

United Nations Development Programme at work in China



Annual Report 2006



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Message from the Resident Representative



I am pleased to present this annual report, which summarizes the key development results that the United Nations Development Programme (UNDP) has contributed to in China in the past year.

At the United Nations (UN) Millennium Summit, which was held in September 2000, 189 UN member states adopted the Millennium Declaration. World leaders also agreed to a set of time-bound and measurable Millennium Development Goals (MDGs) with specific targets for combating poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women by 2015. The MDGs provide a framework for the UN system and the member states to work coherently towards a common end. In 2002, the Government of China put forward its national vision for an all-round Xiaokang society by 2020. We are very happy to see that a very strong linkage exists between the Xiaokang vision and the MDGs, both representing a people-centered agenda and focusing on development that makes a measurable and tangible difference to people's lives.

In recent years, UNDP has been making great efforts to become a more effective and results-driven development partner in China, with a focus on human poverty reduction and the MDGs. UNDP has also been a strong advocate for gender mainstreaming, development with equity, and sustainable environment and energy in the pursuit of development results.

UNDP's cooperation with China is at a critical juncture. China has embarked on its 11th five-year development period (2006-2010). The Xiaokang vision has become a common goal of the country and the government is paying an increasingly greater attention to people-centered development. Starting from 2006, UNDP enters a new country programme cycle in China (2006-2010). UNDP, as a key part of the UN system and a long-standing and trusted partner of the Chinese government and people, looks forward to its continued cooperation and contribution in terms of achieving better development results in China. UNDP believes that it can contribute more and better to the development in China through enhanced partnerships and sharing of global knowledge and best practices.

Looking back at the results we have achieved provides a good opportunity to learn lessons and improve planning for the future. What is important is not how much is done, but what results are achieved. It is our hope that this report will contribute to the sharing of development experiences and knowledge.

Khalid Malik
UNDP Resident Representative
UN Resident Coordinator
Beijing, China

July 2006

Introduction

In recent years, UNDP has further enhanced its cooperation and partnerships with the Government of China and other stakeholders for achieving development results.

With respect to the partnership with the government, UNDP has been working very closely with China International Center for Economic and Technical Exchanges (CICETE) under the Ministry of Commerce (MOFCOM), which is the government coordinating agency for UNDP in China, and with a number of government implementing partners and cooperating agencies. In addition, UNDP has made a lot of efforts in broadening and deepening its partnerships with the private sector, civil society organizations (CSOs) and other donor agencies. As a key part of the UN System in China, UNDP has

further strengthened its cooperation and partnerships with other UN agencies in development efforts.

UNDP is currently supporting 65 development projects in China with an approved budget of US\$ 230 million. In the past year, these projects contributed to the development of China through policy advice and dialogue, capacity development, creation of an enabling environment, and knowledge building and sharing.

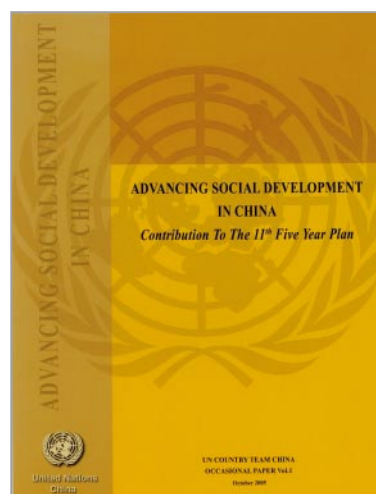
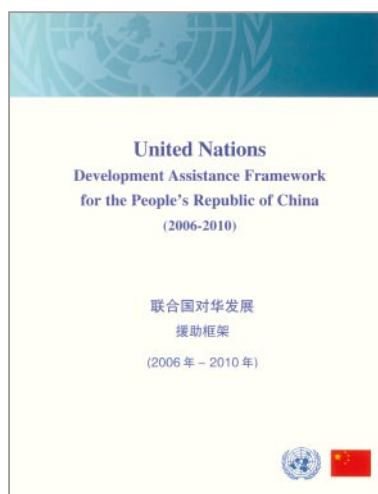
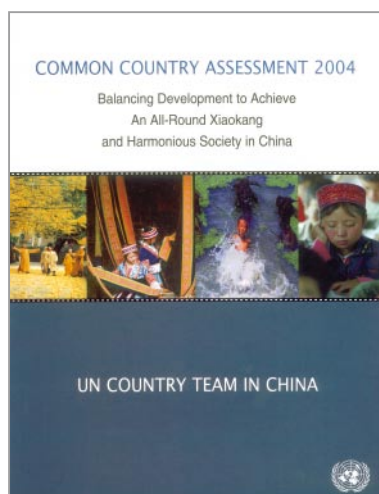
The following sections summarize the key development results that UNDP China has contributed to in the past year in partnership with the Government of China and other partners.

Support to the United Nations System

In 2005, UNDP, being the funder and manager of the UN Resident Coordinator System, continued to play a key role in supporting and harmonizing the work of the UN System in China. The second United Nations Development Assistance Framework (UNDAF) for China (2006-2010) was approved, with important support and contribution from UNDP.

UNDP provided substantive inputs to a number of policy advice documents prepared by the UN System, such as the report on China's Progress towards the

Millennium Development Goals 2005, Advancing Social Development in China: Contribution to the 11th Five-Year Plan, the Summary of the Report on the Status of the Selected UN Conventions in China, and Background Notes for Beijing+10 Conference (i.e. the 10th anniversary of the Fourth World Conference on Women). Moreover, UNDP has been proactive in the work of the UN Country Team and various UN Theme Groups, including contributions to joint programming activities.



Achieving the MDGs and Reducing Human Poverty

The eight Millennium Development Goals, a set of time-bound goals designed to respond to the world's main development challenges, are drawn from the Millennium Declaration that was adopted unanimously by world leaders at the UN Millennium Summit held in September 2000.

on synergies between the MDGs, the Xiaokang vision and the implications on the formulation of the 11th Five-Year Development Programme. Policy analyses and dialogues helped raise the issue of addressing public service delivery, especially in rural areas. They also highlighted areas where China may not be on



UNDP helps to reduce poverty in China through interventions designed to advance social and economic development. It assists the Government of China in adapting to changing circumstances through introducing innovative, internationally tried and tested methods based on the latest research. The goal is to ensure that efforts, whether in pro-poor fiscal reforms, building inclusive financial systems, trade policy development or private-sector support for poverty alleviation, reinforce the integral role of poverty reduction in China's macro-economic development framework.

Policy advice and upstream strategy

The MDGs complement the Government of China's Xiaokang vision. In 2005 the UNDP flagship Xiaokang programme supported broad-based consultations among development planners, local leaders, think tanks and the international community

track for achieving the MDGs, such as environmental sustainability, HIV/AIDS prevention and gender equality.

The poor will never escape poverty if the macro policy framework is not designed to support them. UNDP works with the government to find ways to be pro-poor in its reform of the fiscal system. The UNDP project on fiscal reform has accelerated discussions at central and local levels on strengthening fiscal capacity at the sub-national level. Linking with the new policy of Building the New Socialist Countryside, the county-level public finance situation and status were reviewed. This has provided a basis for further exploration of policy options to enhance fiscal support to the poor particularly in rural areas. The project has also engaged policy discussions and experience sharing for developing a more transparent budget management system.

UNDP supported the UN system in China in the preparation of the China MDG Progress Report



2005, which helps track China's progress towards the MDGs. The report confirms that China is in a good position and generally there is a strong commitment towards achieving the MDGs. The report also highlights areas for improvement and enables knowledge-based response. Targets requiring more attention include:

- achieve equal access for boys and girls to upper secondary education by 2005;
- reduce under five mortality by two thirds by 2015;
- halt and reverse the spread of HIV/AIDS by 2015;
- halve the incidence of tuberculosis (TB) by 2015;
- implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015.

The China Human Development Report 2005 focused on development with equity. The report was the first China Human Development Report, prepared by a group of Chinese experts coordinated by the China Development Research Foundation. This strong national ownership imbues the report with the relevance and buy-in necessary to provide an effective platform for debate on key national policy challenges. The report was devoted to China's already vast and still increasing disparities in income and social outcomes. While highlighting the significant progress made in human development, the report also presents a powerful argument that inequity, if unaddressed, could severely undermine the extent and sustainability of future progress. To meet the challenge, the report concludes that China must urgently invest in enhancing equity by improving public services, expanding the social security net and strengthening the protection of equal rights. The report has stimulated the attention of the top leadership of China and has contributed to the national debate on the issues concerned.

Poverty reduction in practice

In May 2005, the China International Poverty Reduction Center was formally launched in Beijing by the Government of China and UNDP. The Government of China has attached great importance





to the initiative. President Hu Jintao of China specially mentioned the establishment of the Center in his statement delivered on 14 September 2005 at the High-Level Meeting on Financing for Development at the 60th Session of the United Nations, New York.

The Center aims at strengthening national and international capacities to design and implement policies and programmes for poverty reduction, with a focus on both income and human dimensions of poverty. The Center will be a comprehensive hub and platform for knowledge sharing and lessons learning between China and other countries with regard to poverty reduction. It will engage a broad network of global partners to inform on policy-oriented research and training and to provide sustained support to pro-poor policy making.

A core function of the Center is to provide training for practitioners, policy-makers and operational personnel involved in poverty reduction in developing countries. In the past year, 53 middle-level officials from 27 countries in Asia, Africa, the Caribbean and South Pacific Regions received training and gave very positive feedback.

The Center also serves as a critical platform for international exchange and knowledge sharing. Over 200 representatives from more than 50 countries took part in four seminars organized in partnership with the World Bank, UNDP Regional Center in Colombo and others, covering topics such as pro-poor growth and macro-economic policies, poverty analysis and poverty reduction. A forum on Poverty

Reduction and Development in the Process of Building a Harmonious Society was co-hosted with the government on the Poverty Day 2005, which attracted the participation of senior provincial leaders and over 500 participants. These interventions helped to enhance knowledge sharing for poverty reduction and strengthened South-South cooperation.

Leadership support

UNDP has been supporting leadership capacity for balanced human development. In 2005, more than 100 leaders at vice-minister or vice-governor level took part in customized lesson-learning workshops on balanced development and public service delivery at some of the world's top universities, such as Yale, Cambridge, Oxford, Toronto and French School of Administration (ENA).

Aiming to broaden perspectives on change in order to exert a positive influence on the development environment, a number of key recommendations that were made to the Party Central Committee by the participants as a result of the training include:

- Good indicators to measure social and economic development should be adopted in China with reference to MDGs and Human Development Index (HDI);
- Strengthening government accountability and public participation is fundamental to realizing balanced social and economic development;
- State-owned enterprises should attach greater importance to management of corporate strategy;
- China should take steps to improve corporate governance;
- Innovation is a key driver for the strengthening of China's competitiveness and China needs to create a productive environment where innovation capacity can grow and develop;
- Regional cooperation and economic integration should be stressed against local protectionism.

Inclusive financial systems

UNDP has been supporting pro-poor fiscal reforms in China, in partnership with UK Department for International Development (DFID), International Monetary Fund (IMF), Australian Agency for International Development (AusAID) and others. In 2005, UNDP's efforts contributed to the deepened fiscal reforms by means of preliminary policy development and capacity building in such areas as pro-poor fiscal policy initiatives, budget formulation and management, treasury and government accounting reforms, and tax legislation, collection and administration. An international workshop was held to consolidate international best practices and domestic realities on pro-poor fiscal policy formulation and implementation. In addition, a series of preliminary policy proposals on pro-poor public expenditure management (PEM) and sub-provincial fiscal management systems have been outlined for policy makers.

More than ten years ago, UNDP was among the first to pilot the provision of microcredit in China with its characteristic emphasis on training, participation, and women's empowerment. In partnership with AusAID, UNDP supported a project on sustainable

microfinance to alleviate poverty (SMAP), which aimed at enhancing the capacity and sustainability of selected institutions in China to manage microcredit for poverty alleviation and at developing an enabling environment in China for microfinance. Since then, access to small loans has been extended to 300,000 poor people, a majority of them women. By linking the disbursement of funds with capacity development to provide clients with business and life skills, the projects empower them to realize the full potential of loans and have demonstrated the potential of microcredit as an effective tool for poverty reduction.

In 2005, which was the International Year of Microcredit, UNDP took part in the national efforts to improve the enabling environment, combining the practical demonstrations with policy research published with the People's Bank of China. As the benefits of microcredit and the need for sustainability become increasingly accepted, UNDP now takes a broader look at the financial system as a whole to render it fully inclusive. In support of that vision, UNDP supported the establishment of the China Association of Microfinance (CAM); coordinated the Global Micro-entrepreneurship Awards (GMA) for outstanding microcredit clients in nine categories from across China; and started working with organizers of the China International Finance Forum



(IFF) on devoting this high-level platform to the question of how to make financial sector reform meet the needs of the poor and vulnerable.

Democratic governance

At the UN Millennium Summit in 2000, world leaders resolved to "spare no effort to promote democracy and strengthen the rule of law as well as respect for all internationally recognized human rights and fundamental freedoms including the right to development."

UNDP works extensively with the government ministries and officials to promote the rule of law and human rights.

UNDP also partners with non-state actors, such as the private sector and the civil society, who are crucial to achieving balanced, inclusive, and equitable development.

UNDP's work focuses on policy advice, pilot initiatives, capacity building, advancement of global conventions and access to international experiences.

In 2005, UNDP undertook many initiatives to support the growth of democratic governance in China:

- UNDP supported a needs assessment workshop on strengthening rule of law and civil society development, which led to a multi-million dollar project to be jointly sponsored by the European Commission (EC) and UNDP in support of legal reforms and civil society development for better human rights protection and public participation.

- A pilot project of lawyers-on-site for criminal suspects during criminal interrogation was successfully conducted. Policy recommendations on

aligning China's practices with international standards were disseminated to lawmakers, senior officials, and legal experts.

- UNDP supported the Government to revise a key national regulation on registration of civil society organizations (CSOs), and a comprehensive policy study was conducted on how to create a favorable policy environment for civil society development by a government think tank and the report widely has been circulated among senior government officials.

- In partnership with the Ombudsman's Office of Norway, UNDP supported an international workshop on prison supervision for better protection of human rights of prisoners, which attracted more

than 120 senior procurators from all provinces of China and enhanced the knowledge and capacity of the Chinese participants.

- Under the UNDP's anti-corruption project

in cooperation with the Ministry of Supervision (MOS), more than 100 female and ethnic minority officials from China's poor regions received training on policy, strategy and practice vis-à-vis integrity and anti-corruption. In addition, with the support of UNDP, MOS submitted a policy paper on the prevention and handling of corruption from the root causes to the State Council and the National People's Congress (NPC).

In addition, UNDP also contributed to the efforts of the UN System in promoting democratic governance. For example, UNDP took a leading role in conducting a policy study, commissioned by the UN Country Team, on China's ratification and implementation of key UN conventions and, in particular, the Convention on the Elimination of All Forms of Discrimination against Woman (CEDAW). The report of the study was widely disseminated to



key government institutions, civil society organizations and the diplomatic community in Beijing, contributing to an increasingly intensive debate among key stakeholders about China's policy, legislation and role vis-à-vis the international standards and conventions.

In 2005, under the overall coordination of the UN Resident Coordinator's Office, UNDP contributed to the success of the first official visit of the UN High Commissioner for Human Rights, to China and the signing of a new memorandum of understanding (MOU) on technical assistance between the High Commissioner's Office and the Government of China. The MOU aims to facilitate China's ratification and implementation of key UN human rights conventions.

Gender mainstreaming

Gender can determine the choices one has in life such as education, employment, life expectancy, health and governance. Despite improvements in social status and financial stability since the late 1970s, cultural, structural, and transient factors have prevented women from benefiting equally from China's growth. The UNDP global 2003 Human Development Report ranked China 84 out of 114 countries based on gender-related development indices. In particular, gender disparities continue in education and in the number of women represented in business or government. One important means to addressing those challenges and strengthening



progress towards the MDGs is to eliminate gender gaps in educational attainment at the primary level, while continuing the effort to raise the quality and coverage of basic education overall.

In 2005, UNDP gave ongoing support to improving standards of education in rural areas of Sichuan, Yunnan and Gansu by helping 20,000 mainly ethnic minority teachers (most of them were women) improve their capacities through training in township learning centers on teaching methodologies, new curricula for basic education and using ICT services.

UNDP initiated a dialogue with the government on producing a joint assessment on gender and supported both the Beijing+10 conference and a two-day international workshop on microfinance and women's development in cooperation with such partners as All-China Women's Federation (ACWF). UNDP also actively engaged in the UN Theme Group on Gender and the UN China Gender Facility for Research and Advocacy to strengthen UN coordination on gender challenges. Global best practices and lessons learned were introduced both through financial support to UNIFEM for the translation of strategic materials and substantive inputs to the Beijing+10 conference.

In addition, gender mainstreaming as an important MDG goal was highlighted at a series of UNDP media workshops in Beijing, Gansu, Sichuan and Guangzhou.



Environment and Energy for Sustainable Human Development

Environmental governance

China's rapid economic growth over the past three decades, while drastically reducing poverty, has had a major impact on the environment. China is now facing many environmental and energy challenges. UNDP has been working closely with the government and other partners in promoting sustainable and environmentally-friendly development in China.

In 2005, China saw a significant increase in demands for improved environmental decision-making processes. It also saw an increased focus on the implementation of new public participation requirements under China's environmental regulatory framework. UNDP supported the State Environmental Protection Administration (SEPA) in the design of a new far-reaching China Environmental Awareness Programme, which seeks to increase levels of awareness in decision-makers, businesses and local communities on the importance of the environment to sustaining China's development achievements and achieving the MDGs by 2015. This included commencement of dialogues with the Beijing Organizing Committee for the Olympic Games (BOCOG) to cooperate on environmental awareness activities.

2005 was a year of major environmental emergencies,



including historic floods during the tropical cyclone season, and a major toxic chemical spill in the Songhua River which affected thousands of people along the river and into Russia. UNDP as part of a coordinated UN effort is paying a special attention to prevention of environmental emergencies through design of a joint UN programme on disaster risk management to build capacities for preventing and responding to natural and industrial hazards.

Other major initiatives included the co-hosting of the Asia Conference on Disaster Reduction in Beijing and commencement of designs for a new Coal Mine Safety Programme.

Sustainable energy solutions

Issues of energy security, greenhouse gas (GHG) emissions and air pollution all rose to the top of China's policy agenda in 2005. With soaring oil prices, major attention was placed on finding ways to reduce consumption through energy efficiency measures and increased use of renewables. With China's relentless pace of growth and urbanization, air pollution impacts have become a major source of concern. In the past year, UNDP supported progress on all three fronts. This included launch of a new Global Environment Facility (GEF) initiative of US\$ 80 million on energy efficiency in cooperation with the National Development and Reform Commission (NDRC), focusing on improving efficiency of energy use in steel, petrochemical and building sectors, and on supporting the improved enforcement of energy laws in China. UNDP also supported township and village enterprises (TVEs) in utilization of more energy-efficient technologies and products in the brick, cement, metal casting and coking sectors. This included results in nine pilot demonstration sites, where an average reduction of 300,000 tons of CO₂ was achieved in 2005. An additional 118 TVEs have been selected for replication of the successful approach in coming years.



Through UNDP/GEF support and strong cooperation with the government, the private sector and local communities, UNDP also succeeded in supporting the process of commercialization of renewable energy technologies in 2005. This included model rural renewable-energy systems (such as the solar-wind hybrid systems established to bring electricity to remote communities in western China for the first time) and the introduction of fuel cell buses (FCBs) to Beijing. Successes in 2005 also included the completion of new national standards for commercially produced renewable-energy technologies in solar, biogas and related sectors, and support to completion and launch of China's new Renewable Energy Law, which came into effect in early 2006. Those initiatives have contributed to an enabling environment for greater private-sector investments in China's booming renewable-energy sector, supporting reduced GHG emissions and electricity generation for the poor.

The year 2005 saw the entry into force of the Kyoto Protocol and its clean development mechanism (CDM). UNDP played a major role in China's entry into the global carbon market, designing and facilitating the financing of China's first-ever CDM registered project, a wind power project in

Inner Mongolia. In partnership with NDRC, UNDP supported the completion of China's national regulatory framework for CDM activities and market analyses to support market expansion in the years to come. To bring a sustainable development dividend to China's carbon market, UNDP designed a new MDG carbon programme in partnership with China's Ministry of Science and Technology (MOST). This will include support for designing MDG-grade CDM projects with clear community development and environmental protection benefits, and the establishment of a new climate exchange process, a platform for carbon trading within the private sector. Through cooperation with local governments, market-based mechanisms to reduce SO₂ emissions were established in 18 pilot cities across China with mayors signing a Declaration on Clean Energy Action. This now serves as a major basis for possible SO₂ domestic trading systems under exploration by the national government.

Biodiversity conservation

China is one of only ten mega-diverse countries in the world, hosting approximately 10% of all species on the planet and a significant proportion of the

world's endangered species. Covering a vast territory, China hosts a diversity of ecosystems.

In 2005, a landmark EU-China Biodiversity Programme (ECBP) of EUR 30 million was launched with support of UNDP and SEPA. ECBP is so far the largest of its kind in China, which aims to conserve specific ecosystems through strengthening biodiversity management. Through UNDP implementation support, ECBP takes an ecosystem approach with land use planning, environmental impact assessment and local capacity building activities across China's diverse ecosystems, from forests and freshwater systems in eastern China to the unique mountain and dryland ecosystems in western China.

To support an enabling environment for ECBP and related projects in China, UNDP launched the GEF-supported China Biodiversity Partnership Framework (CBPF) programme in 2005. With CBPF, 2005 marked the start of a new phase of strategic partnerships for biodiversity conservation and environmental protection in China. It represents an unprecedented attempt by the UN to bring together, for the first time at this scale, all relevant parties from international, national and sub-national communities to agree on a common strategic framework to guide national development policies and decision-making

to address biodiversity conservation challenges. With a 10 year horizon, CBPF seeks to achieve integration of biodiversity considerations into local development and investment decision-making and related environmental governance processes.

Chemical management

Since 1993, UNDP has supported, with funding from Montreal Protocol (MP) multi-lateral fund, many small and medium-sized Chinese enterprises in converting production and industrial cleaning processes to ozone-friendly alternatives, and helped build technical and managerial capacity to ensure an efficient and timely phase-out of ozone-depleting substances (ODS) at the national level. In 2005, a further 1,694 ODP tones of ODS were eliminated, enabling China to meet its targets under the Montreal Protocol. Furthermore, UNDP placed top priority to developing new programmes to reduce and eliminate Persistent Organic Pollutants (POPs) use in China. Special emphasis was placed on design of two new initiatives to reduce the use of DDT in China's agriculture and fishing sectors. As a carcinogen, DDTs are a major cancer risk and environmental health concern, while their persistent nature also damages ecosystem functions years after they are released into the environment.



Responding to HIV/AIDS and other Communicable Diseases

HIV/AIDS

In 2005, an estimated 650,000 people were living with HIV in China, of which 75,000 people were estimated to be living with AIDS. Although pockets of high prevalence exist within specific geographies and social groups, there is a relatively low overall incidence of infection. Infection rates are highest in areas affected by unsanitary blood and blood plasma collection activities in the mid-1990s and within vulnerable groups such as intravenous drug users, sex workers, and men who have sex with men.

In recent years, the Government of China has reiterated its strong commitment to combat HIV and AIDS by identifying prevention and control as a priority in its 11th National Five-Year Development Programme (2006-2010) and by recognizing the rights and responsibilities of people living with HIV and AIDS.

In 2005, UNDP carried out several interventions such as assisting State Council Legislative Affairs Office in drafting the first national HIV/AIDS regulations; training seminars and workshops for 300 local leaders and legislators from Sichuan, Hubei, and Tianjin, improving the understanding of potential socio-economic benefits of policy and legislative

reform - also through provincial-level assessment of existing legislation and policies; county-level cooperation and coordination model to integrate and implement community-based approaches linking HIV and poverty; community-level microcredit fund for people living with HIV/AIDS (PLWHAs) and families. UNDP and other UN agencies will continue to advocate for relevant legal frameworks and best practices for addressing social and health consequences of HIV and AIDS. As part of this effort, UNDP is helping to develop the leadership capacity of government officials at various levels for effective policy implementation.



Within communities, UNDP is supporting poverty alleviation projects that provide households affected by AIDS with the necessary capital and skills to be self-reliant. In Shanxi, UNDP, working with National Center for STD/AIDS (NCAIDS), helps PLWHAs not only regain confidence and respect, but also depend on less state-provided social services, lessening economic pressures faced by resource-strapped local governments.

The UNDP project on Community-based HIV/AIDS Care and Prevention has been working with local people living with HIV or AIDS in Shanxi to help alleviate poverty, raise awareness, and combat



discrimination. In 2005, the project provided microcredit loans to 11 AIDS-affected households, helping them become more financially self-reliant and visible. The project has also distributed awareness materials to over 100,000 students and reached over a half million people with public-service announcements and brochures. The results are an increase in awareness, a decrease in discrimination, and better quality of life for PLWHAs and their families.

In addition, UNDP has also contributed to the harmonization of the UN System in China in responding to the challenge of HIV/AIDS. For example, the UN System in China has made important progress in strategizing for a single joint UN programme on HIV/AIDS in China. In order to scale up the response to HIV/AIDS, UNDP also contributed, through the UN System, to the mobilization of additional resources and an intensified private-sector response. Extensive support was provided to the development of the Global Fund Round Five proposal. The initiatives such as the Business and AIDS Summit and the HIV/

AIDS session at the Global Compact Conference in Shanghai all helped secure strong commitment from the business sector to the response to HIV/AIDS.

Avian influenza

The global spread of the avian influenza (AI) poses new challenges to China, its government and the UN System. While risk assessments vary, most experts fear that the endemic nature of AI in China, and the close habitation of human and animal populations particularly in southern China, all make China a possible epicenter of the disease. Equally, China with its considerable human, organizational and financial strengths can play a significant role in the global fight to contain and manage the spread of avian and human influenza. UNDP, together with other UN agencies, provided support to the government's efforts in coping with the challenges imposed by the avian influenza. An instance of this was the hosting by China of the global financing conference on avian influenza on 17-18 January 2006 in Beijing.

Forging Strategic Partnerships for Development Results

Partnerships for development results have become a crucial component in all UNDP's development efforts. Apart from the traditional cooperation with the Government, UNDP has made several efforts to extend partnerships with other players.

Partnerships with the private sector

Achieving the MDGs and the Xiaokang vision requires complex and collaborative solutions with participation and support from different actors such as the government, the private sector, civil society, academia, media and the general public.



UNDP has established an extensive and substantive network of partners for achieving development results in China. Public-private partnership (PPP) is increasingly seen as an effective way to manage the complexity of development challenges. PPP crosscuts

many areas of UNDP's work. In 2005, UNDP undertook a number of PPP initiatives, including the following:

- The China-Africa Business Council (CABC) was launched in Beijing in March 2005, which is a significant PPP initiative between China and Africa under South-South cooperation. In partnership with the China Guangcai Programme and its membership of 16,500 private-sector companies, CABC aims to provide a practical business tool to facilitate Sino-Africa economic links focusing on investment and trade. Several business delegations have been conducted in China and Africa resulting in trade agreements and joint ventures.



- A memorandum of understanding (MOU) has been signed between UNDP and Arcelor, the world's second largest steel company, for cooperation in the areas of energy efficiency, clean development mechanism (CDM), environmental awareness, poverty reduction and support for the attainment of the MDGs.

- An environmental and social impact assessment (ESIA) on Stora Enso's forest plantation project in Guangxi was carried out to demonstrate the potential of ESIA in promoting sustainable development and the importance of PPP in China's development.

- With the support of UNDP, a Peace and Development Foundation was established in Hong Kong, which is part of UNDP's efforts to strengthen the role of the private sector and the business community in addressing China's and global development challenges.

- Through cooperation with the China Guangcai Programme, UNDP mobilized RMB 4 million in cash

and in-kind from China's private sector to support the relief operations following the earthquake in Pakistan.

Regional and South-South cooperation

Regional and South-South cooperation (SSC) is about developing countries working together to find solutions to common challenges. Often linked by history, geography and other challenges, countries of the South have important lessons and success stories to share.

Regional and South-South economic cooperation should be a win-win situation. China's rapid economic rise can have a huge positive impact, bringing investment opportunities and know-how, while also satisfying China's need for sustained economic growth. In this process, UNDP has helped to promote closer ties among developing countries for mutual benefits.

The Silk Road Initiative is a regional programme led by UNDP in partnership with UNCTAD, the World Tourism Organization, and the Asian Development Bank (ADB). The programme involves China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The overarching goal of the regional programme is to help the countries concerned meet the MDGs of reducing poverty and promoting growth and equality through enhancing regional cooperation and development in three main areas: trade, investment and tourism.

In 2005, a study tour to Uzbekistan, Kazakhstan and Kyrgyzstan was arranged for 20 Chief Executive Officers (CEOs) from private companies of China to pave the way for business and investment opportunities. An International Silk Road Symposium in Xuzhou was attended by four central Asian countries and China to promote regional cooperation and integration, and planning was carried out for the first regional mayors' forum. Fifteen central Asian delegates from national governments, chambers of commerce, business associations and NGOs took part in a study tour to Xuzhou, Shanghai, and Suzhou.

Also in 2005, UNDP convened the meeting of the Consultative Commission of the Tumen River Area Development Programme, which was hosted by the Government of China. At the end of the meeting, a historic agreement was signed in Changchun, China. The Changchun meeting was attended by all five

Asia. All five countries have agreed to intensify and scale up their cooperation under the Tumen banner, which will now become the primary platform for bilateral and multilateral efforts in economic cooperation in Northeast Asia, e.g., trade, investment, transport, tourism and energy links.



The China International Poverty Reduction Center provides a key platform for global partnerships for poverty reduction. ADB, the World Bank, DFID and other partners joined the Center as trustee members with financial and substantive support. The Center also serves as a hub for experience and knowledge sharing between China and other developing countries, playing a critical role in

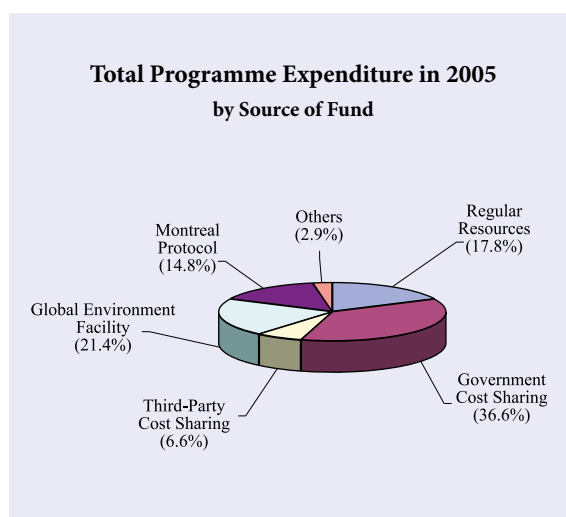
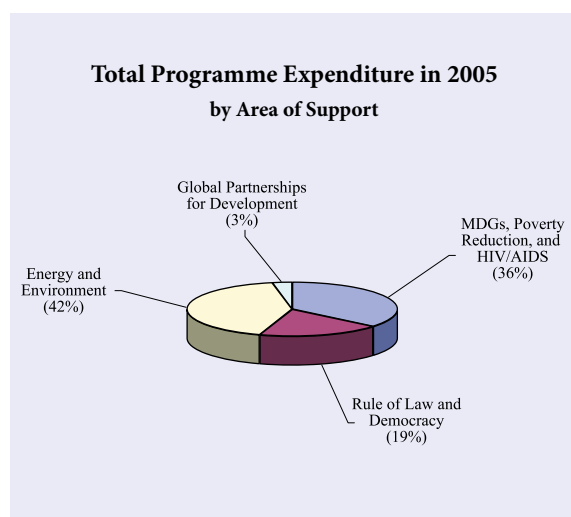
countries concerned and the Changchun Agreement marked a real breakthrough in economic cooperation in the Tumen area and more broadly for Northeast

regional and South-South cooperation and attracting wider global partnerships.

Resources

UNDP manages financial resources from various sources in support of its development efforts in China, including regular resources, government and third-party cost sharing, funds from global trust funds (e.g. Global Environment Facility, Montreal Protocol), etc. In the previous programme

cycle in China (2001-2005), UNDP mobilized more than US\$ 250 million for its programme in China. The following charts show the composition of the total programme expenditure in 2005 by area of support and source of fund.



Our global mission statement:

UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.

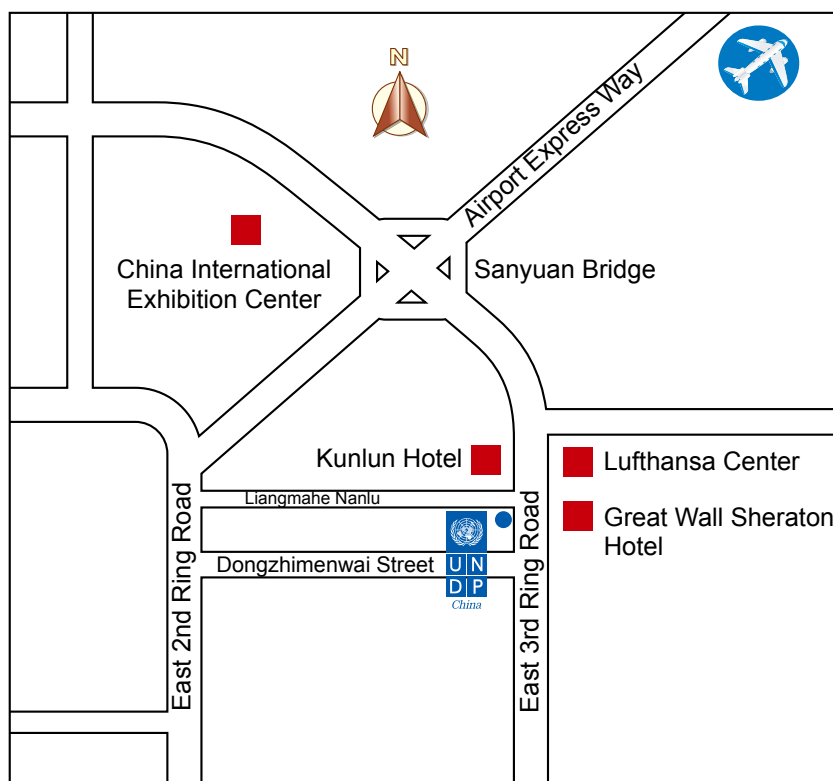


Our mission statement in China:

UNDP fosters human development to empower women and men to build better lives in China. As the UN's development network, UNDP draws on a world of experience to assist China in developing its own solutions to the country's development challenges. Through partnerships and innovation, UNDP works to achieve the Millennium Development Goals and an equitable Xiaokang society by reducing poverty, strengthening the rule of law, promoting environmental sustainability, and fighting HIV/AIDS.

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