

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The coastal province of Jiangsu is a relatively well-to-do. Compared with the poorer western provinces that are covered by the Western Development Strategy, Jiangsu is not a priority for national and international development assistance. There are, however, three ongoing lending projects, including two from the World Bank and one from the Asian Development Bank (ADB), on water and sanitation. The World Bank-financed Jiangsu Water and Wastewater Project covers Yancheng, but it is limited to water supply. Although closed in 2008, the Wetland Biodiversity Conservation and Sustainable Use in China Project, funded by the United Nations Development Programme and the Global Environment Facility, merits mention as it included the Yancheng coastal wetlands as one of its four project sites in the People's Republic of China (PRC). The evaluation report rated the project generally satisfactory, but it was suspended in 2002, 3 years after commencement in 1999, for not achieving the expected results. It was subsequently redesigned and relaunched in 2005 and finally completed in 2008. The causes of the failure of phase 1 of that project included poor original design, management deficiencies, a narrow institutional focus in the executing agency that failed to tackle the underlying causes of loss of wetland function, and a flawed approach to subcontracting.¹

Table 1: Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Sector: Water and Sanitation			
ADB loan	Nanjing Qinhuai River Environmental Improvement Project	2007–2012	100.0
World Bank	Jiangsu Wuxi Lake Tai Environment Project	Programmed	150.0
	Jiangsu Water and Wastewater Project	2009–2014	100.0
Sector: Biodiversity Protection			
GEF–UNDP	Wetland Biodiversity Conservation and Sustainable Use in China	1999–2008	5.3

ADB = Asian Development Bank, GEF = Global Environment Facility, UNDP = United Nations Development Programme.
Source: ADB.

B. Institutional Arrangements and Processes for Development Coordination

2. ADB is committed to sharing sector information and experiences in partnership with its developing member countries and other development agencies. In line with ADB's support for the 2005 Paris Declaration and the 2008 Accra Agenda for Action, it has been actively harmonizing its policies, procedures, and practices with its key development partners through parallel implementation structures, technical working groups, and joint missions. In addition, ADB has supported global and regional efforts to enhance aid effectiveness.

¹ C. Vanpraet and X. B. Yu. 2009. *Terminal Evaluation Report of the UNDP-GEF-Government of China Project on Wetland Biodiversity Conservation and Sustainable Use in China*. New York: United Nations Development Programme.

3. In the PRC, development coordination is mainly by the central government. All development partners are requested to align their operations to support the implementation of a national development strategy as set in five-year plans for social and economic development approved by the People's Congress. ADB's Resident Mission in the PRC plays a key role in harnessing lessons learned for project processing and implementation, as well as sharing the knowledge and experiences with other development partners in the sector.

C. Achievement and Issues

4. Since 1992, coordination with major development partners has strengthened support for the 5-year plans of the PRC, strategic master plans, public awareness and education, financial and institutional strengthening, achieving the Millennium Development Goals, and other development results in the sector. ADB project teams regularly meet with major development partners of the PRC in the sector, such as the World Bank, to share project processing and implementation experiences.

5. The PRC's investment in pollution control and ecological protection has gradually increased from CNY700 billion in the Tenth Five-Year Plan, 1996–2000 to CNY1,400 billion, or 1.35% of the gross domestic product (GDP), in the Eleventh Five-Year Plan, 2006–2010 and CNY3,100 billion, or 1.50% of GDP, in the Twelfth Five-Year Plan, 2011–2015. Investment remains low compared with that of developed countries, at 2.5% to 5.0% of GDP. Meanwhile, the share of ecological protection (species and ecosystem protection) is low. However, there is an emerging trend of increased use of public finance, especially central and provincial finances and including lending from international financing institutions, for ecological protection. This trend should be encouraged through policy dialogue with central authorities, particularly the Ministry of Finance and the National Development and Reform Commission.

D. Summary and Recommendations

6. Close coordination with other development partners will continue and be further strengthened. Strengthening development coordination in the PRC is expected to minimize transaction costs, maximize responsiveness, address policy issues more systematically, provide greater support for reforms and capacity development, and promote increased accountability to achieve greater development impact.

7. Meanwhile, pollution control and ecological protection are among the top priorities in the PRC's Twelfth Five-Year Plan, 2011–2015. ADB should strengthen its dialogue with the government through the Ministry of Finance and the National Development and Reform Commission on continuing the trend toward higher investments in ecological protection.