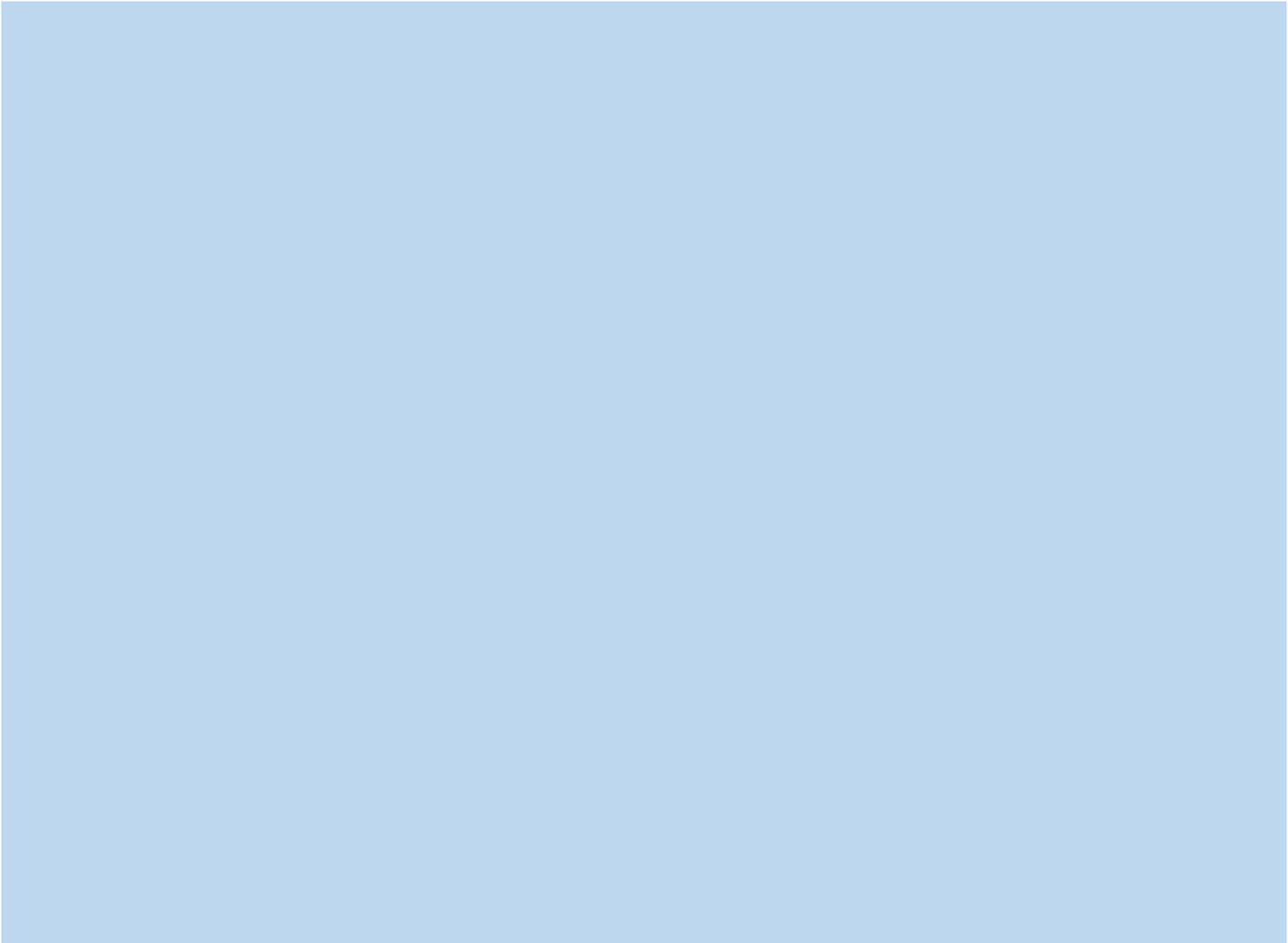




UNITED NATIONS
DEVELOPMENT ASSISTANCE
FRAMEWORK CHINA 2016-2020



United Nations Development Assistance Framework China 2016-2020

Foreword (signatures)

The Government of China and the United Nations system in China are pleased to present the new UN Development Assistance Framework (the Framework) 2016-2020, which provides a basis for partnership between the UN and China over the course of the next five years.

The Framework is a result of a consultative process involving the Government of China, the UN system and other major stakeholders. The Framework serves as a strategic document designed to enable the UN System to provide an integrated response to assist in addressing national development priorities and challenges in China.

On behalf of the Government of China and the United Nations System in China, we express our gratitude to the many national counterparts, UN staff and other stakeholders who contributed to this Framework. We look forward to working together within this Framework over the next five years for the benefit of the people of China.

Executive Summary

Following 35 years of rapid and unprecedented economic growth, China has now entered a new and more complex stage of development. This stage is focused on improvement of the quality and depth of socio-economic growth and more even distribution of national prosperity to create a sustainable and harmonious society. “The Chinese Dream,” as articulated by Xi Jinping is the goal of becoming a moderately prosperous society by 2021 and a fully developed nation by 2049, marking the 100th anniversary of the founding of the People’s Republic of China.

In November 2013, the Third Plenum of the 18th Congress of the Chinese Communist Party laid out China’s development agenda for the next 5-10 years, outlining a comprehensive deepening of the reform process, suggesting a transformation of government and the way it relates to the economy, to the private sector and to society at large. Combined with the concrete targets set out in the 13th Five Year Plan, this will be the path China will follow to achieve “The Chinese Dream”.

Despite China’s remarkable achievement in poverty alleviation and extensive gains in development, the country is facing multiple challenges. Today, China is simultaneously straddling several development stages, facing growing inequity, environmental challenges, climate and disaster risks, and an unprecedented societal shift characterized by a rapidly aging population and shrinking workforce, mass urbanization, and a mobile but structurally disadvantaged migrant population. There is also growing pressure to find the appropriate balance between domestic reforms while assuming an increasingly active role in global collaboration.

The vision is clear and the goals are set, but the challenges to comprehensively deepening reform to achieve the China dream will be many and complex and will require fundamentally new and innovative ways of thinking.

The UN has been a strong and trusted development partner of China for over 35 years, and is well positioned to continue its support to China throughout this critically transformative period by providing high-level policy input, and crucial innovations to address specific challenges, supporting normative work, and by promoting global exchange. To this end, the UN will draw upon its comparative

advantages; an extensive repository of expertise, strength in working with all levels of government, access to global networks, and utilization of its capacity as an impartial convener for dialogue.

The purpose of the UNDAF is to articulate the high level priorities of the UN system in China between 2016 and 2020 in support of China's development goals. Following a consultative process to align national development priorities with areas where the UN holds a comparative advantage, and in anticipation of the emerging post 2015 agenda three priority areas were selected. These are: 1) Poverty Reduction and Equitable Development 2) Improved and Sustainable Environment and 3) Enhanced Global Engagement. The implementation of the UNDAF will be significantly influenced by the substantial social and demographic shifts taking place in China; an aging population, rapid urbanization and related mass migration. These shifts will impact all three areas and will fundamentally affect the way China implements reform.

Outcomes for each priority are laid out in this Framework and describe the intended changes over five years to which the UN aims to contribute substantively. Activities will be implemented through individual agency programmes developed with their national counterparts. Joint programming will also be pursued by multiple agencies in areas of common interest. All programmes will be framed by the overall strategic direction and focus outlined in the UNDAF. The primary methods through which the UN intends to deliver its support, systems for coordination as well as plans for monitoring and evaluation are also described.

Introduction

Over the last 35 years, China has experienced profound economic and social transformation, achieving extraordinary success in human development and poverty reduction. The economy has grown at an average of 9.8% per year since economic reforms began in 1978, per capita incomes have increased fifty-fold over the same period and 500 million people have been lifted out of poverty. The Human Development Index (HDI) increased from 0.423 in 1980 to 0.719 in 2013, a change of 70%, placing China in the high human development category at 91 out of 187 countries and territories. By 2013, China had achieved several Millennium Development Goals (MDGs) ahead of schedule and was on target for several more however, universal access to reproductive health, and decent work for all had not been achieved, and reducing biodiversity loss was progressing slowly¹. This extraordinary socioeconomic development has also resulted in China becoming the second largest economy in the world in 2010, increasing China's profile and influence globally.

However, unprecedented economic growth and tremendous achievements at the national level have been accompanied by serious environmental impact and large domestic disparities, including uneven access to social services and opportunities for development, between the industrialized eastern seaboard and the interior and far west, between urban and rural populations as well as within urban settings, between the residents and migrant workers, between women and men, and between the young and the elderly.

The Chinese Government is well aware of the challenges borne of 'unbalanced, uncoordinated and unsustainable development²,' and has set out a path to deepen critical aspects of reform to address these challenges.

¹ China's Progress Towards the Millennium development Goals 2013 Report

² Xi Jinping, "Explanatory Notes for the 'Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening the Reform'."

National Development Priorities and challenges

The overarching vision for reform and development in China is laid out through the Third Plena of the Central Committee of the Communist Party of China. Specific development priorities and targets are laid out through Five-Year plans. The 12th Five-Year plan covers the time period 2011-2015 and the 13th Five-year plan (2016-2020) is currently under development.

The Third Plenum of the 18th CPC Central Committee in November 2013, laid out a vision for a comprehensive deepening of reforms in the areas of 1) Economy, 2) Governance and law 3) Social systems 4) Ecological civilization and 5) Cultural systems.

In particular, the goals articulated in the Third Plenum of the 18th Congress placed an emphasis on addressing rising inequality and creating an environment for more sustainable and balanced growth. The economic vision put forth an increased role for the market, fiscal and tax reforms to improve bureaucratic efficiency and governance, as well the need to promote innovation and industrial transformation, and to continue to rebalance the economy towards domestic consumption as a key driver of growth.

The vision for society emphasized the development, improvement and expansion of social protection floors; pension and health insurance; income distribution and higher employment quality; integrated development of urban and rural areas, including *hukou*³ reform and land title. In the area of governance and legal systems there is a call to promote institutionalized consultative democracy and reform the judicial system. And the approach to the environment is holistic, aiming to improve China's natural resource management, through better regulation and accountability, promoting green low-carbon technology reducing pollutants and greenhouse gas emission.

Review of the UNDAF 2011-2015, repositioning the UN in China and aligning priorities

The UN Development Assistance Framework 2011-2015, signed by the Government of China and 24 UN Agencies, set out the UN's collective goals for the period covered by the 12th Five Year Plan and focused work on three areas based on overarching national priorities of 1) ensuring sustainability, 2) reducing disparities, and 3) participating in the global community. It also took into consideration three important UN cross-cutting approaches: gender equality, the role of civil society, and the human-rights based approach.

A review of the UNDAF indicated that while the three focus areas have remained highly relevant the extensive monitoring framework has seen less practical application, as detailed programme planning and evaluation continued to be undertaken at Agency level. This led to a broad consensus within the UN Country Team (UNCT) and the Chinese Government for the development of a more strategic framework with greater flexibility and practical application.

Given the changes in China's development assistance needs as a Middle-Income Country (MIC) and against the background of decreased development assistance from bilateral agencies to China and the UN, a repositioning process was undertaken by the UNCT in 2011-2012 to determine how to maximize UN impact in China. At the same time the Government of China also held an internal consultation on the future of the UN in the country. The result was recognition of the long and fruitful collaboration between the UN and China where the Government reaffirmed its continued support for UN presence in the country.

³ The *Hukou* system is a household registration system used in China which records information such as name, parents, spouse, and date of birth, and determines where individuals are entitled to services such as compulsory education and health care reimbursements.

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Based on an exercise to align national development priorities to areas in which the UN holds a comparative advantage, informed by the repositioning process and the experience implementing the previous UNDAF, while keeping the post-2015 agenda in mind, three priority areas were conceived and have been laid out in this Framework.

The first two priority areas; Poverty Reduction and Equitable Development and Improved and Sustainable Environment are prioritized on the domestic reform agenda. The third priority area; Enhanced Global Engagement, is an important area of interest for the Government of China, with the aims of working with countries in international affairs, promoting global and regional dialogue and expanding South-South cooperation to assist developing countries. The UN holds expertise and capacity in the three priority areas.

The priority areas are discussed in the context of the important demographic shifts that are taking place in China. A shrinking labour force, an aging population with specific public health needs and a rapidly growing urban population will place significant pressures on social services systems, infrastructure and the environment.

The UN Approach

In addition to technical expertise and capacity that the UN brings to support China in these three priority areas, the UN also holds unique strength in its distinct approach to development.

The UN, in providing support as part of the UNDAF, will apply key programming principles such as ensuring national ownership and development of national capacity, a human rights based approach, gender equality, environmental sustainability, transparency and accountability. These principles provide the basis for development cooperation that is both effective and sustainable.

Gender equality is a core development objective of the UN and a condition for equitable development, as structural barriers to women's education and economic opportunities slow national productivity and create higher economic costs⁴. The UN system will promote gender equality throughout its development programming and will support China's development and implementation of policies and practices that promote gender equality.

While the United Nations System works for the benefit of all people living in China a special emphasis is placed on those who are disadvantaged and vulnerable. These are people who are subject to discrimination, or disadvantage because of their gender, age, ethnicity, sexual orientation, employment or household registration status, physical or mental impairment, disease, poor socio-economic status or the location in which they live. In the context of China the vulnerable and disadvantaged can be defined as; children and youth, women and girls, elderly, the unemployed, minorities, migrants and refugees, people living with HIV and other diseases, persons with disabilities, female sex workers, the rural and urban poor and populations living in a fragile environment.

The UN encourages the participation of beneficiaries of development, particularly the vulnerable and disadvantaged, in the development process.

⁴ World Development Report, World Bank, 2012.

Societal shift fundamentally affecting priority areas

Demographics in China are shifting at a rate never before seen in human history. The fertility rate has dropped sharply (1.66)⁵ due to 35 years of a strict population policy, and is far below the 2.1 needed to sustain a growing population⁶. There is a persistent unbalanced sex ratio at birth, reaching 117.60 by 2013. Life expectancy is rising (74.8)⁷, as result of improved economic growth, better access to health care, and a reduction in child mortality. Rapid urbanization of society will have two-thirds of the population living in cities by 2030, and an estimated 236 million people are classified as internal migrants (2012)⁸.

The population of people age 60 and over will increase from almost 15%⁹ in 2013 to 23.4% in 2030¹⁰. Aging, and urbanization, will accelerate the epidemiological shift from communicable to non-communicable diseases already representing 82%¹¹ of the total disease burden in the country. This will have enormous implications with regard to delivery of health services and will increase demand on both preventative, curative and long-term care. The age shift will also put increasing pressure on pension systems and family structures, where on average one child will be responsible for two parents and four grandparents. An unbalanced population sex structure with a surplus of men and scarcity of women may have an important impact on social structures and stability.

The number of working-age adults (15-64) for every pensioner will drop from 7.9 in 2008 to 2.4 by 2050¹², with the working age population dropping from 910 million in 2013 to 850 million in 2050. This leaves a shrinking working-age population to pay for increasing health and pension benefits for a growing elderly society. Higher dependency will have to be paid for by higher incomes. The 12th five-year plan aims for income per capita to rise by at least seven percent in real terms per year. Wage inflation, however, needs to be off-set by higher productivity, requiring investments in the human capital and education systems needed to service the higher-value industries and services that constitute a transformed economy. China's value added per employee is still only 1/7th of the average OECD country, and lower than middle-income countries such as Thailand or Colombia.

Currently 52% of China's population live in cities, projected to reach 70% by 2030. Urbanization will increase demands on the environment, on services such as education and health care, and on infrastructure such as housing and mass public transit. It will also have implications for labour market development. Not only more jobs will need to be created in cities, but also better jobs to meet the growing expectations of a burgeoning middle-class. The youth (15-24) of China are driving urbanization and make up 31.7% of the migrant population nationwide. This young population, away from the family network, is also more vulnerable particularly in the area of sexual and reproductive and mental health. *Hukou* reform and the equalization of entitlements for migrants will be extremely important for sustained urbanization.

Smart urban development and adaptation of social systems to accommodate the population shift will be complex to plan, but critically important to economic growth and social stability.

⁵ The value of 1.66 is taken from the medium variant projection for the period 2010-2015 by *World Population Prospects; the 2012 Version*, UN Population Division. The 2010 China national census data reports a TFR of 1.18, which is affected by underreporting. Most scholars estimate the real TRF to be at 1.5 or below.

⁶ In November 2013, following the Third Plenum of the 18th Central Committee of the Chinese Communist Party, China announced the decision to relax the one-child policy. Under the new policy, families can have two children if one parent is an only child.

⁷ *2013 China Statistical Yearbook*, National Bureau of Statistics of China.

⁸ Ibid.

⁹ Ibid.

¹⁰ *China 2030: Building a Modern, Harmonious and Creative Society*. The World Bank and Development Research Center of the State Council, 2013.

¹¹ World Health Report, World Health Organization, 2013.

¹² Organization for Economic Co-operation and Development

Priority Areas

1. Reduction of Poverty and Equitable Development

The Third Plenum of the 18th Chinese Communist Party Congress, “We will uphold the direction of reform towards the socialist market economy, put the promotion of social fairness, justice and improvement of people’s lives as the starting point and ultimate goal.”

Providing robust social protection floors, developing a strong human capital base, creating equal opportunities, respecting cultural diversity, underpinned by a fair and effective judicial system is the basis for a stable, dynamic and resilient society. Advancing equitable development is fundamental to lifting the remaining 84.5¹³ million Chinese citizens out of poverty and transforming the economy.

Rationale

China has lifted over 500 million people out of poverty over 35 years through economic development and job creation. This is a remarkable success, yet there are still 84.5 million people or, 6.2%¹⁴ of the population living in poverty based on the national rural poverty line of 2300 RMB¹⁵ net income per year. There are millions more living just above this threshold and at risk of slipping back, the majority of whom are located in rural and ethnic minority regions.

Inequality in income distribution, household wealth and human capital is growing in China, with a Gini coefficient of 0.473 in 2013 indicating that the gap in income distribution is large and characterized by interprovincial inequalities, and an important urban rural divide, with urban households earning on average three times as much as rural households. There are also earning gaps between men and women and between different age groups. Unequal development is not only a result of unequal access to decent employment, but also of unequal access to quality social services and support, such as education, health care, and housing.

Equitable development in China

Category	Figure	Year	Source
Population living in poverty (using national rural poverty line 2300 RMB net income/year)	84.49 million people (6.2% of the population)	2013	National Bureau of Statistics
GINI coefficient for income distribution	0.473	2013	National Bureau of Statistics
National HDI	0.719	2013	Human Development Report, 2013
Ranking HDI	91	2013	Human Development Report, 2013
Enrollment rates of primary school age children	99.72% (F), 99.70% (M)	2013	2013 National Educational Development Statistics Bulletin, Ministry of Education (Chinese)

¹³ 2013 National Economic and Social Development Statistical Bulletin, National Bureau of Statistics, http://www.stats.gov.cn/tjsj/zxfb/201402/t20140224_514970.html.

¹⁴ World Bank 2011 figures indicate 6.3% of the population living on \$1.25 per day.

¹⁵ 375.35 USD based on 1 RMB = 0.1632 USD

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Gross enrollment ratio in pre-school education	67.5%	2013	2013, National Education Development Statistical Statement
Population access to water	80% (rural)	2014	Ministry of Environmental Protection
Population access to sanitation	74% (rural)	2013	National Health and Family Planning Commission
Gender pay gap between men and women.	Women in urban and rural households earn 67.3% and 56% of men's wages.	2010	Third Survey on Chinese Women's Social Status (ACWF and National Bureau of Statistics)
Women labour force participation rate (aged 15 and above)	63.8%	2012	Human Development Report, 2013
Share of women employed in the non-agricultural sector	39%,	2013	World Economic Forum Global Gender Gap report, 2013
Share of women employed in informal employment	36%	2013	World Economic Forum Global Gender Gap report, 2013
Sex ratio at birth	117.60	2013	National Bureau of Statistics
Violence against women (% estimate) ¹⁶	24.7%	2011	Third Survey on Chinese Women's Social Status (ACWF and National Bureau of Statistics)
Unemployment	4.08% urban ¹⁷	2014	Ministry of Human Resources and Social Security
% increase in health expenditure as % GDP over 10 years	0.6% (4.8%-5.4%)	2002-2012	World Bank
Population coverage of health insurance	95%	2012	Ministry of Health
% out of pocket expenditure of total health expenditure	34.3%	2012	National Bureau of Statistics
% of low-income households experiencing catastrophic health expenditure	8.9% (2013 survey data will be available 6 November 2014)	2008	National Health Service Survey Data
Pension coverage	79.7% ¹⁸	2013	Ministry of Human Resources and Social Security

Increasing human development and reducing poverty is predicated on the existence of well-functioning systems and social institutions that protect and empower people. Ensuring that these systems and institutions are equitable requires expanding accessibility, increasing transparency and accountability, so that they

¹⁶ The figure refers to 24.7% of women (between the age of 18 to 64) during their marriages have been subject to different forms of violence including verbal and physical abuse.

¹⁷ These data reflect registered urban unemployment.

¹⁸ According to reports of the Ministry of Human Resources and Social Security the pension insurance system has achieved full institutional coverage, with 322 million workers and 498 million urban and rural residents involved respectively. The overall rate of participation in the pension insurance system is 79.7% with around 20% of rural and urban residents not included.

benefit the entire population including the most vulnerable and disadvantaged people. Over the last ten years the country has gradually introduced a basic social protection system. Some of the programmes under this system, such as basic health insurance and pension, have now expanded to universal institutional coverage, however services and financing methods are often fragmented, benefits are low, especially in rural areas, and often not portable, meaning that migrants do not benefit from full access. Importantly, the quality of education and health care, particularly in hard to reach areas, is uneven.

Enrollment in the nine year compulsory education system is nearly 100%, but drop-out rates in rural areas are likely significant. The quality of education varies considerably and so does access to and affordability of other levels of education, such as pre-school and upper secondary and higher education. There has been progress in legislation on women in the workplace, but implementation is irregular and there are many areas that still must be addressed; widening pay gaps, prohibited occupations for women, and an unequal retirement age¹⁹. There remains a persistent unbalanced sex ratio at birth (117.60),²⁰ women are particularly underrepresented in the highest public offices, and violence against women is estimated at (24.7%)²¹ indicating that there is a long way to go before gender equality is achieved²².

Basic health insurance has been expanded to cover 95% of the population and the level of insurance has been raised since nationwide health-care reforms were launched in 2009. Since the launch of the Reimbursement for Major Disease Program for urban and rural residents in 2012, the problem of excessive medical bills has been partially alleviated, but catastrophic medical expenditure is still an issue²³.

At the 4th plenary session the China Communist Party Central Committee passed a 'Decision concerning Several Major Issues in Comprehensively Advancing Governance According to Law'. The 'Decision' outlines areas for reform with the aim of governing the country according to a sound, fair, and transparent judicial system based on the constitution, and ensuring the right of fair process and safeguarding the protection of human rights. The 'Decision' also highlights the importance of legal capacity development and supervision. Although the reforms have yet to be implemented, advancing governance according to law will be critical to further equitable development of the country.

Registered unemployment is low in urban areas, minimum wages have been raised, and population coverage of basic unemployment and pension insurance is expanding. However, China will face challenges in job creation in cities as the population urbanizes. It will need to address a structural mismatch in skills of the current labour force and the needs of new and developing sectors of the economy as well as enhance productivity. One pathway is to further formalize the informal economy that employs a large majority of the nation's estimated 263²⁴ million rural migrant workers. Regulation of fair labour practices can help combat the type of inequality that undermines the equity of opportunity, support higher employment quality and contribute to harmonious labour relations. As the agriculture sector continues the gradual transition from small household farms to larger commercial farms, it will also be important to address the skills and stability

¹⁹ Report of the Working Group on the issue of discrimination against women in law and practice (Mission to China), (A/HRC/26/39/Add.2), 12 June, 2014.

²⁰ Population and Housing Census, National Bureau of Statistics, 2010.

²¹ All China Women's Federation survey in 2011.

²² Report of the Working Group on the issue of discrimination against women in law and in practice, A/HRC/26/39/Add.2

²³ Medical expenditure can be considered catastrophic if out of pocket payments account for an excessively high share of household resources. Spending a large proportion of the household budget on healthcare payments deprives the household of spending on other goods and services and can push some households into poverty.

²⁴ National Bureau of Statistics, 2012

of the rural labour force, to ensure a profitable and sustainable agriculture sector which will enhance food security.

The planned shift to domestic consumption and to inclusive, income-led growth will only be possible if disparities are reduced and robust social protection floors discourage the population from excessive saving. This implies innovation on all levels, from institutions to financing mechanisms to design and delivery of services, particularly as the population ages in major urban centers.

Priority area: Poverty Reduction and Equitable Development

Outcome 1) More people, particularly the vulnerable and disadvantaged, enjoy improved living conditions and increased opportunities for economic, social and cultural development.

The UN will support China to promote innovative poverty alleviation mechanisms, and develop a resilient society by improving living conditions, expanding economic opportunities, promoting inclusiveness and reducing disparities to benefit the entire population.

Specifically, the UN will support China to improve the robustness of the social protection floor, and promote equitable distribution of and access to health care, education, social support, infrastructure, food, pension, and decent work and basic income security. Focus will be given to the most disadvantaged and vulnerable populations²⁵.

The UN will support China's adherence to national and international commitments, which provide the foundation for equitable development. In this regard, the UN will support the Government's commitment to equitable development, good governance, and human rights as articulated in the 3rd and 4th plena, the 13th Five-Year Plan, and other relevant norms and conventions²⁶.

The UN will provide high-quality input into the development and strengthening of national policies, legislation and regulatory frameworks that promote more equitable outcomes. The UN will support the capacity development to implement and monitor these policies, legislation, and regulatory frameworks through technical assistance, including support to collect high-quality, and where possible, disaggregated data²⁷.

The UN will support China to address specific challenges resulting from demographic changes, through analysis, and the demonstration of innovative solutions.

²⁵ In the context of China the vulnerable and disadvantaged can be defined as; children and youth, women and girls, elderly, the unemployed, minorities, migrants and refugees, people living with HIV and other diseases, persons with disabilities, female sex workers, the rural and urban poor and populations living in a fragile environment.

²⁶ I.e The Second Universal Periodic Review, The Convention on the Elimination of All forms of Discrimination Against Women, International Covenant on Economic, Social and Cultural Rights, The Convention on the Rights of the Child, The Convention on the Rights of Persons with Disabilities.

2. Improved and Sustainable Environment

The Third Plenum of the 18th Chinese Communist Party Congress, “We must deepen ecological management reform by centering on building a beautiful China. We should accelerate system building to promote ecological progress, improve institutions, and mechanisms for developing geographical space, conserving resources and protecting the ecological environment and promoting modernization featuring harmonious development between man and nature.”

Environmental sustainability is fundamental to long term population health, safety and stability and is a prerequisite for sustained economic growth. Green growth, offers a course to diversify the economy towards environmentally sustainable ends, and will ensure the creation of decent work opportunities and the extension of productivity for future generations.

Rationale

China is faced with severe environmental degradation due to past and current economic growth patterns heavily reliant upon industry. This situation has been further exacerbated by incomplete legislation and insufficient enforcement. China has 10% of global arable land and 6%²⁸ of the world fresh water resources, but continued soil and water contamination and overuse, place an already risk-prone landmass at further risk of disasters²⁹. China is the largest carbon dioxide emitter in the world, and its carbon emission is expected to increase until around 2030, which was announced as a peak target in late 2014 by President Xi³⁰.

Environmental degradation has cost the country approximately nine percent of its gross national income in 2009³¹. The environmental foundation needed to sustain economic growth may be irreversibly altered, and the important human health implications of a deteriorating environment such as increased agriculture and food contamination and air and water pollution, have resulted in a series of efforts to improve the environment.

The 12th Five Year Plan set out a range of targets for energy, emissions, conservation and green growth, many of which are on schedule, and the 13th Five-Year plan will set out more ambitious targets for 2016-2020. In 2014, a National Plan on Climate Change³² was issued, outlining an extensive list of targets to be achieved by 2020. Goals include reducing carbon intensity by 40-45%³³, increasing growth of non-fossil fuel sources to 15% and strengthening carbon sink and fixation capacity through afforestation and reforestation. The establishment of a national carbon emission trading system is also under study.

Furthermore, the Government of China has incorporated disaster risk reduction and climate change into its national and local strategies for sustainable development³⁴. This includes the strengthening and building of a national disaster prevention and risk reduction system as well as building overall national capacities for

²⁸ FAO provided citation. Need official citation.

²⁹ Natural and environmental disasters here are defined as flood, drought, earthquakes, typhoon, and new and emerging human and animal disease epidemics brought about by environmental changes.

³⁰ “US, China target emissions”, The Associated Press (China Daily USA), 2014-11-12.

³¹ *China 2030: Building a Modern, Harmonious and Creative Society*. The World Bank and Development Research Center of the State Council, 2013.

³² National Development and Reform Commission National Plan on Climate Change (2014-2020). Official report announced, not yet released. Awaiting citation.

³³ Compared to 2005 figures.

³⁴ Guidance is based upon the Hyogo Framework for Action on Disaster Reduction 2005-2015.

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disaster prevention, preparedness and relief. China has also taken an active part in the international negotiations on the Post-2015 framework for disaster risk reduction with a vision to build a healthy, stable and harmonious society and economy across the country³⁵.

Environmental summary

Category	Figure	Year	Source	Change (or target change)
Environmental depletion and degradation as % GNI	9.0%	2009	World Bank	(2.7% target by 2030 World Bank)
Ambient air quality (% of days that reach the standard in 74 monitored cities) ³⁶	60.3%	In the first half of 2014	China National Environmental Monitoring Center	1.6% increase compared to 2013
% Reduction in energy intensity per unit of GDP (FYP)	9.03%	2013	State Department Report on Current Situation of Energy Conservation and Pollution Reduction	Target 16% between 2010 and 2015
% Reduction of water consumption per unit of industrial value added (compared to 2010). (FYP)	24%	2013	2013 data from Ministry of Industry and Information Technology	Target 72% by 2015
Increase of water efficiency coefficient in agricultural irrigation (FYP)	0.02	2013	2013 data from Ministry of Water Resources	Target 0.03 between 2010 and 2015
Comprehensive utilization rate of industrial solid wastes (FYP)	62.3% (estimate)	2013	12 th FYP Evaluation Report	Target 50% by 2015
Farmland reserves (FYP)	2.027 billion mu	2012	12 th FYP Evaluation Report	Target 1.818 billion mu by 2015
% Forest Coverage (FYP)	21.63%	2012	12 th FYP Evaluation Report	Target 21.66% by 2015
Increase of Forest Stock Volume	1.416 billion cubic meters	2013	8 th National Forest Inventory of China	Target 1.3 billion cubic meters between 2005 and 2020
% Reduction in carbon emissions per unit of GDP (FYP)	10.68%	2013	State Department Report on Current Situation of Energy Conservation and Pollution Reduction	Target 17% between 2010 and 2015
Non-fossil fuel as a % of primary energy consumption (FYP)	9.8%	2013	2013 data from National Energy Working Conference	Target 11.4% by 2015
Percentage of electricity generated by non-fossil fuel	21.4%	2012	National Development and Reform Commission	

³⁵ Ministerial Statement at the 6th Asia Ministerial Conference on Disaster Risk Reduction. 24th June 2014,

³⁶ Data available for 2014.

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Environmental Performance Index ³⁷	Score 43 of 100. 50 and lower indicates worse environmental performance.	2014	A biennial ranking produced by Yale and Columbia Universities	116 of 178 countries ranked.
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The aim of the Government to establish an ‘ecological civilization’ indicates readiness for environmental transformation. China is already working on national compliance to international environmental conventions and protocols, as well as disaster risk related international frameworks, but now must accelerate efforts to achieve the ambitious environmental targets and integrated domestic reforms that have been set out by the Government. To do this the environmental governance system needs to innovate institutional arrangements, improve management capacity and quality of function. This includes, developing robust governmental coordination mechanisms, strengthening regulatory mechanisms while strengthening the incentive structure to promote environmental protection, developing mechanisms to link land and resource use to carrying capacity, and systems for the participation of a range of stakeholders.

The economy is the early stages of diversifying which allows for adaptation and upgrading of traditional sectors of industry to improve resource utilization efficiency in areas related to reduction of air, water and soil pollution, while boosting investment in research and development within green sectors of the economy such as renewable energy, innovative recycling systems, and new approaches to sustainable conservation of natural resources including biodiversity and fresh water. In addition, large scale urban growth provides great opportunity to pilot innovative planning approaches to healthy urban expansion including energy efficient buildings, enforcement of safer building codes, cleaner public transport systems, and development of green spaces. And as agricultural land is consolidated and farming becomes increasingly large-scale and commercial there are opportunities to implement climate-smart agricultural technologies and processes.

There is much room for elevating public environmental awareness and participation in China. International experience has shown that public awareness and engagement in protecting the environment have impacts on environmental performance and the market in terms of behavior and consumption.

Policies to protect the environment, promote energy efficiency and water security, reduce emissions to mitigate the effects of disasters and climate change and strengthen the country’s overall resilience can be achieved and surpassed. Further investment in innovative and sustainable pathways to growth can provide new opportunities to balance the economy.

³⁷ The Environmental Performance Index (EPI) is based on 20 indicators reflecting national-level environmental data. These indicators are combined into nine categories, each of which fit under one of two overarching objective: Environmental Health and Ecosystem Vitality. This index was developed from the Pilot Environmental Performance Index, first published in 2002, and designed to supplement the environmental targets set forth in the United Nations Millennium Development Goals.

Priority Area: Improved and Sustainable Environment

Outcome 2) More people enjoy a cleaner, healthier and safer environment as a result of improved environmental protection and sustainable green growth.

The UN will support China's adherence to national and multilateral environmental and disaster-related commitments and conventions.

The UN will provide high-quality input into the development and strengthening of national policies, legislation and regulatory frameworks, including gender mainstreaming, to improve and protect the environment, reduce climate and disaster risks and their effects on the population, build community resilience, and promote sustainable environmental practices and use of resources.

The UN will support capacity development of regulatory authorities to develop, implement and monitor these policies, legislation, and regulatory frameworks.

The UN will provide analysis and support to develop innovative approaches to green economic growth. Work in these areas will seek to address specific environmental and sustainability challenges posed by demographic changes, particularly urbanization and migration.

3. Global Engagement

Rationale

China is now the world's second largest economy, the fastest growing and is more interconnected with the world than ever before. Furthering global engagement is an opportunity for China to both benefit from and contribute to knowledge transfer and exchange of best practice in a range of development areas with both developing and developed economies. Expanding the breadth and depth of South-South Cooperation will create better capacity for more effective development assistance and will give rise to new platforms for international collaboration. There is growing support for China's engagement in important global and regional dialogues.

As China implements its own reforms, it will need to draw upon domestic and international models to inform innovative development. Knowledge transfer and utilizing the experience of other countries will be critical in developing the service sector and other emerging sectors of the economy, re-orienting education to support that growth, upgrading industry, reforming the health care system, achieving gender equality, utilizing community participation to fulfill societal needs, cultivating an innovation culture that encourages entrepreneurship, and solving specific bottlenecks in development.

China's participation and funding to joint bilateral, trilateral and multilateral projects has increased which has further integrated China into the wider international development community. Between 2010 and 2012, China contributed 285 million USD to multilateral institutions, and in 2014 helped found the New Development Bank (NDB), the Asian Infrastructure Investment Bank (AIIB), and established the South-South Cooperation Fund on Climate Change, aiming to help other developing nations build capacity to tackle climate change. China has also participated in multilateral platforms and contributed funds to support disaster response as well as respond to the ebola crisis.

China's engagement in a range of high level international fora and pro-active shaping of the post-2015 agenda is indication that China is already increasing its engagement on global matters. For example, China has hosted global forums on the role of culture in sustainable development in view of the UN post-2015 development agenda³⁸, the 2nd High Level Policy Forum on Global Governance held in Beijing was co-ordinated with UNDP, and at the Lima Climate Change conference China announced a South-South Cooperation Fund on Climate Change to support developing countries tackle climate change³⁹. The September 2015 summit on Post MDGs, the Addis conference on financing for development, and the CO21 meeting on climate change offer important opportunities for further engagement.

China has become an important source of development assistance to other countries, contributing 14.41 billion USD in the form of grants, interest free loans, and concessional loans, between 2010 and 2012, to 121 developing countries with 51.8% to Africa. This assistance has been concentrated in the least developed countries (LDCs) and a white paper issued in 2014 indicates increasing attention to outcomes and impacts.⁴⁰

Given its rapid socio-economic growth and achievement of many of the Millennium Development Goals, China is well positioned to share its development experience with other countries. For example, trade development has been a motor of economic growth for the country, and China can share good practices, knowledge and expertise in this area as well as in other areas of development. China has also changed from an assembler of parts and components to a final destination for goods, and seeks to rebalance its economy away from reliance on exports towards domestic demand and import promotion. This creates enormous export opportunities for other developing countries.

The UN is in a unique position with global representation, expertise in development and specialized areas such as agriculture, education, health, and environment, to play a catalytic role in optimizing the transfer of knowledge and experience in both directions.

Priority Area: Enhanced Global Engagement

Outcome 3) The effectiveness of China's engagement in international cooperation is enhanced for the mutual benefit of China and the world.

The UN will support China to expand engagement in best-practice and knowledge exchange, and increase participation in international fora and in global and regional dialogues. The UN will also support China's effective collaboration to enhance global health and human security.

The UN will support China to further increase the scope, and effectiveness of South-South, international cooperation and development and humanitarian assistance, and support the establishment of the South-South Cooperation Fund on climate change.

³⁸ UNESCO's International Congress, "Culture: Key to Sustainable Development" held 15-17 May 2013 in Hangzhou, China with the support and involvement of the Chinese Government.

³⁹ Lima, Peru Climate Change Conference, December 2014: http://unfccc.int/meetings/lima_dec_2014/meeting/8141.php

⁴⁰ China's White Paper on Foreign Aid, Information Office of the State Council, The People's Republic of China, July 2014, Beijing.

Means of Engagement

The UN will work collaboratively with the Government of China to achieve the Framework outcomes by:

1. Providing strategic policy advice, high quality analysis and technical inputs to address national development challenges, emerging issues or to promote novel and innovative strategies.
2. Providing support to adhere to national and international commitments, standards and norms, particularly in the development of legislation, policy advice, and capacity development at the national and sub-national levels.
3. Supporting China's engagement in global and regional issues as well as facilitating and contributing to China's development cooperation with other countries.

The strategies and activities of the UN System will be primarily developed with the Government and governmental entities. Coordination and collaboration with the Government and a wide range of other partners such as Non-resident UN Agencies, UN Volunteers, think tanks and universities, international and national NGOs, international financial institutions, non-state actors, and the private sector will further enrich the support the UN can provide to China and will make it more effective and far-reaching. The value added to the UN by these partners arises from access to many kinds of additional resources, including financial resources, skills and expertise, technology and knowledge and platforms for dialogue and communication. The UN will encourage the participation of beneficiaries of development, particularly those deemed vulnerable and disadvantaged, in the development process.

Coordination and Delivery:

The UN Resident Coordinator (UNRC) in China is responsible for the coordination of the UNCT and oversight of the UNDAF implementation process. Coordination is accomplished through regular UNCT meetings and through other coordination mechanisms such as theme groups, the operations management team, and joint working groups.

The outcomes in the UNDAF will be achieved both through implementation of individual agency programmes developed with Governmental counterparts, and through joint initiatives developed by multiple agencies. During the course of this UNDAF it is the aim of the UN System in China to maximize UN development support through the production of joint products and initiatives such as position papers, and policy briefs, research, dialogues, campaigns and advocacy.

Monitoring and Evaluation

Progress towards the three outcomes will be monitored annually and evaluated at the end of the five year period, with the ultimate goal of assessing the effectiveness of the UN in supporting China to achieve its development goals.

A short annual report on each outcome will be distributed prior to each high-level dialogue. The report will measure quantitative changes in appropriate development indicators over a period of time and then will qualitatively describe the substantive contribution of the UN to these changes. The report will highlight the achievements, identify major challenges, and may propose future directions for discussion. A final evaluation to assess to what extent the UN work has substantively contributed to each priority area will take place at the end of the five-year period.

High-level dialogue

With the UNDAF elaborated at a strategic level, and in order for the UN and the Government to truly engage in fruitful dialogue that can respond to the dynamic context in China, exchanges between the UN System and the Government at the appropriate level are critical. This is essential to effectively monitor the implementation of the UNDAF. Annual high-level dialogues between the Government at the Ministerial level and the UN Country Team will be conducted to provide a platform for regularly reviewing the UNDAF, discussing progress and gaps and modifying as necessary.

Risks and Assumptions

The 2016-2020 UNDAF is based on the assumption that Government of China and the UN will continue to work closely together towards strengthening their collaboration. It is also assumed that good internal and external coordination amongst UN agencies will continue and that the value of the UN presence is well recognized. Meanwhile, the most important risks to effective UN work in China are; limited human and financial capacity and potential risks of over-reach, and potential lack of Government engagement at the appropriate level.

Annex 1. UNDAF Monitoring and Evaluation Guideline

The Framework articulates the unified priorities of the UN system in China between 2016 and 2020 where it aims to have the most significant and meaningful impact in support of China's development goals.

Monitoring & Evaluation Summary

National progress towards the three outcomes and UN substantive contribution to support the government in achieving these outcomes will be monitored annually. An evaluation will take place at the end of five years

Monitoring will take place through a short annual report on each outcome, distributed prior to each high-level dialogue. The report will measure quantitative changes in appropriate development indicators over a period of time and then will qualitatively describe the substantive contribution of the UN to these changes. The report will highlight the achievements, identify major challenges, and may propose future directions for discussion. A final evaluation at the end of five years will be undertaken to assess how effective the UN system has been in supporting China to achieve its development goals, the effectiveness of the UNDAF as a tool for cooperation internally and between the UN System and the Government, and to learn from experiences of the current programming cycle to inform future engagement with the Government.

High-level dialogue

Annual high-level dialogues between the Government at the Ministerial level and the UN Country Team will be conducted to provide a platform for regularly reviewing the UNDAF, discussing progress and gaps and modifying as necessary.

Monitoring Process (Annual)

Evaluation of progress towards UNDAF outcomes will take place annually two months before the high-level meeting. For each priority area/outcome a focal agency will be assigned either on an adhoc basis or as the lead of the relevant theme/working group, to develop the reports. This will be supported by the RCO.

1. The first component of the report will be a **short analysis** that will assess national progress towards outcomes based on a limited selection of available and appropriate indicators pre-selected by working groups before the start of the UNDAF cycle (e.g. for the poverty reduction and equitable development outcome: GINI coefficient, % population living in poverty, primary school enrollment in rural and minority areas...). The objective of the analysis will be to assess progress towards outcomes, e.g. has education become more equitable in China? Has health care become more equitable in China? Are fewer people living in poverty? The analysis will look specifically at the vulnerable and disadvantaged populations. After assessing markers of equity in selected sectors the analysis should summarize progress towards outcome 1.⁴¹ This analysis will be shared with working groups/UNCT for their review and input.
2. The second component of the report will describe the **UN system substantive contribution to progress in each outcome**. The report should detail the most important contributions of individual agencies as well as joint-work by multiple agencies to the outcomes delivered through the means of engagement and products delivered. For example for the first outcome the following elements could be included in the report:
Normative: A task-force with representatives from multiple UN agencies under the Gender theme group assisted in the drafting of the Family Violence Law
High-level policy: WHO and World Bank supported a high-level analysis on health reform that was used to inform the 13th Five-Year plan....

⁴¹ Indicators selected must be available. Supplementary data from surveys can be added to the narrative where relevant.

Innovative pilots: A UNICEF-supported impact study showed that a multiple micronutrient provided to children (ages 6-24 months) in three poor counties was highly effective in reducing anemia rates, vitamin A and B12 deficiency and respiratory infections. This intervention was scaled up to over 300 ‘poverty counties.

Equitable Development and Poverty Reduction		
Outcome	Analysis	Reporting
Outcome 1) More people, particularly the vulnerable and disadvantaged, enjoy improved living conditions and increased opportunities for economic, social and cultural development.	Summary of progress towards outcome based on selected indicators	Over the past [12 months], what has been the most significant change (positive and negative) for national progress towards this outcome? Over the past [12 months], what have been the most significant UN contributions* to change in this area? What important progress is being made in (each) area of engagement that we are supporting? (e.g. high level policy support and innovation, normative work, international cooperation).
Improved and Sustainable Environment		
Outcome	Analysis	Reporting
Outcome 2) More people enjoy a cleaner, healthier, and safer environment as a result of improved environmental protection and sustainable green growth.	Summary of progress towards outcome based on selected indicators	Over the past [12 months], what has been the most significant change (positive and negative) for national progress towards this outcome? Over the past [12 months], what have been the most significant UN contributions* to change in this area? What important progress is being made in (each) area of engagement that we are supporting? (e.g. high level policy support and innovation, normative work, international cooperation).
Enhanced Global Engagement		
Outcome	Analysis	Reporting
Outcome 3) The effectiveness of China’s engagement in international cooperation is enhanced for the mutual benefit of China and the world.	Summary of progress towards outcome based on selected indicators	Over the past [12 months], what has been the most significant change (positive and negative) for national progress towards this outcome? Over the past [12 months], what have been the most significant UN contributions* to change in this area? What important progress is being made in (each) area of engagement that we are supporting? (e.g. high level policy support and innovation, normative work, international cooperation).

3. A report based on the analysis and on the substantive contribution of working/theme groups will be developed and will be shared with the UNCT for further input.
4. RCO will support the theme groups or assigned task teams with the finalization of the reports on each outcome in preparation for the high-level dialogue.

Evaluation Process (Five Year)

The UNDAF evaluation is a joint UN review, conducted with national partners, of the overall results expected from UN cooperation in the country. The UNDAF Evaluation should use standard development assistance criteria (*effectiveness, impact and sustainability of results*) as well as appropriateness to country context to guide its objectives and key questions.

1. Assess how effective the UN system has been in supporting China to achieve its national development goals under the framework of the UNDAF.
2. Assess the effectiveness of the UNDAF as tool for coordination, (i) as a mechanism for flexible coordination of UN System work with the Government (ii) as a mechanism for flexible coordination among individual UN agencies.
3. Learn from experiences of the current programming cycle, to inform how the UN can best engage with the Government in the future.

Methods and process

The UNDAF Evaluation is a participatory, and iterative learning exercise, which should be completed within a timeframe of two-three months. It takes place at the beginning of the penultimate year of the programme cycle and builds on UNDAF annual monitoring reports.

The UNDAF Evaluation is jointly commissioned and managed by the UNCT (heads of agencies) and the national government. The UNDAF Evaluation should be articulated in the RC annual workplan for the penultimate year of the UNDAF cycle. Funds required by the UNCT to carry out the evaluation should also be requested in the RC annual budget and agencies of the UN System should make financial and in-kind contributions (e.g. providing transport for field visits, cost of photocopying, publication of the report, etc.) to the best of their ability and as equitably as possible.

The final evaluation will then be shared and discussed internally with the UNCT and jointly, with the Governmental counterpart.