On behalf of the UN Country Team in China, I am pleased to present our 2011 Annual Report. It was a significant year as we saw China sustain its strong economic growth and steady opening up, raising its international profile and influence while adopting strategies to promote inclusive patterns of domestic development.

In 2011, China’s economy displayed admirable resilience in an unpredicatatable global environment, while showing signs of a gradual slowdown. A difficult global economic environment and tight domestic policies combined with the end of the economic stimulus package from previous years resulted in a slowdown of annual GDP growth to 9.2% in 2011 from 10.4% in 2010. China’s fiscal revenue grew to a record high of 10.37 trillion RMB, but its fiscal expenditure also rose to 10.89 trillion RMB, resulting in a budget deficit equivalent to 1.1% of GDP. While China’s economic prospects continue to be stronger than the other major world economies, the country’s economy is transforming partly because of the global environment, and partly because of the measures put in place by the Chinese Government aimed at establishing more sustainable economic development trend.

China also played a significant role in ameliorating the effects of the global financial crisis, pulling other economies along with its steady recovery through cross-border economic activities. Particularly significant examples of this are the support provided that sought to help ameliorate the European debt crisis or the continued investments and commercial ties with Africa. China is also increasing participation in global discussions and constructively engaging in a number of global UN initiatives such as Global Climate Change negotiations within the UN Climate Change Conference.

While China strengthens its position in the international arena and continues its solid economic growth, the Chinese Government is fully aware of the potential domestic risks posed by it, not least in the coming year of leadership transition. In particular the staggering disparities between the industrialised coastal region and the western provinces, between urban and rural populations, between residents and migrant workers, between men and women, between ethnic groups, etc, all of which threaten sustainable growth and development.

By addressing these challenges in the 12th Five-Year-Plan (ratified by the National People’s Congress in March), the Government is seeking solutions and a transformation from a GDP centered development pattern towards a more inclusive model of development, with particular emphasis on regional development, increasing people’s income and improving income distribution, all in a more environmentally and climate friendly manner.

The year 2011 has been also significant for the relationship between China and the UN as it marked the 40th Anniversary of the resumption of lawful rights of China in the United Nations. This occasion was commemorated with several events in which China expressed its appreciation and support to the UN and recognized it as the most inclusive and authoritative international organization. Of particular importance was the high-level seminar co-hosted by the UN system, UN Association of China and the Chinese People’s Institute of Foreign Affairs which included a number of discussion panels on the “Role of the United Nations” and “China’s UN diplomacy”. Most importantly, the UN system took this opportunity to reflect with the Ministry of Foreign Affairs on the 4 decades of a mutually beneficial relationship and the new roles and responsibilities the UN should adopt in today’s China. As a result, the UNCT initiated an consultation process to strengthen and adapt the UN-China partnership at the current juncture of China’s development.
In 2011, China continued its positive trend in achieving the MDGs. The UNCT has continued to support China and its institutions in its first year of implementation of the UNDAF 2011-2015.

**Under UNDAF Outcome 1** *(to ensure environmental sustainability, address climate change, and promote a green, low carbon economy)*, the UNCT continued supporting the Government’s efforts to bring environment and climate change to the core of China’s development model. The Government’s 12th Five-Year Plan points out China’s efforts and targets to reduce the environmental effects of economic growth.

To support these efforts, the UN system in China implemented numerous initiatives to promote energy efficiency and a carbon neutral economy. Events such as the Eco-Forum Guiyang (EFG) 2011, showcased UN support to China’s climate change mitigation efforts and low carbon development. In addition, the launching of UNEP’s the 2011 China “Green Economy Report” and a policy study of Green Investment in China both contributed to ongoing policy dialogue on the risks and benefits of a shift towards a low carbon economy in China. It also suggested economic growth through investment in sectors such as solar energy, wind energy and environmental protection sectors. This was complemented by energy efficiency initiatives such as UNIDO’s project on the introduction of fuel efficiency strategies for the Chinese automotive industry and a project to strengthen the International Solar Energy Centre.

At the Government’s request, UNDP continued to support China’s engagement in key global events. For the UN Climate Change Conference in Durban in November-December, UNDP used its global outreach to assist the NDRC to hold a highly successful “China Week” event, which allowed China to convey to an international audience its efforts to seek low-carbon development pathways. UNDP helped NDRC design and hold a number of events, including a launch of the National Climate Change Strategy Research and International Cooperation Center (NCSC) and the launch by MoST of a new international science and technology network and a technical manual on South-South cooperation.

In addition, the UN theme group on climate change and environment undertook numerous conservation and research projects in the areas of biodiversity, water green economy, etc. For instance, FAO's Zeku Qinghai Grassland Conservation Carbon Finance project promoted sustainable grassland management and livelihood development in an area of the Tibetan Plateau, and UNESCO undertook training on “Climate Change and Biosphere Reserves in China”. Also, WHO organized climate change vulnerability assessment in Chungchun and ILO conducted two studies on green jobs, including green skills in energy efficiency in building and e-waste management, and promoted entrepreneurship among university students in five provinces.

In June 2011, the China Climate Change Partnership Framework Joint Programme ended under UNIDO’s leadership. The programme’s final event and publication showcased policy recommendations and pilot initiatives on a broad range of climate change issues, with special focus on replicating successful practices and capacity building of national and local government officials.

**Under UNDAF Outcome 2** *(increasing equity for the most vulnerable)*, the UNCT continued providing high level advice and piloting initiatives aimed at extending the benefits of China’s development across the entire population of China.

The 2011 Global Poverty Reduction and Development Forum an effective platform for high-level international policy dialogue with the Chinese Government on issues surrounding poverty reduction and inequality. The theme was “Accelerating Poverty Reduction and Sustainable Human Development” and focused on identifying ways to generate inclusive growth. The Forum was hosted by the State Council Leading Group Office of Poverty Alleviation and Development of China and the UN System in China, and co-organised by International Poverty Reduction Centre in China (IPRCC) and UNDP China with participation of more than 200 representatives from over 30 countries. There were many noteworthy contributors at the conference including Chinese Vice Premier Hui Liangyu. There was also high level participation of the UN including UNDP Administrator, Ms. Helen Clark who advocated for steps to be taken by the Government to stimulate the economic sectors where the poor work to generate
employment there, invest in infrastructure and services in the areas where the poor live and, in particular, to increase access to safe water, sanitation, and reliable energy for all. USG for Humanitarian Coordination Ms. Valery Amos, Mr. Jomo Sundaram, ASG for Economic Development at the UNDESA, Ms. Wang Yuan, Chief Economist of the China Development Bank as well as Professor James Mirrless, Nobel Peace Prize Laureate in Economic Science (1996), among other relevant participants.

Through various programmes, the UNCT continued to address the needs of some of the most vulnerable groups in China.

In November, a concluding symposium marked the end of the Culture and Development Partnership Framework Joint Programme, under the leadership of UNESCO and the State Commission for Ethnic Affairs. The high-level event made the case for more efforts and resources for ethnic minority areas in general and for culture-based development in particular. The event showcased the main achievements of the programme in the pilot areas such as the improvement in ethnic minorities’ quality of life and access to culturally sensitive health and education services, awareness raised on effective participatory and culture-sensitive programming and non-discrimination in employment as well as mechanisms to empower ethnic minorities to manage their cultural resources.

In December, the Youth and Employment Joint Programme successfully ended under the leadership of ILO and the Ministry of Human Resources and Social Security. The UN, along with Vice Minister Yang Zhiming from MoHRSS, representatives of the Embassy of Spain and the Ministry of Commerce and nearly 300 other participants from UN agencies, government ministries and departments, academia and civil society joined the event to share the best experiences of the Joint Programme in promoting the rights of young migrant workers and their families, as well as the recommendations for the further development of migration policy. The programme implemented relevant initiatives to protect the rights and facilitate the integration of young migrants into urban settings. Examples of these initiatives are the development and implementation of the comprehensive life skills training through participatory approaches, the establishment of a social inclusion measurement indicator system, trainings on pre-employment vocational skills and business start-up, establishment of pilot community centers to provide comprehensive services and referrals and the incorporation of the migrant children registration into the Child National Programme of Action 2011-2020. In addition, an on-line information platform on migrant policy and research was created.

The UNCT continued implementing the Joint Programme “Improving Nutrition Food Safety and Food Security for China’s Most Vulnerable Women and Children”. The programme contributes to increase the nutrition standards of children under age 2 in rural areas. 12,000 children are directly benefitting of this programme in the three pilot counties through the supply of micronutrient packages. In addition, the programme is promoting exclusive breast feeding practices, higher standards in child food manufacture, promoting better nutrition practices in schools and homes. A special website on Food Safety Law was established to raise knowledge and awareness about food safety in China.

The UN maintained its support to China’s AIDS response during 2011 under the leadership and coordination of UNAIDS. Through joint advocacy efforts and technical consultations, the UN system advocated for China’s adoption of ambitious national targets in the new 5 Year National Action Plan: reducing new HIV infections by 25%, reducing AIDS related deaths by 30%, and protecting the rights and interests of people living with HIV by 2015. The China 5 Year Action Plan (2011-15) was issued by the State Council on 13 January 2012. The UN system also assisted the Chinese Government to update the national implementation plan for PMTCT of HIV/Syphilis/HBV according to international recommendations, to develop the new five-year plan on MCH and health promotion (on PMTCT and immunization of HIV-positive infants).

The UN also advocated higher participation of civil society in the AIDS response through elaboration of an action plan to promote CSOs. Furthermore, the establishment of the Red Ribbon Forum (RRF) served as a common platform for advocating human rights-based approaches and promoting dialogue between civil society and government. In addition, the UN Programme on AIDS in China 2011-2015 was developed.
Gender equality remained one of the priorities in 2011. Through the EVAW Joint Programme, the UNCT continued advocating for the adoption of a multi-sectoral approach for the prevention and response to Domestic Violence in China. In addition, the China Gender Facility for Research and Advocacy continued providing small grants to NGOs working to promote gender equality.

The UN Theme Group on Gender, in cooperation with ACWF and other Chinese institutions, organized a number of advocacy events to protect the rights of women and increase their participation in social life. Thus, on 25 November, on the occasion of the International Day against Violence against Women, a high level event was organized to promote youth participation in fighting against Gender Based Violence.

In addition to this event, the UNTG on gender, in coordination with the UN TG on Climate Change and Environment organised an advocacy event ‘Gender, Climate Change and Disaster Risk Reduction’. Wide media coverage reported on this event, helping promote broader understanding of the links between gender equality, climate change and DRR in China.

Of significant importance is the participation of the UN system in the Conference on Corporate Governance of Public Sector Reform in November. Upon the request of the State Commission Office for Public Sector Reform, UNICEF, UNDP, UNESCO and WHO participated in this event which signified the first step of an engagement by the UN system in the significant process of public sector social service delivery reform in China.

**Under UNDAF Outcome 3 (China’s role in the global community),** in 2011 the UN has been building capacity to collect, document, evaluate and share China’s development experience and knowledge with the international community. Along these same lines, China has continued her leading role as a platform for South-South cooperation. The UN Theme Group on “China in the World” has become a hub for multilateral and bilateral partner dialogue on the subject. UNDP undertook a trilateral pilot with the governments of China and Cambodia and launched many new south-south initiatives.

In 2011, FAO and China signed seven tripartite agreements with Senegal, Liberia and Uganda and organized a two-month-long technical training course with over forty participants from nine African countries.

WHO participated in the first BRICS Health Ministers Meeting in July in Beijing. Other international health-related events involving the UN and the Ministry of Health this year to convene the 6th Conference of International Cooperation Programmes on AIDS to review progress and share experiences with donors and neighboring countries, and the International Workshop on HIV Prevention in Sex Work in June.

The UNCT also supported compliance with Multilateral Agreements such as the UN Framework Convention on Climate Change and its Kyoto Protocol, the UN Convention on Biological Diversity, the UN Convention on Protection of the Ozone Layer and its Montreal Protocol and the WHO Framework Convention on Tobacco Control, among others and attended the UN Climate Change Conference in Durban this past November.

Under the leadership of UNICEF, the UNCT continued its support to Disaster Preparedness in China, contributing to the national guidelines on model communities for disaster risk reduction, integrating child and gender-sensitive elements, promoting the first DRR Plan in the housing sector in China, and the first national Guidance Note on Strengthening Community-based Disaster Reduction in China. The UN also shared relevant international experience/standards on planning and implementation of DRR through support to international workshops such as the WHO technical contribution to the 17th World Congress on Disaster and Emergency Medicine in May, the UNESCO workshop on disaster preparedness and risk reduction for 60 teachers and administrators in Qinghai and the UNICEF supported international seminar on safe kindergarten construction in June 2011, and the UN International Conference on Space-based Technologies for Disaster Risk Management “Best Practices for Risk Reduction and Rapid Response Mapping” organised by UNOOSA/UN - SPIDER and Ministry of Civil Affairs in November.
Summary on progress in UN Reform

The year 2011 was the first year of implementation of the UNDAF 2011-2015. In this context, the UNCT continues its efforts to harmonise the UN development cooperation with national development priorities addressed in the 12th FYP; In addition, the fast economic growth and the increasing global influence of China offer remarkable opportunities for UN-China partnership at different levels. This is the basis for the UN system in China to work closely with the Government to promote China’s role in the global community.

DaO in China is anchored in the UNDAF, focused on implementing its three outcomes through a three pronged strategy: taking the UN system relationship with the Government to the next level in the context of a MIC; delivering more strategic impact; and maintaining the UN’s high standing and visibility.

The UNCT and the Government of China started a process of consultation to discuss the roles and responsibilities of the UN system at China in this particular time of China’s development. The government’s response has been positive, reaffirming its strong support to the UN system in China and expressing interest in using the UN system networks and platforms to enhance its work on south-south, trilateral and global issues.

In 2011, the UNCT finished 3 of its MDGF joint programmes. Recognizing the challenges of inter agency coordination, these programmes were very valuable to create a culture of collaboration among UN agencies and UN staff members. They gather the UN agencies to focus around relevant development areas. The outcomes of these programmes demonstrated that joint UN approaches can enhance the UN contribution to national development.

The UNCT continued efforts to promote one voice to increase its impact and visibility in China. In a country with 20% of the world population, it is crucial for the UN to increase efforts to reach out to stakeholders, the general public and most particularly to young people. UN organizations already have a number of programmes reaching out to young people, including training, volunteerism, internships, etc. Most UN agencies also have active websites, blogs and microblogs with large numbers of followers, which are being pulled together to raise the volume of our joint messaging on key issues and to maintain the visibility of the UN system in China. In addition, platforms like the UN Day, International Day of Peace or the UN Distinguished Lecture Series and UN theme groups have been used to maximize the impact of some of the 36 UN high level visits (ASG and above) China received during year 2011.

Key aspects of the proposed 2012 workplan

UNCT’s 2012 work plan will focus on:

1. Continuing the strategic dialogue with the Government of China on key policy areas where China can benefit of the UN comparative advantage, knowledge and networks. A special joint UNCT effort will be made on the topics of equity, green consumption, Violence against Women Civil Society in 2012-2013.
2. Continue developing mechanisms and platforms to promote cooperation between China and the world.
3. Increase efforts to engage with China on the UN normative agenda.
4. Increase the UN’s high standing and visibility in China, reaching out to target communities such as policy makers, academics and students, private sector, youth and general public.

Recommendations

1. Provide flexibility to adopt reporting systems that are better adapted to the national context
2. Revise the financial support to coordination mechanisms in China to maintain appropriate coordination capacity. Sustainable funds are required for the RCO
3. Provide flexibility to adapt business procedures to the characteristics and requirements of national governments.