



**Office of the United Nations
Resident Coordinator**
联合国机构协调处

8 March 2004

Dear Mr. Secretary General,

Subject: 2003 Annual Report of the UN Resident Coordinator System in China

2003 was an important year for the UN system in China. Substantial progress was made overall with an important break through in our dialogue with the government on HIV/AIDS.

Three areas of progress can be particularly highlighted: a coordinated UN approach to the SARs crisis; the completion of China's first progress report on MDGs; and, the success of UN's advocacy efforts in HIV/AIDS.

In 2003, China, as before, continued to grow rapidly with an annual GDP growth rate of 9.1%. It has recorded unprecedented reductions in poverty levels and is on track on meeting most of the MDGs goals by 2015. Yet there are unmet MDG goals and increasingly new challenges.

Rapid economic progress has brought increased regional and income disparities- an issue of considerable concern to the new leadership in China. And there are large challenges in three key MDGs: HIV/AIDS, gender equality and environmental sustainability. Business-as-usual approaches are unlikely to bring in visible results and meet the goals by 2015. And, at a broader level, China's 'footprint' on the world's economy and global relations is rapidly growing. Meeting these challenges requires careful and sensitive management and a gearing up of multilateral dialogue. The role of the UN system is likely to become more, not less, important in helping China meet these challenges. A coherent and effective UN response to these challenges requires substantially enhanced inter-agency collaboration.

1. SARS.

The outbreak of Severe Acute Respiratory Syndrome (SARS) in the first part of 2003 resulted in severe economic impact. Many conferences, workshops and projects in addition had to be postponed or cancelled during this period. Yet, there were positive aspects of this crisis also- SARS in particular has highlighted the value of increased transparency and accountability.

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UN's collective response to the epidemic was quick and I believe effective (it was recognized as such by the government and the diplomatic community). The UN Theme Group on Disaster Management (UNDMT), led by the WFP Representative, organized regular briefings in coordination with the government, donors and relevant UN agencies. The UNDMT also facilitated a coordinated approach to the \$120 million donor response to SARS.

2. The MDG Progress Report and Campaign

After considerable effort, agreement was reached with the government (led by the Ministry of Foreign Affairs) on China's first report on its progress in meeting the MDG goals. These goals closely correspond to government's own set of goals known as Xiaokang (well-off society), driven by the concerns of the new leadership to balance economic growth with social development. This correspondence though requires stronger integration, particularly in the areas of HIV/AIDS, gender and the environment. The UN system will focus on this in the coming years- at the assessment and policy levels and on developing common data systems and indicators.

Extensive and patient dialogue by the UN system with different ministries and departments of government has in our view substantially strengthened government's ownership of the MDG process.

Agreement was also reached on the convening of an international high-level conference on the MDGs in Beijing in March 2004. The Report and the MDG China campaign will be launched at this Conference.

3. HIV/AIDS

Towards the end of last year, we are pleased to report a breakthrough in our work on HIV/AIDS. While many agencies and personalities have contributed to this, the close collaboration and patient advocacy by the UN Theme Group on HIV/AIDS, led by the UNFPA Representative, made a substantial contribution in taking the dialogue on HIV/AIDS to the next more visible level.

These concerted efforts catalyzed an unprecedented show of support by China's leaders. Premier Wen Jiabao and Vice Premier Mme Wu Yi met and shook hands with HIV/AIDS patients on World AIDS Day. Televised throughout the country, this marked a historic commitment of the Chinese leadership to the fight against the epidemic. The UN Theme Group, in partnership with the Ministry of Health, also launched the Joint Assessment of Prevention, Treatment and Care. Our challenge as a UN is now to move beyond advocacy, towards a common programmatic effort.

The UN Country Team (UNCT) in China also made progress towards Joint Programming with funds channelled by the UNRC Office to different agencies through the Programme Acceleration Fund (PAF) II.

I may add that some progress is also being made more broadly in UN simplification and harmonization. With support from the UNCT, the UN Operations Management Team has established task-forces to develop common approaches in: security and safety, HR management, procurement, UN premises, IT platform and UN Personnel Policies on HIV/AIDS.

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The aftermath of the tragic events in Iraq and heightened concerns on security led us to establish more systematic approaches to security in China. The Security Plan was updated and made more comprehensive, and regular SMT meetings instituted even as it was recognized that based on current information China remains a safe and secure environment for staff to work in.

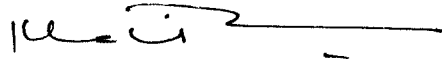
4. High level visits

The Deputy Secretary General's visit to China in October 2003 had a very favourable impact on our policy dialogue with the government, inter alia, on HIV/AIDS, environmental sustainability, and UN reform. High level missions from Headquarters, including Executive Directors of UNICEF and UNEP, also contributed to moving the MDGs forward. We welcome continued high-level visits from Headquarters which are very helpful to the strengthening of the Resident Coordinator system in China.

This year, 2004, will be a challenging year for the UN system in China as we seek to deliver on the expectations raised and the breakthroughs made in 2003. A UN Country Team retreat was held in January 2004 to strategize on how best the UN system could respond to these challenges, and the key areas where the UN could pursue collective action.

Finally let me say how delighted we are to learn of your visit to China this coming April. The UN Team in China looks forward to welcoming you and in particular the opportunity in briefing you on our collaborative progress and on the challenges ahead.

Yours sincerely,



Khalid Malik
UN Resident Coordinator in China