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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

FIRST COUNTRY PROGRAMME FOR
THE PEOPLE'S REPUBLIC OF CHINA

Note by the Administrator

Programme period

1982-1986

Illustrative IPF for 1982-1986

\$142 million^{1/}

I. Nature of the programming exercise

1. The Ministry for Economic Relations with Foreign Countries, the Government department responsible for co-ordinating UNDP assistance, formulated the first country programme. Beginning in May 1981, the Ministry held consultations with the UNDP Office in Beijing on the approach to and resource prospect for country programming in the third cycle. In addition, valuable guidance was received from UNDP headquarters on the programming exercise.

^{1/} The Government has relinquished 5 per cent of its illustrative IPF 1982-1986; thus the revised illustrative IPF is \$134.9 million.

2. To identify specific areas of concentration for UNDP assistance, the Ministry subsequently organized a series of discussions with such sectoral state commissions and ministries as the Planning Commission, Science and Technology Commission, Energy Commission, Agricultural Commission and the Ministries of Geology, Light Industry, Education and Public Health. The UNDP Office also participated in these discussions.
3. Opinions and comments were solicited to the largest extent possible from the relevant organizations and agencies of the United Nations system during the country programming exercise. Indeed the preparations for the programming exercise were initiated when delegations from the Ministry for Economic Relations with Foreign Countries and the UNDP Beijing Office visited UNESCO, UNIDO, IMCO, WHO, ITU, UPU, FAO, UNCTAD, and ITC at their headquarters in late 1980 and held discussions with their staff on country programming. UNCTAD, UNESCO, FAO, WHO, UNIDO, ICAO, UNCTD and other agencies sent missions to assist their Chinese counterpart ministries in determining areas and formulating project ideas for technical assistance. Consultants under project assignments also made suggestions related to country programming.
4. Proposals resulting from these discussions, meetings and consultations were collated and reviewed by the Ministry for Economic Relations with Foreign Countries in discussion with the Planning Commission and the UNDP. At the conclusion of this process the country programme was prepared by the Ministry within the context set by the Government's announced priorities for economic and social development in the Sixth Five-Year Plan.

II. Relation of the country programme to national development objectives

5. The country programme, the first one for China, was prepared at a time when the Government was drafting the Sixth Five-Year Plan (1981-1985) for the development of the national economy. The primary goal of the plan is to strive for a fundamental improvement in the country's economic and financial situation. With this aim in mind, the Government will continue to implement a policy of economic readjustment, restructuring and consolidation. The immediate emphasis is on readjustment. This is expected to permit a balanced development of the economy and secure steady economic growth and constitute a sound base for the preparation of the Seventh Five-Year Plan. It was under these general guidelines that the development objectives and the specific projects in the country programme were formulated.

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6. The principal tasks to be accomplished in the Sixth Five-Year Plan are, inter alia, to:

- (i) Increase the production of agriculture and consumer goods;
- (ii) Accelerate energy development, promote energy conservation and ensure correct energy utilization;
- (iii) Strengthen transport (especially for energy production);
- (iv) Undertake technical transformation and renovation in selected enterprises while better utilizing the potential of all enterprises;
- (v) Carry out structural reforms in the context of economic readjustment, consolidate and renovate enterprises progressively and improve management to raise economic effectiveness and efficiency; and
- (vi) Gradually improve living conditions of the people on the basis of steady growth of agricultural and industrial production.

7. Based on the priorities listed above, several areas of concentration for UNDP have been identified in the country programme. They can be broadly grouped in two categories that support the Government's efforts to (i) improve living standards of the people, and (ii) underpin the long-term, steady growth of the economy.

8. These areas of concentration are as follows:

(a) Food production and agricultural productivity: UNDP resources will be directed to upgrading agricultural and food production technology and training;

(b) Production of consumer goods and services to the population: UNDP will assist in improving the production of consumer goods with a view to stimulating efficiency and cost effectiveness and encouraging productive use of raw materials and energy. Services to the population will cover housing and health: UNDP will assist in upgrading the health care system and overcoming the shortage and poor quality of building materials.

(c) Energy development and conservation: UNDP co-operation will cover a wide spectrum of activities within this sector including the development of wind, solar and geothermal energy as well as oil and gas prospection and energy conservation; training and introduction of advance techniques for conservation and energy production will figure prominently.

(d) Human resources: UNDP assistance will be channeled to the strengthening of the educational system (especially vocational and technical education), management and professional training in various disciplines.

(e) Infrastructures: UNDP support will be required in communications and for the development and management of water resources, both of which are essential to the future growth of the economy; preventative measures against natural disasters (notably flood and earthquake) are equally vital for the well-being of the country.

9. In addition to the foregoing sectoral concentrations, assistance will also be channeled to a number of projects with a multisectoral dimension involving both the use of foreign technology in China as well as the use of Chinese know-how for other developing countries.

III. Content of the country programme

10. At its twenty-eighth session, the Governing Council endorsed the proposal that continuous programming be adopted by recipient Governments in the preparation of country programmes for the third cycle. The country programme for China thus contains, in addition to identified projects, a variety of ideas for possible future projects. These may be translated into actual projects sometime during the latter part of the third cycle as a result of annual reviews and in the light of additional needs that may arise during the country's economic readjustment. The emerging pattern of bilateral technical co-operation will also be taken into account in view of the uncertain UNDP resource prospect for the third cycle.

11. Active support and participation in the process of technical co-operation among developing countries is one of the main reasons for China's involvement in UNDP activities. The Government has earmarked 5 per cent of its third cycle IPF for the promotion of TCDC activities. The major portion of these resources will be allocated in support of TCDC-oriented regional projects. At the Intergovernmental Meeting of Development Assistance Co-ordinators in Asia and the Pacific held in New Delhi, February 1981, it was agreed that regional centres would be established in China for integrated rural development, traditional medicine, aquaculture, biogas, small hydro-power, sericulture and primary health care. Additional centres are under active consideration and the Government will identify other TCDC projects during the present cycle.

12. A cardinal principle which has guided the Government in its formulation of the country programme is "relying mainly on our own effort and seeking foreign assistance as subsidiary". Thus, the Government will shoulder the main burden of financial and personnel support for all projects indicated in

the country programme. The UNDP inputs will be directed to assisting the relevant Chinese institutions in the upgrading of their techniques and skills aimed at strengthening self-reliance. For each project, a National Project Director will be designated by the Government in consultation with UNDP and the executing agencies. The Government also encourages those institutions or departments which have the capability to do so to undertake, completely or partly, direct execution of UNDP-assisted projects. Nevertheless, the Government will wish to maintain necessary contacts with the relevant specialized agency in order to draw fully on their experience and competence.

13. In formulating the country programme, the Government was aware of the limited resources that can be made available from UNDP compared to the number of potentially promising areas for technical co-operation. With these limitations in mind, attention has been focused on projects which can serve a multiplier or catalytic role. Experiences and techniques derived from UNDP-assisted projects will be shared and applied in other undertakings in similar fields at the provincial, country or lower levels. Emphasis has been placed on projects which can produce results in a relatively short period of time or which have a pre-investment function.

14. By the same token, ways have been sought to use the UNDP programme as a means of stimulating a greater flow of development resources. At the broadest level, the UNDP programme has served as a frame of reference not only for encouraging complementary activities with other programmes within the United Nations system, but also with bilateral and other multilateral sources.
