

Government of the People's Republic of China

United Nations Development Programme

Programme Document

12 July 2006

Poverty Reduction for Ethnic Minorities in China

The Programme is aimed to support government efforts to alleviate poverty among ethnic minorities and to increase equity. It seeks to improve human development outcomes among targetted ethnic groups through strengthening institutional support mechanisms and linkages to facilitate and encourage needs-based response at community level. It will do so through the prism of cultural diversity, gender equity and respect of ethnic minorities economic and social rights.

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It applies a comprehensive approach that will: i) help to develop and strengthen leadership for managing and coordinating needs-based poverty reduction from provincial/regional to county level ii) support working capacities from county to community level for implementing and monitoring targetted poverty alleviation interventions in line with identified needs and 'whole village progress'; iii) help develop the necessary supportive institutional structures for the managed growth of tourism and cultural industries for poverty reduction based on cultural and natural assets. Insitutional support and capacity development will be reinforced by demonstrations of poverty alleviation interventions at community level in selected ethnic minority areas. There are three inter-linked sub-programmes to support each of the above objectives.

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State Ethnic Affairs Commission
China International Centre for
Economic and Technical
Exchanges
World Tourism Organisation

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UNDAF (2006-2010) Outcomes/Indicators	Outcome 1. Socio-economic policies are developed and improved to be more scientifically-based and human centred for sustainable and equitable growth. Outcome 2. Enhanced capacities and mechanisms for participation, co-ordination. Monitoring and evaluation for effective policy implementation in the social sector. Outcome 3. More efficient management of natural resources and development of environmentally friendly behaviour in order to ensure environmental sustainability
UNDP CP Outputs/Indicators Defined in UNDAF	UNDP Outcome 1.2 National efforts to lead and manage Xiaokang implementation supported through a variety of instruments and capacity building initiatives; UNESCO/UNDP Outcome 1.2 Cultural diversity and culture based development with particular focus on ethnic minorities enhanced; Outcome 3.2 Improved environmental awareness and enabling environment created for greater public participation.
Government Coordinating Agency and Implementing Partner	China International Centre for Economic and Technical Exchange (CICETE)
Government Cooperating Agency	State Ethnic Affairs Commission (SEAC) Local government agencies

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(implementing agency)

Estimated start date: August 2006
 Estimated end date: December 2009
 Management Arrangement: National Execution (NEX)
 Project site: Selected ethnic minority regions
 Beneficiary country: China

Budget: US\$ 7.0 million.

Allocated Resources:
 UNDP: US\$ 2.0 million
 SEAC:
 Co-financing: US\$ \$ 5.0 million

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<u>Agreed by:</u>	<u>Signature</u>	<u>Date</u>
Government Coordinating Agency and Implementing Partner (CICETE):	Mr. Wang Yue	11 August 2006
Government Cooperating Agency (SEAC):	Mr. Yang Jianqiang	11 August 2006
UNDP:	Mr. Khalid Malik	

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SECTION I. RATIONALE AND STRATEGY

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Part 1.1. Situation Analysis

The huge strides in poverty reduction that China has made since the beginning of economic reforms in 1978 have not been uniform. The number of poor people living on less than 1US\$ PPP per day fell from 490 million to 88 million between 1990 and 2002. While much has been achieved in the western regions and among ethnic minorities, those areas have fallen behind. China's 55 ethnic minorities have a combined population of 106 million, or 8.4% of the national total. But at the end of 2003, 13 million of them still lived in conditions of extreme poverty, accounting for 45% of the national total of extreme poor.

Occupying remote mountain areas, forests, grasslands, desert and arid lands, and areas of high humidity, minority peoples possess a rich and distinctive way of life and language set against a unique social, cultural and historical backdrop. But harsh living conditions and low population densities within a vast land mass have caused high costs of living and production. The fragile ecology and environment has suffered serious damage due to long time overgrazing and inappropriate farming methods leading to aggravated soil erosion and desertification.

Poverty is endemic. Out of the Government's 592 national designated poverty counties, 267 are located in ethnic minority areas. GDP per capita in ethnic minority areas was 56.71% of the national average in 2003, and 39.39% that of eastern regions. Distance to schools, high costs, and incompatibility with local language or culture, has led to illiteracy rates of 60% in some ethnic populations with women and girls most likely to be affected. This has a huge negative impact on the ability of local populations to access skills development, work opportunities and wages. The lack of outside contact as well as language difficulties has isolated minorities from vital information about accessing off-farm jobs, markets and investment opportunities, as well as the necessary connections to benefit from such opportunities.

Women belonging to ethnic minority groups are particularly disadvantaged both as members of a minority group and as women. This severely curtails their social and economic opportunities and leads to multifaceted social exclusion. Women from ethnic minority groups are especially vulnerable to poverty and social deprivation, and there are indications that they may be even worse off in terms of their economic opportunities and labour market position.

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In the whole country, 22 'small' ethnic minority groups whose population is below 100,000, with a combined total of 630,000, are particularly vulnerable to the loss of cultural and natural resources. Income and non-income related indicators show that poverty in these groups is deeply entrenched and needs more focussed support. The average rural per capita annual income within the 640 small minority compacted villages was 884 RMB in 2003, 33.7% of the national average figure. Common issues voiced by small minority populations include the need for: access to better quality education and health services; improved gender equality, balancing environmental protection laws with traditional occupations, safe drinking water supply; improved roads and infrastructure; advanced technical and management skills in alternative agricultural activities; marketing and agro-industry; better housing; access to affordable credit to engage in business and associated training; cultural protection through education and tourism.

In 2003, the Government redefined its national development vision to 'Xiaokang', a strategic plan for building a prosperous and harmonious society in China by 2020. If China is to achieve this and meet the Millennium Development Goal (MDG) of halving the number of people living on less than US\$ 1 per day by 2015, whilst adhering to commitments enshrined in international rights-based conventions, poverty must be tackled sensitively at source. If poverty reduction is to be sustainable and life-enriching, tailored solutions need to be found that can combat adverse living conditions, protect and support cultural diversity and socio-economic rights of ethnic minorities, and establish a basis for human development that is culturally-sensitive. There are a number of key issues:

Institutional and Management Capacity

Provincial and local governments play a crucial role in poverty alleviation. Sensitive, timely response and appropriate institutional support mechanisms are vital for stimulating human development at the local level. Local governments are responsible for ensuring that poverty alleviation initiatives respond to needs and that they respect diversity within a particular context. Institutional support can ensure that ethnic minorities retain and derive benefit from their social and cultural wealth in a rapidly changing environment. However, leadership to manage and implement change in ethnic minority areas often lacks the broad vision necessary to respond to emerging issues.

Another key issue derives from the insufficient capacity of management in the ethnic minority areas. Although rooted in the local community and having a deep sense of the cultural, historical and sociological context, ethnic cadres with a college education is 6.7% lower than the national average. Ethnic minority cadres have little experience of participatory or human development approaches as ways to deal effectively with poverty. There is also a great shortage of ethnic cadres with technical expertise or knowledge of economics, financial management, or needs-based planning. Similarly, Han cadres in ethnic minority areas fail to deal effectively with the unique social and cultural issues of ethnic minorities. Lacking a wider perspective and flexibility of approach restricts the ability to manage change, denies ethnic minorities of opportunity and blocks fuller participation with nationwide development.

China's poverty reduction plans involve a wide number of players, programmes and funding channels. The Government's vast administrative structure stretches in vertical layers from national down to village level. Village plans, which include varying degrees of local participation, are drawn up with the support of county and prefecture authorities who ensure that they meet central funding requirements. Linkages and capacities to disperse funding allocations from county level down, and in line with village needs, are weak. Past experience has taught that in order to maximise effectiveness, poverty reduction programmes need greater institutional coordination, fuller local participation, and a more clearly defined, prioritised system of targeting resources.

Systems to support the assessment and monitoring of poverty reduction interventions at village level are weak. The use of indicators to measure human development outcomes need to be more regularly applied in order to determine change, and to readjust the focus of support to meet anticipated needs.

Sustainable Tourism and Cultural Development

Natural and cultural assets are inextricably linked with the historical identity of ethnic minorities. The development of tourism and cultural industries based on the use of indigenous natural and cultural assets offers a powerful way to generate income and contribute to poverty alleviation in a sustainable way that invigorates traditional skills and human capacities.

The landscapes, fauna, flora and biodiversity of areas inhabited by ethnic minorities have the capacity to support a range of tourism-based activities including eco-tourism and adventure-

based tourism. There is also a growing demand for authentic cultural tourism experiences based upon visiting communities and purchasing arts and crafts from the area of source. An estimated 3.45 million overseas tourists visited ethnic minority areas in China in 2004 bringing earnings of US\$ 8.83 billion dollars. China's cultural products accounted for an estimated 10% of total international and domestic tourism receipts in China, or around \$ 8.3 billion (note: this is based on total expenditure reported by the China National Tourism Administration for international tourists of \$ 25.7 billion and RMB 471.1 billion or \$57.7 billion at RMB 8.16 to \$1.00).

With international and domestic tourism forecast to almost double over the next ten years, the growth prospects for cultural and eco tourism and related industries are robust. If well-managed the development of the tourism product can be a source of great socio-economic benefit for multiple sectors in the local economy and can also help to support cultural traditions, customs, architecture and ways of life that make such benefit sustainable. However, tourism impacts natural and built environments and can affect the well-being and culture of the host population. Strategies, policies and tools are necessary to maximise the industry's positive effects and minimise negative impacts. How to protect ethnic minority rights while harnessing the socio-economic development potential of natural and cultural assets remains a key issue.

Ethnic communities are faced with critical institutional, market access and human capacity constraints that make it difficult for them to effectively participate in and share the benefits of these industries, such as:

- *Institutional:* institutional mechanisms at national, provincial and local level are not sufficiently supportive or technically equipped to provide the necessary leadership, coordination and technical know how. The lack of adequate facilities, institutional and market structure to support tourism is often accompanied by a lack of local government support, infrastructure and market knowledge. Regional/provincial governments need to establish and implement strategies and action plans in concert with different stakeholders which place the protection of ethnic minority social and cultural rights and sustainability at the centre of the development equation. A supportive institutional environment for the marketing and sale of ethnic minority cultural goods for their benefit needs to be developed and focal points that give access to the market place for remote communities, brand their goods, protect cultural heritage rights, support traditional practices and generate income to reduce poverty need to be developed.
- *Product development:* There is limited opportunity for community-based ecological and cultural tourism within ethnic minority villages and ethnic minorities receive a very minimal share of the benefits deriving from the use of their historical and cultural heritage. There is little support for ethnic minorities to capitalise on their assets, to upgrade skills and techniques or to develop cultural industries. The majority of 'ethnic' handicrafts for sale in souvenir shops are supplied by distant factories. Traditional knowledge, technology and skills exist but the number of skilled craftspeople is declining. In general entrepreneurial skills are weak and there is lack of access to credit.
- *Marketing:* Accessing marketing and distribution networks and outlets to showcase and sell products are critical limiting factors. Few sales occur at the place of production where craft skills can be demonstrated and sold at high yield. Product development and marketing skills are limited, while access to distribution networks is limited by the small-scale of village based production. There is no branding to distinguish one minority's products from another's, or to ensure quality.

Part 1.2. National Initiatives:

In addition to the quadrupling of per capita incomes, Xiaokang advocates for the scientific concept of development, focusing on achieving five balances: between urban and rural areas; between regions; economic and social development; people and nature; and between domestic development and 'opening up'.

The Ten Year Rural Poverty Alleviation and Development Plan (2001-2010): prioritised assistance to the remaining absolute poor; helped those vulnerable to falling back into poverty because of natural disasters or medical emergencies; targets minorities, border, mountainous and remote areas; uses multi-dimensional, participatory poverty planning methodology; and mandates a role for civil society and NGOs to design, implement and monitor government-led poverty reduction activities. From 1994-2000 US\$ 5.1 billion was targeted to ethnic minorities out of a national total of US\$ 23.9 billion.

The Western Development Initiative (WDI) of 2000 has seen 850 billion RMB invested in over 60 projects. The plan which focuses on the less developed western regions, covers 95% of ethnic autonomous areas and counties and 80% of the ethnic minority population. Projects include: infrastructure development; ecological and environmental protection; education; social service provision covering basic rural health facilities and specialised hospitals. In 2002 the government launched a plan to accelerate the development of ethnic minorities and regions. Initiatives include local infrastructure, ecological and environmental protection, special measures on education and communication, and social services.

In 2003, the State Council's Leading Group for Poverty Alleviation and Development (LGOP) launched a participatory village poverty reduction planning program for 140,000 poor villages including 345 small ethnic minority villages. At the Global Conference for Poverty Reduction 2004, Prime Minister Wen Jiabao committed to 'speed up the pace of poverty reduction in the poor areas of the 22 small ethnic minorities and encourage them to shift off poverty earlier than other areas in the same circumstances'.

In May 2005 the State Ethnic Affairs Committee (SEAC) developed a programme for the 'Development Planning for Chinese Small Ethnic Minorities (2005-2010) with the National Development and Reform Commission, Ministry of Finance and People's Bank of China. The overall strategy for supporting the development of ethnic minorities with small populations is to have 'support from the state, overall responsibilities in the provincial government, implementation by the county and progress in the whole village'. Each province and region plans to 'directly benefit ethnic groups with small populations by emphasising the improvement of people's basic production and living conditions, increase their income and by delegating programmes directly to villages'. Counties (banners) concerned have been directed to focus on the principle of 'whole village progress', with the village as the primary unit.

The Central Government and the Communist Party have paid close attention to developing the capacities of ethnic cadres with the emphasis on 'ethnic cadres development emphasising not only quantity but also quality and structure'. Among other initiatives, the Organisation Department of CCCPC, United Front Work Department of CCCPC and SEAC jointly assigned the 'Planning of Sending Western Cadres to work in Central Government Agencies, Ministries and Eastern Regions (2000-2009)' which aims at cultivating up to 5000 cadres within 10 years.

Part 1.3. International Assistance:

UNDAF and UNDP technical assistance: The UN Development Assistance Framework (UNDAF) harmonizes the development assistance of UN agencies in China and supports government initiatives through multi year programming cycles that respond to prioritised

needs. Recent UNDP commitments are set out in the 2006-2010 UNDAF which emphasizes a number of priorities for the Western Region including improving access to health, education and social protection with a focus on disparity reduction and gender equality, and creating an enabling environment for civil society and its effective engagement in Xiaokang priority issues. The 2004 Common Country Assessment (CCA) focuses on: growth, inequality and poverty reduction; balancing economic growth and social development; balancing people and nature; social protection; education and human resource development etc.

Each Sub-programme contributes to UNDAF outcomes. Sub-programme One in: 'promoting effective policy implementation through improving participation, coordination, evaluation capacities and mechanisms among all social sectors'; 'formulating and improving social and economic policies that are scientifically based, people-centred and supportive of sustainable and equitable growth'; and 'various measures and capacity building activities to assist government to more effectively lead and manage the implementation of MDGs and Xiaokang'. Sub-Programme Two: the 'national Xiaokang vision and MDG goal and indicators localised and integrated into the development plan'; 'poverty reduction approach as piloted in target population' and 'increased participation of civil society in the design and implementation of development policies/programmes. Sub-Programme Three: guided by the priority placed by the government on 'culture based' development, UNDP will provide inputs and international experience for national programmes to safeguard and revitalise ethnic cultures and to integrate them in the process of economic and social development.

UNDP projects focussing on minority development in China have been undertaken in recognition of the fact that national development programs often do not give sufficient attention to minorities. The Participatory Rural Development and Poverty Reduction in Inner Mongolia, Jiangxi and Xinjiang (2002-2005) demonstrated sustainable and comprehensive rural development models benefiting the poor and vulnerable through participatory community-based initiatives. Poverty Alleviation and Sustainable Human Development projects in Qinghai, Yunnan and Sichuan involved capacity building of service providers and households, the operation of user-friendly micro-credit schemes, introduction of income generating activities, and improvement in health and education services. Some capacity and leadership-focused UNDP programmes will be good sources for synergies with the programme. They include Advanced Leadership Development for Xiaokang Society, Human Resource Development in the Northeast and Western Areas of China and Government Capacity Building for Xiaokang Society. Further more, Integrated Artisan Development in Tibet, and Tibet Development and Poverty Alleviation Programme have and are helping improve access to markets, enhance entrepreneurial and business capacities of artisans and gave support to policies supporting indigenous cultural and people-centred development.

The World Bank, and UK's Department for International Development (DFID), The Poor Rural Communities Development Project (PRCDP) aims to improve livelihoods security and achieve sustained participation of the poorest rural people in eighteen counties in Sichuan, Yunnan and the Guangxi Zhuang Autonomous Region. The World Bank small grants programme has assisted national NGOs such as: Enhance the Role of Minority Women in Development in Sichuan; Promoting Philanthropy in Poor Areas in Qinghai; Improving Leadership Skills of Village Officials in Poor Areas of Yunnan.

DFID projects include: Save the Children to support minorities in Yunnan and Tibet with basic education on water and sanitation; and the Yunnan Environmental Development Programme to assist the province develop new ways to tackle environmental management issues faced by poor rural communities.

World Tourism Organisation (WTO) has carried out numerous technical cooperation projects with regard to ethnic minorities, their socio-economic development and integration into the mainstream. Master Tourism Plans have been prepared for Yunnan, Guizhou, and

Sichuan etc. Community based tourism development focussing on fostering socio-economic development at the grassroots level featured in all WTO programmes and projects in China, prominent amongst these being Hainan, Heilongjiang and Shangdong provinces as well as the Yanbian Korean Autonomous Prefectures of Jilin Province under the UNDP's Tumen River Area Development Programme.

Part 2. Strategy

At a workshop jointly sponsored by SEAC, UNDP and its national government counterpart, CICETE under the Ministry of Commerce¹, and within the framework of the national government and UNDP initiatives, the heads of the three sponsoring organizations agreed to an overall programme directed at a comprehensive approach to poverty reduction among ethnic minorities based on mobilizing their natural and cultural resources.

Areas inhabited by ethnic minorities are ecologically fragile, politically sensitive and geographically remote. Reaching out to these communities to alleviate their conditions requires a tailor made approach. Protecting valuable natural assets and the environment, in support of ethnic people's economic, social and cultural rights, requires skill and sensitivity. The programme will take cultural appropriateness as the core and participatory rural appraisal (PRA) as the working approach. In line with UNDP corporate policies and international obligations such as CEDAW adopted in China, the programme will make a particular effort to ensure that all its interventions and activities are gender sensitive. The youth and women are two target groups who will receive special attention in the programme implementation for the purposes of gender equality and preservation of and nurturing a walking ethnic culture. Gender-sensitive approach will be also mandatory for management related issues, being part of monitoring and evaluation processes. Programme activities will be undertaken to educate and involve the youth of ethnic minorities to develop the culture and value of minorities.

The duration of the Programme is about four years 2006-2009. Project implementation will be carried out from the second half of 2006 to the first half of 2009, dissemination and scaling up will take place in the second half of 2009. There are three inter-linked sub-programmes. Flexibility within and between sub-programme components is a key requirement. Implementation of each component will be planned to ensure internal consistency and to maximise synergies with related activities. High priority will be given to sequencing and integration of the various sub-programme components.

Sub-programme One will cover all ethnic minority areas in China and will establish Provincial Coordination Groups in Yunnan and Xinjiang. Sub-programme Two will strategically cover small ethnic minority groups in three provinces: Yunnan, Xinjiang Uygur Autonomous Region and Qinghai, to support the Government's Five Year Plan for Small Ethnic Minorities (2006-2010). Sub-programme Three will focus on Yunnan and Xinjiang.

<i>Sub-programme One</i>	Leadership Development for Poverty Reduction in Ethnic Minority Areas
<i>Sub-programme Two</i>	Community-based Poverty Reduction in Small Ethnic Minority Areas
<i>Sub-programme Three</i>	The Development of Tourism and Cultural Industries for Ethnic Minorities based on their Natural and Cultural Assets.

The programme follows a participatory rights-based approach to poverty alleviation and human development. Each sub-programme focusses on two levels: 1) strengthening

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institutional support mechanisms and capacities to support a conducive environment for change; 2) participation of rights holders and stakeholder communities in the process of development for poverty reduction. A programme management office will be established in SEAC which will manage and ensure the smooth implementation of the programme.

2.1. Sub-programme One: Leadership Development for Poverty Reduction in Ethnic Minority Areas

This sub-programme will focus on leaders in ethnic minority areas at provincial, prefectural and county levels, with special attention paid to women and young cadres. The aim will be to improve overall management structures and mechanisms for supporting and enabling needs-based poverty reduction, to increase efficiency of response and coordination and to create a new leadership environment for change. It will seek to increase levels of support and encouragement for community-based development planning and participatory approaches as key methods of improving human development outcomes. It will explore ways in which leaders can apply concepts into overall planning and management strategies.

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It will also act as vehicle through which synergies between different Sub-programmes will be achieved. A Provincial Coordination Group (PCG) will be established in two key target provinces, Yunnan and Xinjiang where a number of Sub-programme initiatives will be implemented. The PCG will play a key role in facilitating programme coordination and review functions at provincial level. Through the PCG, Provincial and local leaders will be encouraged to support programme implementation and reviews, and make concerted efforts in dissemination and policy recommendation.

Sub-programme One will find ways in which to inter-link with ongoing training activities within UNDP's Leadership Development Programme.

2.1.1. Component One: Developing Training Contents.

A series of training contents will be developed to improve management structures and mechanisms for supporting and enabling needs-based poverty reduction and to increase efficiency of response and coordination in line with needs. A training needs analysis will be conducted and experiences built into programme design. A schedule of training courses will be prepared including identification and selection of trainers, and locations which may include:

- national or international trainers, including specialists, visiting professors, eminent individuals, academics from Chinese or international research institutes or universities
- national or international training institutes such as the Central Institute for Ethnic Cadres in Beijing or selected Ethnic Universities
- leading national institutes such as Tsinghua's College of Public Administration, Beijing University, or Chinese Academy of Social Sciences (CASS)
- national and international tours to selected regions and countries. Training should be in the field and should evolve around building a model or creation of prototypes.

Training will seek to increase awareness of, and methods to incorporate, human development concepts and methodologies for balanced development; rights-based approaches; gender equity and equality, integrating socio-economic and cultural characteristics of ethnic minorities into planning; leadership for poverty reduction; modern management techniques; financial budgeting and management; needs-based decision making; risk assessment strategies;

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¹ Conference on "Comprehensive Poverty Reduction Based on Natural and Cultural Resources of the Ethnic Minorities" held on 27-28 June 2005 in Ruili, Yunnan Province, PRC.

enhancing social service coverage or efficiency, with emphasis on culture, education, public health and sanitation; monitoring and evaluation methods.

Sub-programme One will support implementation of Sub-programmes Two and Three through supporting provincial institutional settings and developing training tailored to match sub-programme content, for instance:

- participatory economic and social planning and rights-based approaches; community-based development planning; gender awareness; monitoring and evaluation (*Sub-programme Two*);
- community-based initiatives for poverty reduction based on natural/cultural assets; management of cultural, environmental and natural resources; tourism for poverty alleviation (*Sub-programme Three*);

Materials, curriculum and a plan of study tours will be developed. The Programme will support the training of a core group of master trainers who will be able to deliver the curriculum in the second half of year one of programme activities as well as to blend ideas into other training courses for wider application.

2.1.2. Component Two: Training.

Leadership training will entail fellowships, study tours and training programmes. It will target 400 cadres from ethnic minority areas from 10 ethnic provinces and regions, 30 autonomous prefectures and 120 ethnic autonomous counties, as well as SEAC headquarters in Beijing. Gender equity will be ensured by balanced proportion of men and women receiving the training. It will provide overseas training opportunities for a total of 90 selected cadres, one training per programme year and domestic study tours for 310 cadres, two trainings per programme year.

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10 cadres at provincial level, 90 at prefectural level, and 300 at county level will be identified. Participants will be proposed by SEAC and programme partners and approved by Programme Management. They may include: provincial leaders in charge of ethnic affairs and economic and social affairs; prefectural and county level leaders in charge of ethnic socio-economic affairs, local offices of NDRC, SEAC, LGOP, Ministry of Finance, local Agricultural Bureau, local health bureau, local tourism and culture bureau. Members of the Provincial Coordination Group in Yunnan and Xinjiang will be selected for the first round of training. Specific effort will be made to ensure adequate representation of women in this activity.

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Assessments will be carried out at the end of each training and through detailed mid-term review. An 'alumni' of leadership trainees will be created to increase potential for feedback and support for programme activities and a platform for sharing best practices in poverty reduction and development for ethnic minorities. Participants will give detailed feedback within six months of completing training. They will be required, with the support of local SEAC and programme partner offices, to disseminate experiences through workshops or seminars at the Provincial, Prefectural or County level.

Beneficiaries: Direct beneficiaries will be leaders and managers at provincial, prefectural and county level and the institutions in which they work; indirect beneficiaries will be officers and managers further down the command chain who will receive clearer support for needs based poverty alleviation interventions.

2.2. Sub-programme Two: Community-based Poverty Reduction for Small Ethnic Minorities

The sub-programme will target selected groups from within 22 small ethnic minorities. Activities will focus on five ethnic minority groups in eight villages from three provinces:

Yunnan, Xinjiang, and Qinghai. Two small minorities will be selected from Yunnan, (home to 38% of the total small minority population), two from Xinjiang and one from Qinghai. Capacity building and demonstrations will initially focus on eight selected villages. Efforts will be made to ensure men and women in a good balance and young people are benefited from the programme interventions.

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Working with cross-sectoral groups of mid-level officers in charge of poverty reduction work from county, township and village levels it aims to increase the capacity to respond in line with identified needs. Capacity development will be supported by participatorily selected micro-projects at village level.

2.2.1. Component One: Capacity Development.

Working with inter-departmental and cross-sectoral teams of officers from county, township and village levels involved in local planning for poverty reduction, it will aim to strengthen the capacity of local planners to respond effectively to needs and to monitor and assess risk, through theoretical and practical training given in each of the three provinces. It will highlight participatory methods, rights-based approaches, and demand-based planning and implementation strategies.

Theory may include: community-based approaches; impact assessment; financial management. Workshops, seminars and practical case study will demonstrate approaches. As far as possible case studies will focus on the group's own situation or set of circumstances. Groups will focus on planning and responding to village poverty alleviation needs such as: local planning for overcoming environmental degradation for the protection and promotion of tourism resources; ways to support the development of micro-industry or handicraft development; and the development of eco, or cultural tourism.

The component will help teams select a range of human development indicators based on environmental circumstances and cultural and socio-economic situations. Baseline indicators will be collected for practical case study, and methods for monitoring and analysis will be examined. The use of indicators to assess the impact of interventions and as a basis for refocussing poverty alleviation efforts will be demonstrated through implementation of village level monitoring mechanisms and development reporting. The existing SEAC database will be effectively used and extended to support baseline studies, progress/results monitoring and evaluations.

2.2.2. Component Two: Village-level micro-projects.

Four villages in Yunnan, and two each in Qinghai and Xinjiang will be targeted representing a range of different environmental, cultural and socio-economic scenarios. Criteria include: relative poverty levels of the local population, disaggregated by sex; relative accessibility in terms of geography and access to roads and basic services; potential for creating and sustaining micro-projects to alleviate poverty i.e possessing local resources or traditional crafts or skills.

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Community needs will be identified based on the SEAC Five Year Plan and the LGOP participatory plan at village level and, in line with village specifics, micro projects focussing on 'soft' interventions will be developed with local teams through participatory consultations. Interventions will be chosen that can be 'scaled-up'. Examples of micro-projects may be:

- the diversification of agriculture and development of agro-industrial ideas using by-products of agriculture, horticulture, animal husbandry, forestry and other natural products. This may include processing of locally available raw materials such as wool, leather, bamboo, banana stems, sugar cane, pina fibre from pineapple leaves, wood and herbal medicines. Animal husbandry by-products can produce horn, as well as leather products, or pashmina/wool products.

- flexible and targetted micro-credit facilities, supporting services and training;
- the development of handicraft and artisanal products for distribution (*Sub-programme Three*); or preservation of traditional architecture
- development of community-based tourism facilities, such as homestays
- the promotion of off-farm employment opportunities for income generation through vocational skills training and service-related activities such as local guides, small cafes etc;
- health or social service delivery improvements such as drinking water maintenance, village clinic practice delivery, or rural medical insurance cooperatives.

The Sub-programme will help strengthen or set up *self-governance committees at village level to ensure full local participation and ownership by stakeholders, both women and men*, with an emphasis on participatory approaches and innovation for poverty reduction. They may be linked with formal mechanisms i.e the rural medical care cooperative, rural credit cooperative and rural labour skill training programmes under the LGOP, MOLSS, MOA as well as NGOs. Good practices derived from these programmes may be shared and replicated through this programme.

Beneficiaries: Direct beneficiaries will be: local officers involved in poverty planning at county, township and village level through greater understanding and application of participatory needs-based poverty reduction approaches and methods; *women and men living in* communities in selected 'small' ethnic minority areas through developing income generating activities; benefits will percolate into the wider community. Indirect beneficiaries will be local institutional mechanisms and service providers through improved capacity to manage and anticipate needs-based poverty reduction methods based on scientific approaches, improve efficiency and see improved human development outcomes.

2. 3. Sub-programme Three: The Development of Tourism and Cultural Industries for Ethnic Minorities based on their Natural and Cultural Assets

The managed development of tourism and culture-based industries in ethnic minority areas is crucial to broad human development and poverty alleviation aims. It can help protect the cultural identity of ethnic minorities and can create a keener respect for the protection of natural resources. It can bring additional sources of income to the heart of local communities and can build and strengthen linkages between different sectors in the local economy. However, stakeholders are many - private operators, local communities, tourists, government bodies and environmentalists to name a few - and threats to host communities are real and can be irreversible.

Provincial/regional and local governments play a key role. They are responsible for coordinating different players and managing areas of public concern such as water, natural and cultural heritage and air quality. They can also develop tools, such as economic incentives to influence sustainability, land use planning and development controls, regulations, application of sustainability indicators, capacity building, or infrastructure provision, which guide and encourage good practice.

The Sub-programme will deliver strategies and plans for the development of tourism and cultural industries in ethnic minority areas and will strengthen support policy and regulatory institutions. It will create institutional and human resource capabilities at the provincial, prefecture and county level through inputs in upgrading techniques for local resources, training, design and research. Yunnan Province and Xinjiang Uygur Autonomous Region will be initial demonstration sites.

2.3.1. Component One: Strengthening Institutional Mechanisms

With interface from Sub-programme One leaders and managers at provincial, prefectural and county level involved in the development of tourism and cultural industries will be selected for sector-focussed training and fellowships.

Strategy and Action Plans. A wide range of stakeholders will join the process to secure long-term commitment. Supported by the Provincial Coordination Group (PCG) a mechanism will be set up to include: Provincial Ethnic Affairs Commission, Department of Science and Technology, Development and Reform Commission and other planning agencies, Poverty Alleviation and Development Office, Bureau of Tourism Administration, cultural and tourism enterprises, NGOs, civil society, academies or university research departments etc. Surveys, consultations, technical studies, and data collection and analysis will be carried out alongside a broad range of participatory forums such as open meetings, stakeholder workshops, or involving local media, to help to analyse the situation and identify problems and opportunities. National and international specialists will support the process. Provincial SEAC will partner with the local Bureau of Tourism to implement the strategies and action plans.

Government and stakeholders will be encouraged to reach consensus on an appropriate vision and broad objectives taking into consideration for instance: local prosperity; employment opportunity and quality; community well-being; cultural richness and local control within ethnic minority areas. Strategic choices on the level and nature of tourist activities will lead to the development of specific policies and action plans which will include: lead agencies; approximate resources; targets timescale and monitoring.

To ensure sustained implementation, concrete proposals for strengthening support policies, regulations and institutions at the provincial and local level will be developed such as in the areas of entrepreneurship, credit, training, quality and customer care, and environmental management as well as legal protection for cultural assets (designs and patterns), harmonizing conflicting policies, ensuring that development is 'culturally sensitive', and ensuring ongoing dialogue between stakeholders.

The Sub-programme will encourage the development of local area-specific tourism and cultural products strategies and related policies including: local objectives and priorities; resource opportunities and constraints; destination identity and branding; tourist sights and attractions and destination marketing. A related part of the process will involve the identification and planning of community-based demonstration projects. Planning and proposed institutional strengthening measures will be completed and tested in the first year of the Sub-programme and implemented in the second year.

Partnership-based Provincial Organisation. The sub-programme will pilot the initiative of a public-private partnership-based enabling provincial organization as a focal point to help address demand for quality minority products, to support sustainability in terms of product development and training, and to demonstrate how downstream product development can be enhanced and connected to upstream marketing and distribution functions. Responsibilities will include:

- Specialised provincial emporiums and outlets at airports and capital cities
- Promotional programme for cultural tourism
- advisory facilities with the possibility of training, production, and research in design and marketing promotion
- Design and aesthetics and related trainings will be conducted by using local and international expertise, design centres for production of prototypes in the field or regional headquarters;
- The focal point at the provincial and/or regional level will connect the provincial/regional network of producers with the market place in a supportive

environment for culture craft production, for channelling programmes and for giving a concentrated exposure to the richness and diversity of ethnic minority culture.

Following a detailed risk analysis and strategic preparations, SEAC will coordinate with other partners such as the national/provincial tourism, education and training, cultural, industrial and commercial bureaus, NGOs such as the Women's Federation, and major private sector organizations in the retail, hotel, airline and banking sectors to develop associations related to cultural tourism. Such kind of association may be staffed by appropriate experts (including volunteers with expertise in craft skill and small tourism enterprise development) and could be funded by in kind and project-by-project assistance from partners, especially the private sector. The established associations will be operated along business lines with the business plan aimed at making them self-financing after four years. An end result may be the establishment of an Ethnic Culture Development Foundation with additional funding support, to be mobilised.

2.3.2 Component Two: Demonstration

Once institutional support mechanisms are in place, this component will demonstrate how ethnic communities at the village and township level can use the institutional structures and market linkages for their benefit. It may inter-link with Sub-programme Two in selecting one of those areas as a demonstration model. It will seek to develop value added tourism and cultural products that can be of practical benefit in reducing poverty as well as support natural and cultural heritage. After a detailed baseline needs assessment, it will work with national and international specialists and designers, architects for cultural tourism, fashion designers, home furnishing or commercial products designers and specialists in the hospitality industry, or services to ensure high quality and originality. Examples of micro-projects may include: transformation of architecture; local artefacts for decoration and use; craft development; linen; wool, pashmina; carpet and tapestry weaving.

Demonstration sites in Yunnan Province and Xinjiang Uygur Autonomous region will cover at least five town-village clusters² (may be from different ethnic minority groups), to ensure that participation mechanism of village communities in cultural industry development is tested and that the production of sufficient volume and diversity of cultural products can command leverage in the distribution chain. Micro-projects may also consider well-chosen eco-tourism developments, facilities for homestays or trekking opportunities. The demonstrations will be developed and implemented between year two and three of the Sub-programme. Scaling up will occur on two levels 1) at the provincial level replicating institutional support structures, and 2) at the community level in adapting and scaling up demonstration projects. Synergies will be sought from the on-going programmes mentioned in Page9 through sharing best practices, lessons learned and relevant resources where applicable.

The **beneficiaries** of the Sub-programme will be: (1) existing artisans and young **women** and **men** living in ethnic minority town-village clusters who will receive enhanced capacities through training to establish and operate tourism and cultural industry enterprises at the village and town level; and (2) government officials at the national, provincial/regional, prefecture and county level whose capacities to support the endeavours of ethnic minorities in developing cultural industries will be enhanced. The **final beneficiaries** will be **women** and **men** in ethnic minority villages and towns (giving special attention to young unemployed men and women and disabled persons) who will receive enhanced capacities for working in village and town-based tourism enterprises and in the production of cultural products.

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2.4 General Principles for implementation

The programme will consider the principles of poverty alleviation and sustainable environment with the overriding principle to put the needs of minorities first, to encourage participation in decision making and to develop strong and effective partnerships.

Criteria for selection will be to:

- 1) Focus on ethnic minority areas of China;
- 2) Priority given to poor minority areas and minority groups but not exclusively;
- 3) Involve voluntary participation of ethnic minorities and local ethnic communities;
- 4) Take full cognisance of gender issues and women's development;
- 5) Include equal partnership between the ethnic community and other project stakeholders.

Ethnic minority and gender sensitivity. The project shall focus on the western region with large ethnic minority areas and communities that are ecologically fragile, economically fallen behind, politically sensitive and geographically remote. Reaching out to these communities to alleviate their conditions requires a tailor made approach. Meanwhile, with respect to gender, these areas and communities are characterized by customs and traditions that assign rigid gender norms and roles, making women solely responsible for household chores and care work, and giving them less access to and control over resources and decision-making at family and community level. Women's engagement in income generating activities together with their role as primary care givers pose double and often triple burden on them. The minority group women may suffer more from exclusion of their own groups, and thus have even more difficult access to opportunities. Therefore, it is imperative to bring to the process of the project implementation understanding that none of the ethnic groups will benefit from the intervention automatically unless there is a specific effort to identify and address the needs of women and men. It is also important to keep in mind that the project will take into account, in the process of its execution, monitoring and evaluation, interests and needs of both, women and men, as they differ. Qualitative and quantitative indicators for monitoring will be established with the commencement of the project and formulation of the Work plan.

These modality and principles established will be replicable and capable of dissemination to other rural areas of China.

2.5 The application of Information and Communication Technologies (ICTs)

ICT will be used as a new delivery system of technological and market information in the programme. Experiences world-wide demonstrates that progress in Information and Communication Technologies (ICTs) offers viable solutions to effectively address limitations in the out-reach of communication networks. The continuing rapid development of telecommunications and computer-based information technology will be a big factor for change which will facilitate and reinforce other changes. This will be especially so in the lagging ethnic minority areas in China. While, existing facilities in ethnic areas are not put to the use of local communities to cater to the broader information needs of households, some technological information transmission is wanted to improve productivity in ethnic areas, market information channels for livelihoods, cultural and tourist products as well as income generating activities. The establishment of community information centres or equipment of ICT will help strengthen communication practices with local communities and seek expert advice on means through which more needed information can flow effectively to ethnic minorities and communities.

2.6 Synergies with other relevant programs

In the phase of project implementation, synergies will be identified and established with the existing UNDP programs, in particular the following projects for lessons learnt and resource sharing in terms of sharing experts, joint workshops and seminars and so on. Synergies may

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² A typical cluster = one town with 4-6 villages

[be also sought from other relevant programmes of other UN agencies like UNESCO and UNICEF and other international communities such as World Bank](#)

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- UNDP/ PRC Government leadership and capacity building programmes. These programmes include Advanced Leadership Development for Xiaokang Society, Human Resource Development in the Northeast and Western Areas of China and Government Capacity Building for Xiaokang Society. Leadership training is at the centre of the programme activities. Relevant knowledge and experiences and lessons learned through those programmes can be shared and transferred to policy-making and implementation in this programme. Study tours, training courses and contents at similar level and similar audiences amongst these programmes will be organized to seek synergies.

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- UNDP/TAR (Tibetan Autonomous Region) poverty and development programmes are another source for synergies with this programme. Two UNDP/Tibet programmes- Integrated Artisan Development in Tibet and Tibet Development and Poverty Alleviation Programme offer good basis for sharing knowledge and resources with the programme. Specifically, big synergy potential exists in such areas as the development of cultural tourism and poverty reduction for ethnic minorities, including best practices sharing in handicrafts development, trade and artisan training.

- UNDP/MOST ICTs for rural poverty reduction project. The programme may have a first insight as to how to establish the connectivity of the village telecentres and how ethnic residents use them for market information access. Study tour can be organised to the pilot centres of the programme sites. The ICT project has confirmed that new technology application can be accepted and adopted by poor rural households. The project is a powerful show-case in using the ICT tools to provide market related information with strong quantitative evidence of increased income of the sample households.

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2.7 Programme Outcome, Outputs and Key activities

Sub-programme One: Leadership Development for Poverty Reduction in Ethnic Minority Areas *(all areas)*

Outcome 1: Enhanced institutional capacity to apply modern planning and human development methodologies for poverty reduction in ethnic minority areas.

Output 1.1. Leadership training programmes (provincial, prefectural, county level) developed and gender-balanced 400 leaders trained.

Output 1.2. Management and coordination of programme implementation and reviews, policy recommendations on key methodologies and systems for poverty reduction in ethnic minority areas.

Key activities: carry out training needs analysis and draw up schedule and content of trainings; carry out trainings and fellowships – 400 leaders to be trained over four years (10 provincial, 90 prefectural and 300 county level leaders); set up Provincial Coordination Group (PCG) in two key provinces, Xinjiang and Yunnan to provide overall coordination and review functions and to strengthen synergies among sub-programmes and other UNDP and government relevant programmes; coordinate and review programme activities and draw up draft policy paper for endorsement.

Sub-Programme Two: Community-based Poverty Reduction for Small Ethnic Minorities *(Yunnan, Xinjiang and Qinghai)*

Outcome 2: Systems to support poverty reduction in line with identified village level needs in targeted ethnic minority areas, enhanced.

Output 2.1. Improved capacity of mid-level officers (county, township, village) to coordinate, implement and assess needs-based change for poverty reduction.

Key activities: set up provincial level office; identify and select groups of county to village level officers; compile training packages mixing theoretical with practical case study; deliver training.

Output 2.2. Poverty alleviation approaches demonstrated in eight villages in three provinces.

Key activities: analysis of selected villages and short list of possible micro-projects; set up management structure at township/county level; support development of community level groups; micro-project implementation demonstrating linkages with institutional structure and replicate best practices.

Sub-Programme Three: The Development of Tourism and Cultural Industries for Ethnic Minorities Based on their Natural and Cultural Assets (Yunnan and Xinjiang)

Outcome 3: More supportive institutional environment and improved local capacities for ethnic minorities to benefit from the sustained development of tourism and cultural industry products using locally available natural and cultural assets.

Output 3.1: Provincial/regional strategies and action plans for sustainable tourism and cultural development adopted and institutional mechanisms for support developed.

Key activities: review and evaluate existing institutional structures; preparation of strategies and actions plans through surveys/consultations etc; baseline needs analysis.

Output 3.2: Partnership-based product development support association as pilot initiative set up in Yunnan Province and identified for Xinjiang Uygur Autonomous region.

Key activities: risk analysis and strategic planning; set up public/private partnership based enabling organisation to support arts and crafts production.

Output 3.3: Basis for the implementation of the demonstration sites developed

Key activities: organise design workshops and recruit specialists; develop and trial training programmes in demonstration provinces.

Output 3.4: 5 tourism ventures and 5 cultural enterprise workshops established in 5 town-village clusters in Yunnan and Xinjiang

Key activities: establish marketing, branding, pricing structures etc; operation of one ethnic minority cultural product display and survey; and identify and replicate best practices.

Output 3.5: Up-scaling of institutional support mechanisms and demonstration sites.

2.8 Partnership Strategy

The successful implementation of the programme will depend on the development of effective partnerships between numerous different agencies at multiple levels. Partnerships will be pursued with national and local agencies, as well as international partners to enrich and further programme aims. *The National Programme Steering Committee and the Provincial Coordination Group at central and provincial levels will be the vehicles through which strong partnerships and sub-programme synergies can be achieved and enabled.* Key partners will be:

State Ethnic Affairs Commission (SEAC): China has adopted a system of regional autonomy for ethnic minorities in its constitution that provides the basic legal framework for matters dealing with ethnic minorities in the country. The State Ethnic Affairs Commission (SEAC), which is a member of the State Council, has been created to manage ethnic minority affairs at all levels. SEAC formulates national policies towards ethnic minorities in the fields of law, economy, culture, education. Efforts have gone into supporting ethnic cadres development policies with CCCPC and Ministry of Personnel and to incorporate ethnic cadres development into the nations mid and long term development planning, to offer training through Central Institute for Ethnic Cadres and 6 ethnic universities. SEAC universities may support training such as: designers in developing ethnic minority products; architects and landscape architects; development of courses in weaving, printing, embroidery. SEAC's publishing house may support production of commercial catalogues or publications.

The State Council's Leading Group Office for Poverty Alleviation and Development (LGOP) was set up in 1986 to provide greater coherence to the large number of poverty reduction initiatives and to expedite economic development in poor areas. It is responsible for the overall success of China's poverty reduction programme and for coordination of the poverty reduction activities of other government ministries and agencies. The LGOP and its executive agency the Poor Alleviation and Development Office (PADO) which extends down to county and township levels, is the principal advocate of China's rural poor. Most poor provinces, prefectures and counties have established Leading Groups and PADO's after the central model, many townships have at least one 'designated person' to handle poverty reduction work. LGOP will be a major programme partner throughout project implementation particularly where programme interventions take place at local level.

NGO's and Civil Society Organisations: Much poverty alleviation work in poor ethnic minority areas is undertaken by national NGO's and CSO's who have built up extensive knowledge and expertise at the local level. The Women's Federation will be a key ally. NGOs and CSOs will support programme activities: at the community level; for support in delivery of micro projects.

The Private Sector will be a valuable partner. Private sector bodies, individuals and business associations will be pro-actively drawn into activities wherever relevant and possible. Such as in: the development of tourism and cultural industries; supporting the development of community-based science and technology poverty reduction activities.

Other partners to include: National and international universities or training institutes, colleges or research bodies; specialists, visiting professors or individuals; local partners with a national network, particularly local offices i.e agricultural bureaus, statistics bureau, Women's Federation, NGO's and CSO's, tourism and culture bureaus; the China National Tourism Administration, the Cultural Ministry, Ministry of Personnel, the Construction Committee, the National Development and Reform Commission, the World Tourism Organization; the ADB/UNESCO and DFID Greater Mekong Subregion (GMS) project and other relevant international or national programmes.

Part 3. Management Arrangements

The programme will be executed on behalf of the government by China International Center for Economic and Technical Exchange (CICETE) of the Ministry of Commerce according to NEX manual. The Programme will be implemented by the State Ethnic Affairs Committee (SEAC).

In line with overall programme objectives to build up and support synergies between different Sub-programmes, a National Programme Steering Committee will be established. It will be co-chaired by Vice Ministers of SEAC, Director General of CICETE and UNDP Resident Representative. The Committee will supervise the implementation of the overall programme, review, evaluate and approve outputs, coordinate inputs of related agencies, and communicate outputs to appropriate agencies.

A National Programme Management Office (NPMO) will be established within SEAC. The NPMO will consist of one National Programme Director (NPD) and one National Programme Manager (NPM), technical advisers, and support staff (2-3).

There will be a National Programme Director (NPD) from SEAC. The NPD will be responsible for endorsing and overseeing all capacity building activities, implementation of demonstration sub-projects and dissemination activities. A particularly important role will be in co-ordinating sub-programme activities to ensure efficient and effective use of project resources.

The NPD will be supported by appointed National Programme Managers (NPM) for day to day management.

In view of the scale and complexity of this programme and implementation of the programme largely at provincial level, the direct involvement and support of provincial governments is critical for achieving expected results. As part of Sub-programme One, Provincial Coordination Groups (PCGs) will be set up in two key target provinces, Xinjiang and Yunnan. They will be led by provincial/regional governors and local leaders who are expected to play a key role in programme implementation. The PCG will streamline coordination between the different Sub-programme activities and players and will support implementation and review and dissemination functions at provincial level.

PMOs will be established for day to day management of pilot sites depending upon needs at provincial, prefectural and county level. They will support and be supervised by the Provincial Coordination Groups and/or the NPMO.

An International Chief Technical Advisor (CTA) will be recruited to provide technical support to Sub-programme One. He/she will also lead the team of Programme Technical Advisors: one each for the three Sub-programmes. The team will provide technical support and back-up and will ensure that technical aspects of the project are undertaken at the required standard within time and budget. Alongside international and national consultants, special importance will be paid to the utilisation of experts and consultants from ethnic minority groups to assist with programme implementation.

The World Tourism Organisation (WTO) will act as a technical resource to support Sub-programme Three in areas of 1) provincial strategy and planning; 2) capacity building of the proposed non-profit associations for cultural industry and tourism development, and the provincial market network building; 3) community demonstrations.

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Part 4. Monitoring and Evaluation

Monitoring and evaluation (M&E) of the project will be undertaken in line with the UNDAF results matrix and monitoring and evaluation plan.

Project monitoring and evaluation (M&E) will be conducted with focus on outcomes and outputs of interventions, institutional results and partnerships, policy advice and dialogue, advocacy and coordination. The M&E should aim at the following key objectives: 1) focus on results at two levels: at output level, the specific products and services from the Project; at outcome level, in which the Project has contributed to overall institutional capacity and supporting system of modern planning, human and community development for poverty reduction specially targeting poor and small ethnic communities, young and women minorities in particular. 2) to enhance management efficiency and effectiveness of the project and ensure consultation/participation of all stakeholders and 3) to not only focus on assessment of progress and sustainability of the project, but also on experiences and lessons learnt to support more informed decision-making and dissemination of project results.

Monitoring progress towards achievement of programme outcomes and outputs will be undertaken at both the level of the overall project, and at the individual pilot level where gender-sensitive indicators will be included. Project management will invite the direct involvement and support of provincial and local level government on an ongoing basis to enhance monitoring and evaluation activities. The extent to which the desired outcome of the project has been achieved will be monitored through a system of M & E activities, annual work plans and budgets, and peer group review and evaluation.

UNDP, CICETE and SEAC will invite the National Programme Steering Committee and the Project Expert Group to annual review meetings to evaluate project progress, results, experiences and lessons learned during project implementation and work plan for the following years. The annual review will be a tool to ensure periodic assessment on whether the approach and interventions will produce the expected outcomes. The NPMO will support convening of the review meetings and will assist SEAC, the provincial governments with pilots to prepare annual Project reports.

Monitoring visits will be conducted by UNDP and CICETE to assess project progress and results through consultations with relevant stakeholders and beneficiaries. The Project Managers will prepare quarterly project updates to support day to day monitoring and implementation, as well as information sharing among concerned parties. Peer reviews will be conducted on views and experiences of project participants and beneficiaries regarding demonstration results and capacity building activities. Case studies on lessons learned should be collated and shared regularly during project duration and at the end of the project to scale up.

CICETE will provide periodic reports (annual review) on the progress, achievements and results of their projects, outlining the challenges faced in project implementation as well as resource utilization as articulated in the AWP.

Part 5. Legal Context

This document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of the People's Republic of China and the United Nations Development Programme, signed by the parties on 29 June 1979. The reference to "Implementing Partner(s)" shall mean "Executing Agency (ies)" as used in the SBAA.

Part 6. Funding

The total budget for the project is US\$ 7.0 million of which US\$ 2.0 Million is from UNDP, and US\$ 5.0 million is committed from the Chinese Government co-financing contribution. The programme will also seek further interested partners and continuously mobilise resources.

Government co-financing:

The co-financing will cover the following:

- Identification and preparatory work of each sub-programme, including workshops and trainings;
- Costs of short-term domestic experts;
- Short term study tours and trainings: covering participants' accommodation, allowance and travel costs in China;
- Workshops: travel costs, accommodation, allowance, venue costs;
- Overseas trainings: travel costs of some trainees, domestic costs related to application and preparation;
- Costs of demonstration or piloting activities;
- Follow up of actions recommended by the programme, incl. holding dissemination workshops, printing workshop materials;
- All necessary resources to facilitate programme management and sub-programme implementation;

SEAC and local government US\$ 5,000,000

Subtotal **US\$ 5,000,000**

In-Kind Contributions of the Government to cover:

- Personnel for the national programme coordination office and for the two project management offices that will implement the demonstration component of the sub-programme.
- Office building, rental costs in the pilot locations.

UNDP Inputs:

- International and national consultants and resource persons;
- Support technical services, training activities, study tours, symposiums and workshops;
- Monitoring and evaluation;
- Material and equipment to a limited degree; and
- The costs of review meetings and evaluations.

Inputs: **US\$ 2,000,000**

Programme Funding Total: **US\$ 7,000,000**

Budgeting breakdown for the three Sub-programmes is as follows:

Sub-programme One: **US\$ 1,870,000**

Sub-programme Two: **US\$ 2,730,000**

Sub-programme Three: **US\$ 2,400,000**

Total budgeting: **US\$7,000,000**

Detailed budgeting for these programme activities is in Part 7 - Programme Results and Resources Framework.

SECTION II – RESULTS AND RESOURCES FRAMEWORK

Part 7. Programme results and resources framework

<p>Intended Outcome as Stated in the UNDP Country Results Framework: Achieving the MDGs and Reducing Human Poverty.</p>
<p>Outcome Indicator as stated in the Country Programme Results and Resources Framework: Focus Area 1.3. Growth with equity is integrated into national development policies and plans;</p>
<p>Applicable MYFF Service Line: 1.2. Pro-poor policy reform to achieve MDG targets.</p>
<p>Key programme partners: State Ethnic Affairs Committee (SEAC). Sub-programme partners will include: 1) NDRC, National and international specialists; specialist research bodies and training institutions; universities and academic bodies 2) LGOP; Women’s Federation; local organizations and NGOs or CSOs; local sector bureaux 3) WTO, China National Tourism Admin., Cultural Ministry, DFID, World Bank and ADB, tourism and cultural enterprises etc.; 4). Provincial partners; local government, PADO; Sichuan University; research institutes; CASS; farmers groups and technology providers in particular. Programme activities will also seek to include: the private sector; business associations; local research and training institutes and universities, NGOs and civil society.</p>
<p>Project Title and ID: Comprehensive Poverty Reduction based on Cultural and Natural Resources in Ethnic Minority Areas of China</p>
<p><u>Sub-programme One: Leadership for Poverty Reduction in Ethnic Minority Areas</u> Outcome 1. Enhanced institutional capacity to apply modern planning and human development methodologies for poverty reduction in ethnic minority areas. <i>Baseline:</i> Limited leadership capacity in ethnic minority areas to create a supportive environment for change in line with human development goals. <i>Indicators:</i> 400 leaders (women and men, and young cadres) in ethnic minority areas exposed to modern management methods for needs-based poverty reduction</p>
<p><u>Sub-programme Two: Community-based Poverty Reduction for Small Ethnic Minorities.</u> Outcome 2: Systems to support poverty reduction in line with village level needs in targeted ethnic minority areas, enhanced. <i>Baseline:</i> Limited capacity at county, township and community levels to implement and assess needs-based poverty reduction interventions. <i>Indicators:</i> More transparent systems and methods of needs-based planning and assessment in place in focus areas; improved human development outcomes in target villages.</p>
<p><u>Sub-programme Three: The Development of Tourism and Cultural Industries for Ethnic Minorities based on their Natural and Cultural Assets.</u> Outcome 3: More supportive policy and institutional environment and improved local capacities for ethnic minorities to benefit from the sustained development of tourism and cultural industry products using locally available natural and cultural assets. <i>Baseline:</i> Weak institutional support for ethnic minority area tourism/cultural products development at provincial/local level; limited mechanisms and opportunities for products to find a market for income generation; limited capacity at village level to benefit from indigenous cultural/natural resources.</p>

Indicators: Tourism Strategies and Action Plans developed in two provinces and support mechanisms demonstrated; public-private partnership association tested to support growth of ethnic minority cultural industries for increased income generation; tourism/cultural industry products developed

Intended Outputs	Output Targets	Indicative Activities	Inputs US\$
Sub-Programme One: Leadership Development for Poverty Reduction in Ethnic Minority Areas			
<p>Outcome 1 related outputs 1.1 Leadership training programmes for provincial, prefectural and county level leaders developed and 400 leaders trained</p>	<p>Training needs analysis by third quarter 2006</p> <p>Schedule developed in fourth quarter 2006</p> <p>Agreements with trainers by fourth quarter 2006</p>	<p>1.1.1. Hire CTA and carry out training needs analysis to map existing knowledge and capacities of leaders and survey current training programmes including for sub-programme two and three</p> <p>1.1.2. Draw up schedule of study tours based on selected focus areas i.e leadership and management for needs-based poverty reduction, tourism and culture based industry for poverty alleviation etc. Identify national/international trainers or suitable host institute/university. Select and brief participants.</p> <p>1.1.3. Contract with training institutions and oversight of design and development of content and materials and curriculum including: integration of human development methodologies into strategic planning for poverty reduction; decision-making; participatory approaches; <u>gender awareness</u>; coordination; risk assessment; development of institutional support mechanisms for i.e tourism and cultural industries of benefit to local communities etc.</p>	<p>\$80,000 (UNDP: \$60,000, Gov't: \$20,000)</p> <p>\$25,000 (UNDP: \$15,000, Gov't: \$10,000)</p> <p>\$90,000 (UNDP: \$80,000, Gov't: \$10,000)</p>
	<p>1st Set of trainings 1st half 2007</p> <p>2nd Set of trainings through 2nd half</p>	<p>1.1.4. Organise Year One set of trainings: 1 overseas study tour for 30 leaders + 2 domestic trainings for 50 based on needs assessment; work alongside trainers to familiarize them with training contents(total: 3 overseas study tours for 90 leaders + 6 domestic training and study tours for 310 cadres over 3 years).</p> <p>1.1.5. Compile list of 'alumni' and find ways in which participants can link with programme activities</p> <p>1.1.6. Year Two set of trainings</p>	<p>\$425,000 (UNDP: \$130,000, Gov't: \$295,000)</p> <p>\$30,000 (UNDP: \$20,000, Gov't \$10,000)</p> <p>\$410,000 (UNDP: \$120,000, Gov't: \$290,000)</p> <p>\$40,000 (UNDP: \$20,000,</p>

<p>Output 1.2. Management and coordination of programme implementation and reviews, recommendations for policy papers on key methodologies and systems for poverty reduction in ethnic minority areas.</p>	<p>2007, 1st half 2008 and dissemination</p> <p>3rd Set of training though 2008 and 1st half 2009 dissemination 2nd half 2009</p> <p>set up PCG in two provinces in 3rd quarter 2006</p>	<p>1.1.7. Dissemination of trainings: workshops/seminars at local level</p> <p>1.1.8. Year Three set of trainings and dissemination</p> <p>1.1.9. M + E (incl. terminal)</p> <p>1.2.1 Organise inception mission and workshop</p> <p>1.2.2 Set up Programme Management Office (PMO), and Provincial Coordination Group (PCG) in Yunnan and Xinjiang; Hold regular review/coordination meetings and report</p> <p>1.2.3 Draw up detailed evaluation/review report to feed into draft policy papers and recommendations</p>	<p>Gov't: \$20,000) \$400,000 (UNDP: \$105,000, Gov't: \$295,000) \$70,000 (UNDP: \$45,000, Gov't: \$25,000)</p> <p>\$265,000 (UNDP: \$250,000, Gov't: \$15,000)</p> <p>\$35,000 (UNDP: \$25,000, Gov't: \$10,000)</p> <p>TOTAL: US\$ 1.87 million (UNDP: \$870,000, Gov't: \$1,000,000)</p>
<p>Sub-programme Two: Community-Based Poverty Reduction for Small Ethnic Minorities</p>			
<p>Outcome 2 related outputs</p> <p>2.1. Improved capacity of mid-level officers (county, township, village) to coordinate, implement and assess needs-based change for poverty reduction</p>	<p>Hire TA end of 2nd quarter 2006</p> <p>Identify trainees by 3rd quarter 2006</p> <p>Draw up training programme by 2nd half 2006</p> <p>From beginning</p>	<p>2.1.1 Inception meeting and hire programme technical advisor</p> <p>2.1.2 Establish national, provincial level and local offices</p> <p>2.1.3 Identify and select groups of county, township and village level officers in charge of poverty reduction in three provinces (LGOP, Agric. bureau, Science/technology, tourism, culture etc) for training. Initial focus on eight villages linking with micro-project design and implementation</p> <p>2.1.4 Compile and design training packages based on real case studies and background of groups i.e provincial/local environment, health, cultural, socio-economic contexts; select locally-relevant indicators for training content.</p>	<p></p>

	<p>2007 to end 2008 delivery of training and linkage with micro-projects</p> <p>2nd half of 2009 M+E and areas for scale-up identified</p>	<p>2.1.5 Select training venues and plan training programs, identify trainers</p> <p>2.1.6 Deliver training through provincial or prefectural level down to community level workshops and seminars, giving a mix of theory and practical problem solving case studies for poverty alleviation; linkages with micro-projects as practical case study, study of assessment methods.</p> <p>2.1.7 Feedback and evaluation</p>	<p>\$80,000 (UNDP: \$60,000, Gov't: \$20,000)</p> <p>\$100,000 (Gov't: \$100,000)</p> <p>\$70,000 (UNDP: \$50,000, Gov't: \$20,000)</p> <p>\$90,000 (UNDP: \$70,000, Gov't: \$20,000)</p>
<p>2.2. Poverty alleviation approaches demonstrated in 8 villages in four provinces</p>	<p>Analysis of villages and short-list of micro projects by end 2006</p> <p>Begin implementation by end 2006 through to 1st half 2009</p> <p>Dissemination in 2009</p> <p>Final Report by end 2009</p>	<p>2.2.1. Carry out detailed analysis of 8 village sites in three provinces, Yunnan, Qinghai and Xinjiang taking into consideration local conditions, constraints, possible micro-projects, design etc; short-list of projects sites and micro-project documents including local partners and management arrangements, for approval by Steering Committee</p> <p>2.2.2 Formation of village project committees and set up of management structure at township and county levels</p> <p>2.2.3 Micro-project implementation with regular monitoring and adjustment - linkages created with institutional structures. Identification and approval of micro-credit institutions</p> <p>2.2.4 Dissemination of experiences at workshops and meetings, identification of scale up areas</p> <p>2.2.5 Monitoring and evaluations incl. terminal reviews and final reporting.</p>	<p>\$90,000 (UNDP: \$50,000, Gov't: \$20,000)</p> <p>\$30,000 (UNDP: \$20,000, Gov't: \$10,000)</p> <p>\$30,000 (UNDP: nil, Gov't: \$30,000)</p> <p>\$2,140,000 (incl. \$260,000 micro credit facility) (UNDP: \$260,000, Gov't: \$1,880,000)</p> <p>\$90,000 (UNDP: \$70,000, Gov't: \$20,000)</p> <p>\$70,000 (UNDP: \$50,000, Gov't: \$20,000)</p>

			\$30,000 (UNDP: \$10,000, Gov't: \$20,000)
			TOTAL: \$2.73 million (UNDP: \$600,000, Gov't: \$2,130,000)
Sub-programme Three: The Development of Tourism and Cultural Industries Based on the Natural and Cultural Assets of Ethnic Minorities			
Outcome 3 related outputs			
3.1 Provincial/regional strategies and action plans for sustainable tourism and cultural development adopted and institutional mechanisms for support developed.	Leaders training developed by mid 2006 for 2 nd half 2006	3.1.1 Hire programme technical advisor and Inception Meeting	\$100,000 (UNDP: \$45,000, Gov't: \$55,000)
	By 2 nd half 2006	3.1.2 Through interface with Sub-programme One identify provincial to county level leaders for focused study tour or trainings in tourism and culture-based industries development and support	\$40,000 (UNDP: \$10,000, Gov't: \$30,000)
	review of institutional framework	3.1.3 Set up coordination mechanism and local programme offices in two provinces	\$75,000 (Gov't: \$75,000)
	Drafting of strategies and action plans by end 2006	3.1.4 Review and evaluate existing institutional policies, regulations, structures and human resources with proposals and recommendations for improvements to the existing institutional framework	\$65,000 (UNDP: \$25,000, Gov't: \$40,000)
	Product development and preparation through 2007 to 2008	3.1.5 Preparation of provincial/regional ethnic minorities strategies and action plans: carry out surveys, consultations, technical studies etc. and hold workshops, open meetings to invite participation and reach broad consensus on strategic choices and specific policies and action plans.	\$140,000 (UNDP: \$40,000, Gov't: \$100,000)
	Dec 2007 adoption of strategies etc	3.1.6 Baseline needs analysis, spell out type of tourism and skills, role of architecture, cultural products and prepare product development, market positioning, branding, promotion and distribution strategies, action plans and TOR for institutional support arrangements for the development of ethnic minority tourism and cultural products and services in the two demonstration provinces/regions.	\$200,000 (UNDP: \$59,000, Gov't: \$141,000)
		3.1.7 Risk analysis and strategic preparation, adoption of Strategy and Action Plans: Coordination Committee	\$ 50,000 (UNDP: \$25,000, Gov't: \$25,000)

<p>3.2 Partnership-based product development support association initiated and operating in Yunnan Province and identified for Xinjiang Uygur Autonomous Region;</p> <p>3.3. Basis for the implementation of demonstration site models developed including: product development and marketing strategies for demonstration site locations; trial art and craft skills training programs operating in one vocational school in the two demonstration sites.</p> <p>3.4 Five tourism ventures and five cultural enterprise workshops established in 5 town-village clusters in Yunnan Province; product and Marketing Support Association established in Xinjiang Uygur Autonomous Region; 5 tourism ventures and 5 cultural enterprise workshops established in 5 town-village clusters in Xinjiang Uygur Autonomous Region</p>	<p>Set up support association in 2nd half 2007</p> <p>Detailed mid-term review 2008</p> <p>Identify focus areas and specialists, carry out training from early 2007 into 2008</p> <p>By end 2007 start to realise linkages of ethnic community and products with market in support structure and working of outlets, trialling through 2009</p>	<p>3.2.1 Trial one provincial/regional level public-private partnership-based product development and marketing support association in the capital city of each demonstration area – with plans for emporium and outlets to showcase ethnic minority work, to support traditional arts and crafts production, offer micro credit etc.</p> <p>3.3.1 Organise domestic and overseas study tours and design workshops to discuss and expose the local officials and businesses to the true traditions and the level of authenticity and aesthetic standards</p> <p>3.3.2 Recruit specialists (architects for cultural tourism, fashion or commercial designers) for technical training; financial support (credit, design, materials and training in small-scale business operations, marketing, etc.); develop and trial installation of cultural industries craft training programs in one or more vocational training schools in two demonstration provinces/regions to revive traditional craft skills of ethnic community artisans.</p> <p>3.4.1 Establish and implement product pricing, product quality, branding, distribution, promotion (Campaigns to attract tourists by having promotional programme using the media and other means), partnership, contractual, and income sharing mechanisms between community artisans and marketing agencies/associations in each demonstration area, incl. testing micro-credit to support <i>community business</i>.</p> <p>3.4.2 Establish and operate one main city-based ethnic minority’s cultural product display/ emporium for each demonstration area, testing connectivity with pilot town-village clusters. Rapid survey and collection of local products from ethnic communities. Build linkage of production with marketing outlets to get feedback from the market.</p>	<p>\$310,000 (UNDP: \$50,000, Gov’t: \$260,000)</p> <p>\$140,000 (UNDP: \$40,000, Gov’t: \$100,000)</p> <p>\$186,000 (UNDP: \$86,000, Gov’t: \$100,000)</p> <p>\$469,000 incl. \$200,000 of micro-credit seed fund (UNDP: \$80,000, Gov’t: \$389,000)</p> <p>\$535,000 (UNDP: \$20,000, Gov’t: \$515,000)</p>
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3.5. Up-scaling of demonstration sites	Dissemination and scale-ups on institutional and community levels prepared by end 2009	<p>3.5.1 Dissemination and preparation of replication plans to other Autonomous countries in the provinces and regions of China.</p> <p>3.5.2 Assessment on possibility of the establishment of a cultural foundation and fund mobilisation</p> <p>3.5.3 Monitoring and evaluations incl. final evaluation and reporting</p>	<p>\$ 40,000 (UNDP: \$20,000, Gov't: \$20,000)</p> <p>\$ 50,000 (UNDP: \$30,000, Gov't: \$20,000)</p> <p><u>TOTAL: 2.4 million (UNDP: \$530,000, Gov't: \$1,870,000)</u></p>
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Part 8. Programme Work Plan

Expected Outputs	Indicative Activities	2006		2007				2008				2009				Resp. Partner/Indiv.
		3	4	1	2	3	4	1	2	3	4	1	2	3	4	
1. Sub-programme One: Leadership Development for Poverty Reduction in Ethnic Minority Areas																
1.1 Leadership training programmes for provincial, prefectural and county level leaders developed and 400 leaders trained	1.1.1 Training needs analysis	X														SEAC
	1.1.2 Plan schedule + identify host institutions/participants		X													SEAC/UNDP
	1.1.3 Develop content + curriculum		X													Consultants
	1.1.4 to 1.1.8 Training and overseas/regional study tours for 90 leaders, domestic training/ study tours for 310.			X	X	X	X	X	X	X	X					SEAC/Institutes; Universities; trainers etc.
	1.1.9 Monitor and Evaluate						X				X			X		
	1.1.10 Workshops and seminars												X	X		SEAC/ UNDP
1.2. Management and coordination of programme implementation and reviews, recommendations for policy papers on key methodologies and systems for poverty reduction in ethnic minority areas.	1.2.2 Set up Provincial Coordination Group in 2 key provinces; carry out review/ coordination and prepare draft policy papers and recommendations	X	X	X		X	X	X	X			X	X	X	X	
2. Sub-programme Two: Community-based Poverty Reduction for Small Ethnic Minorities																
2.1 Improved capacity of mid level officers to coordinate, implement and assess needs-based change for poverty reduction	2.1.3 Identify groups in three provinces	X														SEAC/LGOP/UNDP consultant
	2.1.4 Compile and design training packages	X	X													Consultant teams/SEAC/ LGOP
	2.1.6 Deliver training			X	X	X	X	X	X	X	X					Consultant teams
	2.1.7 Feedback + evaluation						X						X	X		
2.2. Poverty Alleviation approaches demonstrated in 8 villages in <u>three</u> provinces	2.2.1 Detailed analysis of needs, local socio-economic conditions	X	X													SEAC/LGOP/ UNDP/local partners
	2.2.2. Short list of sites and possible projects		X	X												
	2.2.3. Micro-projects			X	X	X	X	X	X	X	X	X	X			Local partners
	2.2.4. Evaluation and review					X		X		X		X				
	2.2.5. Dissemination and scale up												X	X	X	

Deleted: four

MYFF (2004-2007) Outcomes/Indicators	<u>Goal 1</u> . Achieving the MDGs and Reducing Human Poverty. Service Line 1.2: Pro-poor policy reform to achieve MDG targets. <u>Goal 3</u> . Energy and environment for sustainable development. Service Line 3.1: Frameworks and strategies for sustainable development
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