

**PARTNER ASSISTANCE AMONG
CHINA'S PROVINCES (II):
REDUCING POVERTY IN
THE WESTERN REGIONS**

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Executive Summary

1. China has employed intergovernmental assistance and cooperation at the provincial level for poverty alleviation. It initiated Cooperation between Eastern and Western Regions in Poverty Alleviation (CEWRPA) to lift out of poverty all rural people living below the current poverty threshold and all impoverished counties by 2020.
2. The CEWRPA develops from partnered assistance programmes that have paired eastern affluent provinces with western backward ones to tackle east-west economic inequality since the 1970s.
3. In the mid-1990s, the central government designated nine provinces and four provincial level cities to assist 10 western partners. The eastern governments and society then mainly provided basic essentials for poor people in the west.
4. After the 2000s, the government launched the CEWPRA and involved even more provinces and cities. Their assistance includes arranging fiscal fund for infrastructure construction, motivating eastern enterprises to run business and invest in the west, encouraging social donations and promoting mutual visits and professional training.
5. In the CEWRPA, the assistance and cooperation between Fujian and Ningxia are outstanding for four areas, including holding annual joint conferences, prioritising industrial development, constructing infrastructure and facilitating mutual visits.
6. Minning town is a model for poverty alleviation in the Fujian-Ningxia partnership. The two provinces cooperated on developing local industries as the key approach for reducing poverty. In 20 years, more than 66,000 rural people have been lifted out of poverty with the better income level.
7. The CEWPRA has generated huge assistance to China's western regions. From 2003 to 2015, over 20 eastern provinces and cities had helped about 30 western

counterparts with fiscal transfers 10.13 billion yuan, social donation of 1.8 billion yuan and enterprises' investment of about 1.22 trillion yuan.

8. Their assistance contributed to reduced poverty. The poor in the west declined from 50.86 million in 2012 to 16.34 million in 2017. Meanwhile, regional poverty rate also decreased from 17.6% to 5.6%.
9. Challenges remain in the CEWPRA scheme, including difficulties in the selection of poverty alleviation projects and resistance to such projects from receiving provinces, preference for gorgeous projects from deciding governments in the east and evaluation bias in poverty alleviation work performance.