

United Nations
Development Assistance Framework For
China
(2001 – 2005)

Prepared by the United Nations Country Team in China and the
Government “Mirror Team”

Beijing, October 2000

Foreword

The beginning of the new Millennium brings with it a renewed look at global development. We see a shift from considering development as purely a concern of each nation towards a shared global responsibility to ensure global peace and prosperity. The two following quotes from the opening paragraphs of the Millennium Declaration, and from President Jiang Zemin's speech at the Summit Assembly illustrate this change:

"We, heads of State and Government, have gathered at United Nations Headquarters in New York from 6 to 8 September 2000, at the dawn of a new millennium, to reaffirm our faith in the Organisation and its Charter as indispensable foundations of a more peaceful, prosperous and just world.

We recognise that, in addition to our separate responsibilities to our individual societies, we have a collective responsibility to uphold the principles of human dignity, equality and equity at the global level. As leaders we have a duty therefore to all the world's people, especially the most vulnerable and, in particular, the children of the world, to whom the future belongs." (Millennium Declaration)

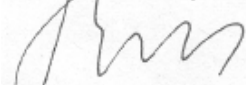
"China's development is a contribution to world peace and development. The Chinese people love peace and stand firm in maintaining world peace and stability...This is a solemn commitment undertaken by the Chinese people to the world." (President Jiang Zemin)

Since 1997, the UN system has been implementing a programme of reform. The United Nations Development Assistance Framework (UNDAF) is a central component of this reform programme. It is a planning framework, which is to harmonise the development cooperation work of all UN agencies providing assistance to a given country, identifying joint goals, objectives, and strategies so that the development cooperation of the UN system as a whole is more effective in assisting Governments address their development priorities and contribute in turn to global development.

The present UNDAF for China (2001-2005) is the result of a close consultative process between the UN system, the Government, and so-called "Stakeholders", organisations such as other multilateral and bilateral donors, international and national NGOs, who are active in development and as such are valuable partners to the UN. The process began in March 1999 with the preparation of the Common Country Assessment (CCA), whose analysis was used to identify strategic issues, which the UN system could address with the aim to assist the Chinese Government in realising its long-term development goals and supporting its Tenth Five Year Plan (2001-2005).

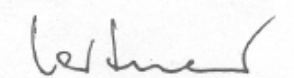
The goals and objectives of the UNDAF will be reflected in the programmes and operational activities of the various UN agencies during the above period. It is hoped that the UNDAF can become a framework beyond the UN system and thus contribute to use more effectively resources for development assistance, and strengthen partnerships between all development players. It is also intended to encourage the introduction of new development approaches which can lead to more effective utilisation of ODA resources and assist China in addressing development concerns which are related to improving the living standards of all its people.

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Long Yongtu
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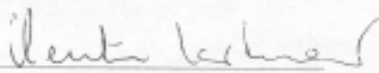


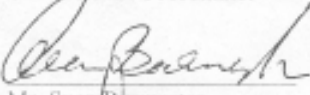
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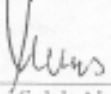
Preface

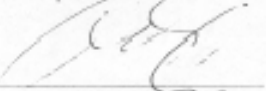
The UN Country Team in China is proud to present to you the United Nations Development Assistance Framework for China (2001-2005). It is the culmination of an intensive dialogue spanning more than one and a half years among the Country Team members, the Bretton Woods institutions, non-resident UN organisations, with the Government, other donors and NGOs to re-examine development concerns in China and establish priorities which we, as the UN system, can jointly work towards in the coming years and which we hope will be the framework by which we can continue to strengthen our cooperation with development partners. It also underlines our commitment to supporting the national development of China, its priorities, particularly as it relates to social and sustainable development and poverty elimination. The World Bank and IMF are committed to close collaboration with the UN agencies in working together with the Government and the people of China in pursuance of the goals set out in this UNDAF.

We emphasise in many passages of the UNDAF the importance of participation in the development process. The preparation of the CCA/UNDAF was about participation and the value of exchanging information; on how it can sometimes be a complex procedure, coordinating diverse views, being sensitive to the interests and needs of each player, and coming out of the process with a logical result. It is however a fruitful process, serving to strengthen the UN partnership in China and hopefully facilitating our ability to collaborate further under different programmes and projects. We therefore would like to express our sincere appreciation to the many Government ministries and agencies, the donor community and NGOs in China who participated in the process, providing valuable inputs which contributed greatly to the preparation of this document.

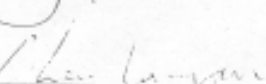

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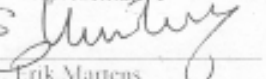

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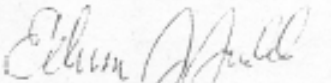

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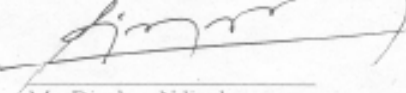

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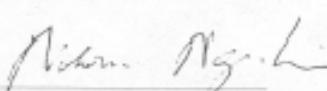

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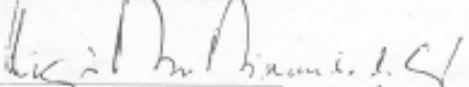

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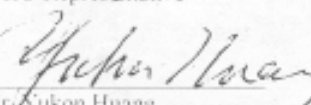

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I. EXECUTIVE SUMMARY

The United Nations Development Assistance Framework (UNDAF) for China is a planning framework which outlines the common objectives and strategies shared by all UN organisations providing development assistance to China. It is a culmination of a series of discussions among UN organisations resident in China, Government representatives and other partners to identify and agree on a common set of goals and objectives which the UN system in China will be working towards during the current UNDAF period 2001 - 2005, which also coincides with China's Tenth Five Year Plan. The process began with the preparation of a Common Country Assessment (CCA), providing an analysis of the country situation and selecting a number of priority areas in which the UN system has comparative advantages and can provide interventions. The CCA was published in August 2000. Based on the conclusions reached in the CCA, this UNDAF has been prepared by the UN Country Team (comprised of all resident UN organisations in China) in close cooperation with the Government "Mirror Team" (representatives from all of the UN system's Chinese government counterparts) and reviewed by non-resident UN agencies and other development cooperation stakeholders (multilateral and bilateral donors and NGOs).

The UNDAF is essentially a planning framework laying out the major goals of the UN system development cooperation, the immediate objectives stating the specific areas in which the UN proposes providing assistance and the impact it hopes to achieve, and cooperation strategies, the various approaches the UN will take in providing the assistance. A section on follow-up and review outlines the monitoring and review process which will be utilised to follow-up on the implementation of UNDAF, and finally the programme resources framework gives an indicative framework for the mobilisation and allocation of resources.

The UNDAF took into consideration priorities of China's Tenth Five Year Plan and the strategic themes proposed by the CCA to come up with six cross-cutting themes. These themes cut across all UNDAF goals and objectives and are areas which have been priorities for the UN in previous cycles and which will continue to be major concerns for the UN in China, over and beyond the current UNDAF period. These cross-cutting themes are: poverty alleviation; improved rule of law; gender mainstreaming; social protection; HIV/AIDS and other threats; and maintaining economic growth while preventing further environmental deterioration. Once the themes were designated, the Country Team discussed what it expected to achieve through providing development assistance to China (the "goals") and which problems it hopes to address, i.e., which areas of intervention it would focus its support in order to achieve these goals (the "objectives"). The three UNDAF goals are as follows:

Goal One: Promote sustainable development to reduce disparities

Goal Two: Support favourable conditions for the national reform and development process.

Goal Three: Assist China's efforts in meeting global challenges and promote international cooperation.

Goal One relates to development assistance aimed at minimising the existing disparities between regions, among rural and urban areas, among the rich and the poor, and between men and women through primarily social and human development factors. It also looks at improving the quality, coverage and the access of basic social services in China. Special attention will be paid to programmes which target the provision of basic services and poverty alleviation initiatives to the most marginalised populations, including women and girls, ethnic minorities and the migrant population. Goal Two covers other issues related to facilitating national development, including the rule of law, environmental management, continued fiscal reforms, urbanisation, and free internal flow of goods, services, information and resources. It is also about governance and enhancing the roles of the government, the private sector and the civil society in development, and the need for their respective responsibilities to evolve in line with nation-wide reforms and changes occurring as a result of the transition process. Goal Three covers the areas in which the UN will assist China continue to assume an active role in dealing with global challenges, cooperation with neighbouring countries and the region and in the integration of the conclusions of international conventions and conferences into the body of national law, plans and programmes. In pursuing its goals and objectives, the UN system will pay special attention to the needs of girls and women.

The twelve objectives that have been identified for the UNDAF are together expected to have a discernible impact on achieving the three UNDAF goals by reducing disparities, enhancing conditions for national development and strengthening China's contribution to the efforts of the international community to

address global challenges, such as halving poverty by 2015, mitigating climate change, securing economic growth throughout the world, and promoting rights-based development.¹

Each objective to a varying degree contributes to the attainment of all three goals. However, Objectives 1-5 primarily, but not exclusively, relate to Goal One and are aimed at lessening the likely marginalisation for parts of the Chinese population, particularly the poor, women and older people. The objectives also refer to economic, social and cultural rights and entitlements as expressed in the International Covenant on Economic, Social and Cultural Rights which has been signed by China. Objectives 6 – 10 address issues which are directly related to the economic transition process (Goal Two) and the Declaration on the Right to Development (a General Assembly resolution in 1986). Objectives 11-12 will support China's continuing commitment to its opening-up policy and its interest in furthering the cause of all developing countries, and to benefit from the emerging body of international conventions for charting its own development course (Goal Three).

Given China's large population, its complex development needs and the substantial amount of resources China itself commits to resolve these needs, the UN recognises that its development cooperation is financially very limited. Although the UN has been able to demonstrate in the past that it can provide timely and appropriate solutions to some of China's concerns and that it can still make an impact, the UNDAF provided the opportunity to think through on how the UN can optimise its resources even more.

Based on lessons learned from previous cycles and the impact UN interventions has had so far on China's overall development efforts, the UN proposes to provide its assistance through a combination of approaches. These include focusing on capacity building (in technical knowledge and experience and in improved capacity in the administrative system/governance); advocacy and policy dialogue; information, communication and knowledge; partnership building (between donors, different levels of government, among government departments and with civil society); introduction of innovative initiatives; special targeting to disadvantaged groups and mobilisation of various resources, including human, financial and expertise. The issue of improving governance and the need to improve/adjust administrative systems to reflect present requirements and realities was stressed as a crucial component in all UN assistance. The promotion of participatory approaches was also identified as being a key component, since participation goes beyond the inclusion of beneficiaries in programme and project decision-making; it implies the recognition that there are multiple players in development, and that each player (the different levels of government, the private sector, and individuals in the civil society) has different duties and responsibilities in furthering national development. The UN will promote an equal participation of men and women among all these players. Creating participatory, equitable and effective governance is a never ending challenge, not only in China, and the UN system intends to continue to make a noticeable contribution to address this challenge in the Chinese context.

The CCA/UNDAF process has been invaluable in strengthening the partnership among resident UN agencies by providing them with the opportunity as a team to take a look at China's development in its entirety and identify problems as well as possible approaches to solutions by pooling experience and knowledge each agency has accumulated while working in China. It has also enabled the Team to identify, despite their diverse organisational mandates, a common set of goals and objectives which can enhance further cooperation among UN agencies in China by preventing duplication and opening up potential for complementing each others activities to maximise impact. The UN Country Team, as well as the Theme Groups which were established

¹ The twelve UNDAF objectives are as follows:

1. Improve the quality of, and equal access to, basic social services.
2. Reduce the burden of HIV/AIDS.
3. Enhance food security and nutrition, especially at the household level.
4. Improve access to, and opportunities for, employment.
5. Strengthen the social security system, including health benefits, unemployment benefits, disability benefits and pension schemes in both rural and urban areas.
6. Help create an internal market without regional barriers, facilitating the free flow of goods, capital, information and human resources.
7. Enhance planning and management of the urbanisation process, taking into account environmental and human development considerations.
8. Support continued fiscal and financial reforms, deregulation initiatives and related interventions, with appropriate consideration to macroeconomic stability and equity.
9. Improve environmental management capacity, especially in the Western region.
10. Strengthen the rule of law, from legislation to law enforcement and throughout the administrative system.
11. Support the implementation of the consensus of the UN conventions and conferences by the government and the civil society.
12. Promote China's technical and economic cooperation with other countries, especially with developing countries, to meet global challenges.

during the CCA process will continue to act as the main modalities for UNDAF follow-up. The UNDAF goals and objectives will be reflected in the respective programmes that UN agencies will be formulating over the next year to coincide with the UNDAF period and both the UNCT and the Theme Groups will identify areas where the UN can cooperate and/or jointly address an issue. A major feature of the UNDAF will be that it remain flexible and open to any new priorities or situations that may emerge as a result of new developments in China or international initiatives. Such new concerns will be reflected in the UNDAF on a timely basis.

II. INTRODUCTION

The United Nations Development Assistance Framework (UNDAF) for China is a planning framework. It was introduced by the UN Secretary-General as a means to harmonise the UN system's development cooperation activities at the country level, and is regarded as an important part of the overall programme of reform which was launched in 1997 to enhance the UN's capacity in implementing its development mandate.

In 1999 and early 2000 the UN Country Team, through the work of eleven UN task forces, reviewed and analysed the national development situation and identified priority areas of assistance for the UN system. This analysis resulted in the Common Country Assessment (CCA) published in August 2000. Based on the conclusions reached in the CCA, subsequent discussions took place among the Country Team, Mirror Team and Stakeholders, including a look at the main priorities of China's Tenth Five Year Plan which was approved by the Central Party Committee in October 2000, leading to the identification of goals and objectives which the UN system as a whole plan to work towards during the current UNDAF period 2001-2005.

The document consists of five sections. The Introduction provides a brief explanation of the UNDAF's background, the preparatory process and the rationale for the particular choices that were made in selecting specific goals and objectives. Section Two on Goals and Objectives describes the goals and objectives the UN Country Team will pursue for the current UNDAF period. Co-operation Strategies outlines the various approaches the UN system proposes to use in its development assistance. Follow-up and Review is an outline of the monitoring and review process to follow-up on the implementation of UNDAF in relation to the country programmes and projects of participating UN organisations and collaboration in selected areas. Finally, Section 5: Programme Resources Framework gives an indication of the mobilisation and allocation of resources.

II.1 Rationale

China has achieved a remarkable national development in the past two decades, from both a human and an economic perspective. Great progress has been made towards sustainable achievements related to many global conference goals, and overall access and coverage in a range of basic social services has improved significantly. However, as identified during the in-depth assessment carried out for the CCA, China faces several important challenges in achieving its development goals, including, among others, poverty alleviation, improved rule of law, gender mainstreaming, social protection and maintaining economic growth while preventing further environmental deterioration. Most of these issues are also expected to be highlighted as national priorities in China's Tenth Five Year Plan². These are cross-cutting themes for the China UNDAF that run through each of the UNDAF goals and objectives and may be considered as areas which the UN will continuously seek to address in its development assistance, as they emanate from global conferences and are covered by international conventions which China has signed.

Poverty Alleviation³ - Estimates of the extent of poverty vary depending on which indicators are chosen. Using the official government poverty line⁴, China's rural poor decreased dramatically from 250 million in 1978 (30% of the rural population) to 42 million in 1998 (4.6% of the rural population). However, the proportion of the poor in the Western provinces increased from less than half of all China's rural poor in 1988 to more than two

² Although the Tenth Five Year Plan will not be publicly presented until March 2001, the Central Party Committee approved a blueprint of the Plan in October 2000. The Plan is expected to carry the following major objectives: 1) maintain rapid economic growth through continued economic restructuring; 2) build up a modern corporate system in SOEs and establish a sound social security system; 3) increase employment opportunities and increase the living standard of people in both rural and urban areas, while continuing to protect the environment; and 4) speed up the development of science, technology and education. In addition, some other priorities include: a strategy for the development of Western areas to close existing regional gaps; urbanisation and balanced regional, urban and rural development; a standardised, fair national market system; continued political restructuring and the fight against corruption.

³ Analysis of the cross-cutting themes is taken from the China Common Country Assessment (CCA), June 2000 and is based on the seven strategic themes identified by the CCA as follows:

1. Promotion of regional equity.
2. Promotion of gender equality.
3. Increasing the effectiveness of basic services.
4. Enhancing governance processes and applying the principles of the rule of law.
5. Supporting further development of effective socio-economic diversification, collaboration and protection of the natural resource base.
6. Improving effectiveness of capacity building efforts.
7. Prevention and control of HIV/AIDS and reduction of other major threats.

⁴ The Chinese official poverty line is set at 640 RMB (1999 and 2000) per year while the international poverty line is US\$1 per day.

thirds in 1996 because poverty reduction efforts have not been as successful in these regions. China is strongly committed to eliminating abject poverty, and an existing large-scale poverty programme has been reviewed in early 2000 in collaboration with UNDP, the World Bank and ADB. Based on this review, a new poverty elimination strategy is currently being formulated for the period 2001-2010/20 by the State Council. The Government's poverty initiatives are in line with the Millennium Summit's recent commitment to halve global poverty by 2015.

Gender Equality - China has succeeded in creating one of the world's highest rate of women's participation in the work force, accounting for 46% of the total in 1995. However, gender inequalities have become increasingly highlighted since the start of the economic reforms in 1978 as the contradiction of gender equality, as provisioned by law, encountered differential treatment in practice. Women in China experience low political participation at all levels, but especially at the local (village and township) levels. Although women currently comprise 60-70% of the agricultural labour force since many men have left to seek employment in the urban areas, they are prevented by traditional male-oriented cultural norms from access and full control over productive resources such as land, credit, technology, information and training. Furthermore, there are no legal protection mechanisms for the rights of women to contract lands and other resources in rural areas. Girl children are denied the same access to health care, education and nutrition as boys, which result in their suffering disproportionately from under-five mortality, illiteracy, and low levels of health and malnutrition.

Social protection - There are many emerging concerns in China which are increasing vulnerability among certain segments of the population. For example, the introduction of market reforms has unfortunately lead to modifications in China's comprehensive, state-run social security system, exposing the elderly, the unemployed, those needing medical attention, women, children, young people and the disabled to previously unknown risks. Changes in employment patterns and the emergency of the private sector as a major employer will also require that the design and the funding source of social security be re-examined.

HIV/AIDS - HIV/AIDS is on the brink of becoming a major problem in China. There is an increase in risk behaviour such as intravenous drug injection and unsafe sexual practices, and coupled with an absence of basic education and information, particularly for vulnerable segments of the population such as migrant families and young people, has increased their exposure to HIV/AIDS, STD and Hepatitis B.

Governance and the Rule of Law - Although good governance has always been a concern for China, the definition of governance is changing in line with the transition to a socialist market economy. Today, good governance requires reliable legal systems and institutions and a more transparent and accountable management of state affairs to enable all sectors of society to develop in a way that guarantees fairness, equity, justice and predictability. In 1997, the Government announced the goal of governing the country according to law and in March 1999, the National People's Congress (NPC) included the concept of rule of law into China's constitution. Awareness on the concept of the rule of law must also be raised to civil servants as well as members of society to convey its importance as a mechanism not only of social control but as a method to protect individual rights and interests. Furthermore, as an excerpt from the China Human Development Report (UNDP, 1999) clearly illustrates, the issue of governance is of particular importance in China:

In the course of the transition from a command to a market economy, the role of the state needs to be redefined and governance improved. The redefinition involves three steps, first, the range of state intervention should be narrowed. The state should continue its withdrawal from roles involving the direct administration of economy and society and concentrate its attention on those areas where market performance is inherently inadequate, including the core human development areas. Second, policy instruments need to be changed. Rather than relying on administrative commands, the government should influence affairs through fiscal, monetary and regulatory policies, in addition to investing in human development infrastructure (schools, health facilities) and, where necessary, providing social services. Governance can be improved by strengthening state capacity and increasing openness, accountability and participation in the process of policy-making and implementation. Third, the state should permit and encourage the full flowering of civil society, not only as a means of divesting itself of some responsibilities, but more importantly as the only way to take advantage of the inherent creativity of the population at large, and to bring into existence the worthy societal partners needed by an effective state.

Evidence from the annals of successful development suggests that when state, society and market operate in tandem and play complementary roles, the whole is greater than the sum of the parts and human development flourishes.

Environment - Environmental deterioration and natural resources depletion in China are serious problems, which pose questions on China's ability to sustain its current accelerated growth and the continued well-being of its people. This is fully recognised by the Government, and China has been one of the first countries after the Rio Conference in 1992 to formulate a national Agenda 21 and has so far promulgated the Environmental Protection Law, eighteen specific environmental protection laws and nearly 400 environmental standards and regulations. However, both the population and economic growth still continue to exploit natural resources due to the lack of appropriate law enforcement, provision of incentives and basic environmental awareness which could encourage more environmentally sensitive behaviour.

What does the UN system hope to accomplish by its development assistance? - the UN Country Team identified three goals based on its experience, expertise, lessons learnt from the previous cycle (contained in Annex A) and what it feels are its comparative advantage. This includes its proven strengths in promoting and implementing interventions for social development, its neutrality enabling it to work in often sensitive areas of governance, and its international dimensions. The UN's comparative advantage is also explored at some length in Cooperation Strategy section.

Goal One: Promote sustainable development to reduce disparities

Goal Two: Support favourable conditions for the national reform and development process.

Goal Three: Assist China's efforts in meeting global challenges and promote international cooperation

Goal One deals with the increasing disparities within China, among different regions, between urban and rural areas, between the rich and the poor, between men and women, and aims at bringing about a more equitable development process mainly through the provision of better access and quality social services. It at the same time addresses the specific needs of people who are currently marginalised, particularly through poverty. The basic premise behind Goal One is the importance and priority the UN has been according social and human development and the rights of all people to participate in, as well as reap the results of the development process. Nevertheless, national development is accomplished through a combination of factors, and these factors have strong linkages which mutually reinforce and strengthen each other. Goal Two aims at providing key interventions in these other factors, such as economic growth, environment, the rule of law and urbanisation. One of the values of the UN System lies in its international dimensions, and in a world of rapid globalisation, the challenges of development do not lie solely within national boundaries. International challenges coming out of the various international conventions and partnerships are contained under Goal Three.

Selecting the Areas - The UN Country Team considered several criteria in selecting objectives for the UNDAF: i) the objectives should contribute to addressing the six cross-cutting themes and areas highlighted by the CCA; ii) they should relate to the Government's own development priorities; iii) they should be areas of assistance that the UN system can pursue jointly and which could easily translate into the individual programmes the agencies were about to formulate for the new cycle; and iv) in view of China's fast-paced development as well as developments in the world, there was a need to reflect new or evolving concerns. Each of the twelve UNDAF objectives therefore fulfil several of the above criteria. All twelve have been agreed upon by the Country Team as objectives in which the UN can maximise the impact of its assistance by cooperation and avoiding duplication or conflicting interventions.

1. Improve the quality of, and equal access to, basic social services.
2. Reduce the burden of HIV/AIDS.
3. Enhance food security and nutrition, especially at the household level.
4. Improve access to, and opportunities for, employment.
5. Strengthen the social security system, including health benefits, unemployment benefits, disability benefits and pension schemes in both rural and urban areas.

6. Help create an internal market without regional barriers, facilitating the free flow of goods, capital, information and human resources.
7. Enhance planning and management of the urbanisation process, taking into account environmental and human development considerations.
8. Support continued fiscal and financial reforms, deregulation initiatives and related interventions, with appropriate consideration to macroeconomic stability and equity.
9. Improve environmental management capacity, especially in the Western region.
10. Strengthen the rule of law, from legislation to law enforcement and throughout the administrative system.
11. Support the implementation of the consensus of the UN conventions and conferences by the government and the civil society.
12. Promote China's technical and economic cooperation with other countries, especially developing countries, to meet global challenges.

What will the UN do? - Official development assistance is in a peculiar position in China. Given that China expends close to \$300 billion annually in public investment, the total ODA (estimated at \$6 billion) is only a very small portion of government expenditure. UN assistance, which has totalled about \$120 million per annum for all UN agencies together over the last years is but a small drop in a vast ocean. Therefore, the Country Team spent a substantial amount of time also discussing "how", or "how better" the resources, limited though they may be, can still make a difference to China's development.

The UN can provide from its international background and experience a wealth of technical expertise, best practices and innovative ideas as possible solutions to some of the problems China faces. Past experience shows that successful UN initiatives are adopted by the Government and are "scaled up" (e.g. salt iodination and business incubators for small privately-owned enterprises). A challenge for the UN in coming years will be to incorporate more systematically into its programmes and projects the mechanisms by which to monitor and facilitate the acceptance and replication of successful interventions through more effective capacity building at all levels, follow-up mechanisms and impact assessments (particularly post-project). The UN also enables the "depoliticising" of some sensitive issues by putting them in a development context (e.g. family planning and rights-based approaches to development), as well as addressing issues in a sub-regional/regional context. The UN's role in advocacy also helps bring to the attention of China issues which it might otherwise have placed less importance on as a development concern. Of equal importance is the need to maintain strong working relationship with development partners in the Government and other donors and forge new partnerships (e.g. private sector, civil society). The section on Cooperation Strategies provides further examination of the UN's proposed approaches in its cooperation activities.

III. GOALS AND OBJECTIVES

III.1 GOALS

GOAL ONE: Promote sustainable development to reduce disparities

Although the introduction of market reforms and the transition process has contributed to accelerated economic growth in China (averaging 10 percent over the past decade) which in turn has led to an increase in living standards for most people, the benefits have not been distributed equally. Reversing inequities caused by the market system and alleviation of poverty for those who are not reaping the benefits of current growth is one major area where the Government has a considerable role to play. Goal One addresses the issue of the wide and growing disparities between regions in China, between rich and poor, rural and urban areas, and between men and women, and the UN's support to reduce these inequities through sustainable social and human development and improvements in basic social services delivery, quality and equal access. Although social services usually denotes the areas of social protection, education and health (including water and sanitation), here it has been

widened to also include such human concerns as employment (household income generation) and household food security and nutrition (UNDAF objectives 1 through 5). The reduction of HIV/AIDS has been singled out in Objective 2 to highlight its potential societal threat and the need for the UN to continue support to nationwide efforts on prevention and care. Goal One is in line with the UN's continued advocacy for the need to consider human poverty dimensions, not only income poverty, at the same time supporting the government's shift from a welfare approach towards an economic integration approach for the poor.

At the UNGASS/Social Summit + 5, it was reconfirmed that all people of the world have a right to basic social services, and that governments are responsible for striving at systems that provide social services for all. Moreover, the International Covenant on Economic, Social and Cultural Rights (already signed by China and in the process of being ratified) and the Declaration on the Right to Development specifically states that all people have economic, social and cultural rights and entitlements which should be respected. In China, with the world's largest population, this is a huge and complex responsibility. The already daunting number of people that need to be considered combined with the fact that the delivery services must be tailored to the different needs of respective regions, men and women, provinces and municipalities based on cultural background, resources, traditions and other conditions, makes this a massive challenge. To achieve greater equity, China will need to enhance its current administrative system so that it is efficient, effective, at the same time flexible, open and sensitive to the demands and requirements of different segments of the population: women, poor, children, migrant populations, ethnic minorities, elderly people, etc. UN will promote a participatory governance approach and will also be looking at the provision of basic services in terms of its longer-term advantages of healthier and better-educated citizens who are important players in furthering the nation's development rather than in term of short-term costs and financial return.

Changes in social policy and delivery systems should be economically viable in the longer term, with sound managerial and financial solutions, striving to combine quality with affordability for all. Social and environmental costs of economic development need to be managed, using human and natural resources rationally to maximise the potential of the Chinese people and their environment without compromising the livelihoods of future generations.

As an important part of reducing inequities, the UN will continue targeting the provision of poverty alleviation initiatives and basic social services to poor regions, marginal and poor people which include women and children, some ethnic minorities, disabled people (particularly disabled children) and the migrant population. Better targeting and management of already available resources can go a long way in improving services in the poorest areas of the country as shown by the Vulnerability Analysis and Mapping (VAM) system which has been applied in the design, implementation and monitoring of several UN-supported activities. VAM has greatly facilitated pinpointing the special needs of the most vulnerable population groups and as a result, it has significantly improved the targeting of Government and UN resources to the most food-insecure households in China. The UN will seek to assist the Government incorporate into its national poverty programme elements of such successful UN approaches to poverty alleviation, including multisectoral and microfinance interventions and targeting institutional and capacity building at local levels to enable a more sustainable framework for these activities.

GOAL TWO: Support favourable conditions for national reform and the development process

China has been successful in many of the goals it set out to achieve when it first initiated its reforms and the transition process in 1978. The results of various reforms and the spectacular economic growth in the 1990s have benefited the people, although unevenly. However, the reform process is by no means complete and there remain some areas where further reforms are required and/or development concerns which act as a deterrent to needed reforms as well as to equitable development.

Goal Two in many ways tries to address the on-going redefinition of governance in China. During the CCA exercise and as mentioned above in the Rationale section, the need to promote good governance and an improved rule of law was recognised as being crucial not only in creating an enabling environment needed for a sustained and/or accelerated development of the whole country, but also to improve social protection, promote equity and reduce marked disparities in access to basic social services. Good governance is also a stabilising influence to the uncertainties resulting from fundamental changes caused by the transition and reform process.

China is still in the process of re-visualising its role in the new market system, the kind of services it should provide, and how to improve the quality of these services. The Government is also exploring methods of its cooperation and partnership with other players, how to invite their participation and fully optimise the capacity of the private sector and civil society to contribute to development.

The UN system cannot realistically claim to be able to address all issues related to governance. However, the five objectives under this goal do deal with some areas which the UN selected in addressing the issue of changing governance and attempts to assist the Government in this change through partnerships with the Government, other donors, other players such as professional societies and unions to support: the Government's role as main instigator of continued reforms in fiscal and financial areas; as facilitator of a free flowing market; its role as both enforcer and catalyst in the rule of law; its role as forerunner within a partnership of different players in environment protection by raising awareness and introducing environmentally-friendly practices; and its role as facilitator to bring together different interests and disciplines for a more holistic approach to urban development.

GOAL THREE: Assist China's efforts in meeting global challenges and promote international cooperation

The UNDAF framework will be used to mobilise international and national resources to focus greater attention to national follow-up and implementation of international conferences and conventions to address priority issues.

With a rapidly expanding flow of goods, services, information and people, nations in this world increasingly cooperate and become more interdependent. Simultaneously, issues that challenge the entire human society such as environmental degradation, poverty, demographic changes, and social and political instabilities have led to the realisation that these issues cannot be solved by a single nation, but require the joint efforts of all nations. The UN has convened a series of global conferences since 1990 to address these global issues and played a major role in formulating international conventions, agreements and treaties. For the first time in history, a global consensus has been reached on several sets of goals and strategies in order to meet global challenges, and related Plans of Actions have been adopted for the achievement of these goals. As we were finalising this UNDAF, the Millennium Summit in New York reconfirmed the commitment by the State and government leaders that national combined with international action will be the only way forward. The Summit also committed the world to fostering a Culture of Peace. The mandates and the goals of the UN agencies, as well as the approaches and contents of its interventions are quite often directed by the agreements made during these international conferences and therefore can be said to be an integral part of the other two goals and of all the objectives of the UNDAF. However, it is also true that the conferences and other international proceedings of the UN are in addition a source of new ideas and challenges which need to be introduced to the country and promoted.

China is important to the world, both economically and politically. It houses one fifth of humankind, which it feeds on seven percent of the global arable land resources. It is one of the five permanent members of the UN Security Council and an important power in the Asia region. Many of the global challenges faced by the world today: environmental concerns such as climate change and ozone depletion; premature death due to smoking, diseases such as tuberculosis; or the free movement of goods, services, people and information cannot be resolved without the participation of China. Success to meet global goals in China implies a major contribution to global success. The UN system aims to support China in its participation as an active member of the world; and to this end supports the implementation and integration of international conventions and conferences into the national development process. At the same time the UN system will support China in furthering its cooperation with other countries on global and development concerns.

III.2 OBJECTIVES

As many of the objectives identified for the UNDAF relate to processes--aiming at enhancing capacity and institution building, at governance and at raising awareness rather than at direct interventions, it has been very difficult to develop quantifiable objectives which will enable, at the end, an evaluation of the success or failure of the UN system (e.g., the UN aims to assist the Government design and administer a more quality-

oriented and wider coverage basic social services system rather than financing schemes to actually provide delivery of services). However, measurable indicators have been developed for the objectives and cooperation strategies and are contained in Annex C.

Objective 1: Improve the quality of, and equal access to, basic social services

The UN system will support the Government of China in its efforts to increase the effectiveness of basic services, concentrating assistance in the areas of basic education and basic health services, including safe water and sanitation.

Overall access and coverage of basic social services has improved during the last two decades with notable progress towards, for example, reduction of infant and under-five mortality. There is a marked improvement in primary school enrolment equality between girls and boys, although significant regional disparities still exist. In addition, emphasis on enrolment rates masks higher non-attendance, non-completion, late school entry, grade repetition and drop-out rates of girls. However, in recent years preventive and primary health services such as immunisations and prenatal care have become increasingly weakened as health providers cut down on non-profitable services. This worrisome trend has had a negative impact on child and maternal mortality, and efforts will have to be made to reverse this and set China back on track in its previous successful course of reduction. Furthermore, much of the Chinese population, especially in the poorer areas, remain burdened by major communicable diseases such as tuberculosis, hepatitis B and vaccine-preventable illnesses. In addition, new research and data on infant and child mortality, morbidity and access to medical facilities suggest that girls do not receive the same advantages in health care as do boys.

Improved management and disease control - UN assistance will place emphasis on improved management, especially on the financing system and budgetary allocations for both the health and education sectors. This will include the development of policies and strategies in order to improve service delivery, and the establishment of risk-pooling mechanisms and effective regulatory measures to control practice and costs so that current allocations, particularly in the health sector, are better utilised. Special attention will be paid to preventive health care, which is an area where the market system cannot provide effective services and to the control of specific diseases, including tuberculosis and sexually transmitted diseases (STD). This will include interventions in developing models to assess the economic and social impact of disease epidemics and to design cost-effective intervention models and to adapt national and local policies in those areas where appropriate disease control policies are still lacking, and bridging the gap between national level policies and pilot activities where good policies exist.

Along with quality and cost-effective service delivery, the UN will assist the Government in targeting, i.e., special efforts to extend equal access of quality basic services to the poor, to women and children and other vulnerable populations. Health education, advocacy and promotion will be carried out as an important part of disease prevention and control. The UN will also support the improved provision of safe water, sanitation facilities, environmental care at the household level and enhanced communication for change of behaviour leading to improved life skills.

Reproductive Health - UN will continue support to the strategy agreed at the ICPD Cairo Conference focussing on qualitative improvements. UN has already intervened successfully in 32 counties, moving towards a modern, voluntary, client-oriented, quality of care approach to reproductive health and family planning. It will continue such interventions in additional counties with strong emphasis on gender and male involvement, adolescent reproductive health and social marketing of contraceptives.

Education - In the area of education, the UN organisations will focus on consolidating the national capacity for quality improvement in Basic Education within the framework of the accomplishment of Education for All (EFA) goals by 2015. Specific interventions will be aimed at increasing primary school attendance rates in minority areas, particularly for girls, and at implementing a higher quality, more child-friendly and girl-friendly educational environment. Accordingly, the government's plans for long distance education will be supported in order to accelerate the combination of high quality training aids and curricula, in particular in marginal and poor areas.

Improved management of information - To better monitor qualitative progress and improvements in this area, the UN will assist the Government in improved information and data collection, particularly of sex-disaggregated data.

Objective 2: Reduce the burden of HIV/AIDS

The UN will continue promoting awareness of HIV/AIDS as a national development threat, not purely a medical and health issue that requires a multidisciplinary approach for its prevention and care with a focus on the most vulnerable groups such as the young and the migrant population.

It is currently estimated that at least 500,000 persons are infected with HIV/AIDS in China and the infections are feared to increase exponentially over the next years in many population groups. It is extremely important that China put into place prevention mechanisms with due regard to HIV vulnerability factors so that its prevalence does not reach the high levels of some countries in Africa and Asia where it has had a devastating impact on the development of the country. Over the past ten years, the UN in China has played a significant role with respect to promoting national advocacy, policy and planning in the field of HIV/AIDS. Some progress has been made with regards to AIDS-related political awareness and commitment, as well as in the area of policy and regulations in the field of AIDS prevention. However, there is still a very common tendency in China to regard HIV/AIDS as primarily a medical problem without adequate understanding of its socio-economic determinants, including gender-based behaviour (e.g. unsafe sex, drug abuse and increase in prostitution) and its social and economic impacts. Further efforts are needed to engage government personnel in provinces, counties and cities and the civil society in general.

Raising awareness and commitment - In response, the UN system will advocate engaging a broader range of partners in the field of AIDS prevention and care, and assist the government in the development of a communication strategy to increase public awareness. Partnerships with NGOs who can implement sensitisation activities and community care will be built. The GIPA principle (based on the Paris Declaration which China has signed among 44 countries) will be promoted in order to bring about a rights-based approach to HIV/AIDS prevention and care and the greater involvement of men and women infected or affected by HIV/AIDS, and reflecting this in national legislation. In addition, the UN will provide support for disseminating information on best international practices so that they are available to as large an audience as possible. The information will be used for the design of comprehensive and appealing mass media campaigns, for the prevention of unsafe sex (also including the social marketing of condoms), and reducing HIV vulnerability among injection drug users. Strategic planning approaches based on accurate and gender-sensitive situation analysis will be used to adapt responses to AIDS and other threats to changing situations and to plan for, and implement efficient, affordable, sustainable, equitable and relevant expanded responses.

Improved prevention and care - Furthermore, assistance will be provided to develop a comprehensive surveillance system for HIV/AIDS that will provide decision-makers with accurate data on trends of the epidemic and information on priority areas for allocating resources and funding interventions. The UN will continue its current efforts at capacity building to address the current high incidence of HIV and other blood-borne infections related to paid and frequent blood donation and unsafe blood transfusion. The Theme Group on HIV/AIDS will ensure that the various programmes and projects funded by the UN are well coordinated and that interventions by other donors in this field will work in a complementary fashion to enhance the chances for more effective prevention and care.

Objective 3: Enhance food security and nutrition, especially at the household level

Under this objective, the UN system will provide assistance in two major areas: a) support to sustainable agricultural development as a means to enhance national food security; and b) interventions targeted to the most vulnerable communities to eradicate household food insecurity. In addition, the UN will assist the Government develop appropriate policies to respond to foreseeable changes brought about by China's entry into WTO.

Although the Government has reached its target of 95% food self-sufficiency at the national level, there are large disparities at the sub-national level. Production disparities per capita exist across regions due to differentials in land productivity, access to inputs, technology, climate and exposure to natural hazards. Supply disparities are caused by weak or insufficient market demands, incomplete marketing, missing links in transportation and storage infrastructure and price distortions. Even where food availability is sufficient, access disparities – mainly due to low incomes and difficult access to markets – prevent people from acquiring enough food to meet their minimum energy and nutrient requirements. Food insecure populations usually have an annual food gap of 3 – 5 months.

WTO entry and its effects - It is expected that China's entry into WTO will result in a reduction of domestic cereal prices. Although it may have an immediate negative impact, particularly on middle-income farmers who produce wheat and rice for income, low cereal prices may translate into increased accessibility for subsistence farmers and hungry poor (provided that the goods do reach the market and that it has transparent pricing). It will also discourage the current trend of utilising excessive agricultural inputs and precious water resources simply for the cultivation of cereals, freeing up the land for other, more appropriate uses, such as the farming of cash crops and/or livestock. WTO entry will necessitate a readjustment in agricultural policy, such as the diversification of production, publicising market prices, market transparency, quality improvement and a reform of land tenure and farm taxation. The UN and the World Bank will provide support to national decision-makers in this crucial transition process.

Improved agricultural infrastructure, particularly for the poor - Furthermore, the UN system will support the Government in improving agricultural infrastructure and service systems and enhancing protection of agricultural environment and resources (e.g. land quality development, enhanced adoption of IPNS, IPM, and integrated land-water management). Development of policies and initiatives that diversify farming and rural production systems to improve sustainable land use and the sustained ability of agricultural households to generate income (including off-farm employment) will be encouraged, while assistance will be given in targeting the most vulnerable communities and support initiatives to eradicate poverty and household food insecurity, now mostly concentrated in the mountainous remote areas in the Western provinces. In this connection, promotion of environmentally-friendly livestock and dairy production for augmentation of household incomes and as one solution to child malnutrition and micronutrient deficiencies will be encouraged. Other issues include improved agricultural infrastructure including access to financial credit, technology, information and training particularly for poor farmers and women. The land tenure system should be re-examined, taking into consideration the fact that women increasingly shoulder the burden of agricultural production. Rural women and children are the most vulnerable and disadvantaged in gaining access to resources, and considerable investment to build skills and develop non-subsistence crop production is needed to help them out of poverty.

Nutrition training for women - Specific UN interventions in the field of nutrition will reactivate the successful implementation of an interagency programme on prevention of iodine deficiency and target the elimination of vitamin A deficiency. The UN will support education of rural women in basic nutrition practices which is a high return activity in reducing child malnutrition and micronutrient deficiencies. Although the UN is intending to decrease its financial support to this area during the period under review, it is expected that government cost-sharing will increase, thus maintaining the current programme level. The UN will also start promoting greater men's involvement that can contribute to an even higher return in child care.

Objective 4: Improve access to, and opportunities for, employment

The UN system will support the Government formulation and implementation of policies and strategies relating to employment creation in urban and rural areas and the promotion of market-oriented employment mechanisms.

China's current sharp increase in unemployment, particularly in urban areas, originates from four basic factors. Employment creation has not kept pace with the continuous increase of the labour force, as the baby boom generation of the 1960s and 70s now enter the labour market. Secondly, the large-scale structural adjustment of its economy has resulted in a decrease of employment in some previously over-employed sectors such as agriculture, heavy industries and manufacturing, while consumer goods industries, trade and services have emerged as the major channel for creating new jobs. Thirdly, as China moves toward a market-driven economy, the practice of the state retaining surplus labour in state enterprises and in agricultural collectives as a means of providing income security is disappearing, whereas the private sector has been unable to absorb all the workers laid off from the state enterprises. Finally, China's accelerated economic and investment growth has not been accompanied by comparable increase in employment as China seemingly shifts to more capital-intensive technologies. Unemployment rates are higher among adolescent girls and women who are affected by discriminatory practices in recruitment. This also influences the motivation of parents and girls to continue and value education. Since access to productive employment is crucial for overcoming poverty and meeting the challenges of rising urban unemployment and rural underemployment, macro policies are needed to foster more equitable and employment-friendly economic growth, which would benefit the poor and vulnerable groups and also contribute to social stability.

Better data for realistic policies and job training - The UN will seek partnership with multiple players, including the Government, private sector, professional societies and trade unions as employment

becomes increasingly a multidisciplinary issue. The UN system will support the formulation, updating and implementation of policies and strategies relating to greater employment creation in urban and rural sectors and the promotion of market-oriented employment mechanisms including the improvement of the national employment and labour market management information system, which will provide data on employment trends coupled with proposals in training and/or re-training of job seekers in relation to demand. As mentioned above under objective 3, the UN will also pay special attention to assisting poor and vulnerable groups gain alternative income-generating opportunities through the development of vocational training systems and employment-creation. Gender equity in employment and at the work place will continue to be advocated by the UN. In this regard, the UN will promote ethical corporate citizenship in relation to inequities in the work place and the promotion of a safe and healthy environment. Quality of employment as well as a healthy environment in the work place will also be promoted.

Objective 5: Strengthen the social security system, including health benefits, unemployment benefits, disability benefits and pension schemes in both rural and urban areas

The UN aims to assist the Government set up and implement an affordable social system with an acceptable standard and coverage to all Chinese citizens.

Severe modifications in the previous comprehensive, social security system now expose the elderly, the unemployed, those needing medical attention, women, children, young people and the disabled to previously unknown vulnerability. In view of the disparities in China and the emerging challenges in the transitional and globalisation process, the further evolution of the social security system is a major concern. Several UN organisations as well as the Bretton Woods Institutions are already working on these issues with the government departments concerned. Most of the attention has recently focussed on the reform of Old-age Pension Insurance for wage employees so as to raise national savings and to serve the purpose of stimulating the economic development of China. The UN is concerned that a balanced development of social security is required, which will serve the needs of the entire population, notably those in rural areas and in precarious employment conditions. The shift in the responsibility to deliver social security from the enterprise-level to the government administration level is bearing serious impact on the future well-being of most of the urban population in China. The Government's endeavour in fulfilling its new duty is monumental as China faces the widest range of socio-economic disparities throughout the country. Unique solutions must be developed to achieve redistribution between regions and income groups as well as to ensure satisfactory uniform standards of social security for all groups of the population.

Promoting social security for all - Priority should be given to sustainable social insurance for most of the population whilst social assistance measures should be solely complementary where social insurance cannot work. This is the best way to ensure a strong and sustainable development of China. The UN will support the development of a policy framework and comprehensive social security system by: assisting the Government in its assessment of the present situation and in the formulation of its policy strategy and by providing tools and building national capacities to develop its social security. Emphasis would be given to reinforce social governance based on a solid knowledge by the State of resources allocated to social security and who is benefiting. The UN will share the relevant best practices and experiences of other countries. It will focus specifically on appropriate delivery and financing mechanisms for social security for all, with particular emphasis on redistribution between income groups and social assistance for the poorest groups.

The scope of social security should focus on the core social risks and needs including health care, old-age, invalidity, work injury, death, family support, maternity support and unemployment benefits. The financing of social security should come from a mix of sources and based on different funding methods to ensure its affordability for all individuals and the society at large whilst it should allow sufficient flexibility for the different levels of Government to redistribute fiscal resources towards the neediest areas and population strata as promulgated under the 20/20 initiative of the World Social Summit.

Objective 6: Help create an internal market without regional barriers facilitating the free flow of goods, capital, information and human resources

The UN system will assist the Government in putting into place mechanisms which will enable a more free flow of resources within the country, from the centre to the local levels and among different regions.

Under China's previous central planning system, the distribution of all resources was planned and organised through a top-down approach, and the State took responsibility for all discrepancies. As the country moves towards the socialist market economy, there is a need to take a more efficient approach to resource flow in order to promote rational resource utilisation and local economic growth. Currently, there are many instances where new and improved policies and working methods are in place, such as the new grain distribution policy, but knowledge of its existence and need for behavioural change of all actors in the market have still to be disseminated.

Promoting IT - The UN will focus on demonstrating the wide outreach of the IT revolution and its benefits to local development. The population's easy access to TV (more than 80% of China's population has access to TV) can be exploited more fully and for development purposes as a powerful communication tool with the introduction of Internet devices in complementarity. The UN system will help develop preferential investment policies for IT for poor areas and address access and use differential between men and women, boys and girls. This requires renewed efforts in expanding telecommunications infrastructure to overcome the low penetration of telephones and computers, strengthening local area networks, and producing new information services. Other key strategic interventions include assisting the government build capacities in local governments to enable them assume their new roles as enabler and regulator rather than provider of services, and reform the planning process at the local level in line with changes taking place at the centre, to support a more thorough transition towards the socialist market economy and to address current discrepancies and inequities. Other UN interventions include: recognise, support and protect migrant labour and their migrant families; and deregulate in-country capital flow and the distribution of goods and services.

Objective 7: Enhance planning and management of the urbanisation process, taking into account environmental and human development considerations

The UN will advocate for the need for multisectoral urban planning with due regard to newly emerging issues such as the deteriorating environment for human settlement and urban poverty.

From 1980 to 1996, the level of urbanisation in China increased from around 19 percent to 30 percent; the number of cities rose from 223 to 666, and the number of towns soared from 3,521 to 17,770 (to date, estimated at around 20,000). It is expected that urbanisation in China will reach 45 percent by 2010. With an estimated 200 million more people expected in the urban areas in the next ten years, the Government will need to invest considerable resources for urban public utilities, infrastructure and services including water supply, energy, housing, roads and bridges. This will be a huge challenge, since most cities already face difficulties in delivering adequate services. Around 400 among 600 cities nationwide are classified as water short, with 60 being critically so. Urban inhabitants are also seeing their environment deteriorate rapidly as traditional public health problems such as industrial and vehicle-generated pollution couple with new problems such as the depletion and contamination of precious water resources and the inadequate management of wastewater and solid waste. Furthermore, since 1990, complaints on housing facilities and infrastructure quality have been increasing at a considerable rate. Increasing casualties from collapses of housing, bridges and embankments have prompted the Government to pay heightened attention to quality issues.

An emerging problem is poverty. Although once entirely a rural issue, there has been a marked rise in urban poverty since the mid-1990s. Many urban areas and municipalities have yet to deal with a growing "underclass" and to provide services to meet the needs of the urban poor.

Multidisciplinary approach to urbanisation - The UN system will advocate for the need of multisectoral urban planning that will include social development departments, academia, businesses and communities. It will also support the Government's strategy for Small Town Development and the Housing Reform. Assistance to develop new technologies for housing construction based on traditional practices and new concepts for improved management of sanitation are other areas of possible UN interventions.

Objective 8: Support continued fiscal and financial reforms, deregulation initiatives and other interventions, with appropriate consideration to macroeconomic stability and equity

Other donors, particularly the IFIs, have been very active in providing assistance to fiscal and financial reform. National fiscal reform is beyond the mandate and outreach of the UN system, but areas of financial reform as it relates to equity, provision of social services and to poverty alleviation activities will continue to be supported by the UN. These include:

- (i) **Tax Reforms** - In partnership with IMF, the UN will support fiscal reform with an emphasis on tax reforms which will enable a more equitable distribution of fiscal resources across the country, between rural and urban areas and between different strata in the population and men and women.
- (ii) **Financing of Social security** - The urgent need for rural health financing (see objective 1) through various mechanisms, should be accompanied by the necessary enabling financial reform and form part of a nationwide social security system (objective 5). The UN will help identify options for solutions so that efforts are not only concentrated on urban schemes (e.g. risk pooling, insurance also for the poor such as micro-insurance facilities as part of microfinance schemes).
- (iii) **Opening up microfinance** - Many UN agencies have supported microfinance activities with different social development components for poverty alleviation. While projects have generated some spectacular results in helping poor households, none of the interventions are sustainable beyond the life of the foreign-funded project. Hence achieving sustainability for microfinance activities within the context of the national programme for poverty alleviation will now be the focus of attention, with special attention to schemes designed for women. The UN system in close consultation with other partners will make a special effort to advocate the opening up of the microfinance sector. Emphasis will be put on allowing a diversified set of institutions to operate schemes (both savings and credits) and allowing commercial interest rates in order to ensure viability.
- (v) **WTO entry and human development** - The UN will support a WTO impact assessment mechanism to allow the government to detect and analyse any adverse impacts WTO and any trade agreements may have, particularly on vulnerable groups such as women, poor farmers and SMEs. In addition, other WTO-related interventions include assistance to the Government in increasing industrial competitiveness and introduction of quality management systems.

Objective 9: Improve environmental management capacity, especially in the Western region

In order to improve natural resources management and prevent further deterioration of the environment in China, the UN will assist the Government enhance its governance capacity and policy in environment, taking into consideration, among others, better use of market-based instruments, constructive public-private partnerships and improved environment information systems.

Environmental problems in China are inextricably linked to both population and economic growth in China. More people and sustained high economic growth both require resources, but without the appropriate rule of law and the provision of incentives, there is still not enough awareness or enforcement mechanisms to do things in a more environmentally friendly manner. Over the past ten years, the UN system has provided support to China's Agenda 21 and its efforts to reverse environmental degradation. Nevertheless, air and water quality, soil & water conservation, natural resources management, energy generation, transmission and consumption, and biodiversity will continue to pose challenges in the coming years. Moreover, awareness must be increased that the environmental degradation in China cannot be reversed through administrative measures alone, but has to be tackled through broad participatory approaches, engaging all institutions and individuals in the effort. Appropriate regulation and deregulation is needed so that the civil society can contribute to raising awareness and to undertake action nation-wide, including carrying out environmental awareness in schools for more environmentally-responsible citizens in the future. Market-based instruments which can convince the private and business sector to use clean and green technology practices should be more widely introduced and disseminated.

Spreading market-based instruments and participation - The UN system will assist the government in defining a pragmatic and action-oriented national strategy to address environmental issues in a systematic and comprehensive way. Improved environmental management in the Western provinces will be a particular focus since, as indicated in China's Tenth Five Year Plan, efforts will be made to accelerate the areas' development which might lead to an increased influx of investment funds for infrastructure and general development. Strategy formulation will be based on the identification of potential problems due to conflicting interests, priority setting and the clarification of financial responsibility for necessary investments and pollution control measures. In particular, it will allocate responsibilities amongst sectors of society and it will design an incentive framework and system of standards so that all players are involved in the process, and thus further integration of environment and economic development will occur, which is a major goal of the 10th Five Year Plan. This might encompass strategies to address root causes of large-scale land degradation due to drought and desertification, silting of rivers due to soil erosion, unsustainable management and use of forests. It could include integration of

agricultural development activities with environmental activities aimed at soil conservation and management of sustainable water resources for both production purposes and personal consumption.

Improved MIS and disaster management - The UN system will make efforts to mobilise funding for the strengthening of decision-making and the monitoring system. The monitoring system will allow for assessing environmental phenomena as well as their impact on local populations. Analysed data should be communicated to decision-makers. The UN should ensure that environmental policies (e.g. logging ban, cropland-for-forests and other activities) do not negatively affect local populations, particularly the poor, women, and the most vulnerable, and they are reviewed and formulated in consultation with affected local populations. In addition, assistance will be provided for disaster management from monitoring to alertness, through response and rehabilitation, to longer-term preparedness and mitigation, including new concepts for sustainable land use. The UN assistance will specially target the household level and local authorities in poor areas to gather information on disaster-related matters and communicate it expeditiously, and implement preparedness and mitigation activities at the community level. It will also support the development of long-term awareness on natural hazards and disaster management among decision-makers.

GEF and MP - The implementation of activities related to these two global funding sources will remain major components of the UN's assistance to environment in China concentrating on the continued introduction and promotion of cleaner production methods, biodiversity protection, energy conservation and alternative energy sources.

Objective 10: Strengthen the rule of law, from legislation to law enforcement and throughout the administrative system

The strengthening of the rule of law and of administrative systems is a cross-cutting theme recognised by the UN system as being crucial in achieving all of the other objectives stated in the present UNDAF. Thus in many instances, the UN assistance provided to the Government will include interventions aimed at the improvement of governance related to the delivery of services and the management of various sectors. However, the rule of law was singled out as one of the objectives to highlight the UN's support for the enhancement and compliance with the rule of law.

In the 1990s, China introduced more fully the concept of the “rule of law”. Many important types of legislation have been introduced, e.g. the law on basic, compulsory education. There remains a need for the introduction of additional new legislation as a way to even more firmly plant the concept of the rule of law throughout the Chinese society and to strengthen all branches of the judiciary. It is vital that China make more progress with respect to implementation and enforcement of existing laws that are particularly relevant to realisation of the global conference goals and fulfilment of provisions of key international conventions, e.g. prevention of trafficking of children and women, discrimination against women, and the voluntary approach to family planning. Thus the UNDAF should identify strategic ways in which UN system organisations can provide appropriate support for Chinese organisations and communities to promote awareness of and compliance with national laws which are particularly linked to key international norms. Such co-operation would be comprised of various mixes and balances of advocacy and communication, and technical and management capacity development.

Furthermore, even when new laws are put in place, old practices, such as no clear separation of function between the judge, the procurator and the defence counsel are hampering implementation. There is also a need to further strengthen the enforcement capacity of the court system. The concept of the rule of law should be publicised more widely including its value as a means to protect the rights of individuals, to disperse current perceptions of law existing solely for social control.

- (i) **Improved judiciary** - In view of the changes the Chinese society is currently undergoing and the related risks of instability, it is essential that law be seen to work fairly for all citizens. This requires an independent judiciary, and professional judges and lawyers in sufficient numbers with the required capacity. This also extends to the police and prosecutors, who have the potential to play a major role in rights protection. The legal aid system currently being developed needs further strengthening, and the UN will advocate these improvements by providing the government with examples of best practices from other countries.
- (ii) **Enhance law enforcement** - Impressive new legislation enacted over the past two decades makes law enforcement a huge task (currently RMB 2.5 billion in un-enforced court rulings). The UN will assist in

creating institutional capacity, using examples from other countries in support of the rule-of-law and the associated need for transparency and accountability, and to create law enforcement capacity beyond the Government.

- (iii) Raise awareness on the concept of the rule-of-law as a value system and both a right and a duty for every citizen through education and awareness campaigns.
- (iv) Identify better mechanisms for disseminating and enforcing new laws that are key to human development.

Objective 11: Support the implementation of the consensus of the UN conventions and conferences by the Government and civil society

The UN will assist China meet global challenges by furthering the implementation of agreements, treaties and protocols under relevant UN conferences, with special focus on rights-based initiatives and environment.

China has endorsed and ratified many important UN conventions and resolutions, and has also agreed to the final documents of almost all of the UN Summits of the 90s. The Chinese Government has also attached great importance to the implementation of these documents and adopted relevant national plans of action. However, there is a big difference in capacity between urban and rural areas; between the Eastern and Western regions; and among different levels of the Government. The achievement of convention goals is still uneven in China: the Eastern region has already achieved many of the goals in the health and education sectors while the situation is falling behind in the Western region. Furthermore, globalisation increasingly affects China as its economy and trade is rapidly being integrated into the world economy and markets. Globalisation may not only have impacts on the economy but will also have repercussions on China's culture and traditions, society's norms and values, on regional development and urbanisation.

Promote national adoption of international conventions and advocate for global priorities - The UN expects to take an important role in strengthening China's capacities to meet these challenges and societal changes and assist China to explore ways in which to facilitate the adoption of these new values and goals at all levels of the government. UN will provide assistance to integrate the UN conventions and the international consensus into China's domestic legal documents and national plans of actions through official ratification. Monitoring capacity will be strengthened to help China develop indicators and national reporting systems to chart its progress in this regard. Annex E carries the status of signature/ratification of relevant international conventions, protocols and treaties by China. In addition, an important task under this objective will be to assist China through the funding mechanisms of the Global Environment Facility (GEF) and Montreal Protocol (MP) so that China will be able to meet global environmental targets.

Objective 12: Promote China's technical and economic cooperation with other countries, and especially with developing countries to meet global challenges

In order to help China strengthen its partnership with other countries in the world, the UN will assist China promote TCDC/ECDC, particularly with border countries in the management of cross-border trade, transport and sub-regional economic development in Northeast Asia, along the Silk Road Corridor and with the greater Mekong sub-region.

Sharing experiences and knowledge - The experiences China has acquired as a rapidly industrialising country and as one which is undergoing fundamental system transformation may be useful for other developing countries, as well as its expertise in industry, appropriate technology (e.g. non-scalpel vasectomy) in social development and disaster management. On the other hand, other developing countries may also have developed technologies and approaches which might be of value to China, where countries share similar problems and common concerns. As a means to further encourage TCDC/ECDC between China and other developing countries UN will help to establish networks among similar institutions in China and other developing countries. Since many other effective channels for technical and economic cooperation between China and industrialised countries exist, it was decided that the UN will focus particularly on the so-called south-south exchange.

Strengthen regional partnerships - China is bordering 14 countries. There are many cross-border issues that require joint efforts between the Chinese government and neighbouring governments. It is essential

that China fully and actively participate in regional cooperation. Areas of regional cooperation include drug supply reduction, prevention of HIV/AIDS and communicable diseases, the fight against illegal drug and trafficking of women and children, and international waters management. For example, in conjunction with the Government of Singapore, the UN will organise training for developing countries in Singapore and other locations to enhance their ability to comply with international maritime rules and standards (e.g. safer shipping and cleaner oceans). As China is a major world player in the maritime sector, it is expected that China's role would be sought to promote its cooperation with the countries in the region in this sector.

SECTION IV. COOPERATION STRATEGIES

As mentioned in the rationale, the financial resources that the UN system has to offer to China are minimal compared to overall national needs and the resources which the country has the potential to mobilise from within. Yet UN interventions, if chosen wisely, can be invaluable in qualitative terms, as they permit the government to enhance the use of its own resources through benefiting from international experience and best practices, innovative approaches and new ways of thinking. By promoting alternative development approaches and solutions, the UN assistance can also help the Government resolve outstanding problems which otherwise would take much longer to respond to. Advocacy for global concerns and de-politicising sensitive issues by putting them into a development context can open up avenues for reform efforts, which might otherwise remain untackled because of conflicting views.

Much of UN system co-operation has provided support for various capacity building initiatives, e.g. training and orientation of governmental and non-governmental national personnel. Pilot and demonstration project activities with service delivery components have had mixed results. Indeed, some have paved the way forward to appropriate and virtual nation-wide access or coverage, e.g. salt iodination. The UN is advocating some others so that they will make a significant contribution nationwide, e.g. women participation in micro-credit and related programme initiatives, the use of market-based instruments to stimulate sounder environmental practices and client-oriented family planning services. This section provides an overview of the various approaches the UN system propose to take in providing future assistance to China, and ways in which traditional UN assistance can be "re-engineered" in this new cycle so that it can have even more substantial impact to China's development.

Capacity building - Capacity building and institutional strengthening have been an important common strategy for the UN agencies and will remain so. The UN will continue to collaborate on providing technical assistance and supporting training targeted to various levels of government (policy and decision-making), but increasingly also to national NGOs, communities and beneficiaries who are involved in project implementation. Such training aims at enhancement of technical knowledge as well as improved administrative systems and policy-making capacity. The introduction of best practices from other countries, procedures adopting more effective/transparent work methods, interactive training both on the job as well as externally, improvement of data and information management systems, the provision of consultants from national and international academic and professional organisations and general guidance by UN staff will be utilised in this approach.

To date, a wide range of training and other related technical capacity building approaches have been employed with varying degrees of success. An area which the UN needs to examine further in its cooperation strategy is how well post-training work assignments provide opportunity and support for participants to use improved knowledge and skills and strengthen the linkages between availability of national technical expertise and other resources needed for technology development or adaptation. Moreover, the UN will promote and monitor equal training opportunities for women.

After 20 years of opening up the country to the outside world, China has developed a remarkable policy-making capacity, especially at the national level. However, many individuals and organisations in China, particularly in rural and remote areas, still tend to demonstrate a limited understanding of the importance of global issues and their relevance to individuals in China, and awareness to new approaches and ideas garnered from international standard and norms. Two decades of reforms and development has obliged the society to adapt, though not necessarily accept, new values which, in turn, are essential for the country to continue further reforms and development. For example, UN's experience working with poverty alleviation initiatives and administering microfinance schemes indicates the need for continued capacity building at local government levels dealing with locating and targeting the vulnerable; being sensitive to the special needs of women, children and the poor; soliciting participation of relevant partners and beneficiaries in project implementation; and new working methods to enhance equity, transparency and justice. Capacity building at local levels will help bridge

the gap with the centre and deepen the effect of on-going changes taking place in the country. A major thrust for UN system cooperation in the next cycle will therefore be to contribute to institutional strengthening for local government institutions and communities. Capacity building efforts which involve the private sector and the civil society are also expected to facilitate the further participation of these partners in the development process.

Advocacy and Policy Dialogue - Advocacy is a very important part of UN work and entails pro-active approaches in a wide range of areas, ranging from the acceptance/adoption of values as international conventions highlight special facets of development; change of policy in line with accepted international practices; introduction of codes of conduct hitherto not available (e.g. commercial and international business law); changing norms, standards and approaches (e.g. environmental and occupational safety, approach to poverty as economic integration as opposed to social welfare, safe sex); and simply new knowledge. The UN will undertake joint efforts to provide advocacy on key issues that cut across UN agency mandates regarding policy development, resource mobilisation and behavioural change to the government, the donors' community and the public in support of the three UNDAF goals and twelve objectives.

Advocacy will most often come through the implementation of various UN programmes which promote international standards, norms and conventions, as well as successful initiatives, results of joint researches and studies, pilot projects and best practices. For example, the UN's results in terms of moving the air pollution issue up on China's agenda is a good example of a programme intervention through which a national approach was developed. Regular dialogue with the Government will also contain advocacy in introducing new issues such as rights-based initiatives.

The work of the UN in China further requires continuous policy dialogue and is a major part of the work of many of the Specialised Agencies and the IFIs. Particularly in sectors where a reform programme is on-going or is being envisaged, UN assistance in providing advice on policies taken by other countries in similar situations can be extremely useful for China in resolving existing problems.

Information, communication and knowledge - Although China is rapidly being integrated into the globalisation process and is opening up to new technology and trends, its previous long period of isolation has resulted in Chinese individuals and organisations having some gaps in knowledge and understanding of common international practices. This sometimes makes it difficult for China to deal with international concerns and issues as well as in furthering its relationship with overseas partners.

During the 1990s, China made substantial investments in communication infrastructure and services nationwide as seen in the wide availability of printed media, radio, television and Internet. In addition, traditional and modern forms of performing arts and artistry also play important roles in mass communication. The UN made some progress related to making better use of these massive nationwide communication networks as a conduit to raise and establish public awareness in connection with the various global initiative-related national actions. However, much more can be done to increase utilisation of the media in advocacy and awareness-raising towards civil society, including better understanding of HIV/AIDS, promotion of gender equality (including gender awareness and gender stereotypes spread by the media themselves), and the purposes of UN cooperation in China. A more transparent and widespread use of the existing communication infrastructure is essential when promoting participatory governance, sound management practices in all societal areas and new values for public life, e.g. in the field of sharing the responsibility for environmental management and individual rights and entitlements.

Imparting knowledge on subjects to which UN agencies have expertise, e.g. good manufacturing practices with respect to essential drugs, administration of microfinance schemes, and participatory training will also be a prominent feature. UN system organisations may need to develop further their own capacity to achieve a more effective application of this particular strategy and the development of systematic and effective IEC (Information, Education and Communication) programmes.

Partnership Building - Achieving the UNDAF goals requires a broad partnership with all institutions involved in development assistance in China: the Government, donors, and the civil society. The UN has traditionally maintained a close working relationship with its Government counterparts and this is expected to continue during the next cycle. Furthermore, the participation of various Government ministries, agencies and commissions in the UNDAF process (a list is included as Annex G) has enabled the Country Team to interact with a larger number of Government bodies, opening up avenues for possible new cooperation as well as strengthening previous cooperation.

Partnership with bilateral and multilateral donors and NGOs will continue to be sought and promoted. The UN can assist bilateral donors channel their resources to potentially sensitive areas of governance or trade by retaining the UN's objective balance. It can also help bilateral and multilateral donors gain a foothold in geographical areas, communities or in sectors in which the UN may have more extensive experience. Its grant assistance and social and human development mandate also gives the UN advantages working in these sectors where the Government are less likely to accept loan assistance (from bilateral sources or IFIs). On the other hand, the bilateral and multilateral donors have expertise and financial resources not available to the UN. Cooperation with NGOs is extremely important as it enables the UN to have direct outreach to otherwise inaccessible communities and people. Partnership with other donors and NGOs is not just about providing advantages to the UN and supplementing UN's limited resources. It ultimately benefits the Government by harmonising approaches, not only UN-wide, but with many other donors in support of Government efforts. It is also about sharing objectives, experiences and strategies so that development assistance by all donors, not only the UN, is more effective and meaningful to China's needs. The UN will continue promoting collaboration with other donors and in strengthening aid co-ordination activities, including the continued hosting of theme groups (discussed in Section IV).

The notion that development is carried out not only by the Government but in partnership with the society, involving the private and business sector, academic and professional institutions, and with each individual of the society carrying out their respective duties and responsibilities, will also be promoted. Participatory development requires special systems and special capacities which the UN, in supporting the Government, aims at achieving in the long run. As acknowledged in different global conferences, the participation of stakeholders, including local communities is key to success in resource management. In this context, participation does not mean, "participants doing the work proposed by the government", but rather "participants taking part in problem identification and in the selection of solutions in areas that concern their livelihood." Major decisions in policy as well as in public investment are best taken in consultation with key stakeholder groups. The decision-making process is improved by ensuring realistic and informed choices and also facilitates the implementation of decisions by ensuring the joint effort of stakeholders. The recent introduction of the village election process and the education of elected village leaders provides an excellent opportunity for further development of a participatory policy-making process, although specific strategies should be identified to ensure greater women's participation as they are often unequally represented at the village level. At another level, the anticipated establishment of a Business Council for Sustainable Development (initially in Shanghai) will facilitate dialogue with the business sector. UN will actively call upon professional organisations, unions and NGOs to participate in the formulation and implementation of activities.

Through the implementation of multisectoral, multidisciplinary approaches where needed, the UN also aims to assist in strengthening the partnership among government departments, between the government and civil society and among different localities to encourage collaboration.

Experimentation of innovative initiatives for improving policies and programmes - In most instances, UN organisations lack sufficient financial and material resources to help China take service coverage to national scale with quality. However, demonstration activities which introduce and stimulate interest in new options can be instrumental in assisting China explore alternative, and potentially more effective methods and solutions to its development problems. Such initial experimentation can then be graduated to pilot projects that can test possible interventions for wider scale coverage, as has already been the case of some previous UN interventions, notably in health insurance schemes for low-income families and microcredit for low-income women and families in rural areas.

Other selective, seminal successes include basic services technology including integrated pest control, management of immunisation cold chain equipment, preservation of historical and cultural sites and various pro-environment appliances for communities and families related to rural water supply and sanitation. However, experience from previous cycles show that although China does replicate or "up-scale" successful initiatives, there has been no systematic monitoring of such replication processes or methods. Most project evaluations and reviews rely on short-term assessments in terms of successful completion of scheduled activities or measured impact to direct project beneficiaries and not on long-term post-project impact such as sustainability of interventions and the replication of activities targeting a wider group. The documentation of project strategies and results has generally been weak and needs to be improved to allow for an improved reporting to stakeholders including actual and potential donors or financiers (domestic and foreign) but more importantly, ensuring that the information is available to the Government and interested parties even after the life of project activities.

The UN Country Team would need to think through on how mechanisms can be established to more systematically and effectively follow-up on replication and sustainability. Considerations can include more widespread advocacy and promotion of successful initiatives; allocation of funding for post-project follow-up; and capacity building (both administrative and financial) of relevant development partners in adopting and adapting interventions.

Identification, targeting and participation of disadvantaged groups - The UN agencies will undertake joint need assessments to assist the Governments' efforts at the national and, in some instances at the sub-national level, to improve measurement and estimation of needs, access, coverage and impact indicators. As China often translates policy initiatives into programmes with commensurate goals, objectives and indicators, it has become increasingly possible for UN system organisations to highlight the importance serving disadvantaged groups, e.g. poor farmers, women from low-income families, and disadvantaged children. UN agencies in partnership can make more development opportunities available for the poor (as can be seen in existing UN partnerships for poor area integrated development through employment for infrastructure construction plus capacity building, combined with credit schemes) through emphasis on targeting and participation, as well as close collaboration with local institutions.

The UN will also promote the empowerment of the poor, particularly of women, helping them and their surrounding environment create favourable conditions to lift themselves out of poverty. As the socialist market economy gradually is penetrating China, there will be less and less response to top-down campaigns and more and more need for dialogue and participation to achieve desired results in terms of integrating the poor in the economy and stimulating further economic growth. Experience has proven that self-reliance schemes with the necessary transparency and accountability and economic decision-making is more realistic, leading to more effective poverty alleviation efforts and growth in the local economy. However, as many of the poverty alleviation and rural development projects initiated by the UN in the past cycle have adopted various different approaches with a mix of different interventions, there is a need to harmonise the approaches, particularly in microcredit. Such coordination of approaches should be extended to bilateral and multilateral organisations and NGOs.

Resource mobilisation - One of the main values of UN development cooperation lies in its ability to locate and tap into valuable expertise both in-country, regionally or world-wide which the Government of China might otherwise have no knowledge of or have no access to. The UN system can mobilise not only financial and human resources for development cooperation, but also substantive knowledge with respect to appropriate development subjects and increasingly, the need for regulatory expertise and sound systems which ensure that everybody plays by the same set of rules. The UN will explore possibilities to share with the Government the database and networks of expertise that it owns so that, when needed, the Government can also utilise such resources.

In terms of fund mobilisation, while each UN agency will maintain their current resource mobilisation strategies for raising funds for their programmes/projects related to UNDAF goals and objectives, the UN system will increasingly explore the possibility of developing a joint mobilisation strategy for specific issues along the lines of the Joint Appeal for Flood Disaster which was carried out in 1998. Although at the time of writing this UNDAF no specific areas have yet been identified for such co-ordinated resource mobilisation, it is expected that the Country Team will continue to follow-up on this issue as an important part of UNDAF activities. In general, China has been very supportive of Government cost-sharing of UN assistance, particularly when compared with many other countries of the world. This has served to increase Government ownership of the programme and would continue to be supported, particularly as it also can act as a convincing factor when soliciting funding from other donors.

SECTION V. FOLLOW-UP AND REVIEW

The UN Country Team (UNCT), which normally meets on a monthly basis, will maintain regular dialogue on key development issues, new trends, development priorities and events of primary concern to the UN in China and will propose, if necessary, any substantial amendments to the UNDAF based on any new development concerns which may arise during the current UNDAF cycle. The UNCT will also be responsible for monitoring the overall implementation of the UNDAF, the linkages between the UNDAF and the formulation of programmes and projects by each of the resident UN agencies as well as the development of any joint initiatives. Consultation will extend to UN agencies non-resident in China, the Government Mirror Team and the Stakeholders, as required.

The four funds and programmes UNDP, UNFPA, UNICEF and WFP have harmonised their respective programming cycles and are currently programming for the period 2001 – 2005 in parallel with the formulation of the UNDAF strategy. The programmes are due for approval as follows: UNICEF in 2000, UNDP and WFP in 2001, and UNFPA in January 2002 (the current programme is being extended by one year so that the subsequent cycle will run from 2002-2005). Other programmes of the specialised agencies, offices and programmes cover a shorter period of time (one or two years).

Each UN agency will reflect the goals and objectives of the UNDAF strategy within their own programmes, and are expected to share their programmes with the UNCT as a means to explore possibilities for cooperation. The agency programmes plan to focus on the following issues:

UNDP	(2001-2005) 1) Reduction of poverty and people's vulnerability caused by the rapid social and economic transition process, especially due to entry into WTO; 2) Promotion of economic growth with social equity and clear legal and regulatory frameworks making extensive use of information technologies; and 3) Combination of economic growth with sound environmental practices, especially in the Western region.
UNICEF	(2001-2005) Improving delivery of basic social services, particularly to women and children; eliminating poverty and behaviour change for improved life skills.
UNFPA	(2002-2005) Expansion of client-oriented reproductive health and family planning activities to more counties with emphasis on quality of care service, gender, male-involvement and adolescent reproductive health. This with a view to national implementation of the principles of the Cairo Conference.
WFP	(2001-2005) Will pursue six basic activities: i) land development and irrigation; ii) water and soil conservancy; iii) social infrastructure; iv) investment in human capital; v) micronutrients and health training; and vi) school feeding. These activities will be specially targeted toward women, taking into account regional gender disparities and empowerment of women through literacy and skills training. In a partnership with IFAD/UNOPS/UNDP, WFP activities complement IFAD's micro-finance outreach to poor farmers and establishing a sustainable rural microfinance system.
FAO	(2001 – 2002) Programme to have three main components: Support for the Initiative for the West (dryland management); Support for WTO entry; and Support for the Eco-Development Policy of 1999.
ILO	Employment, social protection, tripartism and labour standard.
UNESCO	Wide range of activities in education, natural and social sciences, culture and communication Specifically: i) basic education (including rural and non-formal education and literacy), technical and vocational education, environmental education and higher education; ii) science and technology development and environmental protection; and iii) preservation of cultural heritage and cultural development.
UNHCR	(annual programming) Mechanisms for the protection of refugees and long-term solutions to refugee situations.
UNIDO	(2001-2003) clean production, industrial investment promotion, increase of competitiveness and reduction of poverty, strategic sustainable industrial development policies.
WHO	Assistance to the health sector concentrating on nine priorities: tuberculosis, health system reform and development, tobacco-free initiative, STD/HIV, health issues of the elderly, reproductive health, child health, immunisation and environmental health.
UNAIDS	Increased awareness, quality policies, strategic planning and coordinated expanded response for the prevention and care of HIV/AIDS.

UNIFEM Promoting gender equality through increased women's political participation, economic security and the protection of their rights against violence, as defined by the Beijing Platform for Action adopted by the Fourth World Conference on Women.

The following UN agencies, non-represented in China, either have development cooperation which are currently active in China or are in the process of formulating activities for China:

ITU Interventions relating to infrastructure in support of IT for poor areas, and removal of barriers for flow of information countrywide.

ESCAP Interventions relating to regional cooperation and TCDC/ECDC.

IFAD Although IFAD does not have a resident office in China, it has developed a substantial programme for rural poverty alleviation in China since 1981 and operates in close partnership with WFP since 1996.

OHCHR Human rights and the police, human rights education, and punishment of minor crimes.

UNDCP Drug control and crime prevention.

The UNDAF framework will enable the UN system, as a team, to explore innovative solutions and provide more holistic and joint or well co-ordinated interventions to China's development through complementary support in a given area to maximise impact. For example, care will be taken to unify approaches in shared programme areas (e.g. access to microcredit for low-income women) and employing similar mixes or complementary strategies in the same field (e.g. employing peer nonformal education methodologies to promote healthy lifestyle decision making by youth, safe sex, etc.). As shown in Annex F, close to 100 indicators were studied in connection with the CCA process. In addition to tracking the specific UNDAF indicators of success (Annex C), the national indicators will also be monitored as an important aspect of UNDAF follow-up to measure success/failure of overall national development efforts in key areas of UN concern and to determine whether additional UN interventions may be needed in areas which are lagging behind.

In developing the CCA, the UN Country Team set up several interagency task forces. Of the eleven which were established, seven theme groups still continue to meet on a regular basis. A list of the seven theme groups and their members is attached as Annex D. The theme groups are instrumental in maintaining coordination in their areas of focus and in deepening complementarities in partnership with the Government and other donor agencies. For example, the Theme Group on HIV/AIDS has enabled the UN to take up a united approach to AIDS and in ensuring that there is a strong cooperation among agencies in providing interventions in this area. The Theme Group on Gender has been a vehicle for the coordination of international aid on the promotion of gender equality and women's empowerment, especially coinciding with the preparation of China's participation in the "Beijing + 5 review" process and its follow-up action. The Theme Groups will follow-up on UNDAF implementation by identifying knowledge gaps on emerging and/or critical issues, coordinating related knowledge acquisition and dissemination, and further defining and monitoring UN collaborative action.

A mid-term review of the UNDAF in year 3 will be conducted unless changing priorities and new occurrences in China require prior consultation and amendment of the UNDAF at an earlier time. If agreed upon, a selective evaluation of key cross-cutting themes, goals and/or objectives may be carried out, in lieu of a full-scale mid-term review. In year 5, a joint evaluation will be undertaken to set the stage for the next UNDAF. One of the lessons learned from UN system cooperation in the previous programming cycle has been the need for cooperation programmes between China and the UN to change and respond to new and emerging national priorities linked with international action plans arising from various global conferences as well as changing country conditions. The UNDAF aims to continue this flexible approach to strategic planning so that the UN will remain timely and relevant to China's rapidly evolving development realities and needs.

SECTION VI. PROGRAMME RESOURCE FRAMEWORK

The availability of funds for the period covered by this present UNDAF document is difficult to predict, particularly since many of the UN agencies have yet to commence preparation of their own individual programmes coinciding with UNDAF. However, based on the funds expended over the last three years, the following projections have been made of the magnitude of funds likely to be available for the five year period,

2001-2005. The UN resources as indicated in the table below also includes extrabudgetary resources (i.e. third-party cost-sharing, funds from sources such as GEF and MP, etc.).

Likewise, allocation of financial resources to the three separate UNDAF goals have not been made at this stage as such figures will be quite arbitrary. As an alternative, percentages have been allocated to indicate the relative concentration of financial resources each UN agency envisages their programmes will have in relation to the goals. Specific resource commitments can only be made in country programme or project documents, according to the procedures and approved mechanisms of each organisation. Participating organisations remain fully accountable for the use of their resources.

PROGRAMME RESOURCE FRAMEWORK 2001 – 2005

Participating Agency	UNDAF Goals			
	Goal 1 (%)	Goal 2 (%)	Goal 3 (%)	Total (millions of USD)
UNDP	20	70	10	210
UNFPA	70	20	10	20
UNICEF	60	15	25	105
WFP	100			86 (+210 of Govt matching funds)
FAO	40	40	20	10
ILO	62	23	15	30
UNAIDS	100			1.5 - 2
UNESCO	45	35	20	14
UNIDO	50	50		90
UNIFEM	45	35	20	1.5-2
WHO	75	20	5	32.5 (out of which 15.0 is extrabudgetary)
UNHCR	15		85	5.2
IFAD	100			148
Total				754.7