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SUPPORT

PROGRAMME PLANNING

COUNTRY AND REGIONAL PROGRAMMES

Reports on mid-term reviews

MID-TERM REVIEW OF THE SECOND COUNTRY PROGRAMME FOR CHINA

Report of the Administrator

SUMMARY

The present report is submitted in accordance with Governing Council decision 89/11 of 24 February 1989, requesting the Administrator to report on a representative selection of mid-term reviews of country programmes.

The mid-term review of the second country programme for China (1986-1990), held in January-April 1988, found that the major themes of the programme, namely, human resources development, technical transformation of existing industries, development of advanced technology, improvement of living standards and application of information technology, remained valid and correctly reflected the Government's development strategy. However, in light of new demands in the area of economic reforms, the review agreed to include an additional theme, macro-economic policy research and economic reform, to be covered from resources as yet unprogrammed. It was also agreed that the agriculture sector should receive additional emphasis, the programme of technical co-operation among developing countries should continue to be an important element of the country programme and a special allocation should be made for activities to enhance the role of women in development.

I. SUMMARY OF THE SECOND COUNTRY PROGRAMME

1. In submitting the second country programme for China (1986-1990), the Administrator stated in his note that a mid-term review would be held at the end of the first three years of the programme (DP/CP/CPR/NOTE/2, submitted to the Governing Council at its thirty-third session in June 1986). The Government of China and the United Nations Development Programme (UNDP), however, determined that technical modernization and economic reforms in China had progressed remarkably in the past two years, and it would be opportune to review in 1988 the continuing validity of the country programme, with a view to realigning it even more firmly with the emerging priorities as necessary.

2. The second country programme, approved by the Governing Council in June 1986 (DP/CP/CPR/2), is designed to support the development strategies of the Seventh National Five-Year Development Plan and is coterminous with it. The programme is formulated around the following five main themes:

- (a) Human resources development;
- (b) Technical transformation of existing industries;
- (c) Development of advanced technology;
- (d) Improvement of living standards; and
- (e) Application of information technology.

3. In financial terms, the country programme took into account total resources of \$US 128.7 million. Of this amount, \$2.8 million was kept as unprogrammed reserve.

4. The programme resources were allocated for the following main sectors: General development issues, policy and economic reform (29 per cent); industry (28 per cent); natural resources/energy (14 per cent); science and technology (11 per cent); and agriculture, forestry and fisheries (10 per cent).

II. METHODOLOGY OF THE MID-TERM REVIEW

5. The review was a well-structured process conducted over a four-month period from January to April 1988. Several task forces composed of representatives of the Government and UNDP were established to study various issues of immediate and emerging relevance to the country programme. These task forces, supported by concerned agencies in the Government, the United Nations system and UNDP headquarters, prepared 12 issue papers.

6. Two sectoral meetings, one on industry and the other on agriculture, forestry, energy and economic reforms, were held in March 1988 with the participation of the ministries/departments concerned, the national project directors, the representatives of the specialized agencies of the United Nations system resident in China and the UNDP field office.

7. The issue papers and the conclusions and recommendations of the two sectoral meetings provided the basis of discussions in the mid-term review meetings held on 27 and 28 April 1988. The conclusions and recommendations of the seminar on women in development, jointly sponsored by the Government and UNDP on 11 April 1988 and attended by all representatives of the United Nations system resident in China and the All China Women's Federation, were also kept under consideration. The review was held in the Department of International Relations, Ministry of Foreign Economic Relations and Trade, and was chaired by its Director. UNDP was represented by the Chief of Division of the Regional Bureau for Asia and the Pacific, the Resident Representative and the field office staff in China.

III. MAJOR FINDINGS OF THE REVIEW

8. The review found that the second country programme remained valid in supporting the development objectives of the Government of China. Its implementation to date had been satisfactory and on target. All project proposals identified in the country programme document were under implementation or in the formulation stage, except for minor adjustments. The quality of inputs mobilized under the country programme had been generally high and the Government was satisfied that its objectives were being addressed effectively.

9. By the end of March 1988, total budgetary commitment amounted to \$104.3 million, or 75 per cent of the available resource.

10. The review took note of the recommendation of the Administrator of UNDP to the Governing Council for an increase in the distribution of UNDP resources at the country level, which would make available an additional amount of \$24.994 million to China in the current programme cycle.

11. In considering the experience of the past two years, the emerging priorities of the Government, especially in support of the programme of economic reforms, and the balance of the resources available, the review adopted the following recommendations:

(a) While the original five themes should be retained, a new theme, macro-economic policy research and economic reform, should be added to the country programme. This will be in keeping with the high-level advisory and special consultation and training services provided in the past and likely to be requested in the future on the subjects of economic policy, financial planning and administration, investment promotion, public administration and management.

(b) Human resources development should continue to be the major area of concentration of UNDP assistance. This should be closely co-ordinated with the efforts of the Government to restructure and modernize old institutions and production facilities and establish new institutions needed to support the Government's programme of technical modernization and economic reforms.

(c) In sectoral terms, agriculture should receive greater emphasis than before in the country programme. UNDP assistance should be directed especially

towards food security, scientific research and development, post-harvest technologies, new specializations and mechanizations.

(d) The industry, science and technology and energy sectors should continue to command priority attention for the application of UNDP assistance. The main objectives should be to promote productivity, cost-efficiency and self-reliance.

(e) The Government's wish to extend international assistance to remote areas, especially for the benefit of the minority populations, was noted. Also noted was the significant progress achieved in the last two years in mobilizing support of the international non-governmental organizations (NGOs) and in pioneering tripartite co-operation among the Government, the NGOs and UNDP for the development of the remote areas. Such efforts should continue for the remainder of the country programme period.

12. The Government has strongly reiterated its determination to preserve an equitable role for women in the process of social and economic development. It was decided to make a special allocation for this purpose, and the Government and UNDP were requested to consult to identify and formulate suitable projects in support of this objective.

13. A regional meeting on technical co-operation among developing countries (TCDC) attended by 25 countries was held in Beijing in 1986. Some 42 projects jointly identified by China and other participating developing countries had been implemented or were in the process of formulation and negotiation. It was recommended that the original earmarking of \$5 million from the China indicative planning figure (IPF) for TCDC should be supplemented with additional earmarking as the TCDC activities progress and further need arises.

14. Direct execution of UNDP-supported projects by the Government has been a prominent feature of the China country programme. More than 40 per cent of the currently ongoing projects are executed by the Government. The review noted the findings of a special study conducted by UNDP headquarters in 1986 on government execution of projects in China. Based on the findings of this study, observations of the project authorities and overall experience of the UNDP office, the review concluded that government execution of projects is a viable modality of programme implementation in China. It was recognized, however, that the specialized agencies of the United Nations system had accumulated in-depth expertise in their specialties over the years which the Government wished to utilize fully in the implementation of the country programme.

IV. ADJUSTMENT TO THE COUNTRY PROGRAMME

15. The major adjustment to the country programme has been the addition of a special theme of macro-economic policy research and economic reform to the five themes identified originally and mentioned above (see para. 2), to be covered from unutilized and unprogrammed resources. The programme of technical co-operation among developing countries will be further supported with additional earmarking of resources as necessary. A special allocation has been made to promote activities to enhance the role of women in development.

Annex

FINANCIAL SUMMARY

SECOND COUNTRY PROGRAMME FOR CHINA (1986-1990)

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	\$	\$
A. <u>Total resources taken into account for programming at time of approval of country programme</u>		128 692 000
B. <u>Resources taken into account for programming at time of mid-term review</u>		138 168 000
IPF allocations	112 125 000	
Programme cost-sharing	-	
Government project cost-sharing)	21 413 000	
Third-party cost-sharing)		
Other sources	<u>4 630 000</u>	
C. <u>Net change in resources</u>		9 476 000

II. USE OF RESOURCES

	Start of country <u>programme</u> (1986)	<u>Mid-term</u> (1988)
Committed resources	24 855 000	104 320 000
Project proposals	93 397 000	33 848 000
Programmed reserve	7 600 000	-
Unprogrammed reserve	<u>2 840 000</u>	<u>-</u>
TOTAL USE OF RESOURCES	<u>128 692 000</u>	<u>138 168 000</u>

III. DISTRIBUTION OF RESOURCES BY SECTOR

<u>Distribution of resources by objectives/themes</u>	<u>In accordance with country programme</u>	<u>Actual at mid-term</u> (Percentage)	<u>Revised plan as result of mid-term review</u>
1. Human resources development	18.18	17.25	24.08
2. Technical transformation of existing industries	12.76	7.51)	
3. Development of advanced technology	21.29	30.36)	44.83*
4. Application of electronic information technology	9.87	18.78)	
5. Improvement of living standards	20.19	21.00	17.49**
6. Economic reforms	-	-	7.20
7. Others	<u>17.71</u>	<u>5.10</u>	<u>6.40</u>
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

* Includes agriculture, health, industry, energy and technology.

** Includes women in development.
