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People's Republic of China

Innovative Poverty Reduction Programme: Specialized Agribusiness Development in Sichuan and Ningxia

Addendum

Executive Board -124^{th} Session Rome, 11-13 September 2018

For: Approval

Innovative Poverty Reduction Programme: Specialized Agribusiness Development in Sichuan and Ningxia

Addendum

The attention of the Executive Board is drawn to the following addenda and modifications to the President's report on the Innovative Poverty Reduction Programme: Specialized Agribusiness Development in Sichuan and Ningxia (EB 2018/124/R.25). For ease of reference, the changes to the text of the report are shown in boldface, while underscore indicates deleted text.

Page iii, Abbreviations and acronyms

MARA Ministry of Agriculture and Rural Affairs

Page iv, Financing summary:

Executing agency:

____ Ministry of Agriculture and Rural Affairs (MARA)

Terms of IFAD loan:

Ordinary: Maturity period of 18 years, including a grace period of ____**three** years, with an interest rate per annum equal to 100 per cent of the IFAD reference interest rate

Page 3, paragraph 9

The first sentence should read:

"Programme area. The programme will be implemented in ten counties within the Qinba Mountains and Liupanshui Mountains, which are either nationally designated poor counties, have a large number of absolute poor people or include pockets of concentrated poverty (i.e. Cangxi, Xuanhan, Guang'an, **Xuzhou (previously Yibin at design)** ___, and Yilong in Sichuan, and Pengyang, Yuanzhou, **Sunjiatan** ____, Hongsipu and Xingqing in Ningxia)."

Page 5, paragraph 16

The paragraph should read:

" Lead implementing agency. Consistent with the programmatic approach adopted by the COSOP 2016-2020, the programme will introduce a new management modality. For the first time in the China country programme, the responsibility for programme management and implementation will lie with a national agency: _____ the **Ministry of Agriculture and Rural Affairs (MARA)** _____. **MARA** will coordinate and supervise the implementation of pilot projects in Sichuan and Ningxia."

Page 5, paragraph 17(a)

The first sentence should read:

"At the central level, a national programme management office will be established within_____MARA and will be responsible for overall programme coordination, management, supervision, administration of programme resources, monitoring, ensuring adherence to agreed-upon standards, guidelines and procedures, and providing policy guidance and implementation support to provinces during programme implementation."

Page 5, paragraph 17(b)

The first sentence should read:

"At the provincial and county levels, provincial and county programme management offices will be established within existing provincial and county offices for comprehensive agricultural development, **or any successor thereto**, in the two provinces."

Page 5, paragraph 17(c)

The paragraph should read:

"At the **township and** village level, **qualified staff will be designated** _____ to **support the management and implementation of the programme, including** mobili**zing** household participation, ensuring appropriate targeting and monitoring programme activities."

Page 6, paragraph 20

The second sentence should read:

"At the central level, ____ MARA will be responsible for managing the knowledge generated by the programme and using it to promote the replication of successful practices and inform policy making."

Page 6, paragraph 21

The paragraph should read:

"Loan repayment and programme resources responsibilities. The programme will introduce a new financial management modality in which – for the first time in IFAD's China country programme – the central government will receive a loan and bear the responsibility for repayment. **MARA** will have the primary responsibility for administering programme resources. **Project financial management arrangements will ensure that: (i) funds are used for intended purposes in an efficient and cost-effective manner; (ii) disbursement of funds facilitates rapid implementation of activities; (iii) funds are well managed and flow smoothly; (iv) consolidated financial statements are prepared in conformity with internationally recognized accounting standards; (v) a robust flow of reliable indformation on project activities facilitates accountability, transparency and disclosure; and (vi) project resources and assets are safeguarded.** ____"

Page 6, paragraph 22

The paragraph should read:

"Flow of funds. ____ Three designated accounts denominated in United States dollars will be opened for IFAD financing. One will be opened and maintained by MARA with two separate sub-ledgers – one for the loan and one for the grant – ____ and the other two opened and maintained by ____ the Departments of Finance in Sichuan and Ningxia. IFAD will make funds available to the programme under the terms and conditions of the financing agreement. The designated accounts shall be administered following imprest fund arrangements. ____ At the provincial and county levels, programme accounts denominated in Chinese renminbi will be also opened and maintained by the provincial and county offices for comprehensive agricultural development to receive funds for programme implementation. ____ Government funds will flow to a separate account."