

The Challenge

The benefits of China's rapid economic growth and intensive urbanization have not accrued equitably to all sectors of the Chinese population. Equally important, China's growth and the policies and development choices the country makes often have consequences on neighboring countries. Improving decision-making and actions with respect to the rule of law, better management of the environment, and just governance are among the most pressing challenges. Although foreign development activities in China are politically sensitive, selective and transparent engagement remains an effective tool of U.S. efforts to help China develop and implement policies for sustainable development domestically and in Southeast Asia. This constitutes notification of FY 2006 funds.

Objectives, Sectors and Workforce

Regional Mission Director: Timothy Beans

MCA Status: Currently Not Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: N/A

| Program Budget (Appropriations by Objective) | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Percent | 2005 SO | | Direct SO |
|-----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|----------|------------|
| | (\$000) | (\$000) | (\$000) | (\$000) | Change | Performance | Admin. | Cost Ratio |
| | | | | | FY 04-07 | Score | | |
| 435-003 Selected Foreign Policy Objectives Achieved | 3,976 | 4,216 | 8,910 | 5,000 | 25.8% | 1.47 | Exceeded | 0.00 |
| Country Total | 3,976 | 4,216 | 8,910 | 5,000 | 25.8% | | | |

| Program Budget (Appropriations by Account) | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Percent |
|--------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | (\$000) | (\$000) | (\$000) | (\$000) | Change |
| | | | | | FY 04-07 |
| Development Assistance | 0 | 0 | 4,950 | 5,000 | N/A |
| Economic Support Fund | 3,976 | 4,216 | 3,960 | 0 | N/A |
| Total | 3,976 | 4,216 | 8,910 | 5,000 | 25.8% |

| Program Budget by Sector and Account | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Percent |
|---------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | (\$000) | (\$000) | (\$000) | (\$000) | Change |
| | | | | | FY 04-07 |
| Basic Education ESF | 0 | 0 | 1,980 | 0 | N/A |
| Agriculture and Environment DA | 0 | 0 | 2,475 | 4,000 | N/A |
| Higher Education & Training DA | 0 | 0 | 0 | 267 | N/A |
| Economic Growth ESF | 0 | 0 | 990 | 0 | N/A |
| Democracy and Governance DA | 0 | 0 | 2,475 | 733 | N/A |
| ESF | 3,976 | 0 | 0 | 0 | N/A |
| Conflict Management / Humanitarian Assistance ESF | 0 | 4,216 | 0 | 0 | N/A |
| Other Infectious Diseases ESF | 0 | 0 | 990 | 0 | N/A |
| Total | 3,976 | 4,216 | 8,910 | 5,000 | 25.8% |

Other Major Donors:

Bilateral: China does not have a formal aid group. The most important bilateral donors are Japan, Germany, France, the United Kingdom, Australia, and Canada. The U.S. ranks ninth, slightly ahead of Sweden and behind the Republic of Korea.

Multilateral: Major multilateral donors include the European Commission, the Montreal Protocol, the Global Environment Facility, the United Nations Children's Fund, and the United Nations Development Program.