in millions of \$)
Poverty eradication and achievement of internationally agreed development goals, including the MDGs	1. Deepen the reforms that address disparities, promote equitable distribution of public resources, and foster equal access to social services and livelihood support	<p><u>Indicator:</u> Number of disabled persons who received subsidy from the Employment Security Fund <u>Baseline:</u> 61,081 in 2008 (means of verification: Country Development Policy Framework) <u>Target:</u> To be determined</p> <p><u>Indicator:</u> Number of rural migrant workers participating in pension schemes <u>Baseline:</u> 24.16 million at the end of 2008, (means of verification: Ministry of Human Resources and Social Security) <u>Target:</u> To be determined</p> <p><u>Indicator:</u> Technical advice for the Government to draft laws and regulations on social insurance <u>Baseline:</u> Plans for laws/regulations <u>Target:</u> Technical advice provided to draft laws and regulations on social insurance</p>	<p>1.1 The implementation mechanisms for equitable resource distribution and equal access to social services by poor communities and vulnerable groups (i.e., the elderly, the disabled, and migrant workers) are strengthened</p> <p>1.2 Integrated approaches that provide poor rural communities with access to land, technology, financial services, and markets and that enable them to adapt to climate change, are promoted</p> <p>1.3 Expand the implementation of culture-based development strategies for ethnic minorities</p>	UNDP will work with key partners in (i) strengthening national and subnational strategy and policy development and implementation mechanisms to reduce disparities and promote balanced and sustainable development; (ii) building capacity for different levels of government in provision of equitable public service for the poor and vulnerable groups, and sustainable development. UNDP will also work with key partners in partner's capacity-building and piloting of local environment-poverty reduction win-win innovations, ensuring the poor and vulnerable groups have equal access to land rights, credit service, technology service and cultural resources.	<b>Regular: 14.0</b> Others: 133.5
Democratic governance	2. Empower communities and civil society to participate in shaping China's cultural and socio-economic development	<p><u>Indicator:</u> Improved capacity, knowledge and skills of communities and civil society on poor and vulnerable rights, to support meaningful participation in local and national social-economic and cultural development processes. <u>Baseline:</u> To be collected at selected pilot sites <u>Target:</u> Pending the baseline information</p> <p><u>Indicator:</u> Number of recommendations for policy and institutional changes produced in areas of promoting equal access to justice, civil society development, and a supportive legal framework to policy and legislative makers <u>Baseline:</u> To be available in 2010 <u>Target:</u> Pending baseline information</p>	<p>2.1 The scope for civil society participation in policy dialogues, in the empowerment of communities, and ensuring that the vulnerable groups (elderly, disabled, persons with HIV/AIDS, and migrant workers) equal access to social services is broadened.</p> <p>2.2 The design and implementation of legal reforms that promote the rule of law, equal Access to Justice, and public accountability is supported</p>	Broadening the scope for civil society will require UNDP to cooperate with key national partners to (i) improve laws, policies and capacities of public sector (legislation, executive and judicial systems) to promote civil participation; (ii) capacity-building and model piloting and replication of the engagement of civil society organizations in rights advocating, service provision, economic development, and disaster reconstruction. UNDP/UNV will also work with government counterparts and voluntary associations to promote volunteerism for development for the MDGs.	<b>Regular: 5.0</b> Others: 6.0
Gender equality and the empowerment of women	3. The right of women to greater social and political participation and to live lives free from discrimination and violence, and is advanced.	<p><u>Indicator:</u> Prevalence of domestic violence against women and children (UNIFEM) <u>Baseline:</u> 34.7% for violence against women. To be determined for violence against children establish by the Elimination of Violence against Women Joint Programme in 2010 <u>Target:</u> 5% reduction from baselines</p> <p><u>Indicator:</u> Percentage of women in village committees and in the National People's Congress. <u>Baseline:</u> Baseline to be updated with 2010 information</p>	<p>3.1 The effective participation of women in political decision-making at the sub-national level is expanded</p> <p>3.2 The implementation of the current policies, laws, regulations that affect the sex ratio at birth is strengthened.</p> <p>3.3 The implementation of the current policies, laws, regulations addressing discrimination and violence against women is strengthened.</p>	UNDP works with key partners to (i) improve laws and policies relating to domestic violence against women; (ii) strengthen the implementation of anti-domestic violence regulations; (iii) build capacity for key legal players to better understand and implement the laws and regulations; (iv) develop communication materials and launch public awareness campaigns to increase men's involvement and positive change regarding domestic violence.	<b>Regular: 3.0</b> Others: 3.0

		Target: At least 30% for NPC and at least 25% for village committees			
<b>UNDAF outcome: Government and other stakeholders ensure environmental sustainability, address climate change, and promote a green, low carbon economy.</b>					
Environment and sustainable development	4. Low carbon and other environmentally sustainable strategies and technologies are adapted widely to meet China's commitments and compliance with Multilateral Environmental Agreements	<p><u>Indicator:</u> Regulations, codes, guidelines, standards, and labels for energy efficiency and renewable energy developed and improved <u>Baseline:</u> Zero <u>Target:</u> 30% of relevant existing regulations are updated</p> <p><u>Indicator:</u> Number of sustainable urban development plans developed or updated towards development of sustainable eco-cities <u>Baseline:</u> Existing urban development plans which need to be improved and implemented (to be determined) <u>Target:</u> 10% of urban development plans updated towards development of sustainable eco-cities</p>	<p>4.1 Policy and capacity barriers for the sustained and widespread adoption of low carbon and other environmentally sustainable strategies and technologies removed</p> <p>4.2 Capacity to implement local climate change action plans for mitigation and adaptation, and sustainable development built.</p>	At the national level, UNDP will work with key Ministries responsible for managing China's energy and emission targets, urban and provincial planning, and compliance with Multilateral Environmental Agreements (i.e., the Montreal Protocol and the Stockholm conventions). At the subnational level, UNDP will work in partnership with the local authorities of provinces, municipalities, and small and medium-sized cities, and with the private sector for the transformation of critical industries and consumer markets.	<p><b>Regular: 2.0</b></p> <p>Others: 200.0</p>
Environment and sustainable development	5. The vulnerability of poor communities and ecosystems to climate change is reduced	<p><u>Indicator:</u> Knowledge about sustainable management and consumption of land and water improved, particularly among vulnerable groups and local communities during programme cycle <u>Baseline:</u> Zero <u>Target:</u> At least 1 training programme on sustainable natural resources management developed, particularly those for vulnerable groups and local communities</p> <p><u>Indicator:</u> Number of national and provincial vulnerability assessments carried out through United Nations projects/activities <u>Baseline:</u> Zero <u>Target:</u> 5 (1 national assessment and 4 provincial assessments carried out in the Western Region)</p>	<p>5.1 A strengthened policy, legal, institutional framework for the sustainable use of land, water, the conservation of biodiversity, and other natural resources in fragile ecosystems is enforced.</p> <p>5.2 The integration of gender, vulnerability assessments, risk reduction and adaptation to climate change into local development planning and service delivery in support of poor communities is promoted</p>	On one level, UNDP will work closely with the ministries and agencies responsible for the use of land, water, the conservation of biodiversity, and other natural resources. UNDP will work for the relevant national level policy coordination and cross-ministerial collaboration in poverty reduction, disaster prevention, preparedness, response and recovery, with climate change adaptation measures incorporated. UNDP will also work with provincial governments and departments for the piloting of integrated national policies and guidelines for sustainable development and integration of disaster risk reduction measures.	<p><b>Regular: 3.0</b></p> <p>Others: 50.0</p>
<b>UNDAF outcome: China's enhanced participation in the global community brings wider mutual benefits.</b>					
Poverty eradication and achievement of internationally agreed development goals, including the MDGs	6. Deepen China's engagement and participation in global and regional development partnerships to realize the MDGs and to address climate change	<p><u>Indicator:</u> Number of new agreements signed <u>Baseline:</u> Zero <u>Target:</u> As appropriate</p> <p><u>Indicator:</u> Number of new cooperation mechanisms established <u>Baseline:</u> Zero <u>Target:</u> As appropriate according to new conventions adopted</p>	<p>6.1 China's role, contribution and participation in regional and cross-border development partnerships is enhanced</p> <p>6.2 Mechanisms for South-South cooperation, trilateral partnerships and purchasing power parity that facilitate the sharing of China's knowledge, technology and experience in addressing poverty and climate change, disaster risk reduction, are deepened</p>	UNDP will work with key Ministries, regional governments, and United Nations agencies to strengthen China's subregional cross-border cooperation on economic and social development in trade, investment and technology, energy and environment and tourism. In line with the China-UNDP Strategic Partnership, UNDP will work with Ministry of Commerce and other relevant ministries and agencies involved in sharing China's experience, knowledge, and technologies with other developing countries.	<p><b>Regular: 5.39</b></p> <p>Others: 17.5</p>

**Total, regular resources: 32.39 million**  
**Total, other resources: 390.00 million**  
**Total: 422.39 million**