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UNDP IN CHINA

Since 1979, China has been one of the most successful developing countries in the world and it has been by far the most successful of the transition economies. Systemic change has been achieved without having to go through a “transition depression,” and in fact, in no year has output or average income declined. Living standards have improved dramatically and the decline in poverty, in terms of the number of people affected and the speed of

the decline, has been the greatest in world history. Rapid growth has been financed entirely by its own savings.

UNDP has provided support in the areas of governance, poverty reduction, gender equality, HIV/AIDS and energy and the environment. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 1996 to 2004.

TOTAL PROGRAMME EXPENDITURE, 1996-2003: \$348.5 MILLION

FUNDING SOURCES, 1996-2003



TOTAL ALLOCATED FUNDS BY SECTOR, 2001-2005 (PERCENTAGE)



FINDINGS AND CONCLUSIONS

The Chinese Government sees UNDP as an “old friend” whose advice and activities are not guided by ideological considerations. It appreciates UNDP’s role in helping China become more “open” and closely integrated into the rest of the world. Despite the decline in the size of the UNDP programme, the Government would like the organization to continue to operate in the country.

Most UNDP projects were well designed and competently administered; in this sense, they were successful. But their overall impact was modest in the context of national priorities. This weakness arises from discussions between UNDP and its primary government counterpart, the China International Center for Economic and Technical Exchanges (CICETE), which historically occur on a project-by-project basis rather than on a strategic basis.

Some of UNDP’s achievements in governance were considerable. It contributed to policy change through providing advice and engaging in dialogue. It assisted in developing a master plan for public administrative reform and advisory reports on issues such as the prevention of corruption.

Poverty reduction was a high priority, with a large number of small projects, but some of the most important and lasting contributions consisted of UNDP’s analytical and advocacy work. Examples include publication of the

national human development reports, careful monitoring of China’s efforts to meet the Millennium Development Goals (MDGs), and periodic analyses of poverty reduction policies and statistical indicators based on a concept of poverty that goes beyond income deprivation.

UNDP has been prominent in addressing the delicate issue of HIV/AIDS, advocating on behalf of those who became ill, initiating public discussion, and stressing the multiple dimensions of the AIDS threat and the multiplicity of actions required to meet it.

Although the allocation of resources to projects explicitly focused on gender was small, gender was a constant theme. The organization adopted a gender mainstreaming approach, yet it was not clear that the results were what was hoped. In some respects, gender issues seemed to have fallen through the cracks: if gender issues are the responsibility of everyone, they can easily become the responsibility of no one. A lack of gender-disaggregated data plus the crosscutting nature of gender issues has made UNDP policy advocacy difficult.

China faces serious environmental problems. It is striking, however, that UNDP’s energy and environment programme—by far its largest activity—was not integrated into its country programming. The programme was largely funded by the Montreal Protocol and the

Global Environment Fund. In contrast with other UNDP programmes, priorities were strongly influenced by international rather than national objectives. This is true in other countries as well, but the anomaly was particularly glaring in China because, in general, UNDP assistance is demand driven rather than donor driven.

CICETE executes almost all UNDP projects, supervises implementing agencies (usually line ministries) and exercises financial control. This arrangement appeared to have worked reasonably well. It has been claimed that CICETE has a monopoly over discussions with UNDP, and that this hampers communications between line ministries and UNDP that would be mutually beneficial. In practice, CICETE has been flexible and communications among all interested parties have increased.

Another objection was that the current arrangements for administering UNDP assistance stifle innovation and discourage creative thinking about new types of projects. Again, however, little evidence was found to support this criticism. UNDP sponsored a number of innovative projects and addressed many sensitive issues in its advocacy work. Examples included an urban microcredit scheme, the promotion of female entrepreneurship, projects con-

cerned with HIV/AIDS, several projects in the area of governance, and a proposed new project to train senior national and provincial officials of the Chinese Communist Party. A proposed International Poverty Centre could be a vehicle for conducting comparative studies of poverty in a number of Asian and African countries, and the focal point in China for south-south cooperation.

It takes patient negotiation and lengthy discussions to break new ground, introduce new concepts, and address sensitive issues, but this is normal and desirable and should not be seen as objectionable or obstructive. The issue is whether CICETE and UNDP, both with a history of a project oriented approach, can shift to upstream activities. China has changed dramatically in the 25 years since UNDP began operations there. The time has come to introduce radical changes in the way UNDP and the Government work together. A UNDP programme concentrating on knowledge, applied research and policy advocacy would reflect the reality that China does not need money; it needs ideas. UNDP could strategically position itself to contribute to the national debate on a range of policies central to the pursuit of sustainable human development.

RECOMMENDATIONS

- UNDP can contribute to China's development by working with the National Bureau of Statistics and others to improve the quantity and quality of information available to policy makers.
- UNDP can contribute by increasing the capacity in China for more sophisticated analysis of policy issues. This would include deployment of a wide range of statistical techniques, more frequent use of cost-benefit analysis and targeted sample surveys, as well as qualitative methods of analysis.
- UNDP should continue to provide informed policy advocacy in its areas of competence. This would include addressing sensitive and controversial issues such as governance and human rights, gender, health, poverty, inequality and sustainable development.
- There should be a shift of emphasis in the programme from many small, unrelated projects to upstream activities centred on creating knowledge, improving policy analysis and policy advocacy.
- In governance programmes, UNDP's task will be to focus on one or two areas where rapid progress is judged to be possible and to ignore other areas for the time being.
- UNDP could make a major contribution to poverty reduction through improved statistics, assisting the Government with a comprehensive poverty reduction strategy, analysis of major poverty-related issues, and continuing work on policy advocacy.
- UNDP should increase the scale of its operations on HIV/AIDS quite considerably towards an increase in information, more sophisticated economic and social analysis to determine more accurately the causes and consequences of the epidemic, and exploration of a range of policy options.
- UNDP should devote more resources to gender-disaggregated data and analysis, and be a strong advocate for increasing the representation of women in positions of power and authority.
- UNDP should redouble efforts to ensure that environment projects closely reflect mainstream government priorities, and focus on a limited number of larger scale initiatives that can have a nationwide impact.

ABOUT THE ICPEs

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP's contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP's Executive Board. To date, over 100 ICPEs have been conducted worldwide.

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