

China

The Development Challenge: USAID's activities in China are limited to assisting Tibetan communities, a HIV/AIDS regional program operating in the two southern provinces of Guangxi and Yunnan, and support for American Schools and Hospitals Abroad.

The Tibetan areas of China include all of the Tibet Autonomous Region (TAR) and the Tibet Autonomous Prefectures and Counties in the provinces of Qinghai, Gansu, Sichuan, and Yunnan. The Tibetan population of about 5.4 million people is widely spread across the vast expanse of the Tibetan Plateau, mostly in remote and physically isolated locations. Home to the headwaters of Asia's major rivers, the Tibetan Plateau is one of the world's richest and most threatened reservoirs of plant and animal life. With more than 12,000 species of higher plants, the region is probably the most botanically rich temperate region in the world, and provides habitat to many rare wildlife species, including giant panda, the red panda, the golden monkey, the snow leopard, and the bovine-like takin.

The Tibetan people possess a unique and ancient cultural heritage, reaching back centuries and inseparable from their own distinct Buddhist tradition. Much of this heritage was lost during the 1960s and 1970s when many monasteries and cultural institutions were destroyed; however much remains, and Tibetans face daunting challenges in preserving and maintaining their cultural heritage in the face of economic development, modernization, and migration of non-Tibetans into the region.

Tibetan areas exhibit widespread poverty due in large part to an environment characterized by cold temperatures, fragile and infertile soils, drought, and severe snowstorms. The harsh environment of the Tibetan Plateau limits agricultural productivity, and the isolation of its inhabitants restricts their access to health care, education, financial services, markets, information, and technology to improve their lives. Heavy reliance on primary livestock and agricultural products for employment limits economic opportunities for most Tibetans and creates pressure on available land resources.

The Tibetan Plateau presents a challenging implementation environment for development assistance. Those most in need of assistance live in small nomadic communities scattered across vast rural tracts, unserved by roads or other public infrastructure. The harsh climate limits most assistance to the nine warmer months of the year, and the inaccessibility of many areas deters all but the most intrepid aid workers.

The USAID Program: Since FY 2000, funding has been provided for activities to promote sustainable development, environmental conservation and cultural preservation in Tibetan areas of China. In 2003 USAID, in close cooperation with the Department of State, assumed management of a portion of the program, and in FY 2004 and succeeding years will manage the entire program.

The principal goal of the program is to strengthen Tibetan communities' capacity for meeting their socio-economic needs, while conserving the environment and preserving their cultural heritage. The goal is being met through activities that directly assist Tibetan communities in China. This program is implemented through U.S. non-governmental organizations (NGOs) that provide Tibetan communities with access to financial, technical, marketing, environmental, and educational resources they need to sustain their traditional livelihoods, their unique culture and environment, and to take advantage of economic opportunities as China develops its western regions.

Other Program Elements: Outside Tibetan areas there are a small number of U.S. Government programs in China. As part of its regional HIV/AIDS and infectious diseases strategy, USAID is working on a limited scale with NGOs in the two southern provinces of Guangxi and Yunnan. Over the past eight years USAID's American Schools and Hospitals Abroad (ASHA) program has supported the construction and equipment of the Center for American Studies at Fudan University, Shanghai. American Schools and Hospitals Abroad (ASHA) has also supported the Hopkins-Nanjing Center for Chinese and American Studies in Nanjing and provided a grant to Project Hope to support training for the Shanghai Children's Medical Center.

Other Donors: China does not have a formal aid group. Bilateral donors include Australia, Canada, Germany, Japan, the Netherlands, New Zealand, Sweden, and the United Kingdom. Multilateral donors

include the World Bank, the European Union, the Asian Development Bank, and the United Nations Development Program. Donors providing support to Tibetan areas include Australia (health), Canada (humanitarian assistance and community development), Netherlands (humanitarian assistance and community development), and Sweden (education).

**China
PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Economic Support Fund	5,961	3,976	4,216	0
Total Program Funds	5,961	3,976	4,216	0

STRATEGIC OBJECTIVE SUMMARY

435-003 Selected Foreign Policy Objectives Achieved				
ESF	5,961	3,976	4,216	0

Regional Mission Director,
Timothy Beans

Data Sheet

USAID Mission:	China
Program Title:	Selected Foreign Policy Objectives Achieved
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	435-003
Status:	Continuing
Planned FY 2005 Obligation:	\$4,216,000 ESF
Prior Year Unobligated:	\$110,000 ESF
Proposed FY 2006 Obligation:	\$0
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2005

Summary: Currently, there is no USAID mission in the People's Republic of China. The USAID program promotes sustainable development, environmental conservation and cultural preservation in Tibetan areas of China. Beginning in FY 2004, management responsibility for Assistance to Tibetan Areas was transferred to USAID's Regional Development Mission in Asia (RDM/A). RDM/A is in the process of developing a new regional strategic plan which will encompass ongoing activities in Tibetan areas.

Inputs, Outputs, Activities:

FY 2005 Program: Protect and Increase the Assets and Livelihoods of the Poor during Periods of Stress (\$4,216,000 ESF; \$110,000 ESF Prior Year Unobligated). In FY 2004, USAID supported ethnic Tibetan communities in China. FY 2005 funds will be used to continue these programs as well as an existing agreement with The Bridge Fund (TBF). The Sustainable Tibetan Communities project is implemented in the TAR and in other Tibetan areas outside the Tibet Autonomous Region (TAR).

Activities within the TAR include three components: (1) improving livelihoods by assisting herders and farmers outside of Lhasa and Shigatse to connect to both the dairy and oilseed markets, as well as to local service organizations, businesses, and financial and credit providers; (2) improving environmental conservation and rangeland management by reducing grazing and developing opportunities for alternate income generation; and (3) preserving Tibetan cultural heritage by promoting improvements in the design and marketing of Tibetan handicrafts, and working with local communities to develop cultural heritage management plans that integrate handicraft development and/or sales and cultural site preservation and maintenance. USAID will also provide seed grants to indigenous Tibetan organizations and broaden the program's reach by assisting U.S. non-governmental organizations (NGOs) working outside the core areas listed above. The principal grantee is The Mountain Institute.

Activities outside the TAR will focus in Ganzi Prefecture, western Sichuan Province (population 900,000; 78% Tibetan) to help local communities benefit directly from tourism and develop other new economic activities, while revitalizing and respecting the cultural and ecological integrity of the Tibetan communities. Tibetan pastoralists have not benefited from China's economic boom, despite the potential of producing economically valuable services and products that could substantially increase household income. The program will teach vocational skills, and provide marketing expertise, access to market information, credit, and value-added processing skills to enable targeted communities to capture a higher proportion of the value in final markets for their traditional agricultural products, such as barley, wool, yak butter and traditional medicinal plants. Although there are currently relatively few community organizations in Ganzi, there is strong local interest in strengthening and creating formal and informal Tibetan community-based groups that will be able to provide leadership in and services to support community development. The program will assist Tibetans to create and sustain rangeland user groups (community associations that encourage people whose herds graze specific areas to adopt more sustainable practices for rangelands), business organizations, and community development associations to improve natural resource management, develop healthier herds and better crops, promote business development, and preserve cultural traditions. USAID will also provide seed grants to indigenous Tibetan organizations and broaden the program's reach by assisting U.S. NGOs working outside the core areas listed above. The principal grantee is Winrock International.

In addition, USAID will support ongoing TBF activities, including an evaluation to provide feedback on the

success of TBF's various development strategies in meeting local needs and priorities; assess TBF's organizational capacity and effectiveness; inform future funding decisions; refine the ongoing development of TBF monitoring and information management systems; and build TBF staff capacity to integrate evaluation and performance measurement into project development, planning and implementation. Principal grantee is TBF.

FY 2006 Program: Protect and Increase the Assets and Livelihoods of the Poor during Periods of Stress (No FY 2006 funding is requested). If additional funds are provided in FY 2006 through a Congressional earmark, they will be used to continue support to the ethnic Tibetan communities within China through activities initiated under the existing three cooperative agreements above.

Performance and Results: The objective to assist Tibetan communities to preserve their cultural traditions, promote sustainable development, and conserve the environment is being met through activities that directly assist Tibetan communities in China. This program is implemented through NGOs that provide Tibetan communities with access to financial, technical, marketing, environmental, and educational resources they need to sustain their traditional livelihoods, their unique culture and environment, and to take advantage of economic opportunities as China develops its western regions.

Despite a difficult implementation environment, TBF has achieved substantial results through its school programs in FY 2004. A new three grade primary school was built in Yushu county, enabling students from over 50 households to attend school for the first time, and a new middle school dormitory and kitchen were built in Trindu county, enabling 54 students from distant villages to attend this middle school. Volunteer teaching internships were also offered to 15 high school and vocational college graduates to teach math, English, and Chinese at primary schools in Ganzi prefecture, following three weeks of teaching methodology training. A scholarship program for the current academic year funded students pursuing a wide range of university and vocational college degrees including: medicine, law, finance, architecture, tourism, hydropower, construction, fine arts, nursing, animal husbandry, and Tibetan literature. As a result, not only do individual children have a better chance of developing their skills, but it is hoped that government officials, citizens and other schools will strive to emulate these programs. A new development training center for the Snowland Development Institute, an indigenous Tibetan NGO in Yushu county, was completed. The center was built in an attractive traditional style and has excellent potential to become a focal point of activity and learning for Qinghai's growing local NGO community. Winrock and The Mountain Institute were new grantees in FY 2004 and have no results to report.

US Financing in Thousands of Dollars

China

435-003 Selected Foreign Policy Objectives Achieved	ESF
Through September 30, 2003	
Obligations	7,981
Expenditures	6,089
Unliquidated	1,892
Fiscal Year 2004	
Obligations	6,851
Expenditures	4,154
Through September 30, 2004	
Obligations	14,832
Expenditures	10,243
Unliquidated	4,589
Prior Year Unobligated Funds	
Obligations	110
Planned Fiscal Year 2005 NOA	
Obligations	4,216
Total Planned Fiscal Year 2005	
Obligations	4,326
Proposed Fiscal Year 2006 NOA	
Obligations	0
Future Obligations	0
Est. Total Cost	19,158