

Regional Project Proposal

CHINA-UNDP Triangular Cooperation Response to COVID-19 in the Asia and the Pacific Region

1. Project Overview

Abstract

- The **total funding** of this project is **USD4,700,000**.
- The overarching outcome of the regional project is to strengthen the COVID-19 preparedness, response and recovery capacities at the Asia-Pacific regional level, focusing on four countries (Bangladesh, Maldives, Lao PDR and Pakistan) with the aim to minimize and address the regression on SDG attainment and to enhance these countries' socio-economic development. A key component of the project is to strengthen the local Personal Protective Equipment (PPE) production capacities in the four countries through technical assistance and technology transfer (including equipment and materials as relevant) from China, and to support the integration and capacities of local SMEs in local responses. Given the South South cooperation focus the project will have a component on knowledge sharing and lesson learnt between, with a special emphasis on sharing China's successful experiences on COVID preparedness, response and recovery as relevant to the partner countries' need. As a triangular modality with UNDP as a multilateral, the project will build on UNDP's development practice and reach to complement the existing bilateral development cooperation between the countries and China. To accomplish these, the project aims to achieve **four main objectives**:
 - The **first objective** is to provide PPEs for frontline government workers to protect men and women's wellbeing and contain the virus.
 - The **second objective** is to provide PPE production equipment, raw materials and transfer of technologies.
 - The **third objective** is to provide technical support on COVID-19 medical waste management.
 - The **fourth objective** is to share experiences and promote COVID-19 related public advocacy and education at country, regional and global level through UNDP's network.
- The project will be implemented in **the Asia and the Pacific Region, in four countries—Bangladesh, Lao PDR, Maldives and Pakistan**.
- The tentative duration of the project implementation is from **June 2021 to June 2022** (12 months on average, up to 18 months). The specific country proposals are attached as annexes.

1.1 Overview of Recipient Countries

COVID-19 in the Region

Declared a pandemic by the World Health Organization (WHO) on 11 March 2020, COVID-19 has escalated worldwide. As of 20 May 2021, there are more than 164 million confirmed cases worldwide, with the numbers increasing daily. It is fuelling a multi-layered crisis for countries including a health crisis, a domestic economic crisis, falling external demand, capital outflows, and a collapse in commodity prices. According to the International Monetary Fund (IMF), the global economy is projected to decline by 3.3 percent in 2020, before growing by 6 percent in 2021, and moderating to 4.4 percent in 2022¹; global trade might also decline by 5.3 percent in 2020².

As one of the most densely populated regions, the Asia and the Pacific Region is currently facing immense challenges in protecting its population from COVID-19, as well as the negative socio-economic impacts that continue to materialize. In the four project countries – Bangladesh, Lao PDR, Maldives and Pakistan – the number of confirmed cases is growing, putting immense pressure on public health systems and triggering an ongoing social and economic crisis, adding to the existing sustainable development challenges they are already facing. Even though the governments of the four countries within the Region have taken serious measures at multiple levels to respond to the pandemic, they still face immense challenges due to the limited medical resources, underdeveloped socio-economic system, unequal development within the countries and among various groups. So far, the number of confirmed cases in the region and in four countries, respectively, are:

Country	Number of confirmed cases (by 20 May 2021) ³
Asia and Pacific Region	32,943,497
Bangladesh	783,737
Laos PDR	1,737
Maldives	48,608
Pakistan	886,184

Impacts in Four Countries

The four countries in the Asia and Pacific Region are reliant on labor-intensive industries, which are severely impacted by the shutdown measures and disruptions in supply chains. Services and manufacturing sectors have undergone an immediate hit, resulting in massive layoffs. The Asia-Pacific region centered manufacturing value chains have been heavily affected, followed by other regions of the world. While the shock affects all businesses, SMEs are especially

¹ IMF, World Economic Outlook: <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

² Congressional Research Services: <https://fas.org/sgp/crs/row/R46270.pdf>

³ Statistics from WHO.

vulnerable, given their limited resources and access to credit and finance in setting up or sustaining their operations. In this region, SMEs account for more than 96 percent of all businesses, while providing two-thirds of private-sector jobs.⁴

The impact of the pandemic will hit hard on those in the low-income category, especially informal workers in the retail trade, service and transport sectors who have limited or no access to healthcare or social safety nets. The World Bank's South Asia Economic Focus⁵ report notes that the COVID-19 shock will likely reinforce inequality in South Asia. As played out across the region, the sudden and large-scale loss of low paid and informal work has driven a mass exodus of migrant workers from cities to rural areas, growing the fear that many of them will fall back into poverty.

In **Bangladesh**, smaller garment factories are closing due to the pandemic and, as a consequence, shedding jobs that were mostly targeting women. As 45 percent of the country's population is vulnerable to falling into poverty, garment factories are crucial to generate incomes and create jobs, especially to the near-poor.

Lao PDR has so far avoided a health crisis, but it has not been immune to the global economic downturn. The COVID-19 induced economic downturn has affected Lao PDR through multiple channels including tourism, trade and investment, retails, exchange rates, etc. According to World Bank, Lao PDR's economic growth in 2020 is projected to decline to 0.4 percent, the lowest level in three decades, due to the impact of the COVID-19 pandemic and the measures adopted to contain its spread.⁶ A sharp drop in the performance of the travel, tourism and hospitality sectors – which account for 11 percent of total employment and 22 percent of employment in urban areas – has caused widespread job losses. Between 96,000 and 214,000 additional people are projected to fall into poverty as a result of the pandemic.

The World Bank estimated that **Maldives** will be the worst hit country in the economic regression caused in the South Asian region by the global COVID-19 pandemic. Prior to World Bank's South Asia Economic Focus report, Maldives Monetary Authority (MMA) had estimated that the economic growth of Maldives may hit negative 17 percent in the worst-case scenario. As per the bank's calculations, the collapse of the tourism industry will result in gross domestic output contracting by as much as 13 percent. The COVID-19 pandemic and the ensuing precautionary measures have devastated local SMEs in Maldives. Investors' confidence among SMEs remains low and the public remains wary about engaging in casual commerce. Therefore, swift and precision action from the state is crucial at this juncture to relight the engine of commerce especially among SMEs in the peripheries.

⁴ ADB (2018). The Role of SMEs in Asia and Their Difficulties in Accessing Finance. Working paper No. 911, December 2018.

⁵ <https://openknowledge.worldbank.org/handle/10986/33478>

⁶ <https://www.worldbank.org/en/country/lao/overview>

According to World Bank⁷, **Pakistan**, which has already experienced low growth rates in recent years, could fall into a recession. With 1.8 percent population growth, the country may suffer a further painful decline in per-capita income. Also, 54 percent of manufacturing exports are related to the textile, food, beverages, and tobacco sub-sectors.

The four selected countries have been currently fully dependent on the importation of Personal Protective Equipment (PPE) since the pandemic outbreak. There remains a large gap between the PPE demands and supply (private sector imports and donations), and the availability and quality of PPEs through the global supply chain. The lockdown at the borders, disruption of the logistics and high demand of PPEs around the globe have posed serious challenges to meet the domestic needs in these countries. To ease these difficulties, the improvement of local production capacities should cover both the hardware – production technologies and equipment, and the software – production skills and knowledge, qualification and channels. This has increasingly become a priority that sustainable, systemic solutions should be timely provided, so as to meet the demand for PPEs, increase job opportunities and to develop skills in countering the negative socio-economic impacts, especially for vulnerable groups.

1.2 Project Background

UNDP-China Responses to COVID

China

China is the one of the first countries to contain the spread of epidemics within its territory over a relatively short period of time since it was first reported. Currently most areas in China have gradually resumed to normalcy with economic activities increasing, augmented by preparedness and preventive measures. On the PPEs, since the outbreak, China has been able to expand the domestic PPE production capacities fulfilling local demands. China also remains one of the few markets for PPEs without export bans and with scale to cater to the growing global demand, making it one of the largest PPE producers in the world. China has provided humanitarian assistance to other countries through the emergent provision of PPEs and medical supplies, dispatching medical expert teams and hosting online trainings to the countries in need as well as providing financial assistance to the WHO and participated in international joint initiatives⁸.

Based on its experience in fighting SARS and now a pandemic, China has emphasized that viruses are an enemy of all humankind and hence international cooperation is the most powerful defence. At the G20 Extraordinary Virtual Leaders' Summit on COVID-19 on 26 March

⁷ World Bank (2020). East Asia and Pacific Economic Update: East Asia and Pacific in the time of COVID-19. April 2020. Washington DC, USA.

⁸ China's State Council Information Office, white paper on "Fighting COVID-19: China in Action", 7 June 2020, http://www.xinhuanet.com/english/2020-06/07/c_139120424.htm

2020, President Xi Jinping affirmed China's willingness to share its proven practices in prevention with all countries and provide assistance within its capacity to countries where the pandemic has spread.

Under the fast-evolving situation of the global outbreak, China has expressed appreciation for the contribution made by the United Nations and its agencies and expressed its firm solidarity to support the United Nations and its agencies to continuously play a leading role in supporting countries to prepare, respond and recover from the COVID-19 pandemic.

UNDP

UNDP is fully operational in 170 countries and territories and has gone into an emergency mode in helping countries with their COVID-19 response. UNDP has been supporting countries to prepare, respond to, and recover from COVID-19 through strengthening health systems, enhancing inclusive crisis management, and assessing and responding to the socio-economic impacts of COVID-19. UNDP is currently producing country-specific assessments of the COVID-19 economic impact, policy options to contain it, and approaches to protect the most vulnerable. UNDP has been mobilizing internal and external resources to provide immediate support to countries.

As the UN's lead agency on socio-economic impact and recovery, UNDP will provide the technical lead in the *UN's Framework for Immediate Socio-Economic COVID-19 Response*,⁹ supporting the role of the Resident Coordinators, with UN teams working as one across all aspects of the response. UNDP has also launched COVID Offer 2.0¹⁰ to help decision-makers look beyond recovery, towards 2030, making choices and managing complexity and uncertainty in four main areas: governance, social protection, green economy, and digital disruption.

UNDP and MOFCOM

In the early stages of the pandemic in China, urgent medical supplies worth approximately half a million USD was procured by UNDP for China via the Ministry of Commerce (MOFCOM). Critical medical equipment included patient monitoring systems, infusion pumps, non-invasive ventilators and protective suits for health workers. The first shipment was successfully handed over to the Government and delivered to hospitals in February, while a second shipment of a total of 7,020 medical protective suits from Turkey and China were dispatched in batches with the final batch arriving in Beijing in March¹¹.

Since March, with facilitation support from the MOFCOM, upon the urgent requests of the

⁹ UN Framework for the Immediate Socio-Economic Response to COVID-19, April 2020, available here:

<https://unsdg.un.org/resources/un-framework-immediate-socio-economic-response-covid-19>

¹⁰ Beyond Recovery: Towards 2030, available here: <https://www.undp.org/content/undp/en/home/librarypage/hiv-aids/beyond-recovery--towards-2030.html>

¹¹ UNDP China, <https://www.cn.undp.org/content/china/en/home/coronavirus/support-to-national-response.html>

Governments across the globe through UNDP COs, UNDP China has been assisting Headquarters, Regional Hub, and relevant COs with the sourcing and procurement of PPEs, medical equipment and consumables from China.

Furthermore, the Former Minister Zhong Shan on 22 April 2020, responded to the letter from UNDP Administrator, recognizing UNDP's COVID-19 Integrated Response Plan and its spirit of solidarity and cooperation and the potential contribution to the world's efforts to fight against COVID-19. Mr. Zhong affirmed China's strong solidarity and cooperation with UNDP through its earmarked contribution to support UNDP's response.

Building on the long and strong partnership in domestic development and South South cooperation initiatives, and in tackling the common challenge posed by COVID, UNDP and MOFCOM have jointly identified four countries in Asia-Pacific to implement the joint efforts under the South-South and Triangular cooperation framework.

Lessons from China

PPE production: At the pre-surge phase of the pandemic, China was importing and receiving PPEs from the countries around the world. But with the starting-up, expansion and the transfer of the production line of the enterprises in China, the production capacity of the PPEs has increased, for example masks production increased by 14.5 times from 25 January to 29 February 2020.

With the increase in PPE production, China can not only meet the domestic needs, but also supply to global needs. According to the statistics of General Administration of Customs of People's Republic of China, since March, the export of PPEs increased drastically. From 1 March to 4 April 2020, the total exported PPEs and medical equipment and materials amounts to 10.2 billion yuan, including 3.86 billion pieces of masks (worth 7.72 billion yuan), 37.52 million pieces of protective suits (worth 0.91 billion yuan), 2.41 million sets of infrared thermometers (worth 0.33 billion yuan), 16000 sets of respirators (worth 0.31 billion yuan), 8.41 million pairs of protective goggles and 2.84 million sets of nucleic acid test reagents, accounting for 83 percent of general goods trade of China.¹²

As China has the capacity, technology, equipment and raw materials on PPE production, its successful experiences are of value to other countries in need. The development of PPE production capacity, in addition to catering to demand, can also contribute to the economy, create jobs and livelihoods and mitigate the socio-economic impacts of COVID-19.

COVID-19 medical waste management: One of the challenges that China experienced in response to COVID-19 was related to the increased quantity of medical waste management and the health challenges for people and the environment. On 28 January 2020, the Ministry of Ecology and Environment issued the Management and Technical Guide for Emergency

¹² <http://fangtan.customs.gov.cn/tabid/985/Default.aspx>

Disposal of Medical Waste of COVID-19 (Trial), to ensure the timely and efficient disposal of medical waste and avoid further spread of the virus. With the introduction of the national guidelines, medical management technologies and equipment and the technical inputs of the national experts, as of 18 April 2020, the national medical waste management capacity has increased from 4902.8 tons/day to 6100.0 tons/day, while the medical waste management capacity in Wuhan increased from 50 tons/day to 265.6 tons/day.¹³ While dealing with the increasing amount of medical wastes, China has also taken the environmental factor into considerations and taken corresponding precautions. The emissions and wastes produced during the medical waste management should follow “National Technical Guidelines on Medical Waste Mass Disposal (Trial)” and “Dangerous Waste Incineration Environmental Standard”.

China’s experiences and approaches in medical waste management holds critically important lessons for other countries - to prepare health systems for a spike in demand, and to slow the transmission of the disease.

2. Management Arrangements

The United Nations Development Programme in China will play the coordination role during the implementation of the project, as well as provide necessary support to coordinate with the four UNDP Country offices to execute the project and will manage day-to-day implementation as well as monitoring and oversight for the achievement of the project goals, with the support of UNDP Bangkok Regional Hub (BRH). As such, UNDP China together with UNDP BRH and the four Countries Offices will be responsible for the project implementation and quality assurance as to ensure that the project is implemented effectively, meeting UNDP quality standards and financial and other operational policies and regulations, as well as echoing with the focus of MOFCOM on Triangular Cooperation.

The project will be implemented by the UNDP Country Offices under the Direct Implementation Modality (DIM) in Pakistan, Maldives, Lao PDR and China.

UNDP will ensure full alignment with its standard, global Programme and Operational Policies and Procedures (POPP) for implementation of project activities. The project will be audited by the UNDP Office of Audit and Investigations or through other certified auditing entities as per the country and UNDP programme context. UNDP’s standard cost recovery policies for direct and indirect costs will apply to the donor contributions towards to the project.

UNDP China has a dedicated project oversight and support mechanism through the UNDP China South South Facility (CSSF) with dedicated staff and an accountability framework for supporting Triangular Cooperation projects involving China as a partner.

UNDP China will provide the following support:

¹³http://www.mee.gov.cn/xxgk2018/xxgk/xxgk15/202004/t20200421_775586.html

- i) **overall quality assurance and monitoring.** UNDP China will engage the Chinese experts on PPE production, quality assurance and medical waste management to identify the specifications of the equipment based on the local demands, condition and Chinese experiences and provide overall support on technology transfer, including procurement of equipment as needed;
- ii) **partnership building and coordination.** UNDP China will work closely with MOFCOM and relevant government authorities, stakeholders and experienced PPE production enterprises in China during the implementation period to provide technical support and facilitate the cooperation among the four project countries;
- iii) **communication and visibility.** UNDP China as the implementer will host a joint workshop/training for the four project countries and manage the project communication and visibility at the regional and global level. UNDP China will develop a communication and advocacy strategy, translate the specific publicity materials into Chinese and upload on the UNDP website, the China country office website for wider dissemination. Project kick-off, equipment handover, community activities through various forms will be publicized, including project album videos, brochures and posters.

3. Work Plan

The project will be implemented during a 12-month period¹⁴ (to be discussed with MOFCOM), with variations of the four recipient countries. The proposals of each country are found below in the Annex and will be updated in detail catered to the local need.

¹⁴ Up to 18 months

Planned Activities	Timeframe						Responsible Party	Budget Description		Amount
	Q1	Q2	Q3	Q4	Q5	Q6				
Output 1: Strengthened support to the Government of Maldives on COVID-19 related emergency health response									461,892	
Indicators: # of PPE and emergency life saving health supplies distributed. Targets: TBC Baslline: TBD	Activity 1.1 Procurement of 2000 sets of WHO standard examination hand gloves and distributed to selected national counterparts and key stakeholders at the frontline especially healthcare workers outside of the capital	X	X	X	X			UNDP Maldives, Ministry of Health (MOH)	Materials & Goods	4,000

	Activity 1.2 Procurement of emergency life saving health supplies required for health sector response to COVID-19	X	X	X	X			UNDP Maldives, MOH	Materials & Goods (details pls refer to the sheet of procurement list) Respirators (Neonatal Ventilator): 426,720 AED: 26,172 Clearance charges: 5,000	457,892
Output 2: Enhanced capacities to ensure resilient covid response										15,000
Indicators: # of people (disaggregated by gender) trained Target: 100 Baseline: 0	Activity 2.1 Training related to covid response in health systems based on best practices from China and other countries.				X	X	X	UNDP Maldives, MOH	Workshop/Travel/Learning Costs	15,000
Output 3: Communication and Project Management at local level										23,108

