

18. WUHAN SISTER CITY RELATIONSHIP



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PURPOSE OF REPORT

1. The purpose of this report is to present to the Council a proposal for a new Sister City relationship between Christchurch and Wuhan, People's Republic of China.
2. Wuhan City has approached The People's Republic of China for approval to enter into a formal friendship city relationship with Christchurch, New Zealand, the highest level of relationship in the Chinese eyes. Wuhan City expects to receive approval and confirmation from the Chinese Government in February.
3. Christchurch has a Friendship relationship with Gansu Province, People's Republic of China, which commenced in 1984. It is acceptable for Christchurch to have two relationships in the People's Republic of China.
4. Over the last five years a series of Memoranda of Understanding have been agreed between businesses, agencies and tertiary organisations from the two cities.
5. This report links with the International Relations Policy Statement for Christchurch City Council, which outlines types of relationships and criteria for new relationships.

FINANCIAL AND LEGAL CONSIDERATIONS

Formalising an Agreement

6. It is proposed that Mayor Garry Moore will lead a business delegation to Wuhan in April 2006. It would be appropriate for the Mayors of each city to formalise a Strategic Partnership/Friendship Agreement between the two cities at that time.
7. The formal agreement will be negotiated with Wuhan City officials and will outline the specific objectives of the relationship and will include a time line for review. The formal agreement will form the basis for the Strategic partnership/Sister City Agreement between the two cities.

Financial Considerations

8. The Canterbury Development Corporation can continue to maintain the relationships developed to the present level. However, if the city wishes to compete at the same level as other cities through the development of bi-lateral and project based activity additional funding will be required.
9. Following the signing of the relationship, an annual plan of activity will be developed and budgeted. It is expected resource will be required on a project by project basis, supported by a level of administrative funding support.
10. Existing funds within the international relations budget and the Council funding for economic development initiatives will be re-prioritised to meet the budget needs in the short to medium term.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Approve the signing of a formal Strategic Partnership/Friendship City relationship with Wuhan, Hubei Province, China to take place during the business delegation visit to Wuhan between 1-9 April 2006.
- (b) Enter into the relationship initially for five years, at which time it will be reviewed by Council.
- (c) In association with the Canterbury Development Corporation, develop an annual business plan for the Christchurch–Wuhan strategic relationship, highlighting existing relationships and future opportunities and corresponding with the strategic plan developed by Wuhan City.

BACKGROUND ON WUHAN SISTER CITY

11. In 1995 a Canterbury Development Corporation delegation first visited Wuhan to consider opportunities for economic development linkages between Canterbury and Wuhan. A number of opportunities were found.
12. Christchurch's Mayor Garry Moore first led a delegation to Wuhan in 1999 during which a co-operation agreement was signed. He then led another delegation in June 2004 comprising 50 business, education and local government leaders to further develop the foundations for a long term strategic partnership between our cities.
13. A number of delegations have been exchanged with Wuhan seeking co-operation agreements, relationships, and projects. Other major successful agreements include:
 - A Memorandum of Understanding was signed between Education Christchurch/Canterbury and Wuhan Education Bureau on 10 October 2005 highlighting a number of initiatives for development between the two cities
 - A Memorandum of Understanding was formally signed between Gateway Antarctica in the University of Canterbury and the Chinese Antarctic Centre of Surveying & Mapping in Wuhan University in November 2005.
 - A Memorandum of Understanding was formally signed between the University of Canterbury College of Business and Economics and Zhongnan University of Economics & Law (ZUEL). The relationship commenced an initial three year term on 1 January 2006
 - An Agreement on Establishing a Strategic Partnership was signed by both Mayors in June 2004.
 - A memorandum of understanding was signed between the Canterbury Development Corporation (CDC) and the deputy-Mayor of Wuhan in 2003.
 - The CDC signed an agreement on co-operation with the Wuhan Economic Commission.
 - An agreement on co-operation was signed between the Canterbury Employers' Chamber of Commerce and the Wuhan Employers' Chamber of Commerce.
 - Christchurch Mayor Garry Moore signed an agreement with the Wuhan Science and Technology Bureau to develop joint efforts in a number of related areas.
 - An agreement was made between the University of Canterbury's Gateway Antarctica and the Antarctic Program of Wuhan University.
 - Lincoln University established a partnership with the Jiang Han University in Wuhan in 2003.
 - Wuhan City co-operated successfully with the University of Canterbury training 23 young officials for five months in "WTO and Public Sector Management" in 2003.
 - The New Zealand Education Exhibition was held in Wuhan in 1999 in co-operation with the Hubei Province Education Bureau.
 - Wuhan Education Bureau and Christchurch College of Education signed a letter of intent to co-operate and undertake exchanges including a teacher training programme.
14. Since New Zealand became the first country to officially recognise China as a free market economy and China's subsequent accession to the WTO, international co-operation has been a major focus of the Chinese government.
15. In the last year after the signing of the strategic partnership between Wuhan and Christchurch, the relationship between the two cities has grown substantially with additional commitments made by each side to enhance opportunities.
16. China is now the second largest country in the world in terms of attracting foreign investment. Wuhan was approved by the Chinese government to be open to the outside world in 1992.
17. Wuhan City has formalised relationships with 14 other international cities, but the most dynamic international relationships for Wuhan Municipal Government include Duisburg, Germany; Manchester, United Kingdom and Bordeaux, France. A relationship between Christchurch and Wuhan would be the only current Australasian link for Wuhan.

ALIGNMENT WITH INTERNATIONAL RELATIONS POLICY FRAMEWORK

18. The International Relations Policy Framework identifies the need for a range of different types of relationships that contribute to achieving the city's Community Outcomes and the Council's Strategic Directions. A formalised relationship with Wuhan will contribute to the Community Outcomes identified in the Policy Framework. The Community Outcomes identified are:
 - A Prosperous City
 - A City of Lifelong Learning
 - A city of Inclusive and Diverse Communities
19. The Strategic Directions identified within the International Relations Policy Framework are:
 - Prosperous Economy – Goal 1
 - Strong Communities – Goal 7
20. A relationship with Wuhan would be economically based in the first instance, with opportunities in international investment, technology, educational opportunity and best practice learning. Cultural activity will flow from the connection in the future, through visiting artists, performing arts and artworks.
21. While Wuhan would refer to the relationship as a Friendship relationship because that is the highest level of international city-to-city relationship in Chinese terms, Christchurch would view the relationship as a Strategic Relationship. The relationship will have specific objectives agreed within the wording of the "Friendship City – Strategic relationship" agreement.
22. The New Zealand Government has entered Free Trade Agreement discussions with The Peoples' Republic of China, and are forging new opportunities through foreign and economic development policy.
23. Strategic opportunities have been researched both locally by the Canterbury Development Corporation and key Christchurch agencies, and in Wuhan. A number of long term projects that will benefit both ends of the relationship have been identified.

Partnership Opportunities

24. The following are the most important identified partnerships for Christchurch and Canterbury in Wuhan:
 - Science and Technology
 - Venture Capital
 - Equine Science and Agriculture
 - Horticulture and environmental protection
 - Dairy Industry
25. Canterbury Development Corporation is in the process of establishing the following additional partnerships in Wuhan:
 - Venture Capital between HUSTVC and Endeavour Capital
 - Computer Science & Technology between HUST and University of Canterbury School of Engineering in the areas of grid computing; bio-medical imaging and bio-informatics and Boundary Life-sciences; and e-security
 - Wuhan Changjiang Daily Group with the Christchurch Press Company
26. Other partnership opportunities that are likely to be possible within six months to one year are:
 - Equine Science between New Zealand Bloodstock and Orient Luck Horse of Wuhan
 - Horticulture industry and City greening Projects through the Wuhan Botanic Gardens
 - Agriculture
 - Vocational Institutions under the Wuhan Education Bureau
 - Bio-science

ASSESSMENT OF OPTIONS

	Benefits (current and future)	Costs (current and future)
Social	Initial social benefits will be limited until regular tourism exchanges commence. An understanding of the cultural differences will enhance social connection and cultural tolerance	Hospitality for VIP international visiting delegations will require some additional funding resource. This is likely to be in the vicinity of an additional \$5,000 per annum
Cultural	Wuhan and Hubei Province have indicated a desire to tour a photographic exhibition to Christchurch and have requested a Christchurch cultural performing group visit	Sponsorship and support funding will be required to assist exchanges in the future. Cost analysis and funding needs will be identified on a project by project basis. It is expected the Council's input will come from existing budgets.
Environmental	An opportunity exists for Christchurch and Canterbury to assist Wuhan and China in addressing environmental issues and supplying goods and services that will provide a positive impact on the environment.	Support for projects will come from existing budgets or from the private sector.
Economic	Access to venture capital, trade exchange, technical exchange, education exchange and joint venture developments are either presently being negotiated or have been identified as opportunities for the future.	Provision of resource to co-ordinate the commercial connections has been provided by CCD. Continuation of that role is reliant on the continuation of CDC funding by the Council.

Extent to which community outcomes are achieved:

Primary alignment with community outcomes: A Prosperous City and A City of Lifelong Learning
Also contributes to A City of Inclusive and Diverse Communities

Impact on Council's capacity and responsibilities: Management of the economic development initiatives between Christchurch and Canterbury and Wuhan City and Hubei Province rest with Canterbury Development Corporation. Protocol, cultural and social exchanges and logistics will be managed by a Community Committee, supported administratively by the Civic and International Relations staff of Council

Effects on Maori: There is opportunity for business and cultural connections for Maori within the Christchurch –Wuhan relationship

Consistency with existing Council policies: This proposal aligns with the International Relations Policy Framework which brings international relations more fully into alignment with the Council's draft Strategic Directions.

Views and preferences of persons affected or likely to have an interest: The Gansu Friendly Relations Committee have expressed an interest in assisting with the cultural and social initiatives that will arise through a Christchurch-Wuhan relationship.

Other relevant matters: Christchurch has a semi-active and very important Friendly Relationship with Gansu Province in China, developed in 1984 to acknowledge the social and cultural commitment made to China by Rewi Alley. It is important that the Christchurch-Gansu relationship be maintained and acknowledged in line with the Wuhan relationship. It is recommended that during the visit to Wuhan in April 2006, a member of the official delegation continues on to Gansu to acknowledge the continuing support of Christchurch for Gansu.