

CHINA'S PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS

2005

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MINISTRY OF FOREIGN AFFAIRS OF THE PEOPLE'S REPUBLIC OF CHINA
UNITED NATIONS SYSTEM IN CHINA

October 2005

China's Progress Towards The Millennium Development Goals 2005



***Ministry of Foreign Affairs of the People's Republic of China
United Nations System in China***

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Note: The current report is updated on the basis of a joint assessment by UNDP & the Government of China published in 2004.



Preface

With the fast pace of economic globalization, to achieve common development and prosperity has become the most pressing task for all countries. At the Millennium Summit in 2000, heads of state and government of 189 countries adopted the Millennium Declaration setting up a series of specific goals for global economic and social development in the 15 years thereafter, referred to as the "Millennium Development Goals" (MDGs). Set up by the United Nations for the first time, the MDGs are comprehensive, quantitative, time-bound and cover poverty reduction, health care, education and other related fields. Specific plans are derived from MDGs for individual country's development and international development cooperation as well. The MDGs have become an important yardstick of the international community to measure its development.

Thanks to the tremendous efforts made by governments and the close international cooperation, positive results have been achieved overall in realizing the MDGs in the past five years. Remarkable achievements have been scored in many countries in reducing poverty and increasing the coverage of education and health care. At the UN High-Level Plenary Meeting this September, the heads of state and government reviewed the progress towards the realization of the MDGs, reaffirmed their commitment in further implementing the goals and set the direction for future work.

As the largest developing country, China sees as its top priority to achieve overall economic and social development and upgrade the quality of people's life. To this end, China has formulated a comprehensive economic development strategy and adopted a people-oriented, balanced and well-coordinated approach to development



aimed at maintaining balance between economic and social sectors as well as man and nature. At present, the Chinese Government is in the process of formulating the Eleventh Five-Year Plan for National Economy and Social Development. This Plan will incorporate the MDGs based on China's current situations. I am convinced that this Plan will effectively further promote China's realization of the MDGs

This *China's Progress towards the Millennium Development Goals 2005* is based on the 2003 edition and updated by relevant departments of the Chinese Government. The report sums up China's achievements and experiences since 2000 in implementing the MDGs, points out the problems and shortfalls and puts forward suggestions for future work

This report is the outcome of close cooperation between the Chinese Government and the UN system in China, which has further consolidated the partnership between China and the UN. The UN Country Team offered valuable comments, suggestions and inputs to the report. Their contribution is highly appreciated. My special appreciation goes to all compilers of the report for their hard work.

There is not much time left for us to realize the MDGs by 2015. The Chinese Government will continue with its efforts, strengthen its cooperation with other countries and international organizations such as the UN with the aim to jointly push forward the implementation of MDGs in China and make our due contributions to the common development of the world.

Shen Guofang

Assistant Foreign Minister

The People's Republic of China



Foreword

In September 2005, world leaders gathered in New York during the General Assembly of the United Nations and marked the 60th anniversary of the UN by reconfirming their commitment to the Millennium Development Goals. His Excellency the President of the People's Republic of China Hu Jintao participated at the meeting and reaffirmed China's commitment to these goals.

China has its own sets of sustainable development goals. This is represented by the vision of establishing an all-round "Xiao Kang" and harmonious society by 2020. There exists a rare correspondence between the MDGs and "Xiaokang", as both of them represent a "people's agenda", and focus on the kind of development that makes a visible, measurable difference in the lives of people. They are in my view both necessary and achievable.

This Report is a joint report by the Government of China and the UN system in China providing a comprehensive assessment on the progress of China in attaining the MDGs. It is an updated version of the 2003 MDG Report. The report finds that China continues its progress, and at the same time identifies the key challenges and potential gaps that China now faces as it takes on the Xiao Kang Challenge. It also points out some of the specific directions that China needs to focus on in reaching the MDG goals.

This report is a result of strong partnership between China and the UN. I wish to thank particularly the Ministry of Foreign Affairs for the role it has played in the preparation of this report, our appreciation also goes to the contribution made by the



MDGs: China's Progress 2005

many different Government agencies involved

The United Nations system is committed to working even closer together with the Government of the China to realize “Xiaokang” and the MDGs. No doubt there will be challenges ahead. The UN system stands ready to assist the country in finding its own solutions to meet these challenges.

A handwritten signature in black ink, appearing to be 'Khalid Malik', is located to the right of the text.

Khalid Malik
UN Resident Coordinator



List of Acronyms

| | |
|-----------|--|
| ADB | Asian Development Bank |
| ASEAN | Association of South East Asian Nations |
| CBD | Convention on Biodiversity |
| CCA | Common Country Assessment |
| CCICED | China Council for International Cooperation on Environment and Development |
| CIDA | Canadian International Development Agency |
| CPR | Contraceptive prevalence rate |
| DFID | Department for International Development of UK Government |
| EOC | Emergency obstetric care |
| FDI | Foreign Direct Investment |
| g/b ratio | Girl/Boy ratio |
| GDP | Gross Domestic Product |
| GFATM | Global Fund for AIDS, TB and Malaria |
| HDR | Human Development Report |
| HIV/AIDS | Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome |
| IDU | Injecting drug users |
| IUD | Intra-uterine device |
| MDGs | Millennium Development Goals |
| MMR | Maternal mortality ratio |
| MOFTEC | Ministry of Foreign Trade and Economic Cooperation, predecessor of MOFCOM |



| | |
|---------|--|
| MOFCOM | Ministry of Commerce |
| MOH | Ministry of Health |
| | Net enrolment ratio |
| NGOs | Non-government organizations |
| | National Programme of Action |
| NPHCCO | National Patriotic Health Campaign Committee Office |
| | Official Development Assistance |
| | Renminbi (Chinese currency) |
| | Sexually transmitted diseases |
| | Sexually transmitted Infections |
| TB | Tuberculosis |
| TB DOTS | Tuberculosis directly observed treatment with short course |
| | United Nations |
| UNAIDS | Joint United Nations programme on HIV/AIDS |
| UNCCD | United Nations Convention to Combat Desertification |
| UNCED | United Nations Conference on Environment and Development |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environment Programme |
| WHO | World Health Organization |
| WSSD | World Summit on Sustainable Development |
| | World Trade Organization |



INTRODUCTION TO THE UN MILLENNIUM DEVELOPMENT GOALS (MDGs)

At the September 2000 United Nations Summit, 149 Heads of State and Government from 189 member countries adopted the Millennium Declaration. In this Declaration, a universal set of development goals and targets was agreed. The UN Secretary-General has entrusted the UNDP Administrator, through UN Country Teams led by Resident Coordinators, to monitor and report on each country's progress towards the Millennium Development Goals (MDGs). The purpose of these reports is to raise awareness, stimulate debate and promote further action for development. China's status in relation to, the MDGs goals and targets, is summarized as below.

This report is based on available information from various Chinese sources and international organizations in China with its population of 1.3 billion, its vast and varied territory and its rapidly changing development context is a challenging nation on which to report. In some cases, data are scanty, which make analysis and reporting particularly difficult. Every country has its own statistical policies and practices, understandably, and these do not always completely conform to the MDG measures. It should be noted that China has, since 1980, had its own set of development goals and indicators, referred to as Xiaokang. In this sense, China was ahead of the Millennium Declaration.

In this report, each of the MDGs targets is reported on in terms of:



- **Status and trends:** A statement on progress towards the target
- **Supportive environment:** Description of the supporting policy environment to achieve the target
- **Potential MDGs gaps:** Issues involved in meeting the target

Based on current information, China will probably achieve most MDGs by 2015. China's stage of progress towards the MDGs has revealed the need to adjust some of the MDGs targets and indicators. The report captures the unique nature of China's development and how the government and people of China are addressing the MDGs.

This report highlights the fact that, while China is on track nationally for most of the MDGs, inequality has increased and there is a need to work towards balanced regional economic growth and to realize sustainable development with equity. National figures mask large and growing development gaps between the relatively rich eastern coastal zone and poor central and western regions. Similarly, gender gaps have been developing recently, with women falling behind men in some respects. Future MDGs reports should try to report data in a more focused and disaggregated manner. It should be noted that the Chinese government has a large and ambitious plan in place to address the development challenge of the western region with a view to reducing the current development gap, and the All China Women's Federation is also working to address gender gaps. The aging of Chinese society is already a challenge and will become more so in the future. The elderly are disproportionately poor, especially elderly women who are widowed or childless.

Other peculiarities of the China context include the Government's policy of limiting rural-urban migration which has avoided thus far the creation of urban slums. HIV/AIDS in China is only now entering the phase of rapid spread. The Chinese Government has taken action to contain its further spread. However, more intensified efforts will be needed if, China is to stand a chance of reversing the trend by 2015.



China's opening-up and overall reform process has brought impressive development results. At the same time, these same policy thrusts of economic liberalization, decentralization and freeing up of the migration system have brought with them certain unintended negative impacts. The task now is to adjust policy so as to correct these negative impacts and to promote a stronger partnership between the Government, the private sector and civil society in defining the problems and in formulating solutions that have the understanding and commitment of the people so that implementation is assured



CHINA: DEVELOPMENT CONTEXT

| Key Development Indicators | | | | |
|---|--------------|------|-------------------|------------------|
| Indicator | Value | Year | High prov./region | Low prov./region |
| Population size (1000,000) | 1,300 | 2004 | 98.32 | 2.71 |
| Population growth rate (%) | 5.87 | 2004 | -0.97 | 12.52 |
| Life expectancy at birth | 71.95 | 2004 | 79.4 | 66.3 |
| Real GDP per capita (RMB at current exchange rates) | 10561 | 2004 | | |
| Population below international poverty line (%) | 2.8 | 2004 | | |
| Estimates of HIV/AIDS prevalence range between 650,000-1, 020,000 million | 0.06 to 0.11 | 2002 | | |
| Reported cases of HIV infection | 49606 | 2004 | | |
| Malaria prevalence rate (%) | 6.53 | 2004 | | |
| Reported deaths due to malaria | 31 | 2004 | | |
| Areas with improved water supply (%) | 93.78 | 2004 | | |
| Population with access to clean drinking water in rural areas (%) | 60.02 | 2004 | | |
| Under-five mortality rate (%) | 25 | 2004 | | |
| Net primary enrolment ratio (%) | 98.7 | 2003 | | |
| Percentage of girls in primary education | 47.2 | 2002 | | |
| Maternal mortality ratio (per 100,000 live births) | 51.3 | 2003 | | |



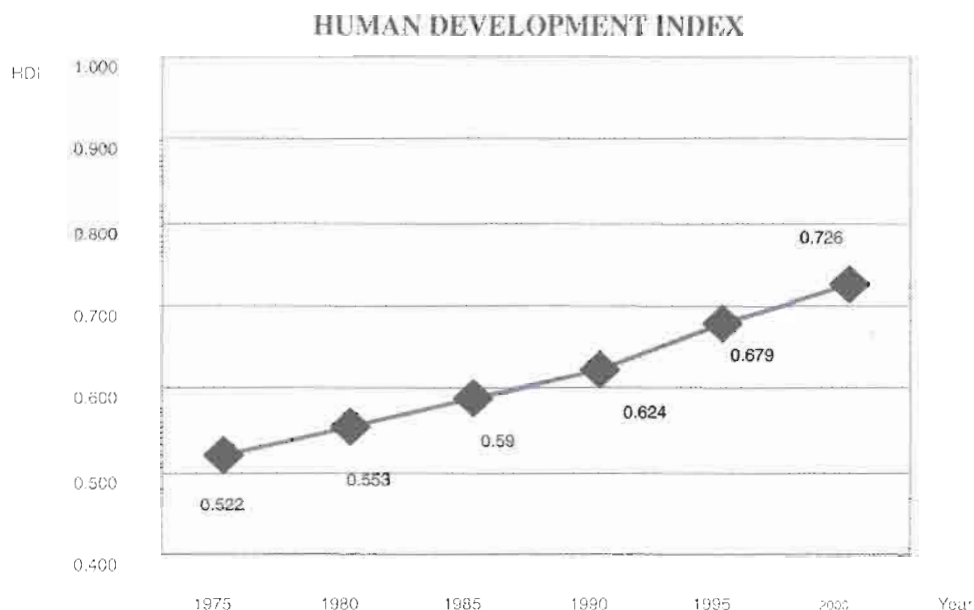
CHINA'S HUMAN DEVELOPMENT

According to the information as of 2002 China no longer has a single province or autonomous region in the 'low development' category (0.5 is the UN global cut-off for low development). In other words, all of China is now either in the 'high' or 'medium' development category. At the same time, there is a difference of 30% between the highest and lowest. The human development map below illustrates the three levels of development in China applying 0.8 as the cutoff point for high development and 0.73 as the cutoff point for low development.

China Human Development Map



Source: China Human Development Index for 2002



source: Human Development Report 2002, UNDP

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China's impressive development is borne out by the steady improvement in its national Human Development Index from 0.522 in 1975 to 0.726 in 2000. China ranked 96 out of 173 countries in the 2002 Human Development Report. In recent years, China's total government revenues have grown rather quickly, from RMB 624.22 billion yuan in 1995 to RMB 2639.6 billion yuan in 2004, an annual average growth rate of 17.4%. Accordingly, China's annual education budget have been increasing, both nationally and locally. In addition to ensuring that the financial needs of the education sector are covered when budgeting at the beginning of the year, China also makes supplementary financial inputs into education as necessary. This has enabled China's education budget to grow steadily and fairly rapidly, at an average annual rate of 16.2% since 1995.



ECONOMY AND POVERTY

With the launch of economic reform and opening up policies in the late 1970s, China entered a period of unprecedented socio-economic development and poverty reduction. China experienced rapid economic growth of over 9 percent on average in the 1990s and the number of people living in poverty declined from 250 million in 1978 to 26.1 million by the end of 2004. In 1999 the World Bank raised China's classification to a lower middle-income country when China's per capita income surpassed the \$ 755 cut-off point for low-income countries.

China's priorities in the next stage of reform should include

- a) Creating a stable and effective macroeconomic environment for sound, rapid and sustainable economic growth after entry to the World Trade Organization, which in turn requires significant progress in reforms of state-owned enterprises, the banking sector and the fiscal system ;
- b) Strengthening social development with more effective policies and more effective spending on human development, poverty reduction and environmental protection;
- c) Moving to a more consultative/participatory form of governance where the non-state sector and civil society become partners with the Government in helping to formulate and implement policy; and
- d) Ensuring broad-based growth with a more equal distribution of benefits between rural and urban areas, between coastal and interior regions and between men and women.



GOVERNMENT EFFORTS FOR POVERTY REDUCTION

Since 1990, poverty, especially absolute poverty in rural areas, has been greatly reduced. China has now achieved the target of halving the number of poor people from the 1990 figure of 85 million. China has two official poverty lines: per capita income of RMB 625 yuan (US \$ 75) per year, under which people are classed as "absolute poor", and per capita income of RMB 865 yuan (US \$ 104) per year. The poverty population with per capita income between the two lines is referred to as "relative poor". Current national poverty – reduction efforts target both absolute relative populations

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With China's distinctive objective, the standard for China's rural poverty evaluation differs from that for the MDGs. The priority objective in fighting poverty in China's rural areas is to help the poverty-stricken people meet their needs for food and clothing; therefore, China adopts the absolute poverty standard in assessing its rural poverty. In 1995, by applying the method recommended by World Bank experts and based on household surveys in China's rural areas, China drew the line of absolute poverty at 530 yuan. Since then, the annual absolute poverty line is adjusted according to price indexes. Against this absolute poverty benchmark, the Chinese population in absolute poverty was 65.4 million in 1995, 32.09 million in 2000, and 26.1 million in 2004. And the impoverishment rates for those three years were 7.1%, 3.4% and 2.8%, respectively.

Remarkable progress has been made on other socio-economic development indicators, such as the increase in life expectancy, decrease in child mortality and the drop in illiteracy. China's poverty reduction reflects the Government's efforts



towards overall growth and development combined with significant policy and budgetary support for poverty reduction.

New challenges to poverty reduction include:

- a) Reducing the number of poor people living in areas with adverse natural circumstances;
- b) Increasing access to health, education and a healthy environment;
- c) Minimizing urban poverty caused by layoffs connected with state-owned enterprise reform;
- d) Protecting an aging population while improving the design of the social security system and expediting its implementation;
- e) Managing large scale migration from rural to urban areas;
- f) Narrowing the growing development disparities;
- g) Reducing disproportionately high poverty rate among ethnic minorities, old people and women; and
- h) Better supporting and deploying NGOs' unique capabilities as well as those of the non-state sector in poverty reduction and other targeted interventions.

In May 2001, China formulated a rural poverty reduction policy through 2010, targeting mainly the 30 million rural poor whose annual income was below 625 yuan. Per capita income, socio-economic development, and geographic and natural conditions have been taken into consideration as a whole. The priority is given to remote mountainous regions, ethnic minorities and extremely poor areas

The strategy focuses on poverty alleviation and providing assistance to villagers and farmers under the poverty line, with each county being a complete unit and townships and villages as bases. The core of this new policy is to help the poor develop economically so as to bring about sustainable poverty relief. In practice, this policy means growing crops with higher market values, using science and technology in agriculture, and making small loans available to farmers. While improving the basic production and living conditions in the rural poor areas, the policy calls for establishing rural enterprises where conditions are right. The plan



also calls for mobilizing the entire society, including the business community and NGOs, to work together with the community for poverty reduction.

China's western region development strategy is also a poverty reduction initiative. Initial work has started during the Tenth Five-Year Plan period, 2001 – 2005. The focus is on addressing inadequate infrastructure, deteriorating ecological environments and shortage of trained and experienced personnel. In urban areas, an improved social security system has ensured minimum living standards to laid-off workers and re-employment projects have created jobs for laid-off workers. Finally, small towns have been developed to absorb some of the surplus rural labour into the urban labour force.



ASSESSMENT OF CHINA'S MDGs PROGRESS

Generally speaking, China has made enormous progress towards the achievement of its MDGs. Indeed, some of the MDGs targets such as primary education have already been achieved 13 years ahead of schedule. At the same time, information currently available indicates that China may not be on track for halting and reversing the spread of HIV/AIDS, for reducing maternal mortality and for providing safe drinking water to its rural population.

The large and still-growing population brings about big challenges to China in its sustainable development. The effective implementation of the family planning program, a basic state policy, over the past 30 years has helped China reduce its forecast population growth by around 300 million people. The total fertility rate of Chinese women has dropped from 5.8 in the 1970s. The next one or two decades will be the "dividend period" for China's economic and social development. On the other hand however, there will also be serious challenges. The low birth rate coexists with a high growth rate, and the total population continues to grow by 8-10 million every year. Estimated from the current total fertility rate of 1.8, China's population will reach 1.5 billion around 2033 before it drops slowly. In the meantime, structural problems, such as the aging of the population and the growing imbalance in sex ratio at birth, are becoming more and more salient. The strains on resources and environment due to big population is still severe. All this has made China's population growth a complicated and arduous issue to manage. The Chinese Government believes that a steady low birth rate and an integrated approach are essential to the achievement of the MDGs and other development goals. It will continue to carry out the Program of Action of the International Conference on



Population and Development, implement a people-oriented, comprehensive, coordinated and sustainable concept of development, and provide quality service to all people of child-bearing age

The report next describes in detail the status of each of the eight MDGs.



Goal 1:

Eradicate extreme poverty and hunger

| GOALS | STATE OF GOAL ACHIEVEMENT | STATE OF SUPPORTIVE ENVIRONMENT |
|---|---------------------------|---------------------------------|
| Eradicate Extreme Poverty & Hunger By 2015 Halve the proportion of people living in extreme poverty | On track | Well developed |
| Halve the proportion of population below minimum level of dietary energy consumption Halve the proportion of underweight children under five years old by 2015 | On track | In place |

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| Goal | Existing Capacity For: | | | |
|-----------------------|------------------------|----------------------|-------------------------|-------------------------|
| | Data gathering | Statistical tracking | Statistical into policy | Monitoring & evaluation |
| Extreme poverty | Strong | Strong | Fair | Fair |
| Hunger & malnutrition | Fair | Fair | Maybe needs attention | Maybe needs attention |

Target 1: *Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day*

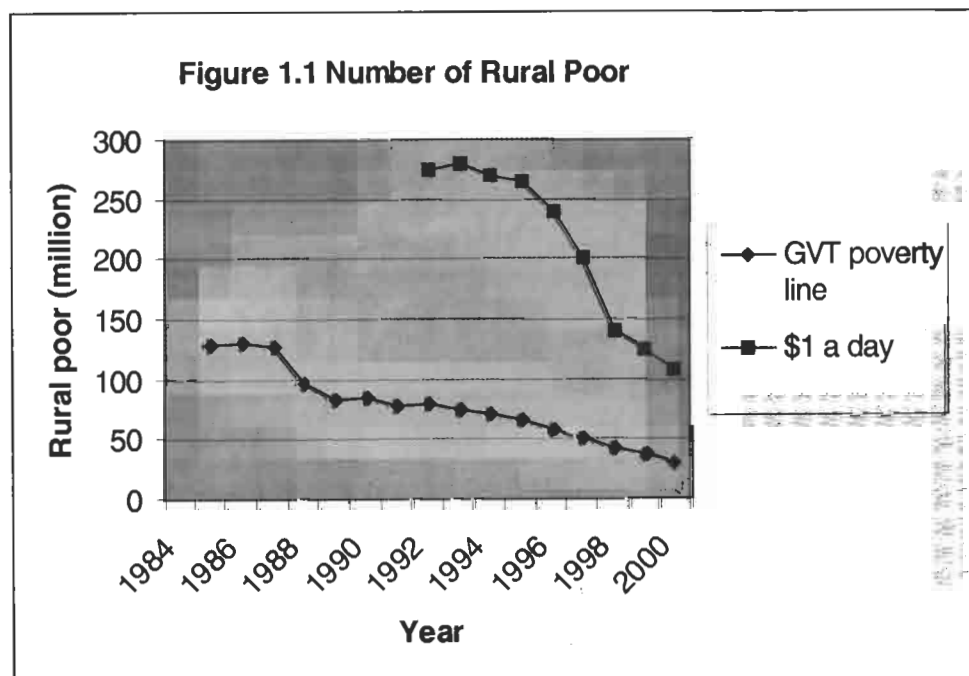


1. Status and Trends

China has now achieved its MDGs poverty reduction target of halving its poor population from 1990 figure. China's rural poor population decreased dramatically from 85 million in 1990 (9.6% of the rural population) to 26.1 million in 2004 (2.8% of the rural population). Even using the standard international poverty line of US \$ 1 per day, the trend in poverty reduction is still impressive. At the same time, the 1990s saw increasing urban-rural income gaps with the current income ratio estimated to be 3.2 to 1, while the 1990 ratio was 2.5 to 1.

While most of the remaining rural poor live in the more remote areas of western China where agricultural productivity gains have proven more problematic, there are still pockets of poverty in the mountainous areas of the coastal provinces, too. While China has made great progress with reforms, new forms of poverty have emerged. The new poor include migrants who are not yet employed, and laid-off workers from state-owned enterprises who are not re-employed. It also includes women, children, the elderly and the disabled who fall outside the existing social safety net. It needs to be noted in particular that people in remote areas of China's

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west, and people with disabilities are highly over-represented among the rural poor. The proportion of the poor in central and western regions increased from 77% in 1992 to 86% of total rural poor in 2003. Unemployment rates are on the rise with statistics pointing to growing gender disparities.

Among the laid off, 63% are female, constituting one-third of the total rural migrant population. Among female migrants, 75.3 percent are youth and young adults, aged between 15 and 39 years.

2. Supportive Environment

Since the 1980s, Chinese Government has take effective measures to implement large-scale poverty reduction plan, which include: incorporating development-oriented poverty reduction into overall economic and social plans at various levels; establishing specialized agencies for poverty reduction and development; making special policies to assist poor regions and population; further strengthening poverty relief by increasing investment; and mobilizing resources from all sectors of the society.

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From 2001 to 2005, China allocated RMB57.2 billion yuan from the central budget as special fund for poverty relief, with an annual increase of 6.5% per year on average. On that basis, three priority areas in poverty alleviation have been identified. First, infrastructure development in poor villages, such as road and access to drinking water, which is mainly aimed at improving the conditions of production and living for the rural poor. Second, the development of agricultural industry in poor regions, which is designed to improve the organizational form of agricultural production, enhance the capacity of the rural poor, and increase their income. Third, training of the poor population, which is aimed at improving their work skills, and enabling them to move to non-agricultural industries.

In order to widen the coverage of the poverty alleviation policy and projects, Chinese Government, following the initial selection of 592 counties as key targets for national poverty relief, has identified 148,000 poor villages nationwide as key targets, and



has worked out village-level development plans of poverty relief. These plans include those aimed at improving the basic production and living conditions, improving social services such as education and health care, starting projects that help increase the income of rural households, and improving the democratic decision-making mechanism of villages. The implementation of the village plans has played an enormously important role in improving the overall development and civility of poor villages, as well as in helping the poor take part in the decision making process.

The Chinese Government has also adopted a series of other economic and social policies that help the poor population. (1) In 2005, the Chinese Government put in place a pilot program in key target counties of national poverty alleviation efforts to exempt them from agricultural (husbandry) taxes. The ensuing gap in local revenues is to be filled to an appropriate extent by the central budget through special arrangements. (2) In the 592 key counties, the Government exempts the children of poor families from tuitions and textbooks fees within the framework of compulsory education, and offers allowances to students at boarding schools, so as to guarantee their right to education. (3) The Government launched the pilot project for rural medical assistance. This is mainly targeted at rural households who need the guarantee of food, clothing, health care, housing and burial expenses (known as "households with five guarantees"), and its main purpose is to provide the target population who suffer from severe diseases with certain medical subsidies, or help them participate in medical co-operatives by financial means

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Financial institutions in China have also played a very important role in poverty alleviation. From the beginning of 2000 to the end of 2004, the Agricultural Bank of China released a total sum of RMB125.213 billion yuan of poverty relief loans, among which RMB91.842 billion yuan were concessional loans. By the end of 2004 the outstanding poverty relief loans was 99.616 billion yuan. Key counties of poverty reduction, both nationally and provincially, have benefited from these loans. According to the Outline for Poverty Alleviation and Development of China's Rural Areas (2001 – 2010), the poverty relief loans are used mainly to help poor regions with farming and aquiculture and poultry raising industries, agricultural processing industries, labor-intensive industries, market circulation enterprises, and small and



medium rural infrastructure projects and social development projects which are helpful to raising the income, improving production and living conditions, and promoting sustainable economic development in poor areas.

3. Potential MDGs Gaps

- a) Rural-to-urban migration is a powerful driving force for further poverty relief in China. To capitalize on this spontaneous phenomenon, current policies need to be reconsidered so as to provide guidance for rational migration and to protect the legitimate rights and interests of migrants. At the same time, the land leasing system needs to be improved so that migrants can either "lease" their land or use it as collateral mortgage to help them finance their migration to urban areas.
- b) The poverty reduction strategy has targeted the poor with specific programs. There is a need for a sector-by-sector policy analysis to examine the impact of fiscal, financial, land rights, educational, and health care policies so as to ensure that each policy is helpful to the poor. During policy implementation, greater coordination is required between the various agencies with a stake in the areas concerned, at all levels of government.
- c) While the 2001 - 2010 Poverty Plan is an improvement over its predecessor, more efforts need to be made to increase coverage and reduce leakage of poverty alleviation programmes to ensure that all resources allocated actually reach the poor. This will involve both preventing resources going to non - poor population in poor counties, and reaching poor people living in counties designated as non-poor.
- d) The feminization of poverty requires particular attention, women face different and generally greater challenges while little systematic information is available about actual mechanisms to address the challenges
- e) Gender-sensitive data collection and analysis should be emphasized mainstreamed into the formulation and implementation of poverty policy at all levels
- f) Natural disasters are increasing in frequency due to environmental degradation, and this is a source of concerns. Each disaster creates a new poor population as people's property is often wiped out along with their means of living. Thus,



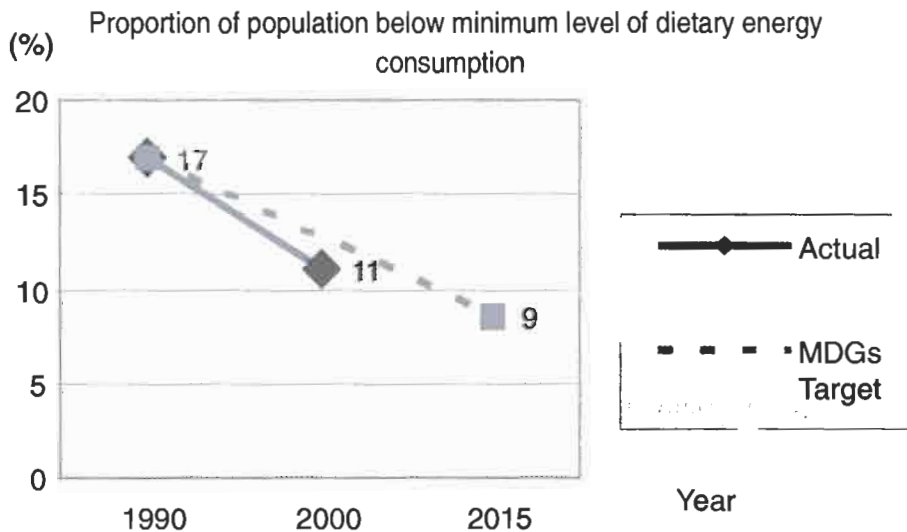
there is a close link between disaster prevention and poverty reduction. Biological disasters such as “avian influenza” could have a disastrous impact on the economy with the livelihoods of rural households jeopardized.

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger

1. Status and Trends

China is ahead of target in bringing the proportion of population below the minimum level of dietary energy consumption down from 17% in 1990 to 11% in 2000. It is also ahead of target in bringing the proportion of underweight children down from 21% in 1990 to 10% in 1998. (nutrition survey 2002, suggests underweight children is 6.01%). China's early rural economic reforms brought about dramatic grain output increases. China has achieved food security, and nutrition levels have been steadily increasing. Where agriculture was not viable, a grain subsidy has been provided to those in need of food through food-for-work programmes. To strengthen environmental protection, marginal arable land has been returned to grassland or forest while a grain subsidy has been provided to affected farmers

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Source: World Development Indicator, World Bank



Currently, nutrition varies widely from province to province and where malnutrition is more acute – in parts of western China it is usually due to poor nutrition awareness of parents and not food shortage. Malnutrition can have serious adverse impacts both on students' ability to learn and on workers' productivity. There is persistent iodine, calcium, iron and zinc deficiency in many provinces. At the other extreme is the growing problem of obesity among 10% of children in eastern China.

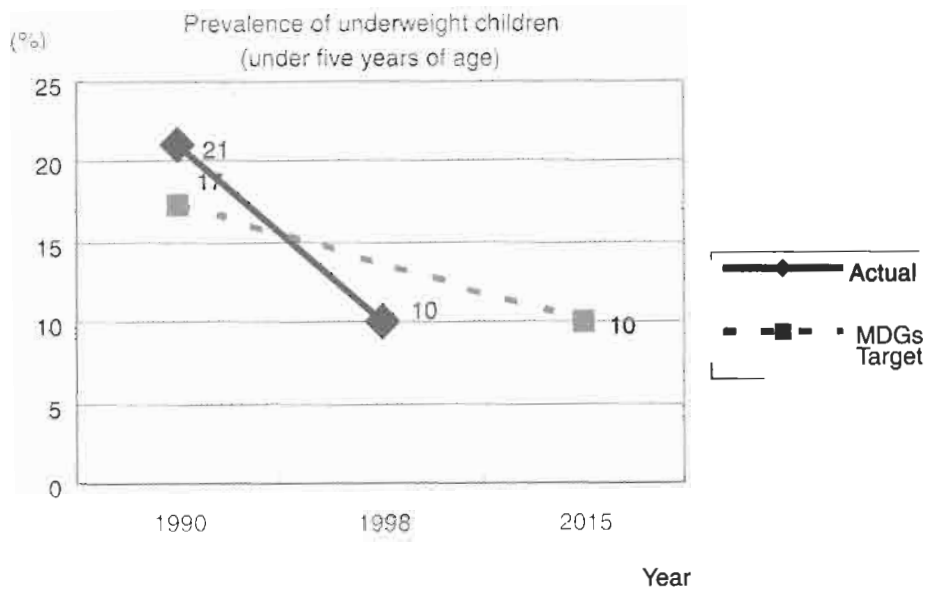
2. Supportive Environment

China will maintain its arable land area of 122 million hectares through the 10th Five-Year Plan period. Various measures are in place to safeguard and stabilize grain production. The Government will intensify support to the main grain production areas including incentives for producing grain. Long-term purchase and sale contracts are encouraged between grain production and consumption areas to ensure supply-demand equilibrium.

China's agricultural and rural economic restructuring is market-oriented. Forage crop areas will be expanded and animal husbandry will be developed while expanding grasslands and improving animal and fowl varieties. Finally, protection of fisheries and fish species will be strengthened and aquaculture and deep-sea fishing be further developed.

Food-for-work programmes are conducted for construction of economic infrastructure such as farm-to-fair road construction and drinking water and small irrigation facilities. Individuals living in poor areas with no access to formal work will be provided with job opportunities and payment. At the same time, the poor in areas with harsh living conditions will be helped to move to communities with better conditions. Finally, support will be provided for any unfortunate areas and people falling back into poverty.

In recent years, the Chinese government has carried out policies and measures to support farmers, agriculture and rural areas. Those policies have been fully implemented throughout the state fiscal system and achieved remarkable results,



Source: Ministry of Health

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thus contributing significantly to the increase in grain production, agricultural productivity, rural income as well as the development and stability in rural areas. In 2004, the central government spent RMB262.6 billion yuan on farmers, agriculture and rural areas, a 22.5% increase over 2003. The central government has implemented in real earnest the policy of “two reductions” (i.e. to reduce or remit the agricultural tax in addition to remitting taxes on special agricultural products other than tobacco) and “three subsidies (i.e. to provide direct subsidies to grain producers, to provide subsidies for the purchase of improved crop strains, and to subsidize the purchase of agricultural machinery and tools). Due to these favorable policies, an RMB 50 yuan per capita increase in rural income was realized, and even bigger income increase was realized in grain producing areas.

3. Potential MDGs Gaps

- a) Grain aid to poor rural areas needs to be strengthened while avoiding any adverse impact due to market price on the grain-producing farmers. Greater financial support is required for vulnerable urban groups. The pressure to convert arable land to other uses is acute, therefore stronger local enforcement is required. Unsustainable expansion of irrigation and over-use of pesticide and fertilizer need



to be reversed.

- b) There is concern that WTO entry will lead to some small farms' bankruptcy and replacement of imported food for domestic one. This needs to be carefully studied for its impact on food supply, distribution and consumer affordability.
- c) China plans to expand animal husbandry so that by 2005 it will account for 33 percent of agriculture output. This shift towards more meat consumption will place additional strain on arable land due to greater need for animals fodder. This needs to be analyzed more carefully in order to avoid potential adverse impact.
- d) Lack of a comprehensive nutrition policy limits interventions to address nutrition issues





Goal 2:

Universal Primary Education by 2015

| GOALS | STATE OF GOAL ACHIEVEMENT | STATE OF SUPPORTIVE ENVIRONMENT |
|--|---------------------------|---------------------------------|
| Universal primary education Achieve universal primary education by 2015 | On track | |

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| Goal | Existing Capacity For: | | | |
|-----------------------------|------------------------|----------------------|-------------------------|-------------------------|
| | Data gathering | Statistical tracking | Statistical into policy | Monitoring & evaluation |
| Universal primary education | Strong | Strong | Fair | Fair |

Target 3: Ensure that, by 2015, children everywhere, will be able to complete primary schooling.

1. Status and Trends

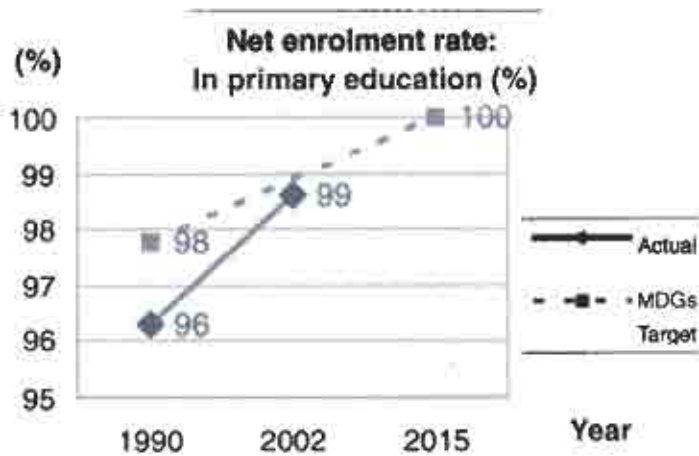
China is ahead of target in ensuring that all children will be enrolled in primary school by 2015. China have raised the net primary school enrolment rate (NER) from 97.8% in 1990 to 98.7% in 2003. The gross enrolment rate for junior high school has been raised from 66.7% in 1990 to 90% in 2002. At the same time there are still large regional disparities in the access to education, but fortunately, the areas with lower access are the least populated. Lower fertility has resulted in fewer



children, which has eased the financial and physical strains on primary education.

2. Supportive Environment

The Chinese government attaches great importance to compulsory education in poor and ethnic minority areas. In order to speed up the process of making nine-year compulsory education universal in poor areas, China has implemented two waves of "Compulsory Education Projects for Rural Areas", and invested more than RMB20 billion yuan into the projects. Meanwhile, funds have been appropriated by the central government to push forward the renovation of primary and secondary school buildings in rural areas.



The Chinese government attaches great importance to ensuring that students from poor families in rural areas can receive compulsory education. Therefore, China has launched a special campaign to accelerate achievement of universal nine-year compulsory education and eliminate illiteracy among young- and middle-aged adults in China's western region, intended to reduce the gap in compulsory education among regions. The goal of this campaign is to ensure that nine-year compulsory education will be accessible to all children in the western region, as it is in other parts of China. The central government will invest RMB 10 billion yuan to build, renovate and enlarge a number of rural boarding schools and provide students with a decent living and learning environment.



In addition, central and local governments have set up scholarships to assist poor students with compulsory education, remitted or reduced tuition costs – for poor students and provided living allowances to poor resident students. In 2001, China started to distribute free textbooks to poor rural students in primary and secondary schools through fiscal support. With yearly incremental input in this regard, a great number of poor students receiving compulsory education have received free textbooks.

In order to transmit education resources to rural primary and secondary schools and to narrow the gap in compulsory education quality between cities and villages, China has implemented the “Project of Modern Distance Education in Rural Primary and Secondary Schools”. With an RMB10 billion yuan input over five years, by 2007, rural secondary schools will be basically equipped with computer labs, rural primary schools with access to satellite education, and the teaching units in rural primary schools with teaching CD – ROMs and equipments to play CD – ROMs.

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Starting from 2005, a new curriculum for compulsory education will be applied throughout China. It requires that the teaching content selection, textbooks compiling, and teaching practice should be in better alignment with the situation and specific conditions in rural areas as well as the basic national requirements. In rural secondary schools, vocational education should be appropriately emphasized so that the education can better meet the needs of rural economic and social development and arouse rural students' enthusiasm for learning.

The Chinese government pursues a policy, by which developed and urban areas support the poor and rural areas in their education development. Starting from 2000, China began to carry out the “Project of Matching School Assistance from the eastern Region to the western region” and the “Project of Matching School Assistance from Large and Medium Cities to Poor Cities in the Same Provinces, Autonomous Regions or Municipalities Directly under the Central Government”. Over the years, eastern cities and urban areas have selected and dispatched a large number of teachers and managerial personnel to teach in rural areas, and helped train local teachers. The rural areas have also been assisted with funds, textbooks



and teaching facilities, and some students with financial difficulties received help. In order to realize the aim of the special campaign in the western region, the matching education assistance to the western region was intensified in 2004, with the establishment of "county to county" education assistance system between economically advanced counties (towns or districts) in the eastern region and counties without universal nine-year compulsory education. More personnel, financial and material input have been mobilized as well.

Since China's reform and opening up, the number of migrant workers from rural areas to cities has been increasing year by year, leading to a salient problem immigrant children's access to compulsory education. The Chinese government has instituted a series of policies and measures to protect the right to compulsory education of these children. Governments in the migration destination are responsible for providing compulsory education for the children of migrant workers. All-day public secondary and primary schools should be accessible to these children. Currently, most cities have established a working mechanism through which concerned government departments collaborate with each other to ensure these children's access to education. The education of the children of migrant workers is incorporated into the nine-year compulsory education system in the migrating destination. Building schools for these children becomes part of the city infrastructure planning. Special measures to ensure education spending are formulated, and scholarships are granted to help migrant workers' children with financial difficulties have access to schooling. Schools have taken targeted measures to help these children overcome studying and living difficulties.





3. Potential MDGs Gaps

- a) Education statistics do not capture whether children complete their primary education. It is understood that completion ratios are significantly below enrolment ratios, particularly in poor rural areas. A system that tracks completion of primary and secondary education and publishes it in the national statistics will help in identifying and addressing school completion challenges.
- b) There are big gaps in the quality of education between urban and rural areas in China. Since education is the foundation for eliminating poverty, it is an urgent task to upgrade the quality of rural education.
- c) The rapid growth in the population of migrant workers' children has been reflected in the education statistics.
- d) The input on primary education is inadequate. As a result, educational needs of children aged 0 – 6 and their parents cannot be met. Especially in rural and poor areas, there are not sufficient materials tailored for early childhood care and development.





Goal 3:

Promote Gender Equality and Empower Women

| GOALS | STATE OF GOAL ACHIEVEMENT | STATE OF SUPPORTIVE ENVIRONMENT |
|--|---------------------------|---------------------------------|
| Gender equality Achieve equal access for boys and girls to Primary and lower secondary schooling by 2005 | On track | In place |
| Achieve equal access for boys and girls to upper secondary education by 2005 | Maybe not on track | In place |

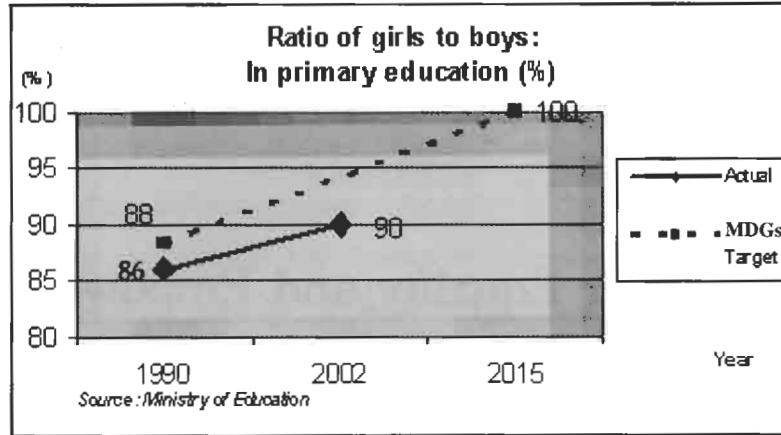
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| Goal | Existing Capacity For: | | | |
|-----------------|------------------------|----------------------|-------------------------|-------------------------|
| | Data gathering | Statistical tracking | Statistical into policy | Monitoring & evaluation |
| Gender Equality | Low | Low | Maybe needs attention | Maybe needs attention |

Target 4 *Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015*

1. Status and Trends

China is slightly off track in both primary and secondary education, where the g/b ratios were 89 and 88 respectively in 2003 (CCA 2004).



Severe disparities persist between the g/b ratios in different regions and provinces. According to the National Population and Family Planning Commission (formerly the State Family Planning Commission), while average national primary school enrolment reached 99.1% in 2000, it was lower for girls in the poor western areas at 95%. While 16 provinces have already reached the primary education enrolment rate of 100%, several provinces with large minority populations in the northwest and southwest have fallen behind. Illiteracy among men was about 5%; for women, it was as high as 13%. Illiteracy is particularly prevalent in rural areas. In 2000, illiteracy rates for women were 8.2 in urban areas and 16.9 in rural areas. The corresponding rates for men were 2.4 and 6.5. Educational ratios do not directly speak to the more general issue of gender equality, which is more accurately reflected by how women are represented in business and government. Women account for 36% of total government officials and 38% of working women are employed in the non-agricultural sector. Women hold 22% of the seats in the National People's Congress in 2002. According to the survey of 2000, women comprised 45% of the total work force, significantly higher than the world level of 35%, while in that year women's income on average was 80% of men's income.

Rural women and their work is a mixed picture. As men migrate for work, agriculture is more and more women's work. At the same time, many young rural women are migrating to the cities for wage employment. These trends place additional stress on rural and migrant women often without any support or counseling.



Statistics indicate an increasing margin of newborn boys over girls. Sex ratio at birth, i. e. number of boys born per 100 girls, increased from 108.5 in 1982 to 116.9 in 2000. This is a worrying trend with serious implications for the future should it continue. It is understood that this



trend, which is shared by some other Asian countries, is caused by a strong son preference, coupled with a rapid fertility decline, and the means to predetermine sex of the unborn child. It is also noted that predetermination of sex is illegal and strongly admonished against, but not least with unregulated private practice it has as yet not been possible to control it. The Chinese Government is undertaking pilot projects to find feasible solutions, but more research is required on what approaches can be effective. Moreover, 2000 census data indicate that infant mortality among girls is 40% higher among boys. To clarify the situation, it will be advisable to collect and tabulate mortality by sex in the future (HSA 2005).

Trafficking in women and children remains a problem. The majority of trafficking cases occur when girls and women migrate from their villages in search of work and are lured into sexual slavery or other unacceptable work. Furthermore, considering the sex ratio imbalance at birth, it is likely that there will be a substantial number of men in the future who do not have female counterparts in their age group. The shortage of girls/women will likely increase the demand for trafficking of women for marriage and prostitution. Although the number of reported cases of kidnapping and selling women, particularly for marriage purposes, dropped from 17,963 (2000) to 3,056 (2002), there are evidence that girls and young women are increasingly trafficked for sexual and labour exploitation. Trafficking in children also is on the increase. Many unknowns remain in the area of trafficking for sexual and labour exploitation, and further research is suggested (CCA 2004).



2. Supportive Environment

The Government has adopted a number of strategies to support women, including:

Adopt the Education for All targets and the universal 9-year compulsory education. In 2002 the enrolment rate of primary school was 98.6% and that of junior high school 90% ;

Launch of programmes to promote education among vulnerable groups along with inspection system to ensure the effective implementation of laws, regulations and policies concerned. The Chinese Government targets 4% of GNP for education budget. Local county governments will also increase funding for education, aiming at 1% annual increase;

- Guarantee equal opportunity for men and women in labour law
- Guarantee women's political, social and cultural rights;
- Protection of women's reproductive health, enhance their health knowledge and informed choice and encourage husbands to play a role in their wives' general status and health;

Assistance to poor women out of poverty by training and poverty eradication projects.

Implementtion of the Programme for the Development of Chinese Women 2001 – 2010, and projects initiated by NGOs such as the Hope Project and Spring Bud Project.

- Amendment of the Law on the Protection of Rights and Interests of Women to integrate the state policies such as gender equality into the general principles; improve the regulations on the protection of women's legal rights in various aspects; strengthen legal protection; further improve the legal framework for the protection of women's rights.

Improvment of social networks to protect women's rights. Organizations for the protection of women's rights arise in large numbers are playing an important role

Establishment of legal assistance center of the All China Women's Federation which helps resolve women's problems through comprehensive and social ways.



- Enhance the public awareness of gender equality and hammer home the idea of harmony development among men and women.
- Take new measures and achieve new progress in the following areas: women's participation in government, employment, poverty alleviation, help people with HIV/AIDS, and the establishment of indicator monitor mechanism.

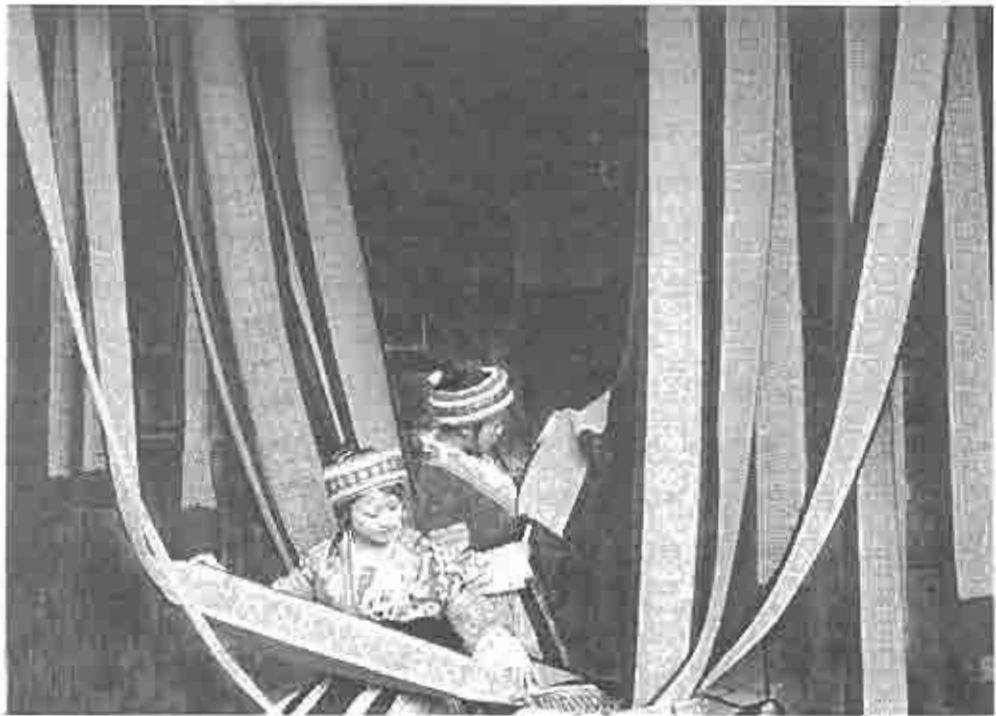
3. Potential MDGs Gaps

- a) The primary challenge is to reach out to the remote and minority areas. In these areas the education system is yet to be improved, traditional parental attitudes prevail, girls usually lag behind boys in enrolment rate and dropout rates are generally high and even higher for girls.
- b) A system is needed to track 'cohort' data. A cohort system tracks boys and girls in terms of passing to the next grade, repeating a year or dropping out of school. This gives education managers a clear picture of differences between boys and girls right down to the school level so that trends can be observed and problems addressed such as the minority areas and the high girls drop out rate in rural areas.
- c) Gender equality needs to be highlighted in teachers' training, textbooks' compilation and the class in order to avoid gender discrimination.
- d) Policy needs to bias support towards enrolment for girls or for boys in areas where there is a gender gap in favour of boys or girls.
- e) The challenge in terms of women's employment is how to better implement the laws and policies. Issues around equality of opportunities and treatment in employment need to be addressed.
- f) Equal access to basic social service among elder men and women should be guaranteed and elder women in particular need more protection against discrimination in property rights and inheritance.
- g) The challenge in terms of HIV/AIDS, based on other countries' experience, is to protect vulnerable young females, especially migrants with little education, from being infected in future.
- h) High female suicide rate is a severe challenge. It may relate to many difficulties women face from insufficient land tenure rights, to family violence, to pressures



or failure to produce a male child, to many work-related problems and the absence of any formal counseling service to which women can turn. This issue is in need of urgent analysis and response.

- i) Approaches need to be further explored to reduce the incentives for parents to undertake sex selection of children.
- j) Data disaggregated by sex, region and age needs to be collected and disseminated in all sectors in order to be able to fully monitor the development of girls and boys, women and men.
- k) Further strategies to prevent trafficking among women and children need to be developed and implemented.



Goal 4:

Reduce Child Mortality

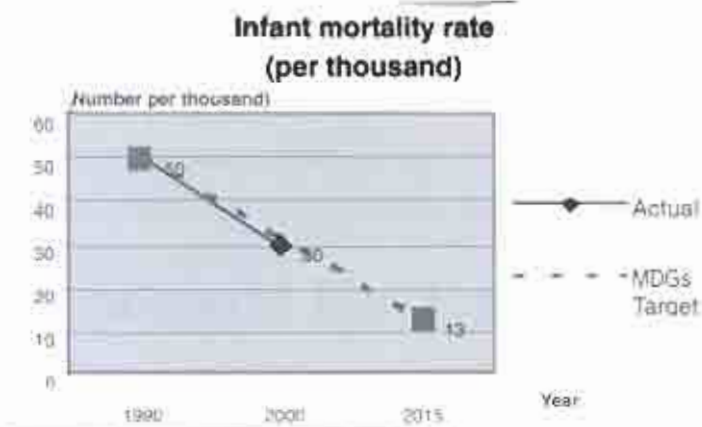
| GOALS | STATE OF GOAL ACHIEVEMENT | STATE OF SUPPORTIVE ENVIRONMENT |
|--|---------------------------|---------------------------------|
| Under-five mortality Reduce under-five mortality by two-thirds by 2015 | Maybe not on track | In place |

| Goal | Existing Capacity For: | | | |
|----------------------|------------------------|----------------------|-------------------------|-------------------------|
| | Data gathering | Statistical tracking | Statistical into policy | Monitoring & evaluation |
| Under Five Mortality | Fair | Fair | Fair | Maybe needs attention |

Target 5: Reduce by two thirds between 1990 & 2015, the under-five mortality rate

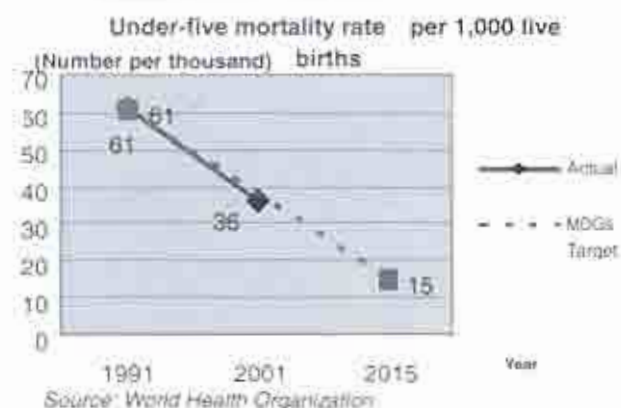
1. Status and Trends

China is on track for reducing infant mortality rate and the mortality rate of children under-five. During the 1990s, reported infant mortality rate dropped from 50‰ to 30‰ while mortality rate of children under-five dropped from 61‰ in 1991 to 25‰ in 2004. Meeting the MDGs in 2015 means lowering the under-five rate to 20‰, which would bring China into the ranks of middle-income countries such as Malaysia.



Overall progress has been uneven with wide disparities in childhood mortality associated with levels of economic development. While infant and childhood mortality rates in developed coastal areas approach those of industrialized countries, rates in most western provinces are three-five times higher. In well-developed areas with low mortality rates, accidents, diabetes and other non-communicable diseases are emerging as important child health problems

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In poor rural areas of China, major causes of childhood deaths are asphyxiation and infection associated with poor obstetrical and neonatal care, neonatal tetanus, pneumonia and diarrhea. While not a direct cause of death, malnutrition is an underlying factor. Childhood immunization services vary widely in coverage with much higher incidence of some target vaccine-preventable diseases in children living in poor western areas and in floating populations – people who do not have official permits for the area in which they reside, many of whom are poor rural migrants to cities.



The map below illustrates the range of under-five mortality rates in the provinces/regions highlighting 8 provinces/regions still at the low development stage with an infant mortality rate greater than 40.



Source: UN System based on the MCH Sentinel Surveillance System

2. Supportive Environment

Improving children's health and reducing childhood mortality is a government priority. Disease control programs that target children, such as those to improve immunization coverage, nutrition, obstetrical services and neonatal care, receive strong government support and will have a positive influence on childhood mortality. In recent years, central and local governments have increased public funding for rural health insurance, hospital delivery and



immunizations. While physical access to health services is good, ability to pay for treatment, however, still remains a major barrier for the poor.



3. Potential MDGs Gaps

- a) The fee structure for curative services is often beyond poor people's means, making it a barrier to accessing appropriate care and treatment and skewed delivery of services.
- b) Insufficient funding for public health departments has contributed to incomplete and inequitable coverage of preventive childhood health services, such as immunizations
- c) Overall, around half of under-five mortality occurs among newborns highlighting the urgent need to improve quality and coverage of basic emergency obstetric and neonatal care.
- d) Other traditional and new intervention strategies that could have a marked impact on child survival have not been fully implemented, including screening and care of low birthweight newborns, neonatal sepsis, folic acid supplementation, and new vaccines to prevent diarrhea and pneumonia.
- e) Despite intensive government efforts at all levels, excess mortality in girls remains an urgent problem





Goal 5:

Improve Maternal Health

| GOALS | STATE OF GOAL ACHIEVEMENT | STATE OF SUPPORTIVE ENVIRONMENT |
|--|---------------------------|---------------------------------|
| Reproductive health Reduce maternal mortality ratio by three-quarters by 2015 | On track | In place |
| Universal access to safe/reliable reproductive health services (contraceptive methods) by 2015 | On track | Well developed |

| Goal | Existing Capacity For: | | | |
|---------------------|------------------------|----------------------|----------------------------|-------------------------|
| | Data gathering | Statistical tracking | Data appliance in policies | Monitoring & evaluation |
| Reproductive health | Strong | Fair | Fair | Fair |

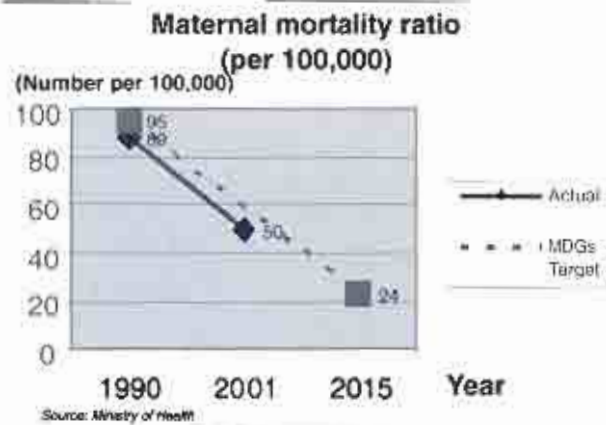
Target 6: Reduce maternal mortality ratio by three-quarters, between 1990 and 2015

1. Status and Trends

Maternal mortality ratio has dropped from 89 per 100,000 live births in 1990 to 51.3 per 100,000 live births in 2003. Between 1990 and 2001, the proportion of births attended by skilled health workers increased from 51% to 76%; from 74% to 83% in urban areas and from 46% to 77% in rural areas. These national figures mask the great contrast between eastern and western provinces. In the eastern provinces and



major cities economic growth led to improved medical services for women and good access to emergency obstetric care (EOC). This has resulted in developed country levels in contraceptive prevalence rates (CPR) and maternal mortality ratio's (MMR). Women in remote areas of the western provinces have limited access to EOC and usually deliver at home with no skilled health worker.



The CPR in 2001 was 87% for married women of childbearing age. The two most common methods of contraception in 2001 were the IUD at 45%, and female sterilisation at 38%. Condom use is still at a low rate, only 5%, but is becoming more widely known. The low rate of condom use exposes high-risk populations to sexually transmitted infections (STI), including HIV/AIDS. Abortion rates showed a steady decline by 30-40% in the period 1991 – 2000, and are now at a level lower than in most Asian countries. This decline reflects the Government's strong

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commitment to the principles adopted at International Conference on Population and Development (ICPD) in 1994 and to family planning with access to reliable quality of care and counseling (National RH/FP Survey Report-2002 and Ministry of Health Annual report 2001).



The map below illustrates the range of maternal mortality ratios in the provinces/regions highlighting nine western provinces/regions still at the low development stage with a maternal mortality ratio



greater than 80 per 100,000.



2. Supportive Environment

In 2000, China initiated the Safe Motherhood Program to decrease maternal mortality. From 2000 to 2004, central and local governments allocated an additional RMB 560 million yuan to improve delivery facilities, clinical skills at county and township level, establish and improve emergency obstetric care, subsidize care for the poor, and encourage hospital delivery. The current policies supporting improvement of safe delivery rates in western China, increased contraceptive use, and reduction of birth rates in poor areas will have a positive impact on maternal mortality. The Safe Motherhood program has reduced maternal mortality rate by 29% in target counties and increased the number of counties that have successfully eliminated neonatal tetanus.

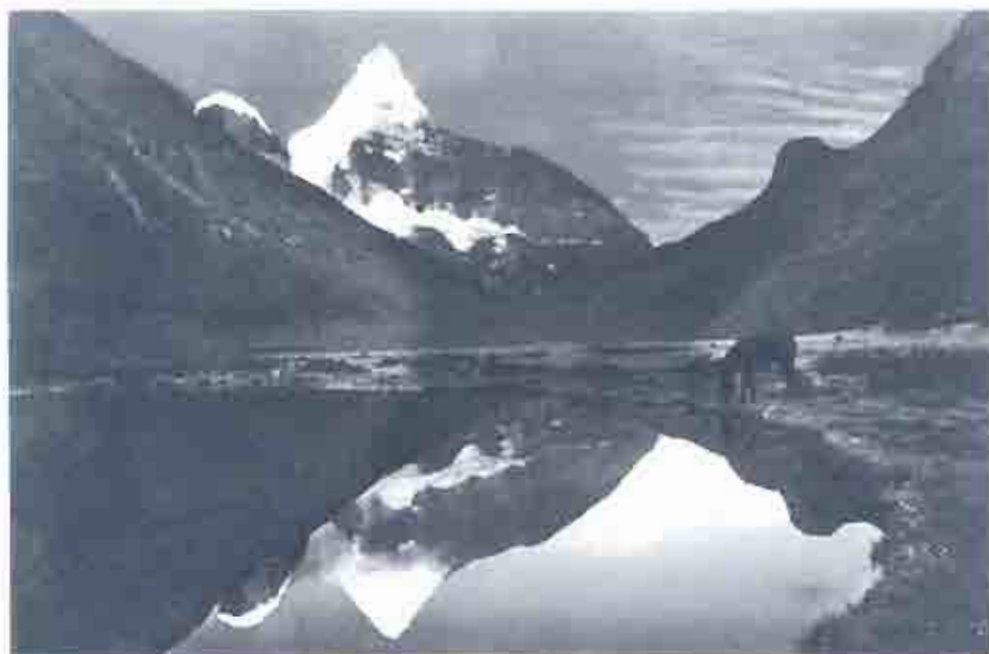
From 2000 - 2003, 150 million people in 440 counties of 16 provinces benefited from the program. In 2004, the central government committed an additional RMB 130 million yuan, and local governments provided matching funds to cover 1000 counties in central and western China.



In July 2003, the National Working Committee on Children and Women under the State Council and Women's Development Fund of All China Women's Federation co-initiated the Motherhood Health Express program to provide resources, health information, and services which has to date benefitted some 4 million women.

3. Potential MDGs Gaps

- a) There is concern that further reduction of MMR might not be achievable due to chronic under-funding of public health services and deteriorating health systems in rural areas. The 1998 National Health Survey revealed that 63% of cases referred to hospital did not attend due to financial reasons. National health accounts data shows that government expenditure has dropped from 25% of total health expenditure in 1990 to 15% 1999. Affordable quality health services that can provide emergency obstetric care, improvement in the proportion of births attended by trained health workers and maintaining high CPR have been seriously undermined by the collapse of the former rural cooperative healthcare system in 1980s and the transition to a fee-based system. Major and urgent effort is required to improve access to hospital services in the rural areas in general and especially for the poor.





- b) A major challenge is to reduce the great differences between the eastern and western provinces. This will need specific health support to the poorer provinces. Finally, more effort on behalf of women needs to be made to prevent and control the HIV/AIDS and other sexually transmitted infections.
- c) There is a need to improve access to poor rural women and migrant women hospital deliveries.



Goal 6:

Combat HIV/AIDS, Malaria and Other Diseases

| GOALS | STATE OF GOAL ACHIEVEMENT | STATE OF SUPPORTIVE ENVIRONMENT |
|---|-----------------------------------|---------------------------------|
| Combat disease (HIV/AIDS, TB & Malaria) Halt and reverse the spread of HIV/AIDS by 2015 | On track | On track |
| Halt and reverse the prevalence of TB Reduce the incidence of malaria | Maybe needs attention On track | Maybe needs attention |

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| Goal | Existing Capacity For: | | | |
|------------------------|------------------------|----------------------|-------------------------|-------------------------|
| | Data gathering | Statistical tracking | Statistical into policy | Monitoring & evaluation |
| HIV/AIDS, TB & Malaria | Maybe needs attention | Needs attention | Fair | Maybe needs attention |

Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS

1. Status and Trends

China has recently stepped up its efforts to raise public awareness and to improve treatment and care, and support for people living with HIV/AIDS. Greater efforts will, though, be required for China to be on track for halting and reversing the



spread of HIV/AIDS by 2015.

Over 40 percent of the total number of reported HIV/AIDS cases is due to the sharing of infected needles and syringes among injecting drug users. HIV Infection through commercial blood plasma and products, and blood transfusion, is the second main cause of infection, accounting for about 25 percent of the reported total. More recently, there has been a large increase in the number of people infected through unprotected commercial sex, both heterosexual and among men who have sex with men especially in coastal areas in eastern and southern China and in large cities. This increases the risk of HIV spreading into the general population. Transmission of HIV from mother to child has been reported in some areas that have are experiencing a what may be approaching a generalized HIV/AIDS epidemic.

The 20 – 29 age group represents about 50% of the total number of reported HIV/AIDS cases in China. Males comprise approximately 70% of the total. The four geographic areas with the highest reported numbers of HIV/AIDS cases are Yunnan, and Henan provinces and the Xinjiang Uygur and Guangxi Zhuang Autonomous Regions.

HIV/AIDS awareness is now rapidly increasing among the general public and among decision makers. This raises hope that the further spread of HIV/AIDS can be halted and reversed, and that people's fear about HIV/AIDS can be transformed into understanding, thus reduction of stigma and discrimination against people living with and affected by HIV and AIDS.

2. Supportive Environment

In order to effectively mount a response to HIV/AIDS, a multi-sectoral mechanism, the State Council AIDS Working Committee Office, with a director that reports to Vice Premier Wu Yi, has been established. In 2004, the State Council issued the "Circular of Strengthening the Prevention and Control of HIV/AIDS". A national conference on prevention and control of HIV/AIDS was held accordingly. Thirty-one Provinces, Autonomous Regions and Municipalities and almost 80 percent of



prefecture have been implementing the “China Medium-and Long-term Plan for HIV/AIDS Prevention and Control (1998 – 2010)” and the “China Plan of Action to Contain, Prevent and Control HIV/AIDS (2001 – 2005).” Important measures have also been taken to prevent illegal blood collection and supply in order to stop HIV infection through blood transfusion. HIV/AIDS prevention and treatment and care efforts have been strengthened in key regions and implementation of the policy of “Four Frees and One Care” has improved. Efforts have been made to increase mobilization of people across sectors of society in order to promote improved awareness of HIV/AIDS. Epidemic surveillance has been strengthened, and comprehensive prevention interventions have been developed. There has been an increase in financial resources committed to HIV/AIDS, and scientific research on the epidemic has been strengthened, combined with increased international cooperation

3. Potential MDGs Gaps

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- a) Within the context of a low and concentrated HIV prevalence such as in China, experiences from other countries indicate that the most effective policies are those that focus on HIV prevention. There is a need for carefully designed cross- and multi-sectoral interventions that target groups such as sex workers and injecting drug users and that engage, for instance, the education system, workplaces, and family planning networks. Improved education about HIV/AIDS at all levels is essential in order to address the severe stigma and discrimination that is associated with the epidemic. In many countries, non-governmental and civil society based organizations have been instrumental in educating the public about HIV/AIDS, and promoting change of behaviours that are increasing the risk of HIV infection. There is a tendency to view HIV/AIDS exclusively as a health problem, although it is a complex issue that affects multiple sectors of society, and can therefore only be dealt with effectively by first having a complete understanding of the behaviours that put people at risk of HIV infection and then developing interventions aimed at changing these behaviours.
- b) While political commitment to address HIV/AIDS has improved in recent years at the national level in China, it remains largely inadequate at the provincial and



local levels. Local politicians may fear that by acknowledging HIV/AIDS, their county or city will be stigmatized and will experience a decline in business, investments and tourism. National directives need to be issued in order to inform local officials that they are obligated to communicate openly about HIV/AIDS in their locality and that failure to do so will reflect negatively on their performance assessment and career.

- c) International experience demonstrates the cost-effectiveness of investing in HIV prevention at the early stages of the epidemic. Although resources mobilized to respond to HIV/AIDS have increased substantially during the past years in China, there still remains an important funding gap which needs to be closed in order to halt and reverse the spread of the epidemic.
- d) The central government and the Ministry of Health have made progress in the areas of policy, legislation and regulations in several HIV/AIDS related fields. More concerted efforts are, nevertheless, needed in order to effectively prevent HIV infection among groups such as injecting drug users, sex workers, migrants, and men who have sex with men.
- e) Consistent use of quality condoms remains low in China. Effective HIV prevention is dependent on consistent use of condoms of high quality, especially among groups that are vulnerable to HIV infection.
- f) Non-discriminatory and confidential treatment and care, and support for people with living HIV/AIDS need to be ensured. This would reinforce prevention efforts by reducing stigma and discrimination and promoting voluntary HIV testing.
- g) Caring for the increasing numbers of AIDS patients in the years to come will be difficult because of the still insufficient financial investment and weak health infrastructure. It will be particularly important to ensure that AIDS patients adhere to their anti-retroviral (ARV) regime in order to prevent the emergence of strains of HIV that are resistant to drugs. Chinese government agencies responsible for drug examination and approval need to speed up the process for scrutiny and approval under the framework of national laws and regulations.
- h) In HIV/AIDS prevention and care, a serious gap remains between small-scale innovative projects and national policies on the one hand, and the urgent need for scaling up effective care and support strategies on the other.
- i) Some regions and government agencies are not paying enough attention to the



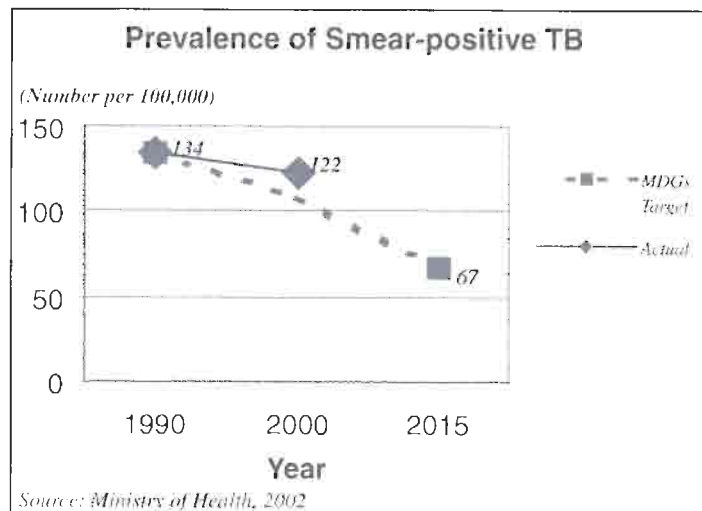
serious impact of HIV/AIDS. There is a need for systematic implementation of the policy of “Four Frees and One Care”. The percentage of HIV/AIDS carriers actually known is low, and the epidemic situation is not clear. Publicity and education efforts need to be improved, and the current intervention measures are too limited in scale to have a significant impact. Efforts need to be strengthened further to prevent HIV transmission through the unsanitary handling of blood and related products, particularly in rural areas

Target 8: Reduce by half, between 1990 & 2015, the burden of TB & malaria.

1. Status and Trends

Target 8 has been altered from the original MDGs target to make it more relevant to China, because China has joined with other Western Pacific Region countries to reduce the prevalence of TB by half. In 2000, there were approximately 4.5 million active TB cases in China and 1.5 million had the highly infectious smear-positive form of TB. The national prevalence rate of smear-positive TB in 2000 was 122 cases per 100,000 persons, a mere 9% decline from the 1990 rate. TB is about 50% higher in the poorer central-western provinces compared to the wealthier eastern provinces. TB is nearly two times higher in villages than in the cities of China. TB is clearly linked to poverty and to poorer access to health care.

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The slow progress of TB control can be attributed to the limited implementation of the highly effective DOTS strategy (the WHO - recommended strategy to control TB) in the 1990's. DOTS has been implemented for half of China's population through a World Bank-assisted project that provided free diagnosis and treatment for TB patients. In the assisted provinces, the prevalence of smear-positive TB dropped 36% between 1990 and 2000 compared to only 3% in provinces without this project. This demonstrates the importance of implementing DOTS. Unfortunately, only 30% of the highly infectious smear-positive TB cases in China are currently detected and treated by a DOTS program.

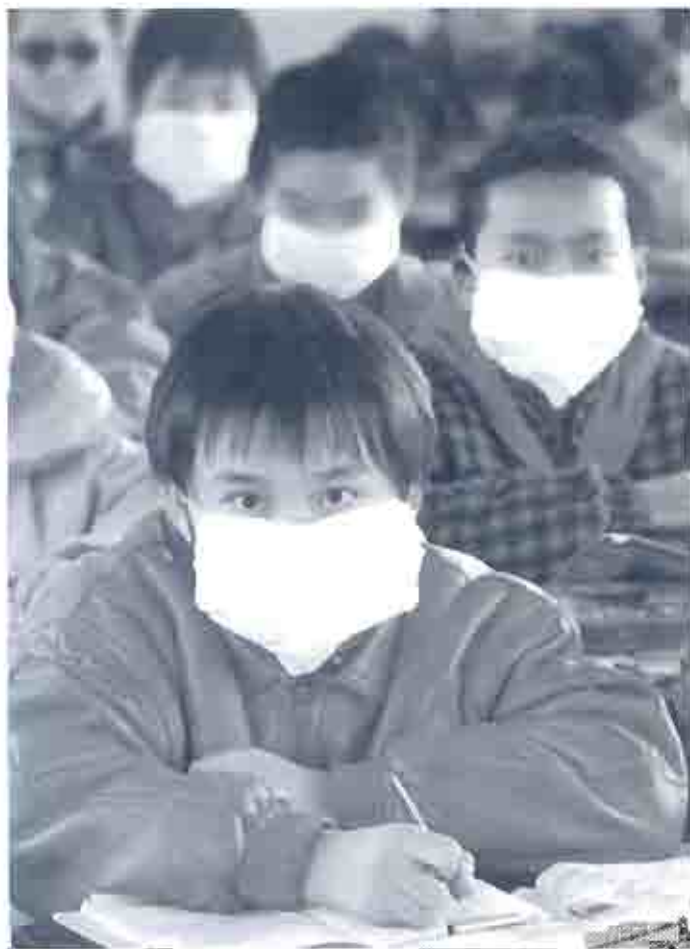
2. Supportive Environment

In 2001, the State Council of China set the target of bringing the DOTS program to at least 95% of the country by 2010, and finding and treating 4 million infectious cases of TB between 2001 and 2010. If these targets can be met, China can readily achieve the MDGs target. The Ministry of Finance is helping to reach these targets by providing US \$ 4.8 million per year for TB control. With increased domestic and international support, China has been rapidly scaling up DOTS throughout the country. Major partners supporting this effort include the World Bank/DFID through a governmental loan, grants from the Government of Japan, the GFATM, CIDA, Damien Foundation of Belgium, and technical coordination and support from WHO.

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3. Potential MDGs Gaps

The main challenge is to expand the DOTS programme to all of China. This means poorer areas and populations will need extra assistance. Access to TB services should be guaranteed by providing free diagnosis and treatment for TB patients, especially those with smear-positive TB. Unfortunately, chronic under-funding of public health services and deteriorating primary health care infrastructure continue to make it difficult to ensure universal access to effective TB DOTS treatment. There is a serious shortage of TB control staff, especially at the central and provincial levels, to carry out the programmes. There is urgent need to expand DOTS for two reasons. First, multi-drug-resistant TB is high in many parts of China because TB control is



poor and the patients are too poor to afford 6 - 8 months' standard treatment. DOTS is essential to reduce the impact that HIV/AIDS has on the TB epidemic and reduce the number of people living with HIV/AIDS who become infected and die from TB as TB is an opportunistic infection-i. e. the likelihood for TB infection increases with HIV infection.

Second, the DOTS expansion needs to provide additional assistance to the poor areas and the poor people. In order to ensure that TB patients can get

relevant services, free treatment should be provided to them, especially smear-positive TB patients. However, the long-time inadequacy of financial resources for public health service, the outdated equipment and the shortage of manpower hinder the implementation of modern TB control strategy. At the central and provincial levels, human resources for TB control are greatly needed.



Goal 7:

Ensure Environmental Sustainability

| GOALS | STATE OF GOAL ACHIEVEMENT | STATE OF SUPPORTIVE ENVIRONMENT |
|--|---------------------------|---------------------------------|
| Environment Implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015 | Maybe not on track | Well developed |
| Basic amenities Halve the proportion of people unable to reach or afford safe drinking water by 2015 | On track | Well developed |
| Improve the proportion of rural people with access to improved sanitation | On track | In place |

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| Goal | Existing Capacity For: | | | |
|-----------------|------------------------|----------------------|-------------------------|-------------------------|
| | Data gathering | Statistical tracking | Statistical into policy | Monitoring & evaluation |
| Environment | Strong | Fair | Fair | Fair |
| Basic Amenities | Strong | Strong | Maybe needs attention | Fair |



Target 9 Integrate the principles of sustainable development into policies and programmes and reverse the loss of environmental resources.

1. Status and Trends

Thanks to efforts in recent years, China's environmental situation has been greatly improved. Ecological construction has entered a new stage with harness and destruction locked in stalemate. Forest coverage increased from 16.55% in 1998 to 18.21% in 2004. Compared with 1999, China's desertified land decreased by 37,924 square kilometers, and desert land decreased by 6,416 square kilometers in China. By the end of 2004, there were 2,194 natural reserves with a total area of 148 million hectares accounting for 14.8% of the whole territory of China. The protection of biodiversity has been further strengthened

China's large and growing population, the increased demand for various products and large-scale inappropriate land use practices have a negative impact on the quality of the scarce productive land and other natural resources. These factors have led to various forms of land degradation including grassland destruction, soil erosion, soil and water pollution and they threaten China's rich and globally significant biodiversity

Water scarcity and deteriorating water quality, particularly in northern China, increase competition between urban, industrial and agricultural consumers and between upstream and downstream users. Rivers, lakes and groundwater are heavily



polluted because most of the industrial, municipal and agricultural sewage and drainage water are discharged untreated.

China's already stressed environment is going through additional stress caused by the rapid industrialization, urbanization and the significant



increase in individual consumption. Global trends show that, as an economy develops and living standards improve, the environment is taken better care of and this has also started to happen in China, particularly in its more developed regions. At the same time, however, it must be admitted that the current state of the environment is serious.

China's biodiversity is among the richest in the world but it is also under serious threat. The implication is serious for China's economy, which estimates the annual value of the country's current biodiversity at US \$ 257 billion. The implication is equally serious for the environment itself with deteriorating forest and vegetation coverage partially responsible for the increase in floods, silting up of reservoirs and reductions in fish stocks.

2. Supportive Environment

China continues to demonstrate firm resolve in halting deterioration of the environment. The expenditure on environmental protection accounted for 0.7% of GDP in 1996 and 1.4% in 2003, and is expected to rise to about 2% in 2010. A considerable body of environmental laws and regulations have been promulgated. Following the 1992 Rio UNCED, China formulated a national Agenda 21. Many cities have since formulated their own environmental protection strategies. The new western development strategy also emphasizes environmental protection. China is a party to several international conventions, including those on the Protection of the Ozone Layer, on Climate Change, Biological Diversity, Combating Desertification, the Ramsar Convention, the Stockholm Convention on Persistent Organic Pollutants and the World Heritage Convention. China announced its ratification of the Kyoto Protocol at the Johannesburg WSSD Summit. These efforts will pay off in reversing the loss of environmental resources in the longer run.

A sustainable development strategy has been highlighted in China's 10th Five-Year Plan with emphasis on coordination between socio-economic development, population management and the environment. The plan sets out a series of environmental improvement targets for lake, river and coastal water quality, city



environment, the agricultural setting and forest and grassland coverage. Strengthened environmental management is planned in all sectors and parts of the country. Research and Development efforts will be focused on the utilization of resources, recycling of waste materials and commercialization of waste treatment. At WSSD, China stated in a speech to the plenary: 'From 1998 through 2002, a total of 580 billion yuan was invested in environmental protection and preservation of the ecosystem, accounting for 1.29% of the country's GDP in that period and 1.8 times the combined investment in this area from 1950 to 1997... By 2005, the tendency of ecological degradation will be on the whole arrested, and the total discharge of major pollutants will drop by 10% compared with 2000.

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During the 10th Five-Year Plan period, the central budget allocated a total of 1.83 billion yuan to environmental agencies, increasing by 24.8% annually among which the budget for environmental administration is RMB 950 million yuan with an annual growth rate of 21.6%. From 2001 to 2004, the central budget included RMB 520 million yuan for local environmental special fund. The scope and the volume of these fund expands every year. In 2001, there was only one local environmental special fund, while in 2004, there were four special funds with a total volume of RMB 386.7 million yuan, or RMB 356.7 million yuan higher than in 2001. All those funds focused on environmental law enforcement, pollution control of intensified livestock husbandry, capacity building of national natural reserves and subsidies for environmental pollution control projects. During the period of the 10th Five-Year Plan, the national debt fund allocated RMB 108.278 billion yuan for environmental projects, which mainly includes the control of the sources of sandstorms affecting Beijing and Tianjin, natural forests protection, returning farmlands to forests and grasslands, protection of water resources in Beijing, environmental facilities of central cities in the western region, water pollution management in the Three Gorges Reservoir, pollution control of "Three Rivers and Three Lakes", pollution control of Bohai Sea and South-North water diversion, waste water and garbage industrialization, water recycling and environmental pollution management in Beijing, etc. The trend of ecological deterioration has been effectively stopped.

Environmental protection focuses on maintaining existing arable land while



controlling the pace of additional land given over for construction; reducing total emission of major pollutants; and reducing environmental deterioration in seriously affected areas while improving the environment, especially in medium and large cities. Safe drinking water will be promoted by addressing unsustainable practices and combating groundwater pollution. Pollution from fertilizer, pesticide and animal husbandry will be addressed and natural fishing resources and aquatic ecological systems will be restored. China will continue to develop its disaster mitigation and management capacity and will stress prohibition of logging in mountainous areas; re-establishment of forests, grassland and wetlands in areas currently used for farming; and relocation of human settlements from flood prone areas.

After the WSSD, China set a national strategy on sustainable development; the Program of Action of Sustainable Development in China in the 21st Century and the Law on the Promotion of Cleaner Production and the Law on Environment Impact Assessment were promulgated. During the period of the 10th Five-Year Plan, resources utilization efficiency has been enhanced and management strengthened. The expenditures on ecological construction and protection were increased dramatically and the ecological situation in some areas greatly improved. The environmental situation in some river valleys and regions became better due to the active environmental management.

The Chinese Government has realized that increasing GDP is not enough. Economic and social development should be balanced, urban and rural areas should be coordinated so that people can gain benefits directly from the development. The key to addressing the problem of environment and resources is to achieve sustainable development. The initiation of a scientific outlook on development will strongly push forward China's sustainable development. The change of development pattern affects the overall national economic and social development, and Chinese government has been trying to do so during the past two Five-Year Plans. Currently, it is crucial to work out the 11th Five-Year Plan. Following the principles of taking a scientific outlook on development and building a harmonious society, Chinese government will push forward sustainable development in an all-round way.



3. Potential MDGs Gaps

- a) The environment issue is an enormous challenge, partly due to China's large and varied territory. Its complexity and connection with agriculture, industry, urban development and poverty alleviation issues require cross-sectoral coordination and effective top-down/bottom-up communication inside government, and strong partnership with the private sector and the civil society. The current function and relationship of different agencies need to be further clarified and rationalized. There needs a comprehensive organizational improvement to deal with the environment issue more effectively.
- b) Market pricing for natural resources and their associated services (water, soil, air, biodiversity, energy etc.) already underway must protect the poor and vulnerable so that they can ensure their basic livelihood.
- c) There is need for improved implementation/enforcement of environmental conventions (CBD, UNCCD in particular), laws and regulations; especially at local level, by ensuring the public, local governments and enterprises understand the purpose of the legislation and support its implementation.

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- d) NGOs with an environmental agenda need more legal and political space to play their proper role, especially in empowering local communities to ensure their own environmental protection and path to sustainable development.



- e) Raising public awareness of the importance/necessity of sustainable development and safeguarding the environment at all levels (decision-makers, general public, corporations, consumers, industry, women, schools, universities) is a long-term task of major importance which requires the partnership of all stakeholders.

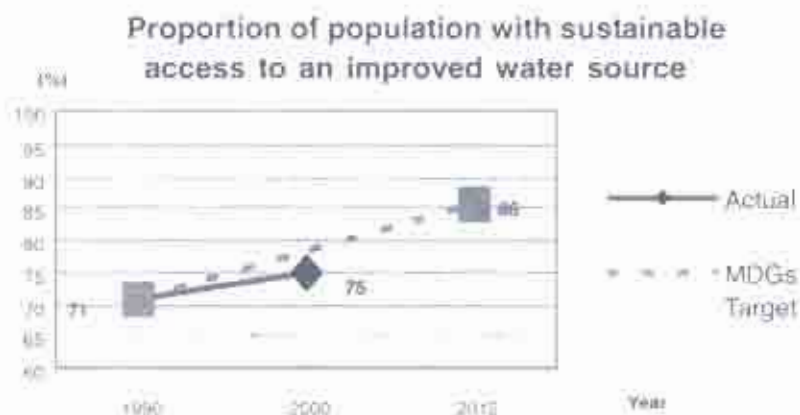


- f) Sound environment remains a major challenge. The challenge will be to monitor emerging health hazards, take preventive actions and to provide information to the public.
- g) There are strong indications that global warming and environmental degradation are causing more natural disasters globally, including China. The socio-economic damage of those disasters is high and could be greater. More investment in disaster prevention and control is required.
- h) Lack of clarity on property rights where natural resources are concerned prevents landholders from maintaining/improving land.

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.

1. Status and Trends

By the end of 2004, 88.8% of the urban population had access to safe drinking water in China, an increase of 85% from that in 1990. About 82.26% of 1,636 counties and 65.8% of the population in 218 towns have access to safe drinking water, 23% and 84.3% higher than in 1990, respectively. There were 420 million people with access to safe drinking water in cities, counties and towns, 83.3% higher than that in 1990. Among the population with access to water, 190 million people were newly



Source: Ministry of Health, China



listed ones

The map below illustrates the range of percentage of rural people with access to safe drinking water in the provinces/regions highlighting 10 provinces/regions still at the low development stage with the percentage of people with access to safe drinking water ranging from 60% to 90%.

Rural Safe Drinking Water



Source: UNICEF/UNDP based on provincial statistics bureau reports, 2000

2. Supportive Environment

By 2004, the access to water in urban China reached 88.8%. China puts emphasis on the protection of drinking water sources by making specific stipulations in the Law on the Prevention and Control of Water Pollution and the Law on Water. The prevention and control of water pollution in river valleys has been put on top of the agenda in the 9th Five-Year Plan and the 10th Five-Year Plan, and the Government designated 5,716 areas for the conservation of drinking water source across the country. During the 11th Five-Year Plan period, the government plans to address the issue of water supply in counties short of water, provide water supply to nearly all



urban areas, complete the replacement of old water supply pipes and networks in medium and large cities, introduce technical innovation of the current water supply facilities under construction, upgrade the technical levels and solve the drinking water problems for residents in cities caused by water pollution.

Relevant government departments are organizing people all over the country to formulate plans. At the same time, governments at various levels will ensure strict enforcement of laws and strengthen the protection of water resources and prevention and control of water pollution. Monitoring and supervision for drinking water safety, water resource storage systems and contingency measures for drinking water safety will also be established or improved. Construction of rural drinking water supply is to be enhanced, and the construction of urban water supply facilities and technological innovation will be accelerated.

Some RMB 18 billion yuan has been raised for investment in water supply infrastructure, including RMB 9.8 billion yuan from central government, matching capital from local governments at all levels and voluntary fund from the people. This has been used for construction of more than 800,000 rural drinking water projects, alleviating drinking water shortages for over 57 million rural population. In 2005, the Government also approved the Contingency Plan for Works on Rural Drinking Water Safety for 2005 - 2006, in an effort to solve drinking water safety problems for 60 - 80 million rural population by 2010 and ensure access to safe drinking water in all rural areas by 2020.

Based on this, the Government has developed regional water supply systems, with both urban and rural areas covered by city plans that take layouts of the urban and rural water supply facilities fully into account.

Market reform for the construction of related infrastructure has been accelerated. In 2003, Government decided to relax market access, allow the entry of non - public capital into infrastructure and other industries and fields not prohibited by laws or regulations. To achieve this, the Ministry of Construction established "Guideline on Accelerating the Market Process of Municipal Public Service Industries". It also



published the Notice on Further Advancing the Reform of Urban Water Supply Price along with the National Development and Reform Commission (NDRC) and other agencies. The Government monopoly of the water supply industry has been removed and competition is being introduced. The construction and operation of water supply facilities have been opened and the investment structures of water supply industry have been diversified with foreign and private capital entering the water supply market.

3. Potential MDGs Gaps

- 58
- a) The main challenges in China are widespread water wastage, both in irrigation and urban systems, and pollution of many water resources. Furthermore, most poor and remote areas are water scarce. Government policy and clarification of roles and relationships among government agencies/ministries; appropriate technologies, ensuring quality of implementation; and implementation more effective monitoring system/mechanisms are areas with great potential for strengthening water management in China.
 - b) Underlying the need to improve water management is the necessity for more participatory approaches and community ownership to ensure overall success and sustainability. This in turn implies a new mindset for the bureaucrats in charge of water supply, who must begin to see themselves in partners with the private sector and civil society in the management of water resources.
 - c. Better statistics, disaggregated – by geographic area and sector, would help track progress and identify remaining areas for targeting.

Target 11: Increase the proportion of the rural population with access to better rural sanitation

1 Status and Trends

Since China already has an adequate sanitation coverage in urban areas, the objective in this regard is to address sanitation problems in rural areas where a low level of sanitation has given rise to health problems. In spite of a weak foundation of



sanitation system in rural areas, there has been some improvement in recent years. Coverage was only 8% at the end of 1993, but increased to 16%, 30%, 35% and 40% in 1995, 1997, 1998 and 1999 respectively. China's population still suffers from a number of diseases associated with poor drinking water and sanitation. In 2002, 49% of more than 248 million rural households used various forms of family toilets, 9.84 million used public toilets, and the rate of the rural faecal harmless treatment reached 53%. The number of households using methane tanks reached 1,110, the methane tank projects 1,560 and the sewage and methane purifying tanks in towns 115,000. However, Chinese are still suffering from diseases caused by poor drinking water and public hygiene systems. Over the past two decades, diarrhea and viral hepatitis-both associated with faecal pollution have been the two leading infectious diseases in China. The percentage of people with access to adequate sanitation is less than half of that with access to safe water, and the gap is expected to worsen if not addressed. In urban China, the capacity of 19 provinces to dispose of sewage lags behind the daily volume of sewage. In rural China, the situation is far more serious with people in many areas relying on the surrounding fields.

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The map below illustrates the range of percentage of rural people with access to

Rural Sanitation



Source: UNICEF/UNDP based on provincial statistics bureau reports, 2000



proper sanitation in the provinces/regions highlighting 9 provinces/regions still at the low development stage with the percentage of people with proper sanitation as low as 10% in rural Guizhou.

2. Supportive Environment

With regards to the rural environment sanitation, the Chinese Government will continue to put emphasis on improvement of water supply and toilets, intensify the renovation of environment sanitation, prevent and reduce the occurrence of diseases, promote greater civility in counties and towns, further enhance the support of rural environment sanitation, set up and improve the rural environment sanitation standard system, and gradually improve the monitoring network and rapid-response systems of rural environment sanitation, so as to mobilize the whole society to participate in the rural environment sanitation. According to the principle of overall planning of both urban and rural areas and rational layout, the government has strengthened the collection and disposal of domestic sewage and garbage in rural areas

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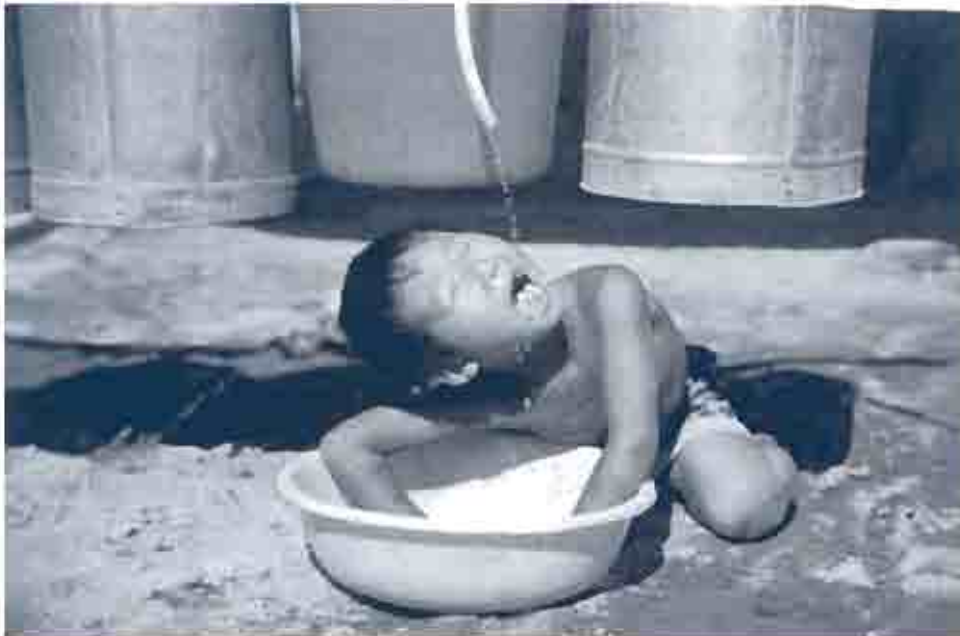
3. Potential MDGs Gaps

- a) Changing traditional practices in, and attitudes towards, handling animal and human waste in rural areas require careful study and understanding of local conditions. Development of communication strategy and awareness – raising campaign and technologies that are cost effective are vital for successful rural sanitation interventions. Families are generally unaware of the effects of poor hygiene/sanitation and environmental threats to their health, especially children's health. Thus there will be little or no demand for improved sanitation and family hygiene with respect to care of children as long as traditional beliefs, local customs and practices continue
- b) Decentralisation and low priority being given to rural sanitation by local governments have resulted in insufficient funding for hygiene and sanitation development. In addition, the division of responsibilities among separate institutions for water supply, sanitation and health care leads to coordination



problems.

- c) Although the importance of safe and healthy environment including access to clean drinking water has been extensively discussed by policy makers, there is still no effective overall package of planning and programming at the community level.
- d) Civil society and NGOs need to be mobilized to raise awareness and knowledge on the causes of poor health, environment – related diseases and natural hazards, and options for improved hygiene, sanitation and water quality and quantity of water. They also need to spread the practices of improving hygiene conditions and sanitation systems and increase provision of safe drinking water.





Goal 8:

Develop a Global Partnership For Development

The Chinese government supports international development cooperation as a means of narrowing the gap between the North and South, ensuring equal opportunities for development and common prosperity among countries. The Government takes a proactive and pragmatic attitude towards participating in international development cooperation

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The Government calls for necessary reform in the international financial system. It believes that the new system that emerges should conform to the principle of equal and mutual benefit; it should be broad-based, open, effective and well-represented; it should help to increase developing countries' participation and decision-making power in international financial affairs, reduce the risks they face in economic globalization and promote common development

The Government supports maintaining and improving the multilateral trade system to create a favorable trade environment for developing countries. It believes that all parties should demonstrate stronger political will and greater flexibility and address the concerns of developing countries so as to pave the way for a comprehensive and balanced outcome at the end of the Doha round of negotiations in 2006.

The Chinese government supports debt reduction for developing countries international community, particularly the developed countries should substantive measures to reduce in large measure developing countries



streamline procedures and reduce conditionality. In this way, developing countries can escape from the vicious circle of debt burden and realize economic growth.

The Chinese government welcomes the establishment of a fair, reasonable and effective framework to monitor progress towards MDGs. The framework can serve to assess individual country's progress in implementing MDGs as well as international cooperation and the delivery of development assistance.

For years, within the South-South cooperation framework, the Chinese government has provided various forms of support and assistance to developing countries and in this way contributes to these countries' development.

In the area of trade, China witnessed a large increase in trade volume with developing countries in Asia, Africa and Latin America. China offers favorable tariff to over 30 least developed countries (LDCs).

In foreign investment, China has increased its investment in Asia, Africa and Latin America. By the end of 2004, China has invested up to US \$ 1.165 billion in ASEAN member countries, US \$ 625 million FDI in Africa, US \$ 1.6 billion in Latin American and Caribbean countries.

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China has signed debt relief agreement with 41 countries in Africa, Asia, South America and Oceania and written off 100 outstanding debt owed by these countries to China.

In international assistance, by the end of 2004, China has provided assistance to more than 120 developing countries and regional organizations. China has undertaken more than 2000 related projects and provided large amount of materials as well as small sum of cash.

By the end of 2004, China has sent medical teams to 65 developing countries and regions in Asia, Africa, Latin America, Europe and Oceania, with a total of 18,000 medial personnel. There were as many as 240 million visits by patients to Chinese



doctors working in those countries.

In addition, China-Africa Cooperation Forum and China-Arab Cooperation Forum have been established on China's initiative. The China Foundation for Poverty Reduction and Regional Cooperation has been established in Asia Development Bank and China provided US \$ 20 million to the foundation. The International Center for Poverty Reduction was founded in Beijing in May 2005, representing a new contribution to the global poverty - reduction efforts.

At the High-Level Meeting on Financing for Development during the UN Summit in 2005, Chinese President Hu Jintao proposed five new measures:

1. China will accord zero tariff status to some products from all 39 LDCs that have diplomatic relations with China, representing most of their China-bound exports.
2. Within the next two years, China will write off or forgive in other ways all the overdue interest-free government loans as of 2004, to heavily indebted poor countries (HIPC) that have diplomatic relations with China.
3. China will provide within the next three years up to US \$ 10 billion in concessional loans to developing countries to improve their infrastructure and promote cooperation between enterprises on both sides.
4. China will increase within the next three years its assistance to developing countries, particularly African countries, providing them with anti-malaria drugs and other medicines, helping them set up and improve medical facilities and training medical staff.
5. China will train 30,000 personnel of various professions from developing countries within the next three years

All of these measures have already exerted positive influence on both China's development and the global development, and will certainly continue to do so.

Target 18: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system

China is determined to be fully integrated into the global economic system



China's GDP is now the largest among the developing world and the sixth largest of the whole world. Trade growth is mainly realized in trading with North America, Japan and Europe.

According to the OECD, Official Development Assistance (ODA) to China for 1997 was 2 billion; for 1998, 2.3 billion and 1999, 2.3 billion. Per capita ODA is less than \$ 2 and far smaller than FDI which is about US \$ 50 billion or \$ 38 per capita. From 1979 to 2000, China received over US \$ 6 billion grant ODA including more than \$ 4 billion through the bilateral channel. These figures demonstrate China's overall success in making trade and investment the cornerstone of its development while carefully deploying the relatively small amount of ODA for technical assistance and experimentation with new models and approaches to development. As well as being a recipient, China is also a donor to other developing nations, particularly in Africa. It is likely China will become an increasingly important donor, particularly in emergency food assistance. This picture of China as a donor country needs to be better recorded and disseminated so that China's contribution is better known.

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Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

The Chinese Government attaches great importance to the development of information and telecommunications industries. By implementing the development strategy of driving industrialization through the development of IT industry and promoting IT through industrialization, the government has made positive progress.

Telephone subscribers in China reached 692 million by the end of May 2005. Among them, fixed phone users reached 333 million, an increase from 3.12 million in 1985, with an annual growth rate of 28%, and the number of mobile phone users was 359 million with an annual growth rate of 109%. The fixed and mobile phone densities reached 25.6% and 27.6% respectively. Until April 2005, internet users reached 100 million from 2.1 million in 1998, and 30.1 million are broadband users. Information



and telecommunications technologies are being widely used across social and economic areas, including e-government, e-business and long-distance learning. Nowadays, the IT industry has become the fundamental, leading and pillar industry in China's economy, and is playing a more important role in pushing forward the harmonious development of economy and society

However, the level of China's information and telecommunications industries on the whole is yet to be improved. With big regional and urban-rural disparities, it remains an arduous task to narrow the "Digital Divide". To this end, the Chinese Government has launched the "Village Telecom Project". By the end of 2004, 90% of villages in China have had access to telephone service, and 33% of fixed telephone subscribers are from rural areas. In addition, China is stepping up the establishment of a fund for universal telecommunications service, actively developing





all kinds of applied technologies, and guiding the business community to take part in rural telecommunications development. The government also set the goal of enabling 95 % of villages to have access to telephone services by the end of 2005.

China is studying and formulating the 11th Five-Year Plan on the IT industry, with an aim to improve the networking and services across-the-board at all levels, enhance the dissemination and application of IT, and push forward the IT industry in a pragmatic way, so as to better meet the demands for IT industry by the whole society.



CONCLUSION

The chart below summarizes the initial collective judgement of the UN system in China with respect to China's progress towards the MDGs.

Generally, the picture that emerges is very positive. It illustrates that China will likely achieve most of the MDGs. Targets that may require some attention are as follows:

Achieve equal access for boys and girls to upper secondary education by 2005

Reduce under-five mortality by two-thirds by 2015;

Halt and reverse the spread of HIV/AIDS by 2015;

Halve the incidence of TB by 2015; and,

Implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015

China's commitment to achieving the MDGs is strongly in place. MDGs targets that may not be on track can be put on track with more attention to balanced development.

Whether the issue is health, education or the environment, the international community can be of assistance by helping share with China other countries' and experts' experience. Of particular importance are such matters as how data is gathered, how policy is formulated, how options are explored, how the private sector, the NGO community and civil society are engaged in the policy making process to ensure ownership so that implementation is ensured and how all these support contribute to implementation. As China moves to the next stage of



development, governance becomes ever more important. Effective policy and implementation in partnership with the non-state sector and civil society can save billions of RMB whereas policy and implementation that is flawed can do grave damage to the next generation, to the environment or to the economy, not to mention failing to achieve its intended objectives. The right approach can galvanize citizens' commitment and effort towards a common purpose, while a flawed approach can pit one group of citizens against another in a downward spiral of destruction.

Below is a summary of the UN System in China's collective assessment of China's situation in achieving the MDGs.

| OVERVIEW OF CHINA MDGs STATUS | | |
|--|--------------------------------|---------------------------------|
| GOALS and Targets | STATE OF GOAL ACHIEVEMENT | STATE OF SUPPORTIVE ENVIRONMENT |
| Eradicate Extreme Poverty and Hunger by 2015 Halve the proportion of people living in extreme poverty | On track | Well developed |
| Halve the proportion of population below minimum level of dietary energy consumption Halve the proportion of underweight children under five | On track | In place |
| Universal primary education by 2015 Achieve universal primary education by 2015 | On track | In place |
| Gender equality Achieve equal access for boys and girls to primary and lower secondary schooling by 2005 Achieve equal access for boys and girls to upper secondary education by 2005 | On track Maybe not on track | In place In place |
| Under-five mortality Reduce under-five mortality by two-thirds by 2015 | Maybe not on track | In place |



| | | |
|---|---|---|
| <p>Reproductive health Reduce maternal mortality ratio by three-quarters by 2015 Universal access to safe/reliable reproductive health services (contraceptive methods) by 2015</p> | <p>On track On track</p> | <p>In place Well developed</p> |
| <p>Combat disease (HIV/AIDS, TB and Malaria) Halt and reverse the spread of HIV/AIDS by 2015 Halve the prevalence of TB by 2015 Reduce the incidence of malaria</p> | <p>On track Maybe not on track On track</p> | <p>In place In place In place</p> |
| <p>Environment Implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015</p> | <p>Maybe not on track</p> | <p>Well developed</p> |
| <p>Basic amenities Halve the proportion of people unable to reach or afford safe drinking water by 2015 Improve the proportion of rural people with access to improved sanitation</p> | <p>On track On track</p> | <p>Well developed In place</p> |

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| MONITORING AND EVALUATION CAPACITY | | | | | | |
|------------------------------------|------------------------|----------------------|-----------------------|-------------------------|-------------------------|------------------------|
| Goal | Existing Capacity For: | | | | | |
| | Data gathering | Statistical tracking | Statistical analysis | Statistical into policy | Monitoring & evaluation | Quality of survey info |
| Extreme poverty | Strong | Strong | Fair | Fair | Fair | Fair |
| Hunger and malnutrition | Fair | Fair | Maybe needs attention | Maybe needs attention | Maybe needs attention | Maybe needs attention |



| | | | | | | |
|-------------------------|-----------------------|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Universal primary educ. | Strong | Strong | Fair | Fair | Fair | Fair |
| Gender Equality | Fair | Fair | Maybe needs attention | Strong | Fair | Maybe needs attention |
| Under-five Mortality | Fair | Fair | Fair | Fair | Maybe needs attention | Maybe needs attention |
| Reproductive Health | Strong | Fair | Maybe needs attention | Fair | Fair | Fair |
| HIV/AIDS, TB & Malaria | Maybe needs attention | Needs attention | Fair | Fair | Maybe needs attention | Weak |
| Environment | Strong | Fair | Strong | Fair | Fair | Fair |
| Basic Amenities | Strong | Strong | Strong | Maybe needs attention | Fair | Fair |

